



South Lake County Fire Protection District
— in cooperation with —
California Department of Forestry and Fire Protection

P.O. Box 1360 Middletown, CA 95461 - (707) 987-3089

BOARD OF DIRECTORS' REGULAR MEETING AGENDA

7:00 P.M., July 21, 2020

Middletown Fire Station, 21095 Highway 175

NOTICE: Pursuant to Governor Gavin Newsom's Executive Order N-29-20, meetings will be held teleconference. Teleconference participation by: Directors Rob Bostock, Jim Comisky, Devin Hoberg, Madelyn Martinelli and Eric Redford. Teleconference locations are on file at District Office, 21095 Highway 175, Middletown, CA 95461.

Due to the Coronavirus (COVID-19), Residents are encouraged to attend the Board of Directors' meeting via the application, ZOOM.

ZOOM MEETING INFORMATION:

Website: <https://zoom.us/join>

Meeting ID: 827 4451 2935

Call in Phone Number: (669) 900 6833

Public comments may be made remotely by emailing boardclerk@southlakecountyfire.org (prior to 7:30 pm) or via ZOOM website or phone application. Comment period is three (3) minutes per person. Total comment period is not to exceed fifteen (15) minutes, unless extended at the discretion of the Board. This rule does not apply to public hearings. Comments are allowed before any action is taken by the Board on any specific issue.

NON-TIMED ITEMS

A. OPEN MEETING:

A1. Call to Order:

A2. Pledge of Allegiance:

A3. Roll Call:

A4. Motion to approve agenda:

MOVED _____ SECONDED _____ YES ___ NO ___ ABSTAIN ___

B. CITIZENS' INPUT:

(Any person may speak for three minutes about any subject of concern provided it is within the jurisdiction of the Board of Directors and is not already on the today's agenda. Prior to this time speakers are asked to fill out a form (giving name, city, and subject) available in the Clerk's Office or during Board meeting.)

C. COMMUNICATIONS:

C1. Reports:

C1.1. Fire Sirens

C1.2. SL Fire Safe Council

C1.3. Volunteer Firefighters' Association

C1.3.1. Introduction and Badge Pinning of Paid Call Firefighters

- C1.4. Chief's Report
- C1.5. Financial Report
- C2. Directors' Activity and Committee Report

TIMED ITEMS

D. REGULAR ITEM:

D1. **TABLED FROM 6/16/2020 MEETING:** Consideration for Resolution No 2020-21 01 A Resolution Establishing Fiscal Year 2020-2021 Appropriations Limit. Placed on agenda by Gloria Fong.

MOVED _____ SECONDED _____ YES ___ NO ___ ABSTAIN ___

D2. Consideration for Resolution No. 2019-20-12, A Resolution Requesting the Board of Supervisors and the Registrar of Voters consent to and order the consolidation with such other elections as may be held on Tuesday, November 3, 2020, anywhere within the territory of the district for Appropriations Limit Override beginning with fiscal year 2021-2022. Placed on agenda by Gloria Fong. Placed on agenda by

MOVED _____ SECONDED _____ YES ___ NO ___ ABSTAIN ___

D3. Update on telephone consultation with Legal Counsel Bill Adams held Monday July 20th regarding the DA (Development Agreement) between the Guenoc Development and the County of Lake, which contain items that will and could affect South Lake County Fire Protection District, specifically, DA Sections 2.23, 2.58, 7.4, 12.3 and 12.4. Placed on agenda by Chief Duncan and Battalion Chief Wink.

MOVED _____ SECONDED _____ YES ___ NO ___ ABSTAIN ___

D4. Discussion for South Lake County Fire Protection District to retain Legal Counsel Scott Ferguson, from San Francisco based Law Firm of Jones Hall, who specializes in public entity type Bonds and similar items, and whose involvement and input to Bonds process, intended to fund building of the Fire Station and purchasing of all equipment is recommended and requested by Guenoc Development Team and all legal service expenses to be reimbursed by the Guenoc Development Team. Placed on agenda by Battalion Chief Wink.

MOVED _____ SECONDED _____ YES ___ NO ___ ABSTAIN ___

D5. Situational awareness briefing about agricultural development within the South Lake County Fire Protection District that may present challenges for Emergency Ingress and Egress. Placed on agenda by Battalion Chief Wink.

MOVED _____ SECONDED _____ YES ___ NO ___ ABSTAIN ___

E. CONSENT CALENDAR:

(Approval of consent agenda items are expected to be routine and non-controversial. They will be acted upon by the Board at one time without discussion. Any Board member may request that an item be removed from the consent calendar for later discussion.)

E1. Minutes presented:

E1.1. June 16, 2020 – Regular Meeting

E2. Warrants presented:

E2.1. July – preliminary

E2.2. June – corrected

MOVED _____ SECONDED _____ YES ___ NO ___ ABSTAIN ___

F. MOTION TO ADJOURN MEETING:

Posted July 18, 2020

South Lake County Fire Protection District

Chief Notes

6/10/2020

North Division Operations:

June 22nd, the Unit will hire our 3rd round of Firefighters for a week of training. On June 29th, all Lake County CAL FIRE Stations will have the second fire engine staffed for response.

Intensive Training at Boggs Mountain Helitack Base should conclude at the end of this week. The new concrete helipad is poured, and the electrical is nearing completion at Boggs in anticipation of the CAL FIRE Hawk. The new copter delivery schedule anticipates arrival late this fall.

Camp Operations:

Konocti Camp has been running at only 3 of the 5 crews for the last year or so. We have been making efforts to get our crew numbers up, and are close to now having a 4th crew.

South Lake Operations:

Konocti Camp Shop continues with its ongoing maintenance and repairs of the South Lake fleet supported by the Middletown Staff.

Chief Wink recently met with Lake County Sherriff Office (LCSO) Leadership to discuss a future partnership in the response and staffing of Snowcat 6211.

The LCSO has initiated what they currently plan to be monthly testing of the Emergency Notification Siren System. The recent test showed the Anderson Springs Siren is not activating. A repair request has been sent to the vendor. The Middletown Rancheria now has the old siren from our Hidden Valley Station we no longer needed. It will be hooked up to activate with the Middletown Siren.

Chief Wink has worked with the Calistoga Fire Department over the last year to acquire a Wildland Fire Engine that was declared surplus. The SLCF Fleet Leadership supports this plan. The Volunteer Association would purchase the Type 3 Fire Engine for \$35,000.00 with the Fire District being legal the owner. This will eventually replace the current E-6032. We may keep the old E-6032 for this next FY in non-response status for grant purposes.

The Type 6 Fire Engine build is down to deciding how to trim off the final 37 pounds of weight, to keep it under the GVWR. We will have the final plan and build timeline set this month.

The new Hidden Valley Fire Station Paramedic Unit had its virtual final inspection sent to use yesterday (June 15th). It should be delivered by July 1st and then will take a few weeks to put it in service. It is a great build that is the twin to the Cobb Unit received in 2018. Lots of room, plenty of power, improved braking, an over-sized standalone HVAC system, and UV germ/virus killing lighting are some of the highlights of the new Unit.

Staff has been in contact with a surveyor about surveying our Hidden Valley Station property. This will allow the first steps in considering a plan for improved the living and apparatus quarters. This will be a long process.

All water rescue gear has been repaired and "summer-ized" for storage until next winter.

The CAL FIRE Middletown Staff will be guests at Station 60 while they have their asbestos flooring removed and then new flooring installed. It is a welcomed opportunity to have staff here to do many things that come with increased use. Expect to see more personnel and equipment traffic while this goes on.

South Lake County Fire Protection District

Chief Notes

6/10/2020

Fire Sirens:

Staff have been supporting the Fire Sirens weekly as they plan to possibly re-open the "House of Bargains" on July 14th.

PCF's:

Four new PCF's continue their initial training to be prepared for emergency response. They should be ready for response status by July.

Several PCF's are working on their CAL FIRE Firefighter Basic "Bridge" Training.

End of Report

Paul Duncan – Fire Chief

CDF/SLCF INCIDENT TRACKING FORM

Month **June 2020**

Station 62

FA = False Alarm
 CR = Cancel & Return
 UTL = Unable To Locate
 AMA = Against Medical Advice
 CB = Code Blue (Full Arrest,CPR in Progress)
 LA = Lift Assist
 NMM = No Medical Merit (AMA not completed)

CAIRS complete ✓	Date	Time of Dispatch	Time Committed	Time At Scene	Time Available	Inc. #	Street #	Location Street Name	Medical Aid	MVA	Structure Fire	Vegetation Fire	Vehicle Fire	Smoke Check	Haz-Mat	Public Assist	Other (Describe)	# of Fatalities	Extrication Eq't Used	Comments: List Number of Patients as Pt x 4 If an IFT, List Destination Here Any Specific Comments, List Here
	5/1	0939	0939	0939	1010	8075		HWY 175		1										AMA
	5/1	1109	1111	1118	1144	8081		Mulberry st		2										AMA
	5/2	1535	1536	1542	1539	8184		Hill Ct		3										NMM
-	5/3	0903	0903	0909	1116	8184		Bottle Rock Rd										1		Haz, electrical
	6/4	1158	1201		1204	8268		Bottle Rock Rd				1								CR
y	6/5	1433	1434		1436	8344		Kelsey Creek Dr										2		Fire alarm sounding
-	6/6	1450	1452	1455	1648	8413		Gifford Springs Rd		4										1 PT C2 AHC
	6/6	1921	1921	1930	2147	8437		Bottle Rock Rd										3		Haz, electrical
	6/7	1402	1404	1427	1455	8485		Loch Lomond		5										NMM
-	6/9	1315	1317	1323	1515	8606		Casentini DR			1									1 PT C2 Sutter
y	6/9	1529	1529	1529	1603	8615		HWY 175									1			PA
y	6/10	1110		1113		1310	8659	Jerusalem Grade					1							
y	6/10	1318		1318		1319	8668	Greenridge rd		6										Assist M6011
y	6/12	0957	0959			1005	8787	Windjammer CT		7										CR
-	6/13	1506	1507	1525	1548	8875		Boggs SF Rd 500		8										AMA 1 PT PRVT TRN
	6/13	2012	2014		2025	8896		HWY 175										2		CR
	6/14	2350	2354	0001	0017	8975		Loch Lomond		9										NMM
	6/15	0650	0653	0703	0903	8981		Rose Anderson		10										1 PT C3 AHC
	6/15	2325	2327		2355	9018		Yankee Valley Rd				2								CR
	6/16	2133	2133		2136	9088		#21 Live Oak, KV		11										CR
y	6/17	1410	1412		1415	9128		Main Street, MDT										4		Debris Fire CR
y	6/17	1607	1609	1621	1640	9141		Shenandoah rd		12										NMM
y	6/18	2012	2014	2016	2025	9222		Bottle rock Rd							1					False Call
-	6/20	1454	1455		1510	9339		W Hwy 20					2							CR
y	6/20	1707	1707		1722	9343		Mission Rancheria Rd				3								CR
	6/20	1922	1924		1931	9355		Green Ave				4								CR
	6/21	1955	1955	1958	2110	9410		Schwartz Rd		13										AMA
-	6/22	1909	1909	1912	1945	9491		Hwy 175			2									Roll over into embankment, no injuries
y	6/23	1250	1252	1305	1350	9538		Shenandoah rd								1				oil spill
	6/23	1435	1435	1446	1453	9553		Bottle Rock Rd										5		tree in raod
	6/23	1609	1610	1619	1629	9561		Kanms Ln		14										NMM
	6/23	2218	2222	2247	2341	9584		Big canyon		15										1144
	6/26	0939	0939	0946	1118	9727		HWY 175				3								1 PT C2 AHC
	6/27	0956	0956	1006	1019	9800		Fishery Spring Rd		16										NMM

CDF/SLCF INCIDENT TRACKING FORM

Month June 2020

Station 63

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 CB = Code Blue (Full Arrest, CPR in Progress)
 LA = Lift Assist
 NMM = No Medical Merit (AMA not completed)

CAIRS complete ✓	Date	Time of Dispatch	Time Committed	Time At Scene	Time Available	Inc. #	Location Street Name	Medical Aid	MVA	Structure Fire	Vegetation Fire	Vehicle Fire	Smoke Check	Haz-Mat	Public Assist	Other (Describe)	# of Fatalities	Extrication Ext Used	Comments: List Number of Patients as Pt x 4 If an IFT, List Destination Here Any Specific Comments, List Here
	6/1	1942	1942	1953	2103	8108	Santa Clara Rd		1										1 Pt C2 AHC
	6/2	0230	0234	0238	0342	8119	Mountain Meadow S		2										1 Pt C2 AHC
	6/2	0656	0658	0704	0725	8124	Deer Hill Road		3										NMM
	6/2	1012	1014	1025	1042	8130	Harness Dr		4										NMM
	6/3	0746	0728	0732	0803	8180	Greenpoint Ct									1			Lift Assist
	6/3	1417	1418	1427	1441	8207	Deer Hill Rd		5										Treat/Release
	6/4	1132	1134	1150	1332	8263	Oat Hill		6										1 Pt to AHC ALS
	6/4	1722	1725	1745	1810	8289	Hwy 29			1									NMM
	6/4	1157	1159	0003	0024	8309	Spyglass		7										Treat/Release
	6/5	0915	0916	0917	1027	8322	Donkey Hill Rd		8										1 Pt to AHC ALS
	6/5	1331	1332	1339	1501	8337	Eagle Rock Rd		9										1 Pt to AHC BLS
	6/5	1719	1722	1732	1750	8357	Little Peak Rd		10										NMM
	6/5	1811	1811	1816	1820	8361	S. Hwy 29 x Spruce Grove								1				Debris in roadway
	6/6	1517	1519	1537	1555	8416	Highway 29									2			Small tree down in roadway
	6/6	2009	2009		2026	8444	Big Canyon Rd									3			Tree down; canceled
	6/7	0458	0458	0508	0535	8462	Eagle Rock Rd		11										NMM
	6/7	1335	1335	1345	1421	8481	agle Rock Rd		12										NMM
	6/7	1504	1504	1511	1609	8490	Powder Horn Rd		13										1 Pt C2 AHC
	6/8	1914	1915	1922	2030	8565	Deer Hollow Rd		14										1 Pt C2 AHC
	6/9	0753	0755	0800	0810	8589	Mountain Meadow S		15										NMM
	6/10	0422	0423	0437	0458	8644	Greenridge Rd		16										NMM
	6/10	1013	1013	1016	1033	8653	Park Ridge Dr		17										NMM
	6/10	1046	1048	1053	1246	8656	Greenridge Rd		18										1 Pt C2 AHC
	6/10	1315	1319	1329	1445	8668	Greenridge Rd		19										1 Pt C2 AHC
	6/10	1506	1507	1514	1544	8675	Guenoc Ln		20										AMA
	6/11	1203	1203	1210	1224	8736	Hidden Valley Rd		21										NMM
	6/11	1433	1436	1441	1542	8747	Lakeridge Cir					1							Veg Fire
	6/11	2316	2317	2323	2359	8771	Oak Grove Rd				1								Deck Fire
	6/12	1041	1043	1048	1146	8793	Stonegate Rd		22										1 Pt to AHC
	6/13	0804	0805		0834	8849	Hwy 29		23										UTL
	6/13	1407	1409	1414	1534	8868	Northshore		24										1 Pt to AHC BLS
	6/14	1656	1658	1707	1803	8947	Butts Canyon Rd		25										1 Pt to Helipad Stn 60
	6/14	2002	2003	2008	2141	8959	Deer Hill Rd		26										1 Pt to AHC

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Month June 2020

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	6/14	2307	2307			2320 8969	Calistoga North			2									CR
	6/15	1821	1821	1826	1831	9011	Donkey Hill Rd										4		Lift Assist
	6/15	2322	2322	2337	0034	9018	Yankee Valley Rd				2								Lumber/Debris Fire
	6/16	1715	1715	1719	1730	9070	Spyglass Rd		27										NMM
	6/17	0806	0808	0812	0834	9100	Lake Ridge		28										Treat/Release
	6/17	1100	1102	1128	1224	9113	NCPA #1		29										NMM
	6/17	1408	1410	1417	1442	9127	Calistoga		30										NMM
	6/18	2341	2343		0005	9236	Hwy 29		31										NMM
	6/19	0850	0851	0857	1008	9257	Deer Hollow Rd		32										1 Pt to AHC
	6/19	2103	2105	2115	2256	9304	Oat Hill x Butts Cyn		33										1 Pt to AHC
	6/20	0111	0113	0116	0300	9314	Moonridge		34										1 Pt to AHC
	6/20	0912	0914		0918	9324	Ridgeview Dr				3								FA
	6/20	0939	0941	0948	0957	9326	S HWY 29										5		LA
	6/20	1734	1735		1740	9347	West Lake Dr		35										CR
	6/20	1752	1754		1802	9348	Island Cir		36										CR
	6/20	1806	1806	1811	1817	9350	Hidden Valley Rd		37										NMM
	6/20	1828	1830	1835	1845	9351	Donkey Hill rd										6		Lift Assist
	6/20	1918	1920		1930	9355	Green ave/ Turner				4								CR
	6/20	2046	2048	2058	2122	9360	Santa Barbra Ave		38										AMA
	6/21	1125	1127	1133	1212	9378	Spruce Grove Ext		39										Transfer to LE; AMA
	6/21	1626	1628	1636	1656	9399	Putah Ln		40										NMM
	6/21	1711	1713	1731	1912	9401	Hwy 175		41										1 Pt C3 AHC
	6/21	2011	2013	2025	0016	9411	Dry Creek Rd		42										1 Pt C3 AHC w/ REACH crew
	6/22	0633	0635	0648	0735	9436	S Hwy 29			3									Transported to LZ 7012
	6/23	1429			1430	9551	Clement Dr #C1		43										CR
	6/23	1433			1434	9554	Toyon St		44										CR
	6/23	1636	1638	1650	1717	9565	S Hwy 29 / Hofacker			4									1 Pt C2 AHC
	6/23	2249	2251	2306	2358	9589	S Hwy 29		45										1 Pt C2 to AHC
	6/24	1849	1850	1858	2014	9636	S Hwy 29		46										1 Pt to AHC BLS
	6/24	2059	2100	2101	2224	9641	Hartmann		47										1 Pt to AHC ALS
	6/25	1433	1435	1455	1520	9684	Butts Canyon Rd		48										UTL
	6/25	2129	2129	2134	2149	9709	Old Creek Rd										7		Well Fare Check
	6/26	0850	0851	1015	1125	9722	Beryessa / Knoxville Rd		49										1 Pt to AHC



South Lake County Fire Protection District
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P.O. Box 1360 Middletown, CA 95461 - (707) 987-3089

DATE: June 17, 2020
TO: Board of Directors
FROM: Gloria Fong
Staff Services Analyst
SUBJECT: Finance Communications

As mentioned in previous month's communications, ambulance paperless billing process is caught up to date. Unfortunately, one billing delayed the closure of June and no reports by our billers, Wittman Enterprises are included. In the meantime, I've provided attached data we use to track and affirm Wittman's billed numbers. What this shows is the increased in billing from month of March to current, possibly due to re-opening of shelter in place order.

This week the fire district administrative staff held GoToMeeting training for WinCAMs, our accounting software. Miasha Rivas of Lake County Fire who has been heading this up did an excellent job. It is hopefully the final piece in order to capture cash and reserve balances to be able to produce balance sheet reports. In addition to the daily operations of the front office, my time over the next few weeks will be consumed with getting this piece added to WinCAMs.

Please spend some time familiarizing yourselves with the warrant lists provided in this month's agenda packet. This is the final product that will be included in each month's agenda packet. I'll be happy to review, answer key points, such as voucher # being the check #, invoice description line includes purpose of expense, invoice date and vendor check is payable to, followed by detailed purchase items and budgetary coding. Please note the coding include two-digit code, to help identify which station purchase is expensed to and type of expense. For example, 357-9557-1800-62 is building maintenance expense for Cobb Station 62. Note the one thing I haven't been able to do is for the credit card vendor, US Bank, add another column for whom the charge is for. For example, voucher #10098 on page 193, invoice 02-116796 053120 is a credit card payment to South Lake Refuse. So, stay tuned to this list changing slightly as I work on capturing this information and provide more precise information.

Direct charge notice from the Auditor Controller's Office was received July 17th. I will be reviewing their final direct charge assessment collection reports for preparation of the final budget being presented at August Board meeting.

The Board of Supervisors recently approved the capital fire facility and equipment plans that establish the fire mitigation fee for all fire districts. This resolution is attached for your reference and review.

Attachments

	FY 19-20		jun '20	may '20	Apr '20	Mar '20	Feb '20	Jan '20	Dec '19	Nov '19	Oct '19	Sep '19	Aug '19	Jul '19
	YTD	% YTD												
TOTAL CALLS	487		38	34	31	30	38	44	46	37	51	45	48	45
TOTAL AMA'S	9	1.8%	0	0	0	0	0	0	0	0	1	3	2	3
TOTAL DOA'S	3	0.6%	0	0	0	0	0	0	0	0	0	1	0	2
TOTAL BILLED	465	95.5%	37	34	31	30	37	44	46	35	45	41	46	39
District Total	\$ 1,254,802.50		\$ 107,867.00	\$ 91,243.50	\$ 80,786.50	\$ 87,667.00	\$ 96,162.00	\$ 111,181.00	\$ 117,707.50	\$ 97,270.50	\$ 123,021.00	\$ 104,809.50	\$ 124,049.00	\$ 113,038.00
Wittman Total	\$ 957,758.50		\$ -	\$ -	\$ -	\$ 85,837.00	\$ 94,015.00	\$ 110,550.00	\$ 116,631.50	\$ 96,357.50	\$ 122,789.50	\$ 103,035.50	\$ 124,231.50	\$ 104,311.00
			\$ 107,867.00	\$ 91,243.50	\$ 80,786.50	\$ 1,830.00	\$ 2,147.00	\$ 631.00	\$ 1,076.00	\$ 913.00	\$ 231.50	\$ 1,774.00	\$ (182.50)	\$ 8,727.00

BOARD OF SUPERVISORS, COUNTY OF LAKE, STATE OF CALIFORNIA

RESOLUTION NO. 2020-78

RESOLUTION APPROVING RESOLUTIONS AND CAPITAL FIRE FACILITY AND EQUIPMENT PLANS SUBMITTED BY LAKE COUNTY FIRE AGENCIES AND UPDATING THE LAKE COUNTY CAPITAL FIRE FACILITY AND EQUIPMENT PLAN

WHEREAS, the County of Lake Fire Mitigation Fee Ordinance No. 2114 specifies the actions required to implement a fire mitigation fee within the boundaries of a fire agency, including submission by each fire agency of a resolution making findings and requesting imposition of fire mitigation fees and adoption of a capital fire facility and equipment plan; and

WHEREAS, in order to continue imposition of fire mitigation fees, Ordinance No. 2114 requires that each fire agency annually submit a new resolution making findings and requesting imposition of fire mitigate fees; and

WHEREAS, said new resolutions adopted by each fire agency in 2020 and their supporting capital fire facility and equipment plans as amended, are enumerated in Exhibit A, which is incorporated herein by this reference as if fully set forth herein; and

WHEREAS, Government Code Section 66002 requires that the Lake County Capital Fire Facility and Equipment Plan be updated annually by resolution adopted at a noticed public hearing; and

WHEREAS, those documents listed in Exhibit A constitute the updated Lake County Capital Fire Facility and Equipment Plan.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors, County of Lake, State of California, as follows:

1. The new resolutions adopted in 2020 and supporting capital fire facility and equipment plans adopted by the fire agencies listed in Exhibit A are found to meet the requirements of the Fire Mitigation Fee Ordinance, the Lake County General Plan and Government Code Sections 66000 et seq.
2. The new resolutions adopted in 2020 and supporting capital fire facility and equipment plans submitted by those fire agencies listed in Exhibit A are approved by the Lake County Board of Supervisors.
3. The Lake County Capital Fire Facility and Equipment Plan, consisting collectively of those documents listed in Exhibit A, is hereby updated and adopted.

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PASSED AND ADOPTED this 23rd day of June, 2020, by the following vote:

AYES: Supervisors Sabatier, Crandell, Scott, Brown, and Simon

NOES: ^{None}

ABSENT OR NOT VOTING: ^{None}

ATTEST: Carol J. Huchingson
Clerk of the Board

By: ^{DocuSigned by:}
Johanna DeLong
59FFFBEE8A3450...

^{DocuSigned by:}
[Signature]
Chair, Board of Supervisors

APPROVED AS TO FORM:
ANITA L. GRANT
County Counsel

^{DocuSigned by:}
Anita L. Grant
AB7E194E327A4A2...





South Lake County Fire Protection District
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P.O. Box 1360 Middletown, CA 95461 - (707) 987-3089

DATE: July 14, 2020
TO: Board of Directors
FROM: Gloria Fong
Staff Services Analyst
SUBJECT: Resolution No. 2020-21 01, A Resolution Establishing the 2020-2021 Appropriations Limit

For the Board's consideration is subject resolution with motion to include methodology to use in base year and each year thereafter in establishing fiscal year 2020-2021 appropriations limit (or proceeds of tax).

Background:

With passage of Measure L November 6, 2018, it provided a consumer price index (CPI) escalation factor. See Section VI Special Tax Authorization and Limit of attached November 6, 2018 Measure L ballot, "...and is adjusted each year thereafter by the change in the consumer price index." What it didn't do is establish a methodology.

Methodology:

See attached "What index should I use for escalation?" and "How to use the CPI for Escalation" information from US Bureau of Labor Statistics website. These attachments give several points to consider when using CPI for escalation.

One is the population group. There are two, all urban consumers (CPI-u) and urban wage earners and clerical workers (CPI-W). Based on the South Lake County Fire Protection District (SLCFPD) population, I suggest using the CPI-U population group

Another point to consider is the index point change between two periods. For example, US Bureau of Labor Statistics provides percent change for each month. The Board needs to consider which period it wishes to use to establish a base and use each year thereafter. For example, it can choose a December to December period, January to January period, or choose to use a 12-month average and will need to decide with 12-month period to average, such as from December to December or January to January. An analysis of the attached data from 2010 to 2020 shows the overall CPI index differs between .1 and .3. For instance, for the 10-year period, December to December 12-month average is 17.7 vs. 17.8 for January to January 12-month period.

Simply put, I'm asking for the Board to provide the methodology to use and will be used each year thereafter. For example, CPI-U for 12-month period January to January (or 2.5, January 2020). This will set the base and each year thereafter, the January CPI-U index will be used to determine the CPI escalation, thereafter.

Please note, different points are used in attached Resolution No 2020-21 01, 1.8% or 2.3% and limits will be slightly higher should the Board decide upon using above 2.5 January 2020 example.

With a new director, additional information attachments were provided for perusal, future reference, the Article XIII B Appropriations Limit Resource Handbook and Understanding California's Property Taxes attachments.

Attachments

VOTER'S PAMPHLET
MEASURES, ANALYSES AND ARGUMENTS

(whichever is applicable to your ballot)
Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

**SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT
MEASURE "L"**

L "In order to continue to provide sufficient funding for fire and emergency medical services, shall South Lake County Fire Protection District Ordinance No. 2018-19 01 be approved authorizing the District to impose and levy a special tax having a maximum rate of \$10.00 per benefit unit and increasing the District's appropriations limit to permit spending of the revenue raised by the special tax, be approved?"
Yes___ No___

**BOARD OF DIRECTORS, SOUTH LAKE COUNTY FIRE
PROTECTION DISTRICT COUNTY OF LAKE
STATE OF CALIFORNIA**

ORDINANCE NO. 2018-19 01

**AN ORDINANCE OF THE SOUTH LAKE COUNTY FIRE
PROTECTION DISTRICT
AUTHORIZING THE DISTRICT TO IMPOSE
AND LEVY A SPECIAL TAX**

The people of the South Lake County Fire Protection District ordain as follows:

SECTION I. DEFINITIONS.

For the purposes of this Ordinance, the following words and phrases shall have the meanings respectively ascribed to them by this section unless the context clearly requires a different meaning. The definition of a word or phrase applies to any of that word's or phrase's variants.

"Board of Directors" means the Board of Directors of the South Lake County Fire Protection District.

"District" means the South Lake County Fire Protection District in Lake County, California.

"District Resolution 2002-06" means parcel tax measure which was approved by a two-thirds vote of the qualified electors of the South Lake County Fire Protection District in 2002.

"Parcel of Real Property" means a separate parcel of real property having a separate Assessor's parcel number as shown on the secured tax rolls of the County of Lake, or an assessment of a structural property on the unsecured tax rolls of the County of Lake, or an assessment made by the State Board of Equalization.

"Special Tax" means the special tax authorized by and imposed pursuant to this Ordinance. The additional special tax is a special tax within the meaning of Article XIII A, section 4 and Article XIII C, section 1 of the California Constitution.

SECTION II. AUTHORITY.

This Ordinance is adopted pursuant to Article XIII A, section 4, Article XIII B, section 4 and Article XIII C, section 2 of the California Constitution, Article 3.7 (commencing with Section 53720) of Chapter 4 of Division 2 of Title 5 of the California Government Code, Section 13911 of the California Health and Safety Code, and Article 3.5 (commencing with Section 50075) of Chapter 1 of Part I of Division 1 of Title 5 of the California Government Code.

SECTION III. DETERMINATION OF NECESSITY.

The amount of revenue available to the District from property taxes and District Resolution 2002-06 is inadequate to meet the cost of continuing to provide fire and emergency medical services pursuant to Section 13862 of the California Health and Safety Code. Therefore, the District must establish a larger stable source of supplementary revenue to assist in meeting the costs of providing such services and exercising the other rights and powers of the District.

SECTION IV. PURPOSE OF SPECIAL TAX.

The purpose for which the special tax shall be imposed and levied is to raise revenue for the District to use in meeting the costs of (1) continuing to provide fire and emergency medical services pursuant to Section 13862 of the California Health and Safety Code, and (2) exercising other rights and powers granted to the District in Chapter 5 (commencing with Section 13860) of Part 2.7 of Division 12 of the California Health and Safety Code.

SECTION V. REPEAL OF DISTRICT RESOLUTION 2002-06.

If the voters of the District approve the special tax proposed in this Ordinance, District Resolution 2002-06 shall be repealed.

SECTION VI. SPECIAL TAX AUTHORIZATION AND LIMIT.

The Board of Directors is authorized to impose and levy a special tax, for the purpose as specified in Section IV of this Ordinance, on each parcel of real property located within the boundaries of the District at a rate not to exceed \$10.00 per benefit unit for the first year and is to be adjusted each year thereafter by the change in the consumer price index. If at any time the consumer prices index resulted in anything less than zero, the special tax rate would remain at the previous year's rate in an effort to maintain the current level of services. Furthermore, such a special tax shall not be imposed upon property of a federal, state or local government agency. The Board of Directors shall set the rate of the special tax each year as provided in Section VI of this ordinance, provided that in no year shall the rate exceed the maximum specified in this section.

The special tax shall be imposed in accordance with the schedule for Units of Risk attached hereto as Exhibit A. Each land use within a parcel is subject to Units of Risk computation and the total of all uses on a parcel shall be computed to be the tax due to the District.

SECTION VII. REPORT AND HEARING ON SPECIAL TAX.

Each year prior to the imposition of the special tax, the Board of Directors shall cause a report to be prepared showing each parcel of real property subject to the special tax, the owner(s) thereof, the land use classification or classifications applied thereto, and the proposed levy thereon. Upon receipt of the report, the Board of Directors shall set a date for a public hearing thereon and shall cause notice of the hearing to be given pursuant to Section VIII of this ordinance. At the public hearing, the Board of Directors shall set the rate and make such corrections to the taxes proposed to be levied as may be required.

SECTION VIII. ANNUAL REPORT ON SPECIAL TAX REVENUES.

Each year the District shall cause a report to be prepared and filed with the Board of Directors containing information regarding the amount of special tax revenues collected and expended as well as the status of projects funded with proceeds of the special tax.

SECTION IX. NOTICE OF HEARING.

In the absence of state law specifying the procedure for giving notice, notice of any public hearing held pursuant to this ordinance shall be given by posting in at least three (3) public places within the District at least fifteen (15) days prior to the hearing and publishing twice pursuant to Section 6066 of the California Government Code in at least one (1) newspaper of general circulation within the District. The notice shall include the date, time, and place of the public hearing, a general explanation of the matter to be considered, and a statement of where additional information may be obtained.

SECTION X. COLLECTION.

The special tax shall be collected in the same manner and subject to the same penalty as other charges and taxes collected by or on behalf of the District by the County of Lake. The Lake County Tax Collector may deduct reasonable administrative costs incurred in collecting the special tax and deposit the amounts deducted in the Lake County General Fund. In accordance with Article 1 (commencing with section 29300) of Chapter 2 of Division 3 of Title 3 of the Califor-

VOTER'S PAMPHLET

MEASURES, ANALYSES AND ARGUMENTS

(whichever is applicable to your ballot)
 Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

nia Government Code, there shall be added to the amount of the special tax an amount for the reasonable administrative costs incurred in collecting the special tax.

SECTION XI. SEVERABILITY CLAUSE.

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The people of the South Lake County Fire Protection District hereby declare that they would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid .

SECTION XII. EFFECTIVE DATE.

This Ordinance shall take effect the day following its approval by two-thirds of the District's qualified voters voting on its approval at the special election on November 6, 2018.

APPROVED, by a two-thirds vote of the voters of the South Lake County Fire Protection District at the special election held on November 6, 2018, and

SO ORDERED

s/James F. Cominsky II
 President, Board of Directors
 South Lake County Fire Protection District

ATTEST:

s/Gloria Fong
 Clerk of the Board of Directors

EXHIBIT A

Units of Risk Table

The amount of tax shall be determined by the following units of risk per assessor parcel.

All Land Uses	Units	Description
Vacant Land 0 to 1 Acre	16	Undeveloped Land
Vacant Land 1.01 to 5 Acres	17	Undeveloped Land
Vacant Land 5.01 to 10 Acres	18	Undeveloped Land
Vacant Land 10.01+ Acres	20	Undeveloped Land
Orchards/Vinyards/Field Crops	Units	Description
0 to 1 Acre	16	
1.01 to 5 Acres	17	
5.01 to 10 Acres	18	
10.01 to 50 Acres	19	
+50.01 Acres	20	
Residential/Agricultural	Units	Description
Misc. Building	25	Multiple use structure that does not include a bathroom or kitchen improvements
Single Family Dwelling	20	
Single Parcel w/Multiple Dwellings	10	Per additional dwelling in addition to 20 unit base charge
Duplex	40	
Triplex	45	
Mobile Homes	30	Must have wheels & axles attached & not in a park
Multi Family/Apts.	45	Plus 5 units for each living unit
Convalescent & Rest Homes	70	
Commercial/Industrial Properties	Units	Description
Hotels/Motels	30	Plus 5 units per room
Mobile Home Park/Campground	75	Plus 5 units per space occupied of vacant
Building 0-999 Sq. Ft.	165	
Building 1,000 - 4,999 Sq. Ft.	185	
Building 5,000 - 9,999 Sq. Ft.	200	
Building 10,000 + Sq. Ft.	250	
Multiple Businesses within a Building	30	Per business in addition to Sq. Ft base charge
Institutional	Units	Description
Building 0 - 999 Sq. Ft.	165	
Building 1,000 - 4,999 Sq. Ft.	185	
Building 5,000 - 9,999 Sq. Ft.	200	
Building 10,000 + Sq. Ft.	250	

VOTER'S PAMPHLET
MEASURES, ANALYSES AND ARGUMENTS

(whichever is applicable to your ballot)
Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

**IMPARTIAL ANALYSIS OF
SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT
MEASURE "L"**

The South Lake County Fire Protection District has adopted Ordinance Number 2018-2019-01, an ordinance imposing a special tax increase to meet the costs of continuing to provide fire and emergency medical services and exercising other rights and powers granted to the District by the Health and Safety Code. A 2/3 vote is required for the approval of this special tax prior to it becoming effective.

This measure, placed on the ballot by the South Lake County Fire Protection District, submits Ordinance Number 2018-2019-01 for voter approval. Approval by 2/3 of the voters voting on the measure would authorize a special tax on parcels of real property in the South Lake County Fire Protection District to be used for the costs of funding fire protection and prevention, emergency medical, and other services authorized by law. State law requires that the proceeds of a special tax may be used only for the purposes specified and for no other purpose.

This special tax would be levied on each parcel of real property located within the South Lake County Fire Protection District at a rate not to exceed \$10.00 per benefit unit for the first year, adjusted each year thereafter only in accordance with increases in the consumer price index. The number of units of benefit applicable to the real property subject to the proposed tax is as set forth in Exhibit A of Ordinance Number 2018-2019-01. This special tax would repeal and replace existing District Resolution 2002-06, which established a District-wide parcel tax for staffing and operational costs for District services.

The special tax will be listed as a separate item on the county property tax bill for each affected parcel of land, and will be collected in the same way as the general property tax.

A "YES" vote is a vote to authorize the special tax provided in the measure.

A "NO" vote is a vote against the special tax provided in the measure.

s/Anita L. Grant
County Counsel
County of Lake

**ARGUMENT IN FAVOR OF
MEASURE "L"**

We need your help. Please vote Yes on Measure L.

Since 1925, your firefighters have worked 24/7 to keep our community safe and our residents protected. Not counting fire calls, we responded to over 3,000 emergency calls each year, for over the past 10 years.

We have handled the high volume of calls with just two ambulances. However, one has become worn out and needs to be replaced. This is the one of the reasons for Measure L. Additionally, our fleet of fire engines is aging. The oldest engine is over 20 years old.

We are asking for just \$200.00 per year, per residential parcel. How does this impact you? The State Fire Fee of \$117.00 has been repealed. So all we are really asking for is to keep the fee and \$83.00 more per year to have all our ambulances arrive on time.

That is just .23 cents more per day to improve and sustain our fire and emergency services by replacing one ambulance. Measure L will allow us to maintain the Paramedic and Fire Suppression Levels; we enjoy today.

Measure L ensures that our tax dollars stay in our community under local control. If you vote yes on Measure L, neither County or State Governments can take Measure L money from us for other uses.

This is only the second time, since 1925, we have asked for your financial help. Please join with our fellow community members to help our South Lake County Fire District and their firefighters.

Vote Yes on Measure L. We need your help.

s/Todd Fink, President South Lake County Volunteer Firefighters Association

s/Devin Hoberg, Cobb Resident

s/Kimberly Miinch, Volunteer Firefighter South Lake County FPD

s/Mandi Huff, South Lake County Volunteer Fire Fighters Association

s/Moke Simon, District 1 Supervisor, Lake County Board of Supervisors

**THERE WAS NO ARGUMENT FILED
AGAINST MEASURE L**

18. What index should I use for escalation?

The decision to employ an escalation mechanism, as well as the choice of the most suitable index, is up to the user. When the terms of an escalation contract are drafted, both legal and statistical questions can arise. While we cannot help in matters relating to legal questions, we can provide basic technical and statistical assistance to users who are developing indexing procedures. In general, for escalation, we strongly recommend using indexes that are not seasonally adjusted. We also recommend using national or regional indexes, due to the volatility of local indexes.

Another consideration is whether to use a particular monthly index from one year to the next, such as December to December, or use annual averages. From a statistical perspective, each of these types of indexes has its advantages. A 12-month percent change from, say, December-to-December, is arguably a more recent estimate of price change than an annual average percent change. Said another way, the December-to-December percent change is the most recent 12-month percent change in a year, while the annual average percent change reflects the change in the average index for all 12 months of one year to the average index for all 12 months the next year. The December-to-December index percent change, however, tends to be more volatile than the percent change in the annual average index. Annual average indexes are based on 12 monthly data points which, when averaged, reduce volatility by smoothing out the highs and lows.

When drafting a contract that uses an index series for escalation, it is helpful to be as specific as possible so that all parties will be clear about the terms. A reference to 'CPI' or even 'CPI-U' can be ambiguous. In order to be completely clear, a contract should specify all of the parameters needed to identify a unique series, such as 'Consumer Price Index for All Urban Consumers (CPI-U), US City Average, All Items, 1982-84=100, not seasonally adjusted.'

Additional information on using CPI data for escalation is available in the [How to Use the Consumer Price Index for Escalation factsheet](#).

U.S. BUREAU OF LABOR STATISTICS

Consumer Price Index

[Bureau of Labor Statistics](#) > [Consumer Price Index](#) > [Publications](#) > [Factsheets](#)

How to Use the Consumer Price Index for Escalation

The Consumer Price Index (CPI) measures the average change in the prices paid for a market basket of goods and services. These items are purchased for consumption by the two groups covered by the index: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers, (CPI-W).

Escalation agreements often use the CPI—the most widely used measure of price change—to adjust payments for changes in prices. The most frequently used escalation applications are in private sector collective bargaining agreements, rental contracts, insurance policies with automatic inflation protection, and alimony and child support payments.

The following are general guidelines to consider when developing an escalation agreement using the CPI:

Define the base payment

Define clearly the base payment (rent, wage rate, alimony, child support, or other value) that is subject to escalation.

Identify which CPI series will be used

Identify precisely which CPI index series will be used to escalate the base payment. This should include the population coverage (CPI-U or CPI-W), area coverage (U.S. City Average, West Region, Chicago, etc.), series title (all items, rent of primary residence, etc.), and index base period (1982-84=100).

Specify reference period

Specify a reference period from which changes in the CPI will be measured. This is usually a single month (the CPI does not correspond to a specific day or week of the month), or an annual average. There is about a two-week lag from the reference month to the date on which the index is released (that is, the CPI for May is released in mid-June). The CPIs for most metropolitan areas are not published as frequently as are the data for the U.S. City Average and the four regions. Indexes for the U.S. City Average, the four regions, nine divisions, two city-size classes, eight region-by-size classes, and three major metropolitan areas (Chicago, Los Angeles, and New York) are published monthly. Indexes for the remaining 20 published metropolitan areas are available only on a bimonthly basis. Contact BLS for information on the frequency of publication for the 23 metropolitan areas.

State frequency of adjustment

Adjustments are usually made at fixed intervals, such as quarterly, semiannually, or, most often, annually.

Determine adjustment formula

Determine the formula for the adjustment calculation. Usually the change in payments is directly proportional to the percent change in the CPI index between two specified periods. Consider whether to make an allowance for a “cap” that places an upper limit on the increase in wages, rents, etc., or a “floor” that promises a minimum increase regardless of the percent change (up or down) in the CPI.

Provide for revisions

Provide a built-in method for handling situations that may arise because of major CPI revisions or changes in the CPI index base period. The Bureau always provides timely notification of upcoming revisions or changes in the index base.

The CPI and escalation: Some points to consider

The CPI is calculated for two population groups: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers (CPI-W). The CPI-U represents about 93 percent of the total U.S. population and is based on the expenditures of all families living in urban areas. The CPI-W is a subset of the CPI-U and is based on the expenditures of families living in urban areas who meet additional requirements related to employment: more than one-half of the family's income is earned from clerical or hourly-wage occupations. The CPI-W represents about 29 percent of the total U.S. population.

There can be small differences in movement of the two indexes over short periods of time because differences in the spending habits of the two population groups result in slightly different weighting. The long-term movements in the indexes are similar. CPI-U and CPI-W indexes are calculated using measurement of price changes of goods and services with the same specifications and from the same retail outlets. The CPI-W is used for escalation primarily in blue-collar cost-of-living adjustments (COLAs). Because the CPI-U population coverage is more comprehensive, it is used in most other escalation agreements.

The 23 metropolitan areas for which BLS publishes separate index series are by-products of the U.S. City Average index. Metropolitan area indexes have a relatively small sample size and, therefore, are subject to substantially larger sampling errors. Metropolitan area and other subcomponents of the national indexes (regions, size-classes) often exhibit greater volatility than the national index. BLS recommends that users adopt the U.S. City Average CPI for use in escalator clauses.

The U.S. City Average CPIs are published on a seasonally adjusted basis as well as on an unadjusted basis. The purpose of seasonal adjustment is to remove the estimated effect of price changes that normally occur at the same time and in about the same magnitude every year (e.g., price movements due to the change in weather patterns, holidays, model change-overs, end-of-season sales, etc.). The primary use of seasonally adjusted data is for current economic analysis. In addition, the factors that are used to seasonally adjust the data are updated annually and seasonally adjusted data are subject to revision for up to 5 years after their original release. For these reasons, the use of seasonally adjusted data in escalation agreements is inappropriate.

Escalation agreements using the CPI usually involve changing the base payment by the percent change in the level of the CPI between the reference period and a subsequent period. This is calculated by first determining the index point change between the two periods and then determining the percent change. The following example illustrates the computation of a percent change:

CPI for current period	232.945
Less CPI for previous period	229.815
Equals index point change	3.130
Divided by previous period CPI	229.815
Equals	0.0136
Result multiplied by 100	0.0136 x 100
Equals percent change	1.4%

The Bureau of Labor Statistics neither encourages nor discourages the use of price adjustment measures in contractual agreements. Also, while BLS can provide technical and statistical assistance to parties developing escalation agreements, we can neither develop specific wording for contracts nor mediate legal or interpretive disputes which might arise between the parties to the agreement.

Additional information may be obtained from the Consumer Price Index Information Office at cpi_info@bls.gov or 202-691-7000. Information on the CPI's overall methodology can be found in [the BLS Handbook of Methods](#).

Last Modified Date: April 24, 2019

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STATISTICS**

Division of Consumer Prices and
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CPI for All Urban Consumers (CPI-U)
12-Month Percent Change

Series Id: CUSR0000SA0
Seasonally Adjusted
Series Title: All items in U.S. city average, all urban consumers,
Area: U.S. city average
Item: All items
Base Period: 1982-84=100
Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	12-mo avg
2010	2.6	2.2	2.3	2.2	2.0	1.1	1.3	1.2	1.1	1.2	1.1	1.4	1.6
2011	1.7	2.1	2.6	3.1	3.5	3.5	3.6	3.8	3.8	3.5	3.5	3.1	3.2
2012	3.0	2.9	2.6	2.3	1.7	1.7	1.4	1.7	1.9	2.2	1.8	1.8	2.1
2013	1.7	2.0	1.5	1.1	1.4	1.7	1.9	1.5	1.1	0.9	1.2	1.5	1.5
2014	1.6	1.1	1.6	2.0	2.2	2.1	2.0	1.7	1.7	1.6	1.2	0.7	1.6
2015	-0.2	-0.1	0.0	-0.1	0.0	0.2	0.2	0.2	0.0	0.1	0.4	0.6	0.1
2016	1.3	0.9	0.9	1.1	1.0	1.0	0.9	1.1	1.5	1.6	1.7	2.1	1.3
2017	2.5	2.7	2.4	2.2	1.9	1.7	1.8	2.0	2.2	2.0	2.2	2.1	2.1
2018	2.1	2.2	2.3	2.4	2.8	2.9	2.9	2.7	2.4	2.5	2.2	1.9	2.4
2019	1.5	1.5	1.9	2.0	1.8	1.7	1.8	1.7	1.7	1.8	2.0	2.3	1.8
2020	2.5	2.3	1.5	0.4	0.2								
	<u>SUM</u>	<u>17.8</u>				<u>17.6</u>						<u>17.5</u>	<u>17.7</u>

BOARD OF DIRECTORS, SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT

COUNTY OF LAKE, STATE OF CALIFORNIA

RESOLUTION NO. 2020-21 01

A RESOLUTION ESTABLISHING THE 2020-2021 APPROPRIATIONS LIMIT

WHEREAS, Article XIII B of the California State Constitution restricts government spending of the Proceeds of Tax Revenue by establishing limits on the annual Appropriations of Local Agencies, and;

WHEREAS, Section 7910 of the Government Code requires the Governing Body of each local jurisdiction to establish an Appropriations Limit each year by Resolution, and;

WHEREAS, the 2020-21 Appropriations Limit of the South Lake County Fire Protection District (the "District") as set was \$4,436,212 is amended to \$4,450,884, as a result in correction to calculation and assessment corrections, and;

WHEREAS, on November 6, 2018, the voters of the District approved special tax levy in District Ordinance 2018-19 01, which authorized an Appropriations Limit increase in tax collection of 1) \$1,890,233 or 2) \$1,899,517, resulting in new District Appropriations Limit amount of 1) \$4,531,080 or 2) \$4,540,364, and;

WHEREAS, in May 2020, the California Department of Finance released Price Factor and Population Information that authorizes a 3.48% increase in the Appropriations Limit for the District;

NOW THEREOFRE, BE IT RESOLVED by the Board of Directors of the South Lake County Fire Protection District that, pursuant to Article XIII B of the California State Constitution, the 2019-2020 Appropriations Limit for the South Lake County Fire Protection District is 1) \$4,531,080 or 2) \$4,540,364.

THIS RESOLUTION was introduced and adopted by the Board of Directors of the South Lake County Fire Protection District at a regular meeting held on 21st day of July, 2020 by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

[SEAL]

SOUTH LAKE COUNTY
FIRE PROTECTION DISTRICT

MADELYN MARTINELLI
President, Board of Directors

ATTEST: _____
Gloria Fong
Clerk to the Board of Directors

SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT
 2020-2021 APPROPRIATIONS LIMIT RES NO 2020-2021 CALCULATION

	#	Units	#	Amt	Amt
Vacant 0 to 1 ac	2398	38368			383,680
Vacant 1.01 to 5 ac	334	5678			56,780
Vacant 5.01 to 10 ac	170	3060			30,600
Vacant 10.01 to 50 ac	629	12580			125,800
Subtotal	3531	59686	0	-	596,860
Orchard/Vineyard 10.01 to 50 ac	1	19			190
Orchard/Vineyard +50.01 ac	12	240			2,400
Subtotal	13	259	0	-	2,590
Res / Ag Misc Bldg	1	25			250
Res / Ag Single Family Dwelling	5056	101120	21	2,800	1,014,000
Res / Ag Single w-multiple	27	1080			10,800
Res / Ag Triplex	6	270			2,700
Subtotal	5090	102495	21	2,800	1,027,750
Hotels / Motels	14	420	3	2,350	6,550
Mobile Home Park / Campground	5	375	1	1,050	4,800
Comm 0-999 Sq Ft	24	3960			39,600
Comm 1,000-4,000 Sq Ft	90	16650			166,500
Comm 5,000-9,999 Sq Ft	15	3000			30,000
Comm 10,000+ Sq Ft	8	2000			20,000
Subtotal	156	26405	4	3,400	267,450
Grand Total	8790	188845	25	6,200	1,894,650 ¹
				CORRECTIONS	(37,840)
				CORRECTED GRAND TOTAL	1,856,810
CPI calculations for Board's consideration in Approp. Limit Res No 2019-20 02				December to December 12-month average 1.8% CPI	1,890,233
				December to December 2.3% CPI	1,899,517

¹ Amended amount after roll corrections. Original was \$1,895,570, then changed to \$1,895,530, further changed to \$1,894,650 with data files received from County.

SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT
 2019-2020 COUNTY TAX ROLL CORRECTIONS

Firefee1920	\$ Res units	\$ Com/Ind units	\$ Add'l Units	\$ Orch/Vny	\$ Undev units	Asmt	Situs1	Situs2	RC FEE	DATE SUBMITTED	COMMENTS
											10/22 MOVED TO ARIZONA, STRUCTURE LOST IN VALLEY FIRE, TOLD BY COUNTY STRUCTURAL VALUE ASMT DUE TO POTENTIAL FOR HOOKUPS 707-771-0139.
(200.00)	(200.00)	-	-	-	-	050395090000	11491 ANDERSON SPRINGS RD	MIDDLETOWN CA			12/19 Cindy in Assessor's 263-2302 confirm it is vacant and federal law requires the homeowner property tax exemption remain on propertys where federal disaster is declared, noted account to have homeowner property tax exemption removed based on my knowledge of owner calling and indicating such.
160.00	-	-	-	-	160.00	50395090000	11491 ANDERSON SPRINGS RD	MIDDLETOWN CA	15.00	02/24/20	
											12/19 Nicolas Graham 707-295-7677, lost home in Valley fire, hasn't rebuilt, still receiving 7000 homeowner property tax exemption; Cindy in Assessor's 263-2302 confirm it is vacant and federal law requires the homeowner property tax exemption remain on propertys where federal disaster is declared.
(200.00)	(200.00)	-	-	-	-	050911070000	11146 OAK ST	COBB CA			
160.00	-	-	-	-	160.00	050911070000	11146 OAK ST	COBB CA	15.00	02/24/20	
											11/18 Zola (707) 987-2696, 18086 Northshore is primary residence, is sfd, no granny unit, 18078 Northshore is rental
(300.00)	(200.00)	-	(100.00)	-	-	142035150000	18086 NORTH SHORE DR	HIDDEN VALLEY LAKE CA			
200.00	200.00	-	-	-	-	142035150000	18086 NORTH SHORE DR	HIDDEN VALLEY LAKE CA	15.00	02/24/20	11/18 Zola, 18086 Northshore is primary residence, is sfd, no granny unit, 18078 Northshore is rental
(170.00)	-	-	-	-	(170.00)	114031180000	10987 ROSA TR	KELSEYVILLE CA			
200.00	-	-	-	-	200.00	114031180000	10987 ROSA TR	KELSEYVILLE CA	15.00	02/24/20	
(200.00)	-	-	-	-	(200.00)	115015010000	11675 SEIGLER SPRINGS NORTH RE	KELSEYVILLE CA	15.00	02/24/20	
(170.00)	-	-	-	-	(170.00)	115009150000	10578 SALMINA RD	KELSEYVILLE CA	15.00	02/24/20	
(160.00)	-	-	-	-	(160.00)	114041020000	10592 SALMINA RD	KELSEYVILLE CA	15.00	02/24/20	
(160.00)	-	-	-	-	(160.00)	114041030000	10598 SALMINA RD	KELSEYVILLE CA	15.00	02/24/20	
(200.00)	-	-	-	-	(200.00)	115014190000	10995 PRATHER MOUNTAIN RD	LOCH LOMOND CA	15.00	02/24/20	
(200.00)	-	-	-	-	(200.00)	115016020000	11300 PRATHER MOUNTAIN RD	LOCH LOMOND CA	15.00	02/24/20	
(200.00)	-	-	-	-	(200.00)	115016080000	11250 PRATHER MOUNTAIN RD	LOCH LOMOND CA	15.00	02/24/20	
(2,000.00)	-	(2,000.00)	-	-	-	24432280000	21248 STATE HWY 175	MIDDLETOWN CA			10/22 4989 verified, sounds correct and may be higher than phone # 707-322-0406
1,850.00	-	1,850.00	-	-	-	024432280000	21248 STATE HWY 175	MIDDLETOWN CA	15.00	02/24/20	
(2,000.00)	-	(2,000.00)	-	-	-	024369040000	21130 CALISTOGA ST	MIDDLETOWN CA			9/16 Clover Dairy states 1800 sf bldg Clover Dairy 707-994-5667
1,850.00	-	1,850.00	-	-	-	024369040000	21130 CALISTOGA ST	MIDDLETOWN CA	15.00	02/24/20	
											11/26/19 Brian Keegan of Keegan & Coppin Co., Inc (bkeegan@keegancoppin.com 18990 Coyote Valley Rd is 10,000 sf building with 24 units; calculation is changed from \$44,000 to \$2,500 plus \$300 fore each additional unit (or \$7,200) for total of \$9,700
(1,650.00)	-	(1,650.00)	-	-	-	014521010000	18990 COYOTE VALLEY RD #1	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521090000	18990 COYOTE VALLEY RD #11	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521100000	18990 COYOTE VALLEY RD #12	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521110000	18990 COYOTE VALLEY RD #13	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521120000	18990 COYOTE VALLEY RD #14	MIDDLETOWN CA			

SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT
 2019-2020 COUNTY TAX ROLL CORRECTIONS

Firefee1920	\$ Res units	\$ Com/Ind units	\$ Add'l Units	\$ Orch/Vny	\$ Undev units	Asmt	Situs1	Situs2	RC FEE	DATE SUBMITTED	COMMENTS
(1,850.00)	-	(1,850.00)	-	-	-	014521130000	18990 COYOTE VALLEY RD #15	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521140000	18990 COYOTE VALLEY RD #16	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521150000	18990 COYOTE VALLEY RD #17	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521160000	18990 COYOTE VALLEY RD #18	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521170000	18990 COYOTE VALLEY RD #19	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521020000	18990 COYOTE VALLEY RD #2	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521180000	18990 COYOTE VALLEY RD #20	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521190000	18990 COYOTE VALLEY RD #21	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521200000	18990 COYOTE VALLEY RD #22	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521210000	18990 COYOTE VALLEY RD #23	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521220000	18990 COYOTE VALLEY RD #24	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521230000	18990 COYOTE VALLEY RD #25	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521240000	18990 COYOTE VALLEY RD #26	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521250000	18990 COYOTE VALLEY RD #27	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521260000	18990 COYOTE VALLEY RD #28	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521270000	18990 COYOTE VALLEY RD #29	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521030000	18990 COYOTE VALLEY RD #3	MIDDLETOWN CA			
(1,650.00)	-	(1,650.00)	-	-	-	014521280000	18990 COYOTE VALLEY RD #30	MIDDLETOWN CA			
(1,850.00)	-	(1,850.00)	-	-	-	014521040000	18990 COYOTE VALLEY RD #4	MIDDLETOWN CA			
2,800.00	-	2,500.00	300.00	-	-	014521010000	18990 COYOTE VALLEY RD #1	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521090000	18990 COYOTE VALLEY RD #11	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	14521100000	18990 COYOTE VALLEY RD #12	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521110000	18990 COYOTE VALLEY RD #13	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521120000	18990 COYOTE VALLEY RD #14	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521130000	18990 COYOTE VALLEY RD #15	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521140000	18990 COYOTE VALLEY RD #16	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521150000	18990 COYOTE VALLEY RD #17	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521160000	18990 COYOTE VALLEY RD #18	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	14521170000	18990 COYOTE VALLEY RD #19	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521020000	18990 COYOTE VALLEY RD #2	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521180000	18990 COYOTE VALLEY RD #20	MIDDLETOWN CA	15.00	02/24/20	

SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT
 2019-2020 COUNTY TAX ROLL CORRECTIONS

Firefee1920	\$ Res units	\$ Com/Ind units	\$ Add'l Units	\$ Orch/Vny	\$ Undev units	Asmt	Situs1	Situs2	RC FEE	DATE SUBMITTED	COMMENTS
300.00	-	-	300.00	-	-	014521190000	18990 COYOTE VALLEY RD #21	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521200000	18990 COYOTE VALLEY RD #22	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521210000	18990 COYOTE VALLEY RD #23	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521220000	18990 COYOTE VALLEY RD #24	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521230000	18990 COYOTE VALLEY RD #25	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521240000	18990 COYOTE VALLEY RD #26	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521250000	18990 COYOTE VALLEY RD #27	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521260000	18990 COYOTE VALLEY RD #28	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521270000	18990 COYOTE VALLEY RD #29	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521030000	18990 COYOTE VALLEY RD #3	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521280000	18990 COYOTE VALLEY RD #30	MIDDLETOWN CA	15.00	02/24/20	
300.00	-	-	300.00	-	-	014521040000	18990 COYOTE VALLEY RD #4	MIDDLETOWN CA	15.00	02/24/20	
(1,800.00)	-	-	-	-	(1,800.00)	13055370000	11395 OAK ST	COBB CA	15.00	03/20/20	
(37,840.00)	(400.00)	(41,800.00)	7,100.00	-	(2,740.00)				570.00		



May 2020

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2020, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2020-21. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2020-21 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2020.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data. Given the stay-at-home orders due to COVID-19, growth in the coming years may be substantially lower than recent trends.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

/s/ Keely Martin Bosler

KEELY MARTIN BOSLER
Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2020-21 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2020-21	3.73

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2020-21 appropriation limit.

2020-21:

Per Capita Cost of Living Change = 3.73 percent
Population Change = 0.22 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.73 + 100}{100} = 1.0373$

Population converted to a ratio: $\frac{0.22 + 100}{100} = 1.0022$

Calculation of factor for FY 2020-21: $1.0373 \times 1.0022 = 1.0396$

Fiscal Year 2020-21

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2019 to January 1, 2020 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2019-2020	1-1-19	1-1-20	1-1-2020
Lake				
Clearlake	-0.46	14,363	14,297	14,297
Lakeport	-0.45	4,698	4,677	4,677
Unincorporated	-0.24	45,116	45,006	45,066
County Total	-0.31	64,177	63,980	64,040

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT
 APPROPRIATIONS LIMIT - CALCULATION SUMMARY

FY	PERS INC %	POPULATION %	CPI & POP %	PROP 4 LIMIT w/o over ride	Approved Override	New Override Ord 2018-19 01	LIMIT	RES. NO.	AMT UNDER/ (OVER) LIMIT
1981-82				182,860.00		-			
1982-83	6.79	6.04	13.24%	207,070.66		-	207,070		
1983-84	2.35	6.17	8.66%	225,002.26		-	291,106		
1984-85	4.74	5.36	10.35%	248,289.71		-	320,217		
1984-85					\$750,000	-		784	
1985-86	3.74	7.49	11.51%	276,867.06		-	1,107,074		
1986-87	2.30	4.95	7.36%	297,244.41		-	1,124,139		
1987-88	3.47	3.87	7.47%	319,448.13		-	1,203,166		
1988-89	4.66	3.62	8.45%	346,441.36		-	1,295,689	1.9.88	
1988-89					\$950,000	-		1.3.89	
1989-90	5.19	2.66	7.99%	374,121.64		-	1,319,997	1.6.89	
1990-91	4.21	3.55	7.91%	403,713.97		-	1,424,277	1.9.90	
1991-92	4.14	4.02	8.33%	437,342.29		-	1,425,597	04-91	
1992-93	-0.64	4.48	3.81%	454,004.73		-	1,809,046	01-92	
1992-93					\$950,000	-		93-02	
1993-94	2.72	3.38	6.19%	482,106.85		-	1,407,566	93-12	
1994-95	0.71	2.68	3.41%	498,545.81		-	1,468,012	94-06	
1995-96	4.72	1.76	6.56%	531,249.55		-	1,560,056	95-03	
1996-97	4.67	0.90	5.61%	561,052.07		-	1,652,731	96-04	
1996-97					\$950,000	-		96-08	
1997-98	4.67	-0.18	4.48%	586,187.13		-	1,521,688	97-05	
1998-99	4.15	0.27	4.43%	612,155.08		-	1,585,266	98-04	
1999-00	4.53	0.49	5.04%	643,007.61		-	1,601,918	99-03	
2000-01	4.91	1.03	5.99%	681,523.12		-	1,697,873	00-07	1,013,776
2000-01					\$950,000	-		00-12	
2001-02	7.82	1.36	9.29%	744,836.49		-	1,855,605	2001-06	954,711
2002-03	-1.27	1.72	0.43%	748,038.79		-	1,681,312	2002-09	582,406
2003-04	2.31	1.55	3.90%	777,211.48		-	1,747,470	2003-11	457,295
2004-05	3.28	1.65	4.98%	815,916.11		-	1,856,598	2004-14	220,107
2004-05					\$1,250,000	-		2004-15	
2005-06	5.26	1.26	6.59%	869,684.86		-	2,119,707	2005-16	524,252
2006-07	3.96	0.90	4.90%	912,298.52		-	2,223,573	2006-11	526,156
2007-08	4.42	0.51	4.95%	957,456.75		-	2,333,640	2007-11	524,954
2008-09	4.29	0.25	4.55%	1,001,020.25		-	2,439,820	2008-12	519,706
2008-09					\$1,250,000	-		2009-02	
2009-10	0.62	-0.22	0.40%	1,005,024.08		-	2,255,053	2010-01	760,342
2010-11	-2.54	0.01	-2.53%	979,596.89		-	2,229,624	2011-01	475,488
2011-12	2.51	0.31	2.83%	1,007,318.57		-	2,257,348	2011-12	470,938
2012-13	3.77	-1.65	2.06%	1,028,068.75		-	2,303,849 2,278,068	2012-10	183,512
2012-13					\$1,250,000	-		2013-03	
2012-13						-		2013-01	
2013-14	5.12	0.25	5.38%	1,083,378.06		-	2,333,378	2013-22	563,144
2014-15	-0.23	0.15	-0.08%	1,082,511.30		-	2,332,511	2014-09	396,179
2015-16	3.82	0.57	4.41%	1,130,249.74		-	2,380,249	2015-16	144,493
2016-17	5.37	-0.98	4.34%	1,179,301.81		-	2,429,301	2016-16	193,545

SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT
 APPROPRIATIONS LIMIT - CALCULATION SUMMARY

FY	PERS INC %	POPULATION %	CPI & POP %	PROP 4 LIMIT w/o over ride	Approved Override	New Override Ord 2018-19 01	LIMIT	RES. NO.	AMT UNDER/ (OVER) LIMIT
2016-17					\$1,250,000	-		2016-17-01	
2017-18	3.69	0.50	4.21%	1,228,949.57			2,478,949	2016-17-18	243,193
2018-19	3.67	1.30	5.02%	1,290,642.24			2,540,642	2017-18 28	304,886
2019-20	3.85	0.28	4.14%	1,344,074.58		1,856,810	3,200,884	2019-20 01	
2020-21	3.73	-0.24	3.48%	1,390,847.78	1.8%	1,890,233	4,531,080		
2020-21	3.73	-0.24	3.48%	1,390,847.78	2.3%	1,899,517	4,540,364		



THE CALIFORNIA MUNICIPAL REVENUE SOURCES HANDBOOK

2013

Edition

Michael Coleman

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THE CALIFORNIA MUNICIPAL REVENUE SOURCES HANDBOOK

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THE ARTICLE XIIB APPROPRIATIONS LIMIT

Chapter 10



In November 1979, the voters of California followed up the tax limitations of Proposition 13 (1978) with an amendment to the state Constitution to limit the growth of government spending. Commonly known as the Gann Initiative after anti-tax advocate Paul Gann, Proposition 4 created Article XIIB of the Constitution which provides a formula for calculating spending limits.

In a response to increasing difficulties with the restrictions of Proposition 4, and to increase the accountability of local government in adopting limits, the voters in June 1990 adopted Proposition 111. Among other things, these amendments revise the adjustment formulas.

The League of California Cities, with a task force of experts, prepared and released uniform guidelines for making the necessary calculations under Article XIIB most recently in 1991. This chapter is an update and revision to those guidelines.

■ 10.01 Article XIII B: A Summary

The appropriations limitation imposed by Propositions 4 (1979) and later amended by Proposition 111 (1990) creates a restriction on the amount of government revenue which may be appropriated in any fiscal year. The Appropriations Limit is based on actual appropriations during the base year (1986-87 or the first full year of operation), and increases each year using specified growth factors.

The Appropriations Limit applies only to those revenues defined as proceeds of taxes. Certain expenditures of tax proceeds do not count as Appropriations Subject to Limit including those for voter approved debt, qualified capital outlay, and the costs of complying with court orders and federal mandates.

In order to ensure that taxes are counted in the Appropriations Limit of one but only one agency of government, the law requires that if the State provides funds to a local government for general purposes, the funds are to be counted as state subventions and included in the Appropriations Subject to Limit of the local agency. However, if the Legislature restricts the funds to specific purposes, then the funds are counted in the State rather than local Appropriations Subject to Limit.

During any fiscal year, a government entity may not appropriate any proceeds of taxes received in excess of the Appropriations Limit of the entity. If a local government receives excess funds in any one year, it may carry those excess funds into the subsequent year for use. Any excess funds remaining after the second year must be returned to taxpayers by reducing tax rates or fees. As an alternative, a majority of the voters may approve an override to increase the Appropriations Limit. The law allows such an override to last for a maximum of four years.

■ 10.02 What Local Government Funds are Covered?

Article XIII B attempted to restrict spending at all levels of government in California. The Appropriations Limit applies to all taxes levied by and for a government entity. The law applies to the State, as well as to all local governments including any city, county, city and county, school district, special district, authority, or other political subdivision of or within the State.¹

The following local governments are not subject to Appropriations Limit requirements:

- Special districts which did not, as of fiscal year 1977-78, levy a property tax in excess of 0.125 per 100 of assessed value.
- Any special district which is entirely funded by other than the proceeds of taxes.
- Redevelopment agency or successor agency property tax increment funds (such agencies do not have the power to levy a property tax).²

For most local governments, the funds constrained by Article XIII B will include the General Fund, the Capital Outlay Fund, and Special Revenue Funds. The source of revenues will determine whether a fund requires a separate Appropriations Limit.

■ 10.03 Determining Your Appropriations Limit

The total annual appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in this article.

– CAL. CONST. ART XIII B SEC 1

The Appropriations Limit is the calculated dollar amount which restricts the ability to appropriate proceeds of taxes. The Appropriations Subject to Limitation may not exceed the Appropriations Limit. In its simplest form, the Appropriations Limit for any year is the Appropriations Limit from the previous fiscal year increased for inflation and population growth. Ultimately, the Appropriations limit in a given year depends on the Appropriations Limit for the Base Year (first year of calculation) adjusted annually according to specified factors.

Base Year

The appropriations limit for the Article XIII B base year is the sum of the Appropriations Subject to Limitation for that year. Proposition 111 (1989) established Fiscal Year 1986-87 as the Base Year for all governments, rather than the original 1978-79 base year established by Proposition 4 (1979).³ The base year of a local government entity formed or incorporated on or after January 1, 1980 is the Appropriations Subject to Limitation for the first full year of operation of that entity.⁴

■ 10.04 Irregular Alterations to an Appropriations Limit

Other than the annual adjustment, the Appropriations Limit of a local government entity must be altered for any transfer of financial responsibility. The Appropriations Limit may also be altered, for a limited period of time, in the event of a declared emergency or if voters approve an override temporarily increasing the Appropriations Limit.

Transfer of Financial Responsibility⁵

In addition to the annual inflation and population adjustments, the Appropriations Limit must be adjusted in the event that the financial responsibility for providing services is transferred in whole or in part from:

- One entity of government to another.
- One entity of government to a private entity.
- Proceeds of taxes to licenses or fees.

The drafters of Proposition 4 wanted to ensure that public agencies did not evade the Appropriations Limit by shifting programs to other governments or from tax support to user fees. Article XIII B requires that a public agency's Appropriations Limit be adjusted whenever there is a transfer of financial responsibility:

1. **Between two or more government agencies** (such as through an annexation or incorporation). Whenever financial responsibility for all or some part of a service is transferred between government agencies, the agencies must increase or decrease their limits by such reasonable amount as the said entities shall mutually agree to. ⁶ The amounts adjusted should be the same for the two agencies.

Tip: When annexing territory, remember to also negotiate an amount for adjustment of the Appropriations Limits of the affected entities.

- 2. From the public sector to the private sector.** A public agency's Appropriations Limit is to be reduced if the financial responsibility for all or part of services transferred to a private entity. For example, if a city that had been funding refuse collection services all or in part from tax revenues instead issued a franchise contract to a private company for providing the service, the Appropriations Limit would be reduced by the amount of tax/subvention saved commencing in the year of the transfer. However, if the service had been funded entirely from user fees, which are not Appropriations Subject to Limit, then the calculations are unaffected and there is no requirement to alter the Appropriations Limit.
- 3. From other funding to user fees.** A public agency's Appropriations Limit must be decreased whenever the financial responsibility of providing services is transferred in whole or in part from other revenues of an entity of government to proceeds from regulatory licenses, user charges, or user fees.⁷ However, the adjustment need only be made when the dollar amount allocated from other revenues to the provision of such services is decreased.⁸ That is, if the service funding is maintained (e.g., with a maintenance of effort, etc.) with other revenues, then the Appropriations Limit does not have to be reduced. Consistent with the intent and other provisions of Article XIII B, other revenues referred to in this section means proceeds of taxes and/or state subventions.

Emergency⁹

Locally declared emergency. Article XIII B allows an entity to exceed its Appropriations Limit by declaring an emergency. In such a case, the Appropriations Limit in the following three years must be sufficiently reduced so as to recover, in aggregate, the excess spending.

The Constitution provides no guidance regarding any criteria which must be met in determining the existence of an emergency of this type. However, the Attorney General has opined that an emergency must reflect an extraordinary occurrence or combination

of circumstances that was unforeseen and unexpected at the time a governmental entity adopted its budget and which requires immediate and sudden action of a drastic but temporary nature.¹⁰

Emergency declared by Governor. Article XIII B provides different rules for an emergency declared by the Governor. In the event that an emergency is declared by the Governor, the local agency may, by a two-thirds vote of the governing board, appropriate funds into an emergency fund with such appropriations not being subject to limitation.

For this criteria to be met, the emergency, as declared by the Governor, must reflect conditions of disaster or extreme peril to people or property. In an emergency declared by the Governor, there is no requirement to reduce future year Appropriations Limits to recover the amount spent.

Voter Override¹¹

The appropriations limit imposed on any new or existing entity of government by this Article may be established or changed by the electors of such entity, subject to and in conformity with constitutional and statutory voting requirements. The duration of any such change shall be as determined by said electors, but shall in no event exceed four years from the most recent vote of said electors creating or continuing such change.

– CAL. CONST. ART. XIII B, SEC. 4

The voters of a jurisdiction may, by majority approval, increase the Appropriations Limit of a local government. The override may not exceed four years. (See *Exceeding the Limit* below)

Tip: Remember to include language approving an increase in the Appropriations Limit in the enacting ordinance of any tax measure.

■ 10.05 Modifying a Limit – Prior Year Effects

Nothing in the law prohibits a government entity from revising its Appropriations Limit—for example, to correct a computational error or to employ a different valid interpretation of Appropriations Subject to Limit.¹² However, any such modifications must be applied consistently to both the Limit and the Appropriations Subject to Limit from the base year (1986-87) onward. Any such modification should:

- modify the base year Appropriations Limit accordingly and recalculate the subsequent annual Appropriations Limits up through the current year,
- modify the Appropriations Subject to Limit for the base year and each subsequent year, and
- compare the Appropriations Limit and Appropriations Subject to Limit in each year.

Any modification opens a 60-day public challenge period for the recalculated years.

■ 10.06 Appropriations Subject to Limitation

“Appropriations subject to limitation” of an entity of local government means any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of state subventions to that entity (other than subventions made pursuant to Section 6) exclusive of refunds of taxes.*

– CAL. CONST. ART XIII B SEC 8(B)
*state mandate reimbursement

The Appropriations Subject to Limitation of an entity of local government are those specified appropriated revenue sources to which the Article XIII B limit applies. The particular categories and definitions of revenues included in an entity's Appropriations Subject to Limitation should be consistent across all years and the Base Year.

Step by Step: Determining Appropriations Subject to Limit

1. Assign each revenue account (other than interest earnings) into either proceeds of taxes or non-proceeds. (Worksheet 1)
2. Determine whether any user fees exceed the cost of services. (Worksheet 2. Enter results on Worksheet 1)
3. Determine all allowable exclusions, including debt service, qualified capital outlay, court orders and federal mandates. (Worksheet 3)
4. Pro-rate interest earnings.
 - a. Deduct the exclusions identified in step 3 from the total proceeds of taxes computed in steps 1 and 2.
 - b. Divide the amount determined in step 4 by the total non-interest revenue on Worksheet 1. Multiply this by the total estimated interest earnings to compute the amount of interest earned from the investment of proceeds of taxes. (Worksheet 4) An alternate method of computing interest earned from the investment of proceeds of taxes may be used with adequate justification and documentation.
3. Allocate the interest earnings between proceeds of taxes and non-proceeds on Worksheet 1 and total the columns. Transfer the total proceeds of taxes from Worksheet 1 and the exclusions from Worksheet 3 to Worksheet 8.

Proceeds of Taxes

Proceeds of taxes include:

- All taxes levied by or for a public agency.
- Any revenue from regulatory licenses, user charges, and user fees to the extent that the proceeds exceed the cost of providing the regulation, product, or service.¹³
- State subventions for general purposes.
- Any interest earned from the investment of the proceeds of taxes.

State Subventions

“State subventions” shall include only money received by a local agency from the state, the use of which is unrestricted by the statute providing the subvention.

– GOV CODE SEC 7903

For the purposes of Article XIII B, state subventions to a local government is money received from the state which is unrestricted as to use. Discretionary funding to local governments from the state has dwindled dramatically since the passage of Proposition 4 in 1979. Consider:

- Motor Vehicle License Fees (VLF) In Lieu funds that are not designated as to use.
- Homeowners Property Tax Relief.

State moneys provided to local governments with restricted uses are to be included by the State in its Appropriations Limit computations. State subventions provided to local governments without restriction as to use are excluded from the State's Appropriations Limit computations. The same proceeds of taxes may not be included in the Appropriations Limit computations of more than one local jurisdiction or the State.¹⁴

Motor Vehicle Fuel Tax (Gasoline Tax) revenues allocated to a local government are not a state subvention for the purposes of Article XIII B because these funds are restricted as to use. The State includes these funds in its calculations.

State mandate reimbursements are specifically excluded from state subventions.

User Fees

Revenue received from regulatory licenses, user charges, and user fees are not considered as proceeds of taxes unless the proceeds exceed the costs reasonably borne in providing the regulation, service, or product.¹⁵

Note that the following are NOT considered regulatory licenses, user fees or charges for the purpose of this Article XIII B requirement, nor are they proceeds of taxes:

- **Rents, concessions, entrance fees, franchise fees** such as facility room rentals, equipment rentals, park, museum and zoo entrance fees, golf greens fees, on and off-street parking, and tolls.
- **Fines, forfeitures, penalties** such as late payment fees, citations, parking fines, code enforcement fees and penalties, interest charges and other charges for violation of the law.
- **Assessments on real property or persons** for special benefit conferred.¹⁶

In order to make this determination under Article XIII B, the regulatory license (fees), user charges and fees of the entity should be examined in comparison with the costs of providing the regulation services or products. The analysis may aggregate reasonably related services for this analysis.¹⁷ For example, you may

- group **planning and zoning** fees and charges for comparison with the costs of providing services for which those fees are charged
- group **building inspection, fire safety inspection, public works inspection, and construction permit** fees and charges for comparison with the costs of providing services for which those fees are charged
- group **police department** fees and charges for comparison with the costs of providing services for which those fees are charged
- group **parks and recreation** fees and charges for comparison with the costs of providing services for which those fees are charged.

If a determination is made that the proceeds from an aggregated group of regulatory licenses, user charges, or user fees exceeds costs, then any such excess is to be considered proceeds of taxes under Article XIII B. Such a case requires further analysis to determine compliance of each user fee, regulatory license, and user charge in the aggregated group with Proposition 26 (Cal Const art III C, section 1(e)) or, in the case of property-related fees, Proposition 218 (Cal Const art III D, section 6). All taxes require voter approval (Cal Const art III C, section 2).

Exclusions

The following are excluded from the Appropriations Subject to Limitation:

- Certain types of debt service costs.
- Qualified capital outlay.
- The costs of complying with court orders and federal mandates which, without discretion, require an expenditure for additional services or which unavoidably make the providing of existing services more costly.
- Appropriations required to refund taxes.
- Local agency loan funds or indebtedness funds, or investment funds in bank accounts.

Debt Service. Certain types of debt service costs are not subject to the Appropriations Limit. Excludable debt service is limited to appropriations required to pay the cost of interest and redemptions charges on indebtedness existing or legally authorized as of January 1, 1978 or on bonded indebtedness thereafter approved by a vote of the electors. Under certain conditions, a public entity's contribution to a pension fund may be an indebtedness exempt from the Appropriations Limit. Non-voter approved debt used to purchase qualified capital outlays may also be exempted.

Qualified Capital Outlay. Qualified Capital Outlay is an appropriation for a fixed asset (including land and construction) with a useful life of 10 years or more and a value which equals or exceeds one hundred thousand dollars (\$100,000). This may include:

- Annual debt service and other financing costs.
- Certificates of participation.
- Lease-purchases.
- Periodic contributions into a capital reserve fund, provided that the funds are used to purchase a qualified capital asset.
- Purchases or rehabilitation which enhances the value of or extends the life of existing property, provided that the equipment, land, facility, and/or construction costs meet the dollar and life expectancy criteria (ten years and \$100,000). An example would be the addition of \$100,000 sprinkler improvements to enhance an existing park sprinkler system. Another example would be the reconstruction of a deteriorated roadway.
- Lease of a qualified capital asset.

Items which are *not* considered qualified Capital Outlay include:

- collections of lower-priced assets which, when aggregated total more than \$100,000
- regular maintenance of assets.

Count only that portion of the asset(s) which are purchased with tax proceeds. An asset with multiple funding sources should be prorated in order to determine how much is exempt from the Appropriations Limitation.

Tip: Evaluate any contracts your agency has with other agencies or firms to identify any qualified capital outlays paid through the contract. These costs should be excluded from the Appropriations Limit. Consider separate billings for capital outlays.

Caution: Income from the rent or sale of a qualified capital asset may need to be counted as proceeds of taxes. If the asset was originally obtained using funds which would have been above the Appropriations Limit were it not for the qualified capital outlay exclusion, any revenue gained from the asset under these circumstances should be treated as proceeds of taxes.

Court Orders. If a court orders a public entity to spend money without discretion for additional services or if a court order unavoidably makes the provision of existing services more costly, the expenditures are not counted as Appropriations Subject to Limitation. In making a determination, in this area, one should consult legal counsel and consider the meaning of the terms unavoidably, without discretion, and additional service. Some additional cost areas include:

- Costs incurred to comply with court interpretation of an existing state statute or constitutional provision.
- Costs incurred to comply with court mandates imposed on a separate entity of local government to which other entities of government are subject.

Federal Mandates. The costs of compliance with a federal mandate which, like a court order, unavoidably and without discretion requires an additional service or makes an existing service more expensive may also be exempt from the Appropriations Limit. A federal mandate exists whenever failure to comply with the mandate would result in substantial monetary penalties of loss of funds to public or private persons.¹⁸

Examples of Federal Mandates

- Americans With Disabilities Act
- Clean Air Act
- Clean Water Act and Water Pollution Control Act
- Comprehensive Environmental Response Compensation and Liability Act
- Drug-Free Workplace Act
- Emergency Planning and Community Right-to-Know Act
- The Fair Labor Standards Act
- Family and Medical Leave Act
- Flood Disaster Protection Act
- Health Insurance Portability and Accountability Act
- Help America Vote Act and Voting Rights Language Assistance Act
- Immigration Reform and Control Act
- Job Training Partnership Act
- Justice for All Act (collection of DNA samples from persons convicted of felonies)
- National Historic Preservation Act
- Occupational Safety and Health Act
- Omnibus Transportation Employee Testing Act
- Public Health Service Act
- Residential Lead-Based Paint Hazard Reduction Act
- Resource Conservation and Recovery Act (hazardous wastes sites)
- Safe Drinking Water Act
- Stewart B. McKinney Homeless Assistance Act
- Surface Transportation and Uniform Relocation Assistance Act
- Telecommunications Act (Wireless Antennas)
- Water Quality Act

Reserve Funds. Whenever tax proceeds are appropriated into a reserve fund (contingency, emergency, unemployment, reserve, retirement, sinking fund, trust, or similar fund) they are to be counted as Appropriations Subject to Limitation in the year of appropriation. However, such funds are not included in the computation when they are withdrawn (or authorized to be withdrawn). Transfers among eligible reserve funds are also not counted as Appropriations Subject to Limitation.

There are two exceptions to this rule. Reserves created to fund 1) the future costs of qualified capital outlay or 2) the damages of an eligible emergency may be created and financed outside of the Appropriations Limit. The specific capital outlay project should be clearly stated prior to funding the reserve, and strict accounting should be used for expenditure of the funds.

Each entity of government may establish such contingency, emergency, unemployment, reserve, retirement, sinking fund, trust, or similar funds as it shall deem reasonable and proper. Contributions to any such fund, to the extent that such contributions are derived from the proceeds of taxes, shall for purposes of this Article constitute appropriations subject to limitation in the year of contribution. Neither withdrawals from any such fund, nor expenditures of (or authorizations to expend) such withdrawals, nor transfers between or among such funds, shall for purposes of this Article constitute appropriations subject to limitation.

– CAL. CONST. ART XIII B SEC 5

Consistency is Key

There may be some variance among local governments as to interpretation of the specific funds to be included as Appropriations Subject to Limitation. The important thing is that those categories of revenues treated as proceeds in the Base Year are consistently treated as such in subsequent years. Any modification of the treatment of specific revenues must also make that revision in the Base Year (1986-87) and re-adjust each subsequent year's Appropriations Limit.

Step by Step: Determining Appropriations Subject to Limit

1. Enter the Appropriations Limit for the entity for the prior year on Worksheet 7.
2. Determine the changes in population on Worksheet 5 and select the larger figure for the year. Enter this on Worksheet 7.
3. Determine the change in cost of living under each of the two formulas and select the larger figure for the year. Enter this on Worksheet 7.
4. Compute factors and Limits and enter on Worksheet 8.

10.07 Annual Adjustment of the Appropriations Limit

The total annual appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in this article.

– CAL. CONST. ART XIII B SEC 1

Each year, a local government must adjust its Appropriations Limit for two factors: 1) the change in the cost of living, and 2) the change in population.

Annual Adjustment of Appropriations Limit	
$L = L_{py} (1 + C) (1 + P)$	
L	Appropriations Limit of a local government for a fiscal year
L _{py}	Appropriations Limit of the public entity for the prior fiscal year
C	Change in cost of living as defined in law and chosen by the public entity for that year
P	Change in population as defined in law and chosen by the public entity for that year

However, the law allows a number of choices to the public entity for each of these factors. A local government that is not a school or college district may make a choice each year to define the **change in the cost of living** in either of two ways:

- the change in California per capita personal income, or
- the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction.

Local governments also have multiple options for defining the change in population. A city may choose either

- the percentage change in population within the city, or
- the percentage change in population within the county in which the city is located (i.e., total population in county meaning incorporated and unincorporated combined).

Special districts and counties have other choices (see table).

	Change in Population ¹⁹	Change in the Cost of Living ²⁰
City	(1) The percentage change in population within the city, or (2) the percentage change in population within the county in which the city is located. (total in county: incorporated and unincorporated combined)	(A) the percentage change in California per capita personal income from the preceding year, or (B) the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction.
Special District	(1) The percentage change in population within the district, or (2) the percentage change in population within the county in which the district is located. (3) For a special district located in two or more counties, the district may use the percentage change in population in the county in which the portion of the district is located which has the highest assessed valuation.	
County	(1) The percentage change in population within the county, or (2) the percentage change in population within the county, combined with the change in population within all counties having borders that are contiguous to that county, or (3) the percentage change in population within the incorporated portion of the county.	

Sources and Calculation Methods

Percentage changes in population for each year - including for a city, special district, county, or county incorporated area - are available from the California Department of Finance Demographics Unit.

The percentage change in California per capita personal income is defined in law as *California personal income*²¹ divided by the *civilian population of the state*²²...divided by the *similarly determined quotient for the next prior year*.²³ The Department of Finance is required to make this calculation and notify each local agency of the figure no later than May 1 of each year.²⁴

The percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction is properly defined as the dollar change in locally assessed non-residential valuation due to new construction from the prior year assessment roll to the most recent assessment roll divided by the total secured and unsecured assessment roll in the prior year.

“Change in the cost of living” for an entity of local government, other than a school district or a community college district, shall be either (A) the percentage change in California per capita personal income from the preceding year, or (B) the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction. Each entity of local government shall select its change in the cost of living pursuant to this paragraph annually by a recorded vote of the entity’s governing body.

– CAL. CONST. ART XIII B SEC 8(E)(2)

Change in assessment roll due to addition of local nonresidential new construction

$$C_{ar} = \frac{NRAV}{AR_{py}}$$

C_{ar} Percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction.

$NRAV$ the dollar value of new nonresidential construction in the jurisdiction during the year following the prior-year assessment roll.

AR_{py} the total secured and unsecured assessment roll in the jurisdiction in the prior year.

Check with your County Assessor for the elements of this calculation.

Annual Adjustment Factors Prior to 1990-91

For the year 1980-81 through 1989-90, the factors were, for each year: 1) the lesser of the change in the U.S. Consumer Price Index (CPI) or the change in California Per Capita Income, and 2) the change in population of the entity.

■ 10.08 Exceeding the Limit

All revenues received by an entity of government, other than the State, in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the entity in compliance with this article during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

– CAL. CONST. ART XIII B SEC 2(B)

If a government entity ends a fiscal year having more Appropriations Subject to Limit than its Appropriation Limit allows, the entity must return the excess either by reducing taxes or fees. Excess revenues in a year may be carried over for one year. That is, if a government entity exceeds its Appropriations Limit in a fiscal year, it can avoid a refund if it is below its Appropriations Limit in the next succeeding year by at least as much. The effect of this one year carry-over provision is that the amount of the combined Appropriations Subject to Limit over a two year period in excess of the combined Appropriations Limits for those two years must be returned.²⁵

The government entity must return the excess amount by a revision of tax rates or fee schedules within the next two subsequent fiscal years. Alternatively, the electors of a government entity may increase the appropriations limit of the entity. Such a change in an Appropriations Limit may not exceed four years from the most recent vote of the electors.²⁶

Overrides

An Appropriations Limit override does not have to specify how the excess proceeds of taxes will be used by the entity (although it may). The amount of increase requested may be in the form of an absolute dollar amount, a percentage increase, an unspecified amount tied to increased revenue from a specific source, or any combination or amount desired by the government entity.

The override may be held any time within the two years allowed to refund the excess funds. However, is risky to wait too long before submitting an override to the voters. The four-year maximum period commences from the date of passage of the override.

■ 10.09 Adoption Procedures and Annual Review

The Adoption Process

The law stipulates that each year each local government shall:

- By resolution of the governing board at a regularly scheduled meeting or noticed special meeting, establish its Appropriations Limit and make other necessary determinations pursuant to Article XIII B.
- Fifteen days prior to the meeting establishing the Limit, make available to the public, documentation used in the determination of the Appropriations Limit and other necessary determinations.²⁷
- Publish the Appropriations Limit and the Appropriations Subject to Limitation in the annual budget of the government entity.²⁸
- Provide the Appropriations Limit and the Appropriations Subject to Limitation to the State Controller's Office on forms included with the filing of the Annual Statement of Financial Transactions.

There is no requirement that a public entity disclose the total amount of proceeds of taxes or Appropriations Subject to Limit. However, some public entities choose to document the actual amount of tax proceeds received and publicly provide notice that the Appropriations Limit has not (or has) been exceeded.

Annual Review and Enforcement

The annual calculation of the appropriations limit under this article for each entity of local government shall be reviewed as part of an annual financial audit.

– CAL. CONST. ART XIII B SEC 1.5

The annual calculation of the Appropriations Limit must be reviewed as part of an annual financial audit. The League of California Cities interprets this requirement as follows:

- An annual financial audit of the entity shall include a review of the adjustments made to the Appropriations Limit from the prior year.
- If the government entity alters or modifies its Appropriations Limit, the review will address those changes including any related revision of base year and intervening year calculations.
- The review will evaluate the accuracy of the computations and the adequacy of documentation. Completion of the worksheets in these guidelines or other alternative computations, along with required council motions will provide adequate documentation needed for the review.
- A local government need not conduct an annual audit of its proceeds of taxes.²⁹

The review will include the following procedures:

Determine that the Appropriations Limit was adopted by the governing board of the entity, and that the population and inflation options were selected by a recorded vote of the governing board.

Determine that the computations correctly compute the current year Appropriations Limit, taking into account the prior year Appropriations Limit, adjustments for the change in the cost of living and the change in population as defined, and any alterations or modifications.

Determine from supporting schedules or worksheets that the computations of the components used in the calculation of the Appropriations Limit are correctly calculated.

Agree the prior year Appropriations Limit used in this computation to the prior year Appropriations Limit adopted by the governing board during the prior fiscal year.

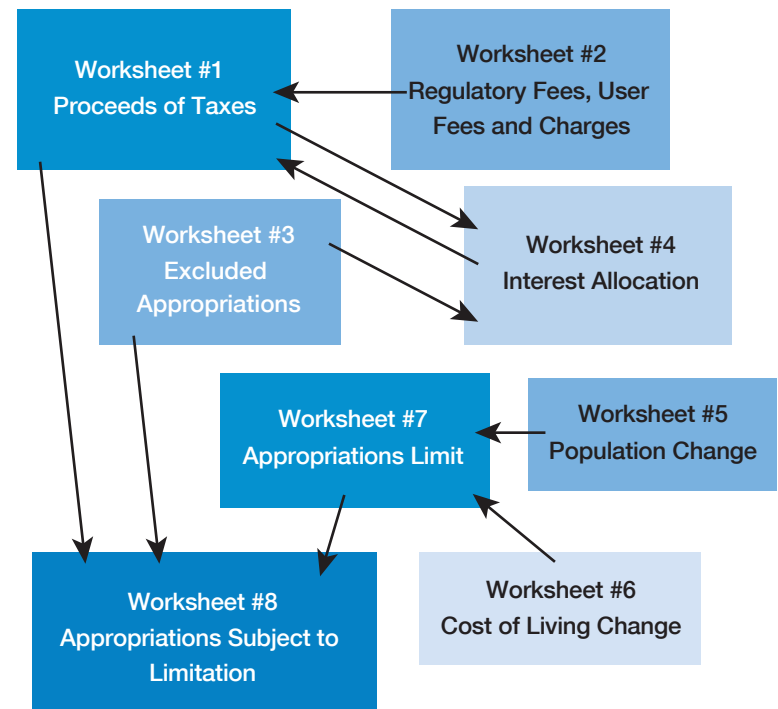
The determination of whether actual revenues exceeded the Appropriations Limit should take place pursuant to other responsibilities of the financial auditor.

The review of the Article XIII B computations must be conducted even if an entity does not normally conduct a full financial audit.

The auditor should issue an agreed-upon procedures report to the governing board of the entity.

Article XIII B was intended by the drafters and the Legislature to be locally enforced by concerned citizens. There is no formal enforcement agency. The law limits challenges to the Appropriations Limitation calculation to a 45-day period, and the complainant must seek remedies in civil court.³⁰

Gann Limit Calculations Worksheet Information Flow



Endnotes

- 1 Cal. Const. art VIII B Sec 8(d)
- 2 *City of Sacramento v the State of California* (1990) 50 C3d 51, Rev and Tax Code Sec 2206.
- 3 Cal. Const. art VIII B Sec 8(h)
- 4 Gov. Code Sec 7902.7, Gov. Code Sec 56811 for special districts, Gov. Code Sec 56812 for cities.
- 5 Cal. Const. art VIII B Sec 3
- 6 Cal. Const. art VIII B Sec 3(a)
- 7 Gov. Code Sec 7913
- 8 *ibid*
- 9 Cal. Const. art VIII B Sec 3(c)
- 10 65 Ops. Atty. Gen. 151,3-2-82.
- 11 Cal. Const. art III B Sec 4
- 12 *Santa Barbara County Taxpayers Association v. Board of Supervisors of Santa Barbara County* (1989) 209 Cal.App.3d 940.
- 13 If a determination is made that the proceeds from an aggregated group (See Gov Code Sec 7905) of regulatory licenses, user charges, or user fees exceeds costs reasonably borne in providing the regulation, service, or product, then any such excess is proceeds of taxes under Article III B. A further analysis for compliance under Cal Const art III C, 1(e), or, in the case of property related fees, Cal Const art III D.
- 14 Gov. Code Sec 7904
- 15 If a determination is made that the proceeds from an aggregated group (See Gov Code Sec 7905) of regulatory licenses, user charges, or user fees exceeds costs reasonably borne in providing the regulation, service, or product, then any such excess is proceeds of taxes under Article III B. A further analysis for compliance under Cal Const art III C, 1(e), or, in the case of property related fees, Cal Const art III D.
- 16 *County of Placer v. Corin* (1980) 113 CA3d 449
- 17 Gov. Code Sec 7905
- 18 *City of Sacramento v the State of California* (1990) 50 C3d 51, Rev and Tax Code Sec 2206.
- 21 as published by the United States Department of Commerce in the Survey of Current Business for the fourth quarter of a calendar year Gov. Code Sec 7901
- 22 on January 1 of the next calendar year, as estimated by the Department of Finance Gov. Code Sec 7901
- 23 Gov. Code Sec 7901
- 24 Gov. Code Sec 7909
- 25 Cal. Const. art III B Sec 2(b)
- 26 Cal. Const. art III B Sec 4
- 27 Gov. Code Sec 7910
- 28 Gov. Code Sec 37200
- 29 *Barratt American Inc. v. City of Rancho Cucamonga* (2005) 37 Cal.4th 685) that
- 30 Gov. Code Sec 7910

Understanding California's Property Taxes



MAC TAYLOR • LEGISLATIVE ANALYST • NOVEMBER 29, 2012

AN LAO REPORT

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AN LAO REPORT

EXECUTIVE SUMMARY

The various taxes and charges on a California property tax bill are complex and often not well understood. This report provides an overview of this major source of local government revenue and highlights key policy issues related to property taxes and charges.

A Property Tax Bill Includes a Variety of Different Taxes and Charges. A typical California property tax bill consists of many taxes and charges including the 1 percent rate, voter-approved debt rates, parcel taxes, Mello-Roos taxes, and assessments. This report focuses primarily on the 1 percent rate, which is the largest tax on the property tax bill and the only rate that applies uniformly across every locality. The taxes due from the 1 percent rate and voter-approved debt rates are based on a property's assessed value. The California Constitution sets the process for determining a property's taxable value. Although there are some exceptions, a property's assessed value typically is equal to its purchase price adjusted upward each year by 2 percent. Under the Constitution, other taxes and charges may not be based on the property's value.

The Property Tax Is One of the Largest Taxes Californians Pay. In some years, Californians pay more in property taxes and charges than they do in state personal income taxes, the largest state General Fund revenue source. Local governments collected about \$43 billion in 2010-11 from the 1 percent rate. The other taxes and charges on the property tax bill generated an additional \$12 billion.

The Property Tax Base Is Diverse. Property taxes and charges are imposed on many types of property. For the 1 percent rate, owner-occupied residential properties represent about 39 percent of the state's assessed value, followed by investment and vacation residential properties (34 percent) and commercial properties (28 percent). Certain properties—including property owned by governments, hospitals, religious institutions, and charitable organizations—are exempt from the 1 percent property tax rate.

All Revenue From Property Taxes Is Allocated to Local Governments. Property tax revenue remains within the county in which it is collected and is used exclusively by local governments. State laws control the allocation of property tax revenue from the 1 percent rate to more than 4,000 local governments, with K-14 districts and counties receiving the largest amounts. The distribution of property tax revenue, however, varies significantly by locality.

The Property Tax Has a Significant Effect on the State Budget. Although the property tax is a local revenue source, it affects the state budget due to the state's education finance system—additional property tax revenue from the 1 percent rate for K-14 districts generally decreases the state's spending obligation for education. Over the years, the state has changed the laws regarding property tax allocation many times in order to reduce its costs for education programs or address other policy interests.

The State's Current Property Tax Revenue Allocation System Has Many Limitations. The state's laws regarding the allocation of property tax revenue from the 1 percent rate have evolved over time through legislation and voter initiatives. This complex allocation system is not well understood, transparent, or responsive to modern local needs and preferences. Any changes to the existing system, however, would be very difficult.

California's Property Tax System Has Strengths and Limitations. Economists evaluate taxes using five common tax policy criteria—growth, stability, simplicity, neutrality, and equity. The state's property tax system exhibits strengths and limitations when measured against these five criteria. Since 1979, revenue from the 1 percent rate has exceeded growth in the state's economy. Property tax revenue also tends to be less volatile than other tax revenues in California due to the acquisition value assessment system. (Falling real estate values during the recent recession, however, caused some areas of the state to experience declines in assessed value and more volatility than in the past.) Although California's property tax system provides governments with a stable and growing revenue source, its laws regarding property assessment can result in different treatment of similar taxpayers. For example, newer property owners often pay a higher effective tax rate than people who have owned their homes or businesses for a long time. In addition, the property tax system may distort business and homeowner decisions regarding relocation or expansion.

INTRODUCTION

For many California taxpayers, the property tax bill is one of the largest tax payments they make each year. For thousands of California local governments—K-12 schools, community colleges, cities, counties, and special districts—revenue from property tax bills represents the foundation of their budgets.

Although property taxes and charges play a major role in California finance, many elements of this financing system are complex and not well understood. The purpose of this report is to serve as an introductory reference to this key funding source. The report begins by explaining the most common taxes and charges on the property

tax bill and how these levies are calculated. It then describes how the funds collected from property tax bills—\$55 billion in 2010-11—are distributed among local governments. Last, because California’s property taxation system has evoked controversy over the years, the report provides a framework for evaluating it. Specifically, we examine California property taxes relative to the criteria commonly used by economists for reviewing tax systems, including revenue growth, stability, simplicity, neutrality, and equity. The report is followed with an appendix providing further detail about the allocation of property tax revenue.

WHAT IS ON THE PROPERTY TAX BILL?

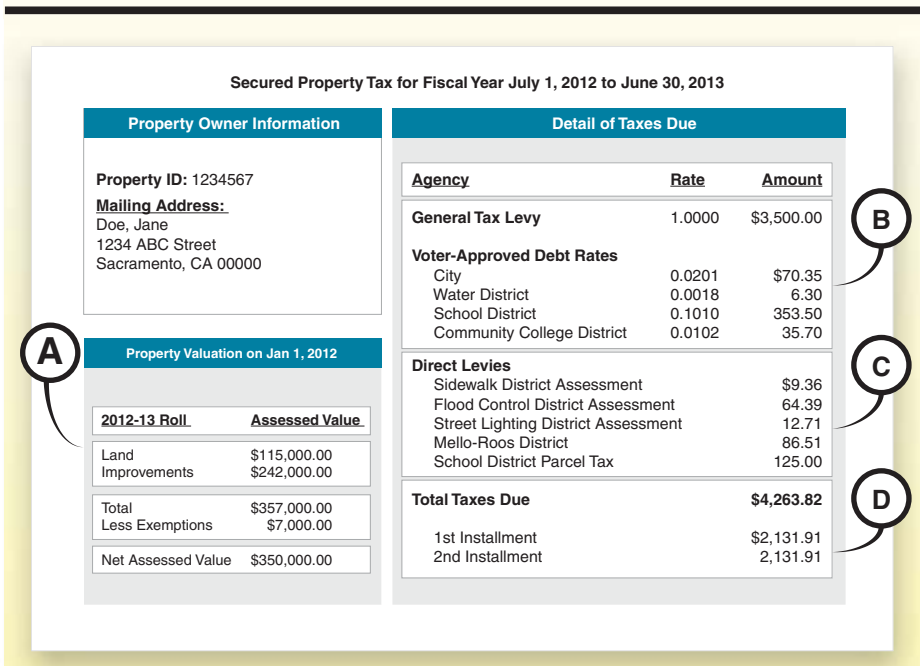
A California property tax bill includes a variety of different taxes and charges. As shown on the sample property tax bill in Figure 1, these levies commonly include:

- The 1 percent rate established by Proposition 13 (1978).
- Additional tax rates to pay for local voter-approved debt.
- Property assessments.
- Mello-Roos taxes.
- Parcel taxes.

The Constitution establishes a process for determining a property’s taxable value for purposes of calculating tax levies from

the 1 percent rate and voter-approved debt. In our sample property tax bill, “Box A” identifies the taxable value of the property and “Box B” shows the property’s tax levies that are calculated based

Figure 1
Sample Annual Property Tax Bill



on this value. Levies based on value—such as the 1 percent rate and voter-approved debt rates—are known as “ad valorem” taxes.

Under the Constitution, other taxes and charges on the property tax bill (shown in “Box C”) may not be based on the property’s taxable value. Instead, they are based on other

factors, such as the benefit the property owner receives from improvements.

As shown in “Box D,” the total amount due on most property tax bills is divided into two equal amounts. The first payment is due by December 10 and the second payment is due by April 10.

HOW ARE PROPERTY TAXES AND CHARGES DETERMINED?

Ad valorem property taxes—the 1 percent rate and voter-approved debt rates—account for nearly 90 percent of the revenue collected from property tax bills in California. Given their importance, this section begins with an overview of ad valorem taxes and describes how county assessors determine property values. Later in the chapter, we discuss the taxes and charges that are determined based on factors *other* than property value.

Taxes Based on Property Value

The 1 Percent Rate. The largest component of most property owners’ annual property tax bill is the 1 percent rate—often called the 1 percent general tax levy or countywide rate. The Constitution limits this rate to 1 percent of assessed value. As shown on our sample property tax bill, the owner of a property assessed at \$350,000 owes \$3,500 under the 1 percent rate. The 1 percent rate is a general tax, meaning that local governments may use its revenue for any public purpose.

Voter-Approved Debt Rates. Most tax bills also include additional ad valorem property tax rates to pay for voter-approved debt. Revenue from these taxes is used primarily to repay general obligation bonds issued for local infrastructure projects, including the construction and rehabilitation of school facilities. (As described

in the nearby box, some voter-approved rates are used to pay obligations approved by local voters before 1978.) Bond proceeds may not be used for general local government operating expenses, such as teacher salaries and administrative costs. Most local governments must obtain the approval of two-thirds of their local voters in order to issue general obligation bonds repaid with debt rates. General obligation bonds for school and community college facilities, however, may be approved by 55 percent of the school or community college district’s voters. Local voters do not approve a fixed tax rate for general obligation bond indebtedness. Instead, the rate adjusts annually so that it raises the amount of money needed to pay the bond costs.

Property tax bills often include more than one voter-approved debt rate. In our sample property tax bill, for example, the property owner is subject to four additional rates because local voters have approved bond funds for the city and water, school, and community college districts where the property is located. These rates tend to be a small percentage of assessed value. Statewide, the average property tax bill includes voter-approved debt rates that total about one-tenth of 1 percent of assessed value.

Calculating Property Value for Ad Valorem Taxes

One of the first items listed on a property tax bill is the assessed value of the land and improvements. Assessed value is the taxable value of the property, which includes the land and any improvements made to the land, such as buildings,

landscaping, or other developments. The assessed value of land and improvements is important because the 1 percent rate and voter-approved debt rates are levied as a percentage of this value, meaning that properties with higher assessed values owe higher property taxes.

Debt Approved by Voters Prior to 1978

The California Constitution allows local governments to levy voter-approved debt rates—ad valorem rates above the 1 percent rate—for two purposes. The first purpose is to pay for indebtedness approved by voters prior to 1978, as allowed under Proposition 13 (1978). Proposition 42 (1986) authorized a second purpose by allowing local governments to levy additional ad valorem rates to pay the annual cost of general obligation bonds approved by voters for local infrastructure projects. Because most debt approved before 1978 has been paid off, most voter-approved debt rates today are used to repay general obligation bonds issued after 1986 as authorized under Proposition 42.

Some local governments, however, continue to levy voter-approved debt rates for indebtedness approved by voters before 1978. While most bonds issued before the passage of Proposition 13 have been paid off, state courts have determined that other obligations approved by voters before 1978 also can be paid with an additional ad valorem rate. Two common pre-1978 obligations paid with voter-approved debt rates are local government employee retirement costs and payments to the State Water Project.

Voter-Approved Retirement Benefits. Voters in some counties and cities approved ballot measures or city charters prior to 1978 that established retirement benefits for local government employees. The California Supreme Court ruled that such pension obligations represent voter-approved indebtedness that could be paid with an additional ad valorem rate. Local governments may levy the rate to cover pension benefits for any employee, including those hired after 1978, but not to cover any enhancements to pension benefits enacted after 1978. Local governments may adjust the rate annually to cover employee retirement costs, but state law limits the rate to the level charged for such purposes in 1982-83 or 1983-84, whichever is higher. A recent review shows that at least 20 cities and 1 county levy voter-approved debt rates to pay some portion of their annual pension costs. The rates differ by locality. For example, the City of Fresno's voter-approved debt rate for employee retirement costs is 0.03 percent of assessed value in 2012-13, while the City of San Fernando's rate is 0.28 percent.

State Water Project Payments. Local water agencies can levy ad valorem rates above the 1 percent rate to pay their annual obligations for water deliveries from the State Water Project. State courts concluded that such costs were voter-approved debt because voters approved the construction, operation, and maintenance of the State Water Project in 1960. As a result, most water agencies that have contracts with the State Water Project levy a voter-approved debt rate.

Under California’s tax system, the assessed value of most property is based on its purchase price. Below, we describe the process county assessors use to determine the value of local “real property” (land, buildings, and other permanent structures). This is followed by an explanation of how assessors determine the value of “personal property” (property not affixed to land or structures, such as computers, boats, airplanes, and business equipment) and “state assessed property” (certain business properties that cross county boundaries).

Local Real Property Is Assessed at Acquisition Value and Adjusted Upward Each Year. The process that county assessors use to determine the value of real property was established by Proposition 13. Under this system, when real property is purchased, the county assessor assigns it an assessed value that is equal to its purchase price, or “acquisition value.” Each year thereafter, the property’s assessed value increases by 2 percent

or the rate of inflation, whichever is lower. This process continues until the property is sold, at which point the county assessor again assigns it an assessed value equal to its most recent purchase price. In other words, a property’s assessed value resets to market value (what a willing buyer would pay for it) when it is sold. (As shown in Figure 2, voters have approved various constitutional amendments that exclude certain property transfers from triggering this reassessment.)

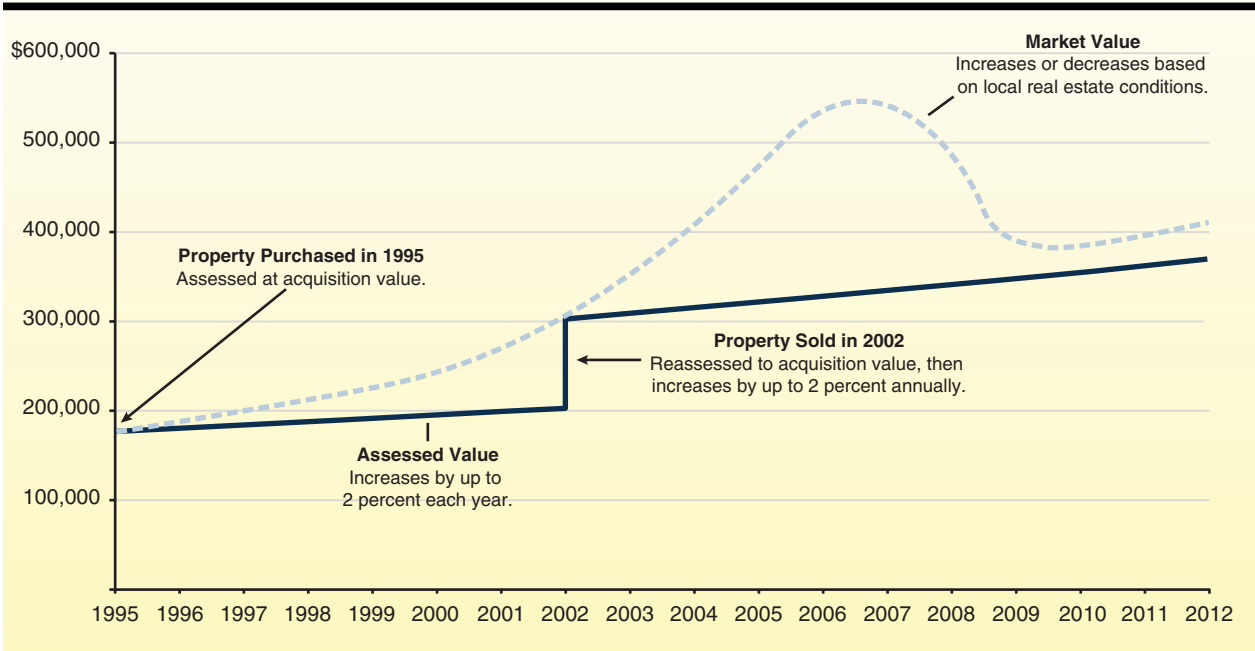
In most years, under this assessment practice, a property’s market value is greater than its assessed value. This occurs because assessed values increase by a maximum of 2 percent per year, whereas market values tend to increase more rapidly. Therefore, as long as a property does not change ownership, its assessed value increases predictably from one year to the next and is unaffected by higher annual increases in market value. For example, Figure 3 shows how a hypothetical property purchased in 1995 for \$185,000 would

Figure 2

Property Transfers That Do Not Trigger Reassessment

Proposition	Year	Description
3	1982	Allows property owners whose property has been taken by eminent domain proceedings to transfer their existing assessed value to a new property of similar size and function.
50	1986	Allows property owners whose property has been damaged or destroyed in a natural disaster to transfer their existing assessed value to a comparable replacement property within the same county.
58	1986	Excludes property transfers between spouses or between parents and children from triggering reassessment.
60	1986	Allows homeowners over the age of 55 to transfer their existing assessed value to a new home, of equal or lesser market value, within the same county.
90	1988	Extends Proposition 60 by allowing homeowners to transfer their existing assessed value to a new home, of equal or lesser market value, in a different participating county.
110	1990	Allows disabled homeowners to transfer their existing assessed value from an existing home to a newly purchased home of equal or lesser market value.
171	1993	Extends Proposition 50 by allowing property owners affected by a natural disaster to transfer their existing assessed value to a comparable replacement property in a different participating county.
193	1996	Excludes property transfers between grandparents and grandchildren (when the parents are deceased) from triggering reassessment.
1	1998	Allows property owners whose property is made unusable by an environmental problem to transfer their existing assessed value to a comparable replacement property.

Figure 3
Market Value Can Exceed Assessed Value



be assessed in 2012. Although the market value of the property increased to \$300,000 by 2002, the assessed value was \$200,000 because assessed value grew by only up to 2 percent each year. Upon being sold in 2002, the property’s assessed value reset to a market value of \$300,000. Because of the large annual increase in home values after 2002, however, the market value was soon much greater than the assessed value for the new owner as well.

Property Improvements Are Assessed Separately. When property owners undertake property improvements, such as additions, remodeling, or building expansions, the additions or upgrades are assessed at market value in that year and increase by up to 2 percent each year thereafter. The unimproved portion of the property continues to be assessed based on its original

acquisition value. For example, if a homeowner purchased a home in 2002 and then added a garage in 2010, the home and garage would be assessed separately. The original property would be assessed at its 2002 acquisition value adjusted upward each year while the garage would be assessed at its 2010 market value adjusted upward. The property’s assessed value would be the combined value of the two portions. (As shown in Figure 4, voters have excluded certain property improvements from increasing the assessed value of a property.)

Figure 4
Property Improvements That Do Not Increase a Property’s Assessed Value

Constitutional Amendments Approved After June 1978

Proposition	Year	Type of Improvement
8	1978	Reconstruction following natural disaster
7	1980	Solar energy construction
31	1984	Fire-safety improvements
110	1990	Accessibility construction for disabled homeowners
177	1994	Accessibility construction for any property
1	1998	Reconstruction following environmental contamination
13	2010	Seismic safety improvements

Assessed Value May Be Reduced When Market Values Fall Significantly. When real estate values decline or property damage occurs, a property’s market value may fall below its assessed value as set by Proposition 13. Absent any adjustment to this assessed value, the property would be taxed at a greater value than it is worth.

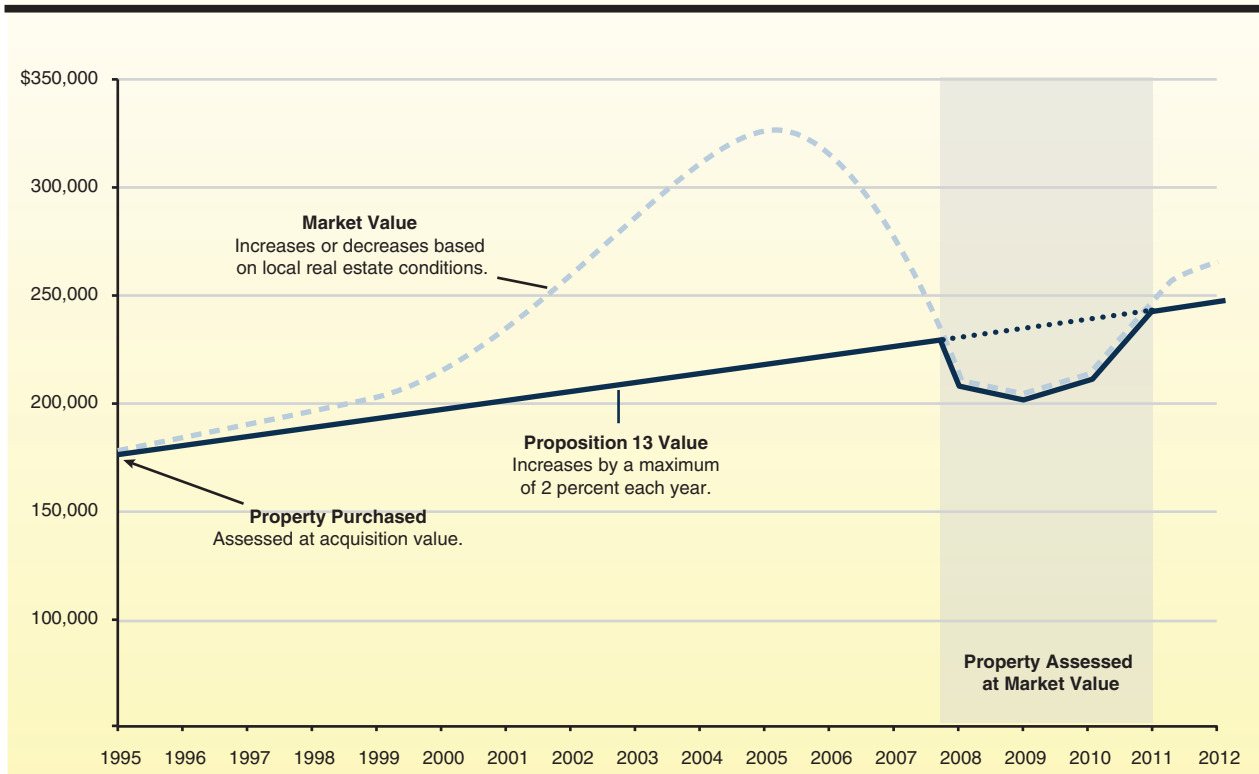
In these events, county assessors may automatically reduce the Proposition 13 assessed value of a property to its current market value. If they do not, however, a property owner may petition the assessor to have his or her assessed value reduced. These decline-in-value properties are often called “Prop 8 properties” after Proposition 8 (1978), which authorizes this assessment reduction to market value. Figure 5 illustrates the assessment of a hypothetical decline-in-value property over time. The market value of the property purchased in 1995 stays above its Proposition 13 assessed value through 2007. A significant decline, however,

drops the property’s market value below its Proposition 13 assessed value. At this time, the property receives a decline-in-value assessment (equal to its market value) that is less than its Proposition 13 assessment. For three years, the property is assessed at market value, which may increase or decrease by any amount. By 2012, the property’s market value *once again exceeds* what its assessed value would have been absent Proposition 8 (acquisition price plus the 2 percent maximum annual increase). In subsequent years, the property’s assessed value is determined by its acquisition price adjusted upward each year.

Homeowners Are Eligible for a Property Tax Exemption. Homeowners may claim a \$7,000 exemption from the assessed value of their primary residence each year. As shown in “Box A” of the sample property tax bill in Figure 1, this exemption lowers the assessed value of the homeowner’s land and improvements by \$7,000, reducing taxes under the

Figure 5

Assessed Value Can Fall Below Proposition 13 Value



1 percent rate by \$70 and reducing taxes from voter-approved debt rates by a statewide average of \$8.

Two Types of Property Are Assessed at Their Market Value. Two categories of property are assessed at their current market value, rather than their acquisition value: personal property and state-assessed property. (We provide more information about these properties in the nearby box.)

Combined, these types of properties accounted for 6 percent of statewide-assessed value in 2011-12.

Most personal property and state-assessed property is taxed at the 1 percent rate plus any additional rates for voter-approved debt.

Determining Other Taxes and Charges

All other taxes and charges on the property tax bill are calculated based on factors other than the property’s assessed value. For example, some levies are based on the cost of a service provided to the property. Others are based on the size of a parcel, its square footage, number of rooms, or

other characteristics. Below, we discuss three of the most common categories of non-ad valorem levies: assessments, parcel taxes, and Mello-Roos taxes. In addition to these three categories, some local governments collect certain fees for service on property tax bills, such as charges to clear weeds on properties where the weeds present a fire safety hazard. These fees are diverse and relatively minor, and therefore are not examined in this report.

Assessments. Local governments levy assessments in order to fund improvements that benefit real property. For example, with the approval of affected property owners, a city or county may create a street lighting assessment district to fund the construction, operation, and maintenance of street lighting in an area. Under Proposition 218 (1996), improvements funded with assessments must provide a direct benefit to the property owner. An assessment typically cannot be levied for facilities or services that provide general public benefits, such as schools, libraries, and public safety, even

Properties Assessed at Current Market Value

Personal Property. Personal property is property other than land, buildings, and other permanent structures, which are commonly referred to as “real property.” Most personal property is exempt from property taxation, including business inventories, materials used to manufacture products, household furniture and goods, personal items, and intangible property like gym memberships and life insurance policies. Some personal property, however, is subject to the property tax. These properties consist mainly of manufacturing equipment, business computers, planes, commercial boats, and office furniture. When determining the market value of personal property, county assessors take into account the loss in value due to the age and condition of personal property—a concept known as depreciation. Unlike property taxes on real property, which are due in two separate payments, taxes on personal property are due on July 3.

State-Assessed Property. The State Board of Equalization is responsible for assessing certain real properties that cross county boundaries, such as pipelines, railroad tracks and cars, and canals. State-assessed properties are assessed at market value and, with the exception of railroad cars, taxed at the 1 percent rate plus any additional rates for voter-approved debt. (As part of a federal court settlement decades ago, railroad cars are taxed at a rate that is somewhat lower than 1 percent. The railcar tax rate varies each year and currently is about 0.8 percent.)

though these programs may increase the value of property. Moreover, the amount each property owner pays must reflect the cost incurred by the local government to provide the improvement and the benefit the property receives from it. To impose a new assessment, a local government must secure the approval of a weighted majority of affected property owners, with each property owner's vote weighted in proportion to the amount of the assessment he or she would pay.

Parcel Taxes. With the approval of two-thirds of voters, local governments may impose a tax on all parcels in their jurisdiction (or a subset of parcels in their jurisdiction). Local governments typically set parcel taxes at fixed amounts per parcel (or fixed amounts per room or per square foot of the parcel). Unlike assessments, parcel tax revenue may be used to fund a variety of local government services, even if the service does not benefit the property directly. For example, school districts may use parcel tax revenue to pay teacher salaries or administrative costs. The use of parcel tax revenue, however, is restricted to the public programs, services, or projects that voters approved when enacting the parcel tax.

Mello-Roos Taxes. Mello-Roos taxes are a flexible revenue source for local governments because they (1) may be used to fund infrastructure projects or certain services; (2) may be levied in proportion to the benefit a property receives, equally on all parcels, by square footage, or by other factors; and (3) are collected within a geographical area drawn by local officials.

Local governments often use Mello-Roos taxes to pay for the public services and facilities associated with residential and commercial development. This occurs because landowners may approve Mello-Roos taxes by a special two-thirds vote—each owner receiving one vote per acre owned—when fewer than 12 registered voters reside in the proposed district. In this way, a developer who owns a large tract of land could vote to designate it as a Mello-Roos district. After the land is developed and sold to residential and commercial property owners, the new owners pay the Mello-Roos tax that funds schools, libraries, police and fire stations, or other public facilities and services in the new community. Mello-Roos taxes are subject to two-thirds voter approval when there are 12 or more voters in the proposed district.

WHAT PROPERTIES ARE TAXED?

Property taxes and charges are imposed on many types of properties. These properties include common types such as owner-occupied homes and commercial office space, as well as less common types like timeshares and boating docks. In the section below, we describe the state's property tax base—the types of real properties that are subject to the 1 percent rate and the share of total assessed value that each property type represents.

Due to data limitations, we do not summarize the tax bases of other taxes and charges. We note, however, that the property tax base for other taxes

and charges is different from the tax base for the 1 percent rate. This is because the 1 percent rate applies uniformly to all taxable real property, whereas other taxes and charges are levied at various levels and on various types of property throughout the state (according to local voter or local government preferences). For example, if a suburban school district levies a parcel tax on each parcel in a residential area, the owners of single-family homes would pay a large share of the total parcel taxes. Accordingly, the school district's parcel tax base would be more heavily residential

than the statewide property tax base under the 1 percent rate (which applies to all taxable property).

What Properties Are Subject to the 1 Percent Rate?

Although most real property is taxable, the Constitution exempts certain types of real property from taxation. In general, these are government properties or properties that are used for non-commercial purposes, including hospitals, religious properties, charities, and nonprofit schools and colleges. California properties that are subject to the property tax, however, can be classified in three ways:

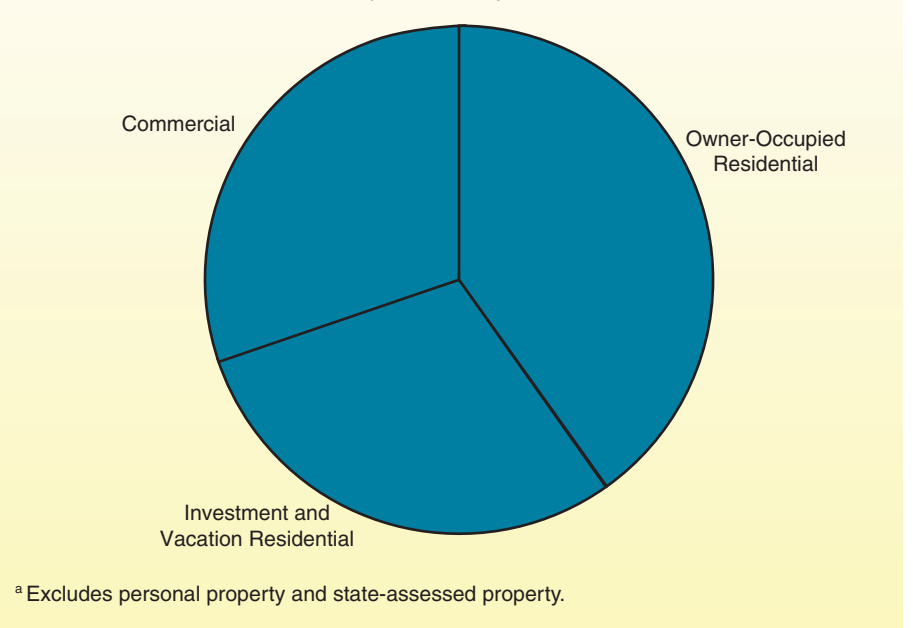
- Owner-occupied residential—properties that receive the state’s homeowner’s exemption, which homeowners may claim on their primary residence.
- Investment and vacation residential—residential properties other than those used as a primary residence, including multifamily apartments, rental condominiums, rental homes, vacant residential land, and vacation homes.
- Commercial—retail properties, industrial plants, farms, and other income-producing properties.

Distribution of the Tax Base for the 1 Percent Rate

Owner-Occupied Residential. In 2010-11, there were 5.5 million owner-occupied homes in California with a total assessed value of \$1.6 trillion. As shown in Figure 6, owner-occupied residential properties accounted for the largest share—39 percent—of the state’s tax base for the 1 percent rate.

Investment and Vacation Residential. Although the majority of residential properties are owner occupied, many others are investment or vacation properties such as multifamily apartments, rental condominiums, rental homes, vacant residential land, and vacation homes. (We classify vacant residential land and vacation homes as investment properties because they are an investment asset for the owner, even if he or she does not receive current income from them.) In 2010-11, there were 4.2 million investment and vacation residential properties. The assessed value

Figure 6
The Distribution of California’s Property Tax Base
 Share of Assessed Value for Properties Subject to the 1 Percent Rate^a, 2010-11



of these properties was about \$1.4 trillion, which represents 34 percent of the state's total assessed value.

Commercial. In 2010-11, there were approximately 1.3 million commercial properties in California. This amount includes about 600,000 retail, industrial, and office properties (such as stores, gas stations, manufacturing facilities, and office buildings). It also includes 500,000 agricultural properties and 200,000 other properties (gas, oil, and mineral properties and the private use of public land). While commercial properties represent a relatively small share of the state's total properties, they tend to have higher assessed values than other properties. Therefore, as shown in Figure 6, these properties (which have a total assessed value of \$1.2 trillion) account for 28 percent of the state's property tax base.

Has the Distribution of the Property Tax Base Changed Over Time?

There is little statewide information regarding the composition of California's property tax base over time. Based on the available information, however, it appears that homeowners may be paying a larger percentage of total property taxes today than they did decades ago. We note, for example, that the assessed value of owner-occupied homes has increased from a low of 32 percent of statewide assessed valuation in 1986-87 to a high of 39 percent in 2005-06. (The share was 36 percent in 2011-12.) It also appears likely that owners of commercial property are paying a smaller percentage of property taxes than they did decades ago. For example, Los Angeles County reports that the share of total assessed value represented by commercial property in the county declined from 40 percent in 1985 to 30 percent in 2012. In addition, the assessed value of commercial property in Santa Clara County has declined (as a share of the county total) from 29 percent to 24 percent since 1999-00.

What Factors May Have Contributed to Changes in the Property Tax Base?

Various economic changes that have taken place over time probably have contributed to changes to California's property tax base. For example, investment in residential property has increased significantly since the mid-1970s. Newly built single-family homes have become larger and are more likely to have valuable amenities than homes built earlier. As a result, new homes are more expensive to build and assessed at higher amounts than older homes. Over the same period, commercial activity in California has shifted away from traditional manufacturing, which tends to rely heavily on real property. Newer businesses, on the other hand, are more likely to be technology and information services based. These businesses tend to own less real property than traditional manufacturing firms do. (Technology and information services firms, however, rely heavily on business personal property—for example, computing systems, design studios, and office equipment—that are taxed as personal property and not included in the distribution of the state's real property tax base.)

It also is possible that Proposition 13's acquisition value assessment system has played a role in the changes to California's tax base. Specifically, under Proposition 13, properties that change ownership more frequently tend to be assessed more closely to market value than properties that turn over less frequently. (Because properties are assessed to market value when they change ownership, properties that have not changed ownership in many years tend to have larger gaps between their assessed values and market values.) It is possible that some categories of properties change ownership more frequently than others and this could influence the composition of the overall tax base. The limited available research suggests that investment and vacation

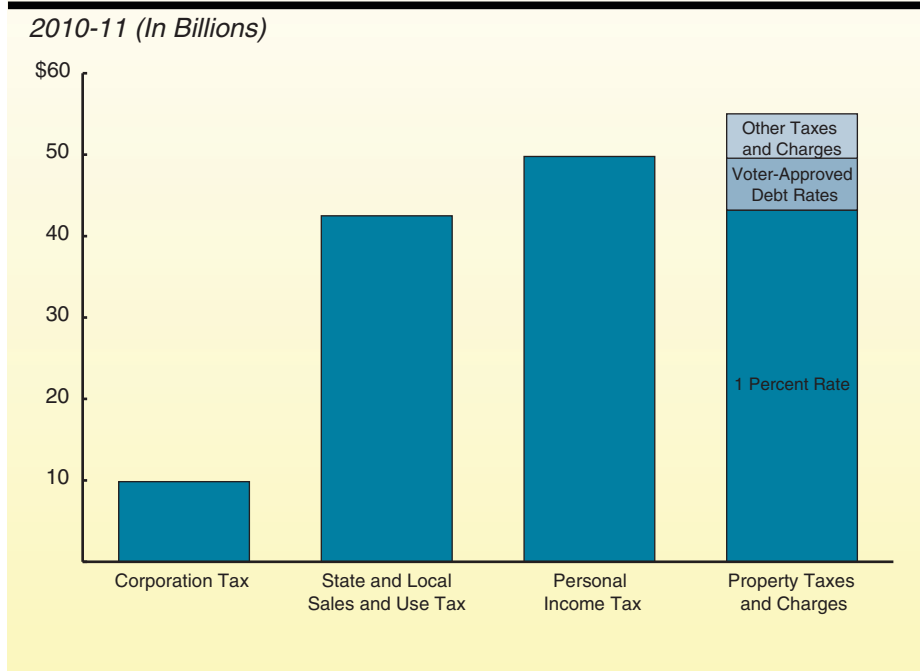
residential properties change ownership more frequently than commercial or owner-occupied residential property, indicating that they may be assessed closer to market value than other types of property.

HOW MUCH REVENUE IS COLLECTED?

In 2010-11, California property tax bills totaled \$55 billion. As shown in Figure 7, this amount included \$43.2 billion under the 1 percent rate and \$5.7 billion from voter-approved debt rates, making ad valorem property taxes one of California’s largest revenue sources.

Comparatively little is known about the remaining \$6 billion of other taxes and charges

Figure 7
Property Tax Revenue Compared With Other Major Revenue Sources



on the property tax bill. From various reports summarizing local government finances, elections, and bond issuances, it appears that most of this \$6 billion reflects property assessments, parcel taxes, and Mello-Roos taxes, though statewide data are not available on the exact amounts collected for each of these funding sources.

HOW IS THE REVENUE DISTRIBUTED?

California property owners pay their property tax bills to their county tax collector (sometimes called the county treasurer-tax collector). The funds are then transferred to the county auditor for distribution. The county auditor distributes the funds collected from the 1 percent rate differently than the funds collected from the other taxes and charges on the bill. Specifically, the 1 percent rate is a shared revenue source for multiple local governments.

This section describes the distribution of revenue raised under the 1 percent rate and summarizes the limited available information regarding the distribution of voter-approved debt rates and non-ad valorem property taxes and charges.

Revenue From the 1 Percent Rate Is Shared by Many Local Governments

The 1 percent rate generates most of the revenue from the property tax bill—roughly

\$43 billion in 2010-11. On a typical property tax bill, however, the 1 percent rate is listed as the general tax levy or countywide rate with no indication as to which local governments receive the revenue or for what purpose the funds are used. In general, county auditors allocate revenue from the 1 percent rate to a variety of local governments within the county pursuant to a series of complex state statutes.

More Than 4,000 Local Governments Receive Revenue From the 1 Percent Rate. All property tax revenue remains within the county in which it is collected to be used exclusively by local governments. As shown in Figure 8, property tax

revenue from the 1 percent rate is distributed to counties, cities, K-12 schools, community college districts, and special districts. Until recently, redevelopment agencies also received property tax revenue. As described in the nearby box, redevelopment agencies were dissolved in 2012, but a large amount of property tax revenue continues to be used to pay the former agencies' debts and obligations.

Figure 9 shows the share of revenue received by each type of local government from the 1 percent rate and voter-approved debt rates. (As described later in the report, however, these shares vary significantly by locality.)

Property Taxes Also Affect the State Budget.

Although the state does not receive any property tax revenue directly, the state has a substantial fiscal interest in the distribution of property tax revenue from the 1 percent rate because of the state's education finance system. Each K-12 district receives "revenue limit" funding—the largest source of funding for districts—from the combination of local property tax revenue under the 1 percent rate and state resources. Thus, if a K-12 district's local property tax revenue is not sufficient to meet its revenue limit, the state provides additional funds. Community colleges have a similar financing system, in which each district receives apportionment funding from local property tax revenue, student fees, and state resources. In 2010-11, the state contributed \$22.5 billion to K-12 revenue limits and community college apportionments, while the remainder (\$14.5 billion) came from local property tax revenue (and student fees).

State Laws Direct Allocation of Revenue From the 1 Percent Rate. The county auditor is responsible for allocating revenue generated from the 1 percent rate to local governments pursuant to state law. The allocation system is commonly referred to as "AB 8," after the bill that first

Figure 8

How Many Local Governments Receive Revenue From the 1 Percent Rate?

Type of Local Government	Number
Counties	58
Cities	480
Schools and Community Colleges	
K-12 school districts	966
County Offices of Education	56
Community college districts	72
Special Districts	
Fire protection	348
County service area	316
Cemetery	241
Community services	201
Maintenance	136
Highway lighting	117
County water	100
Recreation and park	85
Hospital	64
Sanitary	60
Irrigation	46
Mosquito abatement	43
Public utility	43
Other ^a	400
Redevelopment Agencies^b	422
Total	4,254

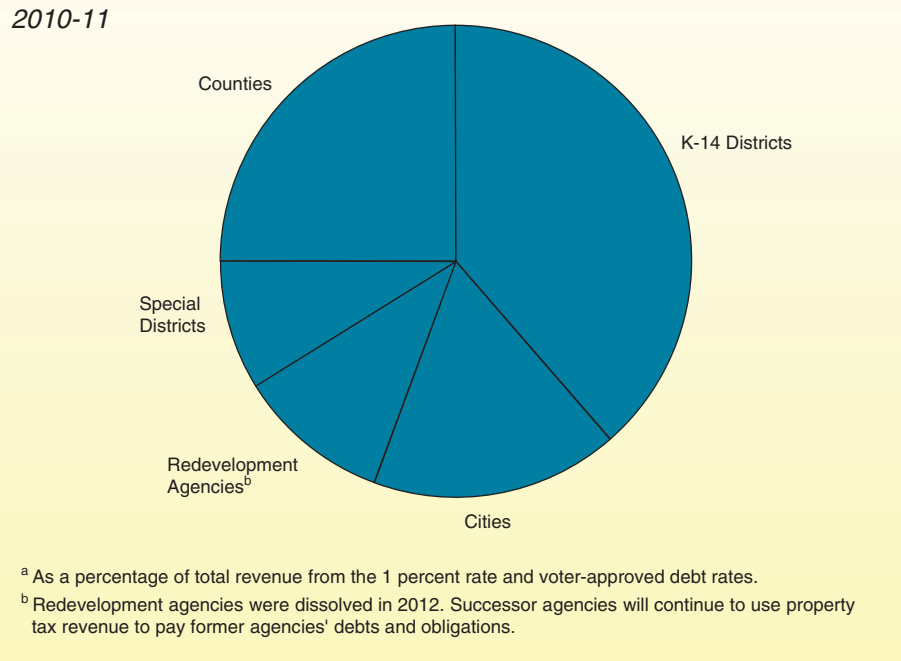
^a Thirty three other types of special districts report receiving property tax revenue from the 1 percent rate. These include county sanitation, municipal water, memorial, water authority, drainage, and library districts.

^b Dissolved in 2012. A portion of property tax revenue continues to pay these agencies' debts and obligations.

implemented the system— Chapter 282, Statutes of 1979 (AB 8, L. Greene). In general, AB 8 provides a share of the total property taxes collected within a community to each local government that provides services within that community. Each local government’s share is based on its proportionate countywide share of property taxes during the mid-1970s, a time when each local government determined its own property tax rate and property owners paid taxes based on the sum of

Figure 9

Most Ad Valorem Property Tax Revenue Is Allocated to Schools and Counties^a



Redevelopment and Successor Agencies

More than 60 years ago, the Legislature established a process whereby a city or county could declare an area to be blighted and in need of redevelopment. After this declaration, most property tax revenue growth from the redevelopment “project area” was distributed to the redevelopment agency, instead of the other local governments serving the project area. As discussed in our report, *The 2012-13 Budget: Unwinding Redevelopment*, redevelopment agencies were dissolved in February 2012. Prior to their dissolution, however, redevelopment agencies received over \$5 billion in property tax revenue annually. These monies were used to pay off tens of billions of dollars of outstanding bonds, contracts, and loans.

In most cases, the city or county that created the redevelopment agency is managing its dissolution as its successor agency. The successor agency manages redevelopment projects currently underway, pays existing debts and obligations, and disposes of redevelopment assets and properties. The successor agency is funded from the property tax revenue that previously would have been distributed to the redevelopment agency. As a result, even though redevelopment agencies have been dissolved, some property tax revenue continues to be used to pay redevelopment’s debts and obligations. Over time, most redevelopment obligations will be retired and the property tax revenue currently distributed to successor agencies will be distributed to K-14 districts, counties, cities, and special districts.

these rates. (The average property tax rate totaled about 2.7 percent.) As a result, local governments that received a large share of property taxes in the 1970s typically receive a relatively large share of revenue from the 1 percent rate under AB 8. (More detail on the history of the state's property tax allocation system—including AB 8—is provided in the appendix of this report.)

Revenue Allocated by Tax Rate Area (TRA). The county auditor allocates the revenue to local governments by TRA. A TRA is a small geographical area within the county that contains properties that are all served by a unique combination of local governments—the county, a city, and the same set of special districts and school districts. A single county may have thousands of TRAs. While there is considerable variation in the steps county auditors use to allocate revenue within each TRA, typically the county auditor annually determines how much revenue was collected in each TRA and first allocates to each local government in the TRA the same amount of revenue it received in the prior year. Each local government then receives a share of any growth (or loss) in revenue that occurred within the TRA that year. Each TRA has a set of growth factors that specify the proportion of revenue growth that goes to each local government. These factors—developed by county auditors pursuant to AB 8—are largely based on the share of revenue each local government received from the TRA during the late 1970s.

Figure 10 shows sample growth factors for TRAs in two California cities. As the figure indicates, 23 percent of any growth in revenue from the 1 percent rate in the sample TRA for Norwalk would be allocated to the county, 7 percent would go to the city, and the rest would be allocated to various educational entities and special districts. The percentage of property tax growth allocated to each type of local government can vary

significantly by TRA. For example, Walnut Creek's K-12 school district receives 33 percent of the growth in revenue within its TRA while Norwalk's school district receives only 19 percent from its TRA. As noted above, this variation is based largely on historical factors specified in AB 8.

Some Revenue Is Allocated to a Countywide Account—ERAF. Most of the revenue from the 1 percent rate collected within a TRA is allocated to the city, county, K-14 districts, and special districts that serve the properties in that TRA. State law, however, directs the county auditor to shift a portion of this revenue to a countywide account that is distributed to other local governments that do not necessarily serve the taxed properties. The state originally established this account—the Educational Revenue Augmentation Fund (ERAF)—to provide additional funds to K-14 districts that do not receive sufficient property tax revenue to meet their minimum funding level. State laws later expanded the use of ERAF to include reimbursing cities and counties for the loss of other local revenue sources (the vehicle license fee and sales tax) due to changes in state policy. For example, Figure 10 shows that 20 percent of any revenue growth within Norwalk's TRA is deposited into ERAF. It is possible that some or all of this revenue could be allocated to a city or K-14 district in a different part of Los Angeles County.

Most Revenue From Voter-Approved Debt Distributed to Schools

Voter-approved debt rates are levied on property owners so that local governments can pay the debt service on voter-approved general obligation bonds (and pre-1978 voter-approved obligations). The state's K-12 school districts receive the majority of the revenue from voter-approved debt rates (\$3.1 billion of \$5.2 billion in 2009-10). The amount received by cities (\$520 million), special districts (\$470 million), and counties

(\$320 million) is significantly less. The amount of taxes collected to pay voter-approved debt varies considerably across the state. For example, the average amount paid by an Alameda County property owner for voter-approved debt rates is about \$2 for each \$1,000 of assessed value, while the average amount paid in some counties is less than 10 cents per \$1,000 of assessed value.

Limited Information About Distribution Of Other Property Taxes and Charges

Less information is available about the statewide distribution of the revenue from parcel taxes, Mello-Roos taxes, and assessments.

Parcel Taxes. Recent election reports and financial data suggest that parcel taxes represent a significant and growing source of revenue for some local governments. Specifically, between 2001 and 2012, local voters approved about 180 parcel tax measures to fund cities, counties, and special districts, and about 135 measures to fund K-12 districts. The most recent K-12 financial data (2009-10) indicate that schools received about \$350 million from

this source. We were not able to locate information on the statewide amount of parcel tax revenue collected by cities, counties, and special districts.

Mello-Roos Taxes. Mello-Roos districts are required to report on their bond issuance, which

Figure 10
Allocation of Property Tax Growth in Sample Tax Rate Areas

Norwalk, Los Angeles County^a		Percent Share
Los Angeles County		23%
Educational Revenue Augmentation Fund		20
Norwalk-La Mirada Unified School District		19
Los Angeles County Fire Protection District		18
City of Norwalk		7
Norwalk Parks and Recreation District		3
Los Angeles County Library		2
La Mirada Parks and Recreation District		2
Cerritos Community College District		2
Los Angeles County Flood Control District		1
Los Angeles County Sanitation District		1
Greater Los Angeles County Vector Control		— ^b
Water Replenishment District of Southern California		— ^b
Little Lake Cemetery District		— ^b
Los Angeles County Department of Education		— ^b
		100%
Walnut Creek, Contra Costa County^c		Percent Share
Mount Diablo Unified School District		33%
Educational Revenue Augmentation Fund		17
Contra Costa County		13
Contra Costa County Fire		13
City of Walnut Creek		9
Contra Costa Community College District		5
East Bay Regional Park District		3
Contra Costa County Library		2
Central Contra Costa Sanitary District		2
Contra Costa County Office of Education		1
Contra Costa County Flood Control		1
Bay Area Rapid Transit		1
Contra Costa Water District		1
Contra Costa County Water Agency		— ^b
Contra Costa County Resource Conservation District		— ^b
Contra Costa County Mosquito Abatement District		— ^b
Contra Costa County Service Area R-8		— ^b
Bay Area Air Management District		— ^b
		100%

^a Percentages indicate allocation of the growth in property taxes in Los Angeles County tax rate area 06764.

^b Less than 0.5 percent.

^c Percentages indicate allocation of the growth in property taxes in Contra Costa County tax rate area 09025.

provides some information about the types of local governments that receive Mello-Roos tax revenue. It is likely that local governments issuing a large amount of Mello-Roos bonds also are collecting a large amount of Mello-Roos tax revenue. Between 2004 and 2011, cities issued about 50 percent of the bonds issued by Mello-Roos districts in California, followed by K-12 districts at about 30 percent. During the same time period, the issuance of Mello-Roos bonds was concentrated in specific

regions, as more than 60 percent of the bonds were issued by local governments in four counties—Riverside, Orange, San Diego, and Placer.

Assessments. Most of the property improvements funded by assessments are provided by cities and special districts. In 2009-10, cities and special districts reported receiving \$760 million and \$650 million, respectively, in revenue from assessments. In contrast, counties reported \$11 million in such revenues.

WHY DO LOCAL GOVERNMENT PROPERTY TAX RECEIPTS VARY?

The share of revenue received by each type of local government from the 1 percent rate varies significantly by locality. County governments, for example, receive as little as 11 percent (Orange) and as much as 64 percent (Alpine) of the ad valorem property tax revenue collected within their county. As shown in Figure 11, revenue raised from the 1 percent rate also varies considerably by locality when measured by revenue per resident. Orange County receives about \$175 per resident, while four counties receive more than \$1,000 per resident. Although cities, on average, receive about \$240 per resident in revenue from the 1 percent rate, some receive more than \$500 per resident and many receive less than \$150 per resident. School districts also receive widely different amounts of property taxes per enrolled student, with an average of just under \$2,000. (As noted above, the state “tops off” school property tax revenue with state funds to bring most schools to similar revenue levels.) Finally, special districts also receive varying amounts of property tax revenue, though data limitations preclude us from summarizing this variation on a statewide basis.

Three factors account for most of this

variation in local government property tax receipts. We discuss these factors below.

Variation in Property Values

California has a diverse array of communities with large variation in land and property values. Some communities are extensively developed and have many high-value homes and businesses, whereas others do not. Because property taxes are based on the assessed value of property, communities with greater levels of real estate development tend to receive more property tax revenue than communities with fewer developments. For example, high-density cities generally receive more property tax revenue than rural areas due to the greater level of development. Coastal and resort areas also typically receive more property taxes due to the high property values. Certain high-value properties—such as a power plant or oil refinery—also increase property tax revenue. Alternatively, localities with large amounts of land owned by the federal government, universities, or other organizations that are not required to pay property taxes may receive less revenue.

Prior Use of Redevelopment

Prior decisions by cities and counties to use redevelopment also influences the amount of property tax revenue local governments receive. Prior to the dissolution of redevelopment agencies in 2012, most of the growth in property taxes from redevelopment project areas went to the redevelopment agency, rather than other local governments. A large share of property tax revenue now goes to successor agencies to pay the former redevelopment agencies’ debts and obligations. The use of redevelopment varied extensively throughout the state. In those communities with many redevelopment project areas, the share of property tax revenue going to other local governments is less than it would be otherwise. In places with large redevelopment project areas—such as San Bernardino and Riverside counties—more than 20 percent of the county’s property tax revenue may go to pay the former redevelopment agencies’ debts and obligations.

State Allocation Laws Reflecting 1970s Taxation Levels

Finally, the amount of property taxes allocated to local governments depends on state property tax allocation laws, principally AB 8. As discussed earlier in this report (and in more detail in the appendix), the AB 8 system was designed, in part, to allocate property tax revenue in proportion to the share of property taxes received by a local government in the mid-1970s. Under this system, local governments that received a large share of property taxes in the 1970s typically continue to receive a relatively large share of property taxes today. Although there have been changes to the original property tax allocation system contained in AB 8, the allocation system continues to be substantially based on the variation in property tax receipts in effect in the 1970s.

This variation largely reflects service levels provided by local governments in the 1970s. Local governments providing many services generally collected more property taxes in the 1970s to

Figure 11
Property Tax Receipts From the 1 Percent Rate for Selected Local Governments

2009-10

Cities	Property Taxes per Resident	Counties	Property Taxes per Resident	Schools ^a	Property Taxes per Student
Industry	\$2,541	San Francisco ^b	\$1,411	Mono	\$10,683
Malibu	559	Sierra	1,126	San Mateo	5,432
Mountain View	344	Inyo	876	Marin	5,213
Los Angeles	332	Napa	522	San Francisco	4,020
Long Beach	268	El Dorado	464	Orange	3,315
Oakland	250	Los Angeles	359	San Diego	2,760
State Average	242	State Average	320	State Average	1,960
San Jose	200	Alameda	301	Yolo	1,765
Fresno	183	Sacramento	286	Sacramento	1,344
Anaheim	167	Contra Costa	271	San Joaquin	1,163
Santa Clarita	140	San Diego	261	Los Angeles	1,142
Chico	129	Riverside	200	Fresno	810
Modesto	119	Orange	174	Kings	379

^a Countywide average for K-12 schools.

^b San Francisco is a city and a county.

pay for those services. As a result, those local governments received a larger share of property taxes under AB 8. For example, cities and counties that provided many government services, including

fire protection, park and recreation programs, and water services, typically receive more property tax revenue than governments that relied on special districts to provide some or all of these services.

ARE THERE CONCERNS ABOUT HOW PROPERTY TAXES ARE DISTRIBUTED?

While no system for sharing revenues among governmental entities is perfect, the state's system for allocating property tax revenue from the 1 percent rate raises significant concerns about local control, responsiveness to modern needs, and transparency and accountability to taxpayers. We discuss these concerns separately below and then address the question: Could the state change the allocation system?

Lack of Local Control

Unlike local communities in other states, California residents and local officials have virtually no control over the distribution of property tax revenue to local governments. Instead, all major decisions regarding property tax allocation are controlled by the state. Accordingly, if residents desire an enhanced level of a particular service, there is no local forum or mechanism to allow property taxes to be reallocated among local governments to finance this improvement. For example, Orange County currently receives a very low share of property taxes collected within its borders—about 11 percent. If Orange County residents and businesses wished to expand county services, they have no way to redirect the property taxes currently allocated to other local governments. Their only option would be to request the Legislature to enact a new law—approved by two-thirds of the members of both houses—requiring the change in the property tax

distribution. In other words, local officials have no power to raise or lower their property tax share on an annual basis to reflect the changing needs of their communities. As a result, if residents wish to increase overall county services, they would need to finance this improvement by raising funds through a different mechanism such as an assessment or special tax.

Limited Transparency and Accountability

The state's current allocation system also makes it difficult for taxpayers to see which entities receive their tax dollars. Property tax bills note only that a bulk of the payment goes to the 1 percent general levy. Even if taxpayers do further research and locate the AB 8 local government sharing factors for their TRA, it is difficult to follow the actual allocation of revenue because the fund shifts related to ERAF and redevelopment complicate this system.

In addition to making it difficult for taxpayers to determine how their tax dollars are distributed, the AB 8 system reduces government accountability. The link between the level of government controlling the allocation of the tax (the state) and the government that spends the tax revenue (cities, counties, special districts, and K-14 districts) is severed. For example, if a taxpayer believes the level of services provided by an independent park district is inadequate, it is difficult to hold the district entirely accountable

because the state is responsible for determining the share of property taxes allocated to the district.

Limited Responsiveness to Modern Needs and Preferences

An effective tax allocation system ensures that local tax revenue is allocated in a way that reflects modern needs and preferences. In many ways, California's property tax allocation system—which remains largely based on allocation preferences from the 1970s—does not meet this criterion. California's population and the governance structure of many local communities have changed significantly since the AB 8 system was enacted. For example, certain areas with relatively sparse populations in the 1970s have experienced substantial growth and many local government responsibilities have changed. One water district in San Mateo County—Los Trancos Water District—illustrates the extent to which the state's property tax allocation system continues to reflect service levels from the 1970s. Specifically, this water district sold its entire water distribution system to a private company in 2005, but continues to receive property tax revenue for a service it no longer provides.

Changing the Allocation System Is Difficult

Over the years, the Legislature, local governments, the business community, and the

public have recognized the limitations inherent in the state's property tax allocation system. Despite the large degree of consensus on the problems, major proposals to reform the allocation system have not been enacted due to their complexity and the difficult trade-offs involved. Because California has thousands of local governments—many with overlapping jurisdictions—reorienting the property tax allocation system would be extraordinarily complex. Updating the AB 8 property tax sharing methodology would require the Legislature to determine the needs and preferences of each California community and local government. This would be a difficult—if not impossible—task to undertake in a centralized manner. Alternatively, the state could allow the distribution of the property tax to be carried out locally, but there is no consensus about what process local governments would use to allocate property taxes among themselves. Whether done centrally or locally, any reallocation is difficult because providing additional property tax receipts to one local government would require redirecting it from another local government or amending the Constitution. In addition, any significant change to the allocation of property tax revenue would require approval by two-thirds of the Legislature due to provisions in the Constitution added by Proposition 1A (2004). (These issues are discussed further in the appendix.)

WHAT ARE THE STRENGTHS AND LIMITATIONS OF CALIFORNIA’S PROPERTY TAX SYSTEM?

For many years, California’s overall property tax system—the types of taxes paid by property owners and the determination of property owner tax liabilities—has evoked controversy. Some people question whether the distribution of the tax burden between residential and commercial properties is appropriate and whether the amount of taxes someone pays should depend, in part, on how long he or she has owned the property. Other people praise the financial certainty that the tax system gives property owners. From one year to the next, property owners know that their tax liabilities under the 1 percent rate will increase only modestly. In this section, we do not attempt to resolve this long-standing debate. Instead, we review property taxes by looking at how they measure according to five common tax policy criteria—growth, stability, simplicity, neutrality, and equity. Using this framework, we highlight particular aspects of the state’s property tax system, both its strengths and limitations, for policymakers and other interested parties.

Economists use the five common tax policy

criteria summarized in Figure 12 to objectively compare particular taxes. These criteria relate to how taxes affect people’s decisions, how they treat different taxpayers, and how the revenue raised from taxes performs over time. In practice, all taxes involve trade-offs. Sometimes the trade-offs are between two tax policy criteria. For example, revenue sources that grow quickly may be less stable from one year to the next than other revenue sources. Other times, the trade-offs are between tax policy criteria and other governmental policy objectives that may not be directly related to one of the five tax criteria. For example, one such trade-off might be that ensuring that a property owner’s taxes do not increase dramatically from one year to the next (a reasonable governmental policy objective) can result in a tax system in which the owners of similar properties are taxed much differently (contrary to the equity criteria of tax policy).

Revenue Growth

From government’s perspective, revenue sources

that grow along with the economy are preferable because they can provide resources sufficient to maintain current services. This can help governments avoid increasing existing taxes or taxing additional activities in order to meet current service demands.

The Property Tax Has Grown Faster Than the Economy. Personal income in California—an

Figure 12

Common Economic Criteria for Evaluating Tax Systems

- ✓ **Growth**—Does revenue raised by the tax grow along with the economy or the program responsibilities it is expected to fund?
- ✓ **Stability**—Is the revenue raised by the tax relatively stable over time?
- ✓ **Simplicity**—Is the tax simple and inexpensive for taxpayers to pay and for government to collect?
- ✓ **Neutrality**—Does the tax have little or no impact on people’s decisions about how much to buy, sell, and invest?
- ✓ **Equity**—Do taxpayers with similar incomes pay similar amounts and do tax liabilities rise with income?

What Factors Affect Property Tax Growth Each Year?

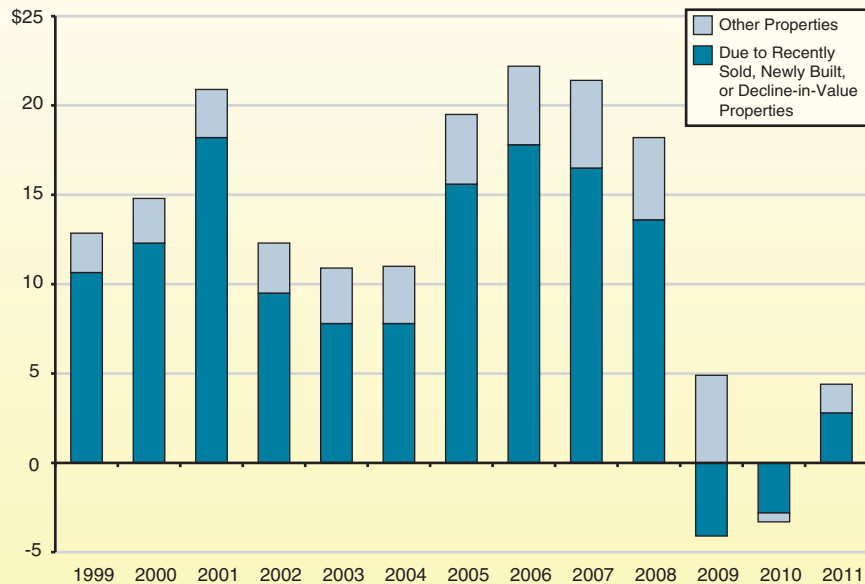
Most of the annual change in property tax revenues is the result of large changes in assessed value that affect a small number of properties, including:

- **Recently Sold Properties.** When a property sells, its assessed value resets to the purchase price. This represents additional value that is added to the tax base because the sale price of the property is often much higher than its previous assessed value.
- **Newly Built Property and Property Improvements.** New value is added to the county’s tax base when new construction takes place or improvements are made—mainly additions, remodels, and facility expansions—because structures are assessed at market value the year that they are built.
- **Proposition 8 (1978) Decline-in-Value Properties.** These properties contribute significantly to growth or decline in a county’s tax base because their assessed values may increase or decrease dramatically in any year. A particularly large impact on assessed valuation tends to occur in years when a large number of these properties transfer from Proposition 13 assessment to reduced assessment.

As shown by the dark bars in the figure below, recently sold, newly built, and decline-in-value properties typically account for more than two-thirds of total changes in countywide assessed value in Santa Clara County. Other properties, although they represent most of the properties in the county’s tax base, contribute less because the growth of these properties’ assessed values is limited to 2 percent per year.

Components of Annual Change in County Assessed Valuation in Santa Clara County

(In Billions)



approximate measure of the size of the state’s economy—has grown at an average annual rate of 6.3 percent since 1979. Over the same period, revenue from the 1 percent property tax rate has grown at an average annual rate of 7.3 percent. As we describe in the nearby box, much of the growth in property tax revenue depends on new construction and property sales.

The Growth of Parcel and Mello-Roos Tax Revenues Depends on the Structure of the Tax. The terms of parcel taxes and Mello-Roos taxes vary by locality. Some local governments have taxes with escalation clauses or other provisions that modify the amount of the tax as local government costs change. Other parcel taxes and Mello-Roos taxes are set at fixed amounts per parcel. Depending on their structure, these taxes may or may not provide local governments with a growing source of revenue.

Revenue Stability

Revenue sources that remain relatively stable from one year to the next help governments manage economic downturns, which tend to reduce revenue and at the same time increase demand for certain public services. Stable revenue sources also may help governments plan more effectively for future needs, including long-term investments in transportation, education, and public safety.

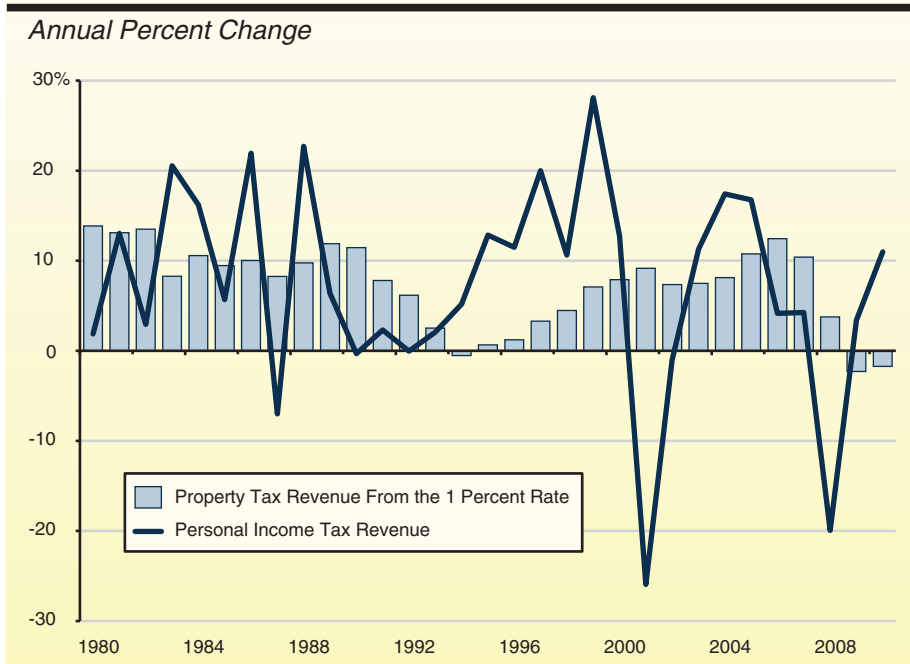
The Property Tax Is a Stable Revenue Source. Despite being linked to the volatile real estate market, the property tax is California’s most stable major revenue source. Since 1979, as shown in Figure 13, personal income tax revenue has been three times more volatile, on average, than property tax revenue from the 1 percent rate. During the same period, statewide property tax revenue has declined in only three years, 1994-95, 2009-10, and 2010-11.

The Property Tax Was More Stable Than Other Revenue Sources During the Recent Recession. As shown in Figure 14, revenue from the

1 percent property tax rate fared comparatively well during the most recent recession. (In the nearby box, we discuss why the property tax is stable.) Changes in property tax revenue tend to lag economic trends by one or more years because of the state’s acquisition value assessment system and the lengthy period between when most properties are assessed (January) and when property tax payments are due (December of that year and April of the next).

Figure 13

Property Tax Revenue Is Much Less Volatile Than Personal Income Tax Revenue

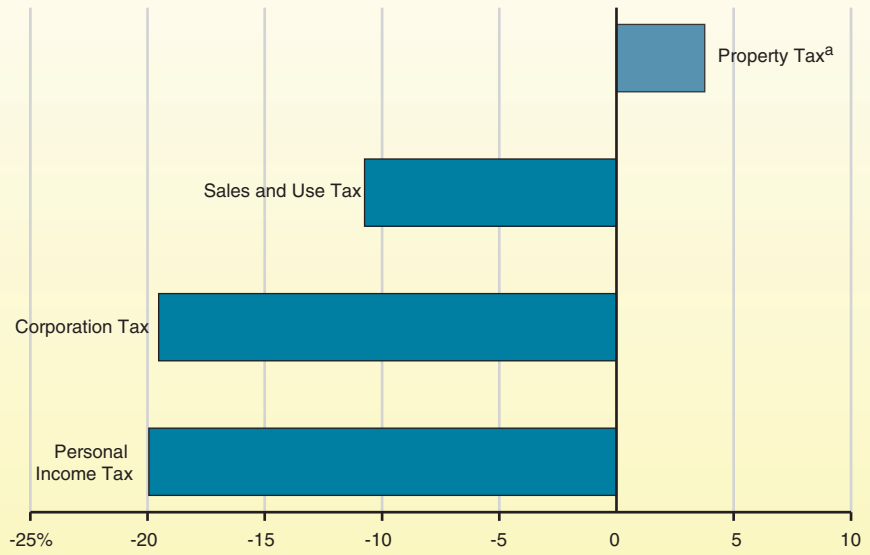


Parcel Taxes and Mello-Roos Taxes Also Are Stable. Because most parcel and Mello-Roos taxes are set at fixed amounts per parcel, there is minimal year-to-year fluctuation in the revenues that they raise.

Assessed Valuation in Some Counties, However, Has Declined Significantly. Though statewide property tax revenue has remained comparatively stable throughout the recent recession, some areas of the state have experienced considerable declines

Figure 14
Property Tax Revenue During the Recent Recession

Percent Change 2007-08 to 2008-09



^a Revenue from the 1 percent rate.

What Factors Affect Property Tax Stability?

Acquisition Value Assessment System Contributes to Revenue Stability. The main reason California’s property tax revenue is stable is that the assessed value of most properties increases each year by a maximum of 2 percent. In any given year, only a small fraction of properties are sold and reset to market value. This means that real estate conditions affect a relatively small portion of the tax base each year, insulating property tax revenue from year-to-year real estate fluctuations.

Proposition 8 (1978) Decline-in-Value Properties Reduce Revenue Stability. As noted earlier in the report, county assessors may reduce a property’s assessed value in the event that its market value falls below its assessed value. Each year thereafter, the property is assessed at market value until it rises above what its assessed value would have been had it remained at its acquisition value adjusted upward each year at a maximum of 2 percent. During 2010-11, more than one in four properties in California was temporarily assessed to market value. Because these properties are assessed each year at market value, they link the property tax base more closely to the local real estate market than other properties, thereby reducing the property tax’s stability somewhat.

in their property tax base. These counties tend to have a large proportion of their properties under Proposition 8 decline-in-value assessments and have high foreclosure rates. For example, Riverside County had the second highest number of foreclosures (17,000) among counties and more than 400,000 decline-in-value properties in 2011. Partly as a result of these trends, total assessed value in Riverside County declined by 15 percent between 2008 and 2011.

Simplicity

A well-designed tax system should be simple for taxpayers to understand and easy and inexpensive for governments to administer. Complex tax systems can be expensive for governments to administer effectively and may be confusing, time-consuming, and costly for taxpayers.

Most of the costs associated with administering the state's property tax system (ad valorem property taxes, parcel taxes, and Mello-Roos taxes) reflect the activities by county assessors, tax collectors, and auditors. While comprehensive data on these costs are not available, total property tax administration costs likely are between 1.5 percent and 2 percent of collections, a somewhat higher level than that of state tax agencies that perform similar functions. A significant component of the property tax's administrative cost is from counties' responsibility to allocate property taxes to local governments pursuant to increasingly complex state laws. County costs related solely to determining property values, the other main component of administration, were slightly less than 1 percent of total revenues collected in 2010-11—a percentage similar to that of state tax agencies.

From the taxpayers' perspective, the property tax is generally a simple tax with which to comply. Tax payments are due in equal installments twice

per year. And, in most years, the assessed value of real property grows automatically by a maximum of 2 percent. Reassessments based on market value (which taxpayers are more likely to appeal) occur infrequently for most property owners.

The property tax assessed on personal property is typically more administratively cumbersome for owners and assessors. This is because personal property is assessed annually at market value using complex depreciation schedules. These assessments, therefore, are more likely to be appealed, a process that can take more than a year to resolve.

Neutrality

Nearly all taxes alter taxpayer behavior to some degree. Economists agree, however, that in most cases the ideal tax system is one that alters decisions—about what goods to buy, what products to make, and where to work or live—as little as possible. Economists prefer these “economically neutral” taxes because they assume that people and businesses are in the best position to make consumption, savings, and investment decisions that meet their economic and personal needs. Tax policies that influence what people buy and what businesses produce tend to distance people and businesses from their preferred choices, leaving them less well off than they would be if the tax system were economically neutral. Policymakers design some taxes, on the other hand, to influence taxpayer behavior in a way that promotes or discourages particular activities. In general, these should be well targeted and have strong justifications so that they achieve their policy goals with as little interference as possible in other personal decision making. Below, we describe how ad valorem property taxes may influence taxpayer behavior and then discuss the possible effects of parcel and Mello-Roos taxes.

Some Homeowners and Businesses May Move Less Frequently. California's ad valorem

property taxes may affect an individual’s decision to move because longer ownership results in a lower effective property tax rate. (An effective property tax rate differs from the 1 percent basic rate in that it is the amount of property taxes paid divided by the current market value of the property.) As shown in Figure 15, effective tax rates can vary considerably. New Owner A, for example, has an effective tax rate of 1 percent because the assessed value of his or her property is the same as its market value. Owners B and C, who have owned their properties longer than Owner A, have assessed values below their market values because their market values increased by more than 2 percent each year (and therefore faster than assessed values). As a result, most owners who have owned a property for many years pay an effective tax rate well below 1 percent. For those choosing to move, however, their effective tax rate is reset to 1 percent, producing a moving penalty that may influence some property owners’ relocation decisions. For example, established firms that benefit from their comparatively low effective property tax rates could be dissuaded from relocating—decisions that, absent the moving penalty, could benefit the companies financially. (As we discuss below, differing effective tax rates also affect the equity of the property tax.)

Homeowners and Businesses May Invest Less in Property Improvements. When a property undergoes improvements, the newly constructed portion of the property is assessed at its full market value. The existing property, on the other hand, is typically assessed below its current market value, meaning that improvements are taxed at a higher effective rate than existing property. Because improvements are subject to higher

effective tax rates, the return on investment that businesses receive from new improvements is lower and the taxes that homeowners pay on them are higher than they would be if all property—new and existing—were taxed uniformly. This may lead some businesses and homeowners to invest less than they otherwise would in new property improvements.

Homeowners May Change Behavior in Response to Assessment Exclusions. Voters have approved ballot propositions that exclude some types of property transfers from triggering reassessment to market value. (These exclusions are summarized earlier in this report in Figure 2.) For example, residential property transfers between certain family members do not trigger reassessment. These exclusions could alter decisions homeowners make about their property. For example, a homeowner might transfer property to his or her child (thereby passing on his or her low effective property tax rate) when, absent the exclusion, the owner might have sold the property to a nonrelative. In turn, that child could find it more economical to rent the property (and benefit from the low effective property tax rate) than to sell (and forego the benefit of his or her low effective rate).

Equity

Equity relates to how taxes affect taxpayers with different levels of income or wealth. Economists use two different standards of equity—vertical and horizontal—to evaluate taxes. Vertical equity occurs when wealthier taxpayers

Figure 15
Hypothetical Effective Property Tax Rates for Three Property Owners

	Year Purchased	Market Value	Assessed Value	Property Tax Rate	Property Tax Paid	Effective Tax Rate
Owner A	2012	\$300,000	\$300,000	1%	\$3,000	1.0%
Owner B	2002	300,000	180,000	1	1,800	0.6
Owner C	1986	300,000	110,000	1	1,100	0.4

pay a greater amount in taxes than less wealthy taxpayers. Horizontal equity, on the other hand, occurs when similar taxpayers—those with similar incomes or wealth—pay the same amount in taxes. Under an equitable property tax system (1) owners of highly valuable property pay more in taxes than owners of less valuable property and (2) the owners of two similar properties pay a similar amount in property taxes. Put differently, an equitable system would tax property owners at the same effective rate. As we discussed in the previous section, however, property owners often are subject to different effective tax rates. Therefore, California’s ad valorem property taxes, parcel taxes, and Mello-Roos taxes often do not meet these standards of equity.

Equity Reduced by Acquisition Value Assessment and 2 Percent Assessed Value Cap. California’s property tax system does not consistently meet the standards of horizontal or vertical equity. As discussed earlier in this report, two owners with identical properties may pay different amounts of property taxes if one owner bought the property a decade before the other. In a tax system with horizontal equity, both owners would pay similar amounts. In relation to vertical equity, the tax system’s reliance on acquisition value and the 2 percent cap on assessed valuation growth can result in owners of valuable property paying less than owners of (recently acquired) less valuable property. In a tax system with vertical equity, owners of valuable property would pay more in taxes because owners of valuable property generally are wealthier than owners of less valuable property.

Homeowners Who Are Mobile Pay Higher Effective Tax Rates. Homeowners who move

often—military families, younger homeowners, or those with jobs that require them to relocate frequently—tend to have higher effective ad valorem tax rates than homeowners who move less frequently because newly purchased properties are assessed at market value. Relocation decisions may result from circumstances that households may not have foreseen, such as employment changes, divorce, or other changes in family composition. Under horizontal equity, in contrast, taxpayers pay similar taxes unless their household income, wealth, or consumption patterns differ.

Fixed-Rate Taxes Do Not Meet Vertical Equity Standard. Parcel taxes and Mello-Roos taxes typically meet the criteria of horizontal equity but not vertical equity because property owners typically are charged the same amounts—regardless of their wealth or their properties’ value.

Summary

Our comparison of California’s property tax system with common tax policy criteria found mixed results. The ad valorem taxes generally meet the goals of administrative simplicity and providing governments with a growing source of stable revenue, but often do not meet the goals of neutrality and equity. Specifically, California’s ad valorem tax system (1) may influence decisions property owners make about relocations and expansions and (2) treat similar taxpayers differently and wealthier taxpayers the same as less wealthy taxpayers.

California’s other property taxes (parcel taxes and Mello-Roos taxes) generally perform well relative to the goals of stability, administrative simplicity, and horizontal equity, but may perform less well in regard to the other objectives.

APPENDIX 1:

THE HISTORY OF CALIFORNIA'S PROPERTY TAX ALLOCATION SYSTEM

California's system for allocating property tax revenue from the 1 percent rate among local governments is complex and has changed over time. The most significant change was voter approval of Proposition 13 in 1978, which shifted the control over the allocation of property taxes from local communities to the state. Since that time the state has made several major changes that affect the amount of property tax revenue from the 1 percent rate distributed to counties, cities, K-14 districts, and special districts. Some of these changes have benefited the state fiscally (by indirectly reducing state costs for education). Others have benefited local governments or taxpayers. This appendix describes the evolution of the state's property tax allocation system. The key events are highlighted in Figure A-1, and described in more detail below.

Figure A-1

History of California's Property Tax Allocation

1972	SB 90 —Establishes school “revenue limit” funding system, giving the state a significant fiscal interest in the allocation of local property tax revenue.
1978	Proposition 13 —Voters cap the basic property tax rate at 1 percent and give the state new responsibilities for allocating property tax revenue. SB 154 —State's first law allocating property tax revenue. Amounts based on share of property tax received prior to Proposition 13, with state providing grants for some of local revenue loss.
1979	AB 8 —State changes property tax allocations in SB 154, establishes system for allocating future growth in property tax revenue, and absorbs costs of some local programs.
1992	First ERAF Shift —State permanently shifts some property tax revenue from counties, cities, and special districts into a fund for K-14 districts.
1993	Second ERAF Shift —State permanently shifts additional property tax revenue into a fund for K-14 districts.
2004	Triple Flip —State uses some local sales tax revenue to repay deficit-financing bonds. Reimburses counties and cities with property tax revenue from ERAF and K-14 districts. The VLF Swap —State permanently shifts some property tax revenue from ERAF and K-14 districts to reimburse cities and counties for the state's reductions to their VLF revenue. Temporary ERAF Shift —State shifts some property tax revenue from noneducational local agencies to K-14 districts for two years. Proposition 1A —Voters restrict the state's authority to shift property tax revenue away from cities, counties, and special districts.
2009	Proposition 1A (2004) Borrowing —State borrows \$1.9 billion of property tax revenue from cities, counties, and special districts as authorized by Proposition 1A.
2010	Proposition 22 —Voters eliminate the state's authority to borrow property tax revenue and to shift redevelopment agencies' property tax revenue.
2012	Dissolution of Redevelopment Agencies —Redevelopment agencies are abolished. Over time, their share of the property tax will revert to other local governments.

ERAF = Educational Revenue Augmentation Fund; VLF = vehicle license fee.

TAX ALLOCATION PRIOR TO PROPOSITION 13

Tax Allocation Determined Locally Until 1978. Prior to voter approval of Proposition 13 in 1978, each local government authorized to levy a property tax set its own rate (within certain statutory restrictions). Each local government annually determined the amount of revenue necessary to finance the desired level of services and set its property tax rate to collect that amount. A property owner's property tax bill reflected the sum of the individual rates set by each taxing entity. Under this system, schools and community colleges received over 50 percent of statewide property tax revenue, counties about 30 percent, and cities about 10 percent. (At the local level, however, the share of property tax revenue supporting each type of local government varied. Some communities, for example, provided a greater percentage of total property tax revenue to schools and others provided more to their county or city.)

Property Tax Allocation Linked to State Budget in 1972. Although local governments had control over the property tax during this period, property tax revenue had an effect on the state's budget beginning in 1972. Chapter 1406, Statutes

of 1972 (SB 90, Dills), started an education finance system in which the state guarantees each school district an overall level of funding. For K-12 districts, each district receives an overall level of funding—a “revenue limit”—from local property taxes and state resources combined. Community college districts receive apportionment funding from local property taxes, student fees, and state resources. Thus, if a district's local property tax revenue (and student fee revenue in the case of community colleges) is not sufficient, the state provides additional funds. If a district's nonstate resources alone exceed the district's revenue limit or apportionment funding level, the district does not receive state aid and can keep the excess local property tax revenue for educational programs and services at their discretion. These districts are commonly referred to as “basic aid” districts because historically they have received only the minimum amount of state aid required by the California Constitution (known as basic aid). This system of school finance gives the state a significant fiscal interest in the distribution of local property tax revenue.

PROPOSITION 13 AND THE STATE'S RESPONSE

Proposition 13 fundamentally changed local government finance and assigned the state responsibility for property tax allocation. Property tax receipts fell by more than 60 percent because Proposition 13 lowered the statewide property tax rate to a constitutional maximum of 1 percent. Additionally, the measure required the state, rather than local communities, to determine the allocation of property tax revenue among the local governments within a county. In response to Proposition 13, the Legislature enacted two major

bills: Chapter 292, Statutes of 1978 (SB 154, Petris) and then Chapter 282, Statutes of 1979 (AB 8, L. Greene). In general, these bills established methods for allocating the new lower amount of property tax revenue and shifted certain county and school district costs to the state.

First State Allocation System—SB 154

Shortly after the passage of Proposition 13, the Legislature approved SB 154 in an effort to avoid major local government service reductions

and significant fiscal distress from the decrease in property tax revenue. Senate Bill 154 was the state’s first attempt to allocate property taxes among counties, cities, special districts, and K-14 districts. Under SB 154, a local government’s share of the 1 percent property tax rate in 1978-79 was based on the share of *countywide* property tax revenue going to that local government before Proposition 13. For example, if a city received 10 percent of the property taxes collected by all local jurisdictions in the county prior to the passage of Proposition 13, the city would receive 10 percent of the property taxes collected in the county at the 1 percent rate. This was a significant change from the allocation of property taxes prior to Proposition 13, when a local government received property tax revenue only from the properties located *within its jurisdiction*. In addition, to partially offset the revenue loss resulting from the reduction in the property tax rate, SB 154 used state funds to relieve counties of a portion of their obligation to pay for certain health and welfare programs and to provide block grants to counties, cities, and special districts.

The Current Property Tax Allocation System—AB 8

A year after enacting SB 154, the Legislature adopted AB 8, a long-term policy to allocate property taxes and provide fiscal relief to local governments. The legislation (1) directed county auditors to allocate 1979-80 property tax revenue in a manner similar to SB 154 but with some modifications and (2) established a method for allocating property tax growth in future years.

New Base Property Tax Allocation. Assembly Bill 8 established a new base property tax allocation for 1979-80. The new base allocations in AB 8 resembled those in SB 154—a local government’s share was based on the share of the countywide property tax going to that local government before Proposition 13—with some modification.

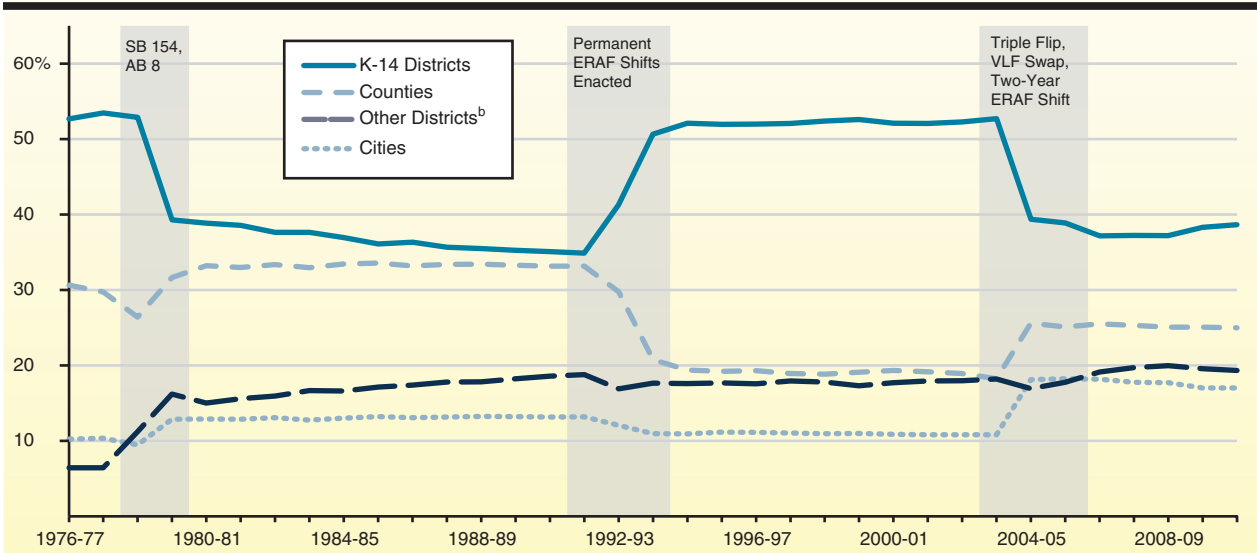
Specifically, rather than continue the state block grants included in SB 154, AB 8 increased the base share of property taxes allocated to most counties, cities, and special districts by reducing the base share going to K-14 districts. (Under the state’s school finance system, K-14 district losses were in turn made up with increased state funds for education.) For cities and special districts, the increase in the base property tax allocation was derived from the block grant amount provided in SB 154. Cities received increased property taxes equivalent to about 83 percent of their SB 154 block grant amount and special districts 95 percent of their block grant amount. Counties received a combination of increased property taxes, reduced expenditure obligations for health and social services programs, and a state block grant for indigent health programs. The reduced county expenditure obligations included complete state assumption of the costs for Medi-Cal and the State Supplementary Payment Program, as well as an increased state share of costs for the Aid to Families with Dependent Children program (the predecessor to California Work Opportunities and Responsibility to Kids). (These changes resulted in an increased share of property tax revenue for most counties. As discussed in the box on page 36, six counties ended up as so-called negative bailout counties.) In summary, AB 8 shifted property tax revenue away from K-14 districts in order to provide cities, special districts, and most counties with a greater amount of property tax revenue than they received the previous year under SB 154. As shown in

Figure A-2 (see next page), this greatly reduced K-14 districts’ share of the statewide property tax.

New Method for Allocating Property Tax Growth. Assembly Bill 8 also established a new process for allocating growth (or decline) in property tax revenue in future years. In contrast to the property tax allocation process in 1978-79 and

Figure A-2

Major Changes in Allocation of California Property Tax Revenue^a



^a As a percentage of total revenue from the 1 percent rate and voter-approved debt rates.

^b Special districts and redevelopment agencies. Payments from redevelopment agencies to K-14 schools not included.

ERAF = Educational Revenue Augmentation Fund; VLF = vehicle license fee.

1979-80 (that distributed revenue on a countywide basis without regard to where the property was located), the legislation specified that future growth in property tax revenue would be allocated only to those local governments serving the property where the revenue increase took place. Accordingly, beginning in 1980-81, AB 8 required that each local government receives the same amount of property

tax it received in the prior year plus its share of any growth or decline in property tax revenue that occurred in its jurisdiction.

To ensure that each local government receives the property tax growth from the properties it serves, each county is divided into tax rate areas (TRAs). Each local government represented in a TRA receives a share of the property tax growth

What Are “Negative Bailout Counties?”

Assembly Bill 8 did not provide additional property tax revenue to six counties (Alpine, Lassen, Mariposa, Plumas, Stanislaus, and Trinity). Under the provisions of AB 8, the increased share of the base property tax allocation to counties was calculated as the value of the SB 154 block grant *plus* a small adjustment for the cost of the Aid to Families with Dependent Children program *less* the amount of the indigent health block grant. In these six counties, the value of the indigent health block grant was so great that it exceeded the value of the adjusted SB 154 block grant. In order for these counties to be treated in the same way as all other counties, the amount of property taxes allocated to these counties was reduced. Because these counties received a smaller percentage of total property taxes collected after implementation of AB 8 relative to their pre-Proposition 13 shares, these counties are termed negative bailout counties.

that occurs within that TRA. As required by AB 8, county auditors developed a methodology to determine the percentage of property tax growth—known as TRA factors—to allocate to each local government in each TRA. These TRA factors were based largely on the 1979-80 base allocation established by AB 8 (including the shift of property tax revenue from K-14 districts to other local governments). In most counties, these TRA factors remain constant. Thus, if a city received 25 percent of the property tax revenue growth generated in a TRA in 1980-81 (the first year TRA factors were used to distribute property tax revenue growth),

it continued to receive 25 percent of the growth in property taxes in future years. As a result, the distribution of property tax revenue among local governments continued to closely resemble the 1979-80 distribution until the first major changes to the AB 8 system occurred in the 1990s.

In summary, the AB 8 property tax allocation system provides each local government with the same amount of property tax revenue it received in the prior year (the base), plus its share of any growth or decline in property tax revenue that occurred in its jurisdiction in the current year.

CHANGES TO THE AB 8 SYSTEM

The state property tax allocation system set up in AB 8 continues to be the basis for property tax allocation among local governments today. Since 1979, however, there have been some significant changes to the original property tax allocation system contained in AB 8. In most cases, the changes reflect the complex fiscal relationship between the state and local governments. Because of the state's role in allocating property tax revenue after Proposition 13 and in funding K-14 districts and other local programs, decisions regarding the state budget and other policy issues have led the Legislature and Governor to occasionally change how property tax revenue is distributed. We highlight the major changes in property tax allocation below. It is important to note, however, that these changes in property tax allocation do not explain the entire scope of the state-local fiscal relationship—a relationship that also has involved the realignment of many government programs and changes in other revenue sources such as the sales tax and the vehicle license fee (VLF). Some of these decisions have benefited the state fiscally, and others have benefited local governments or taxpayers.

No and Low Property Tax Cities

One change in property tax allocation relates to so-called “no and low property tax cities.” Cities that did not levy a property tax, levied only a very low property tax, or were not incorporated as cities prior to the passage of Proposition 13 typically received few property taxes under AB 8. During the 1980s the Legislature directed county auditors to modestly increase the amount of property taxes going to some of these cities by shifting a share of county property tax revenue to them.

Property Taxes Shifted to Schools

Ongoing Property Tax Shifts Started in 1990s. In 1992-93 and 1993-94, in response to serious budgetary shortfalls, the Legislature and Governor permanently redirected almost one-fifth of statewide property tax revenue—over \$3 billion in 1993-94—from cities, counties, and special districts to K-14 districts. (The legislation also temporarily required redevelopment agencies to make payments to K-14 districts.) Under the changes in property tax allocation laws, the redirected property tax revenue is deposited into a countywide fund for

schools, the Educational Revenue Augmentation Fund (ERAF). The property tax revenue from ERAF is distributed to non-basic aid schools and community colleges, reducing the state's funding obligation for K-14 school districts.

The amount transferred into ERAF from each city, county, and special district was based on many factors, including the magnitude of the fiscal relief that the state provided the local government in AB 8 and, for counties, the level of taxable sales within its borders. As a result, individual local government ERAF obligations varied widely. For example, the ERAF shifts from cities formed after 1978 typically were lower than those for older cities because the newer cities did not receive any AB 8 benefits. Similarly, counties with many retail developments typically had larger ERAF shifts than rural counties because the state anticipated that extensively developed counties would receive more relief from the state's primary ERAF mitigation measure: a half-cent sales tax for local public safety (Proposition 172, 1993). As shown in Figure A-2, after the ERAF transfer of the early 1990s, schools and community colleges once again received more than 50 percent of the state's property tax revenue, while other local governments received less.

“Excess ERAF” Shifted Back. In the late 1990s, some county auditors reported that their ERAF accounts had more revenue than necessary to offset all state aid to non-basic aid K-14 districts. In response, the Legislature enacted a law requiring that some of these surplus funds be used for countywide special education programs and the remaining funds be returned to cities, counties, and special districts in proportion to the amount of property taxes that they contributed to ERAF. The ERAF funds that are returned to non-education local governments are known as excess ERAF.

Additional Temporary Property Tax Shift. The 2004-05 budget package also shifted \$1.3 billion of property taxes from noneducation

local agencies (cities, counties, special districts, and redevelopment agencies) to ERAF in 2004-05 and again in 2005-06. This temporary ERAF shift reduced the state's funding responsibilities for K-14 districts to help address the budget shortfalls in those two years.

Changes to ERAF

The Triple Flip. In 2004, state voters approved Proposition 57, a deficit-financing bond to address the state's budget shortfall. The state enacted a three-step approach—commonly referred to as the triple flip—that provides a dedicated funding source to repay the deficit bonds:

- Beginning in 2004-05, one-quarter cent of the local sales tax is used to repay the deficit-financing bond.
- During the time these bonds are outstanding, city and county revenue losses from the diverted local sales tax are replaced on a dollar-for-dollar basis with property taxes shifted from ERAF.
- The K-14 tax losses from the redirection of ERAF to cities and counties, in turn, are offset by increased state aid.

The triple flip increases the amount of property tax revenue going to cities and counties and reduces the amount of ERAF provided to K-14 districts. Overall, however, cities, counties, and K-14 districts do not experience any net change in revenue from the triple flip. Cities and counties receive more property tax revenue, but this revenue gain is offset by the reduction in sales tax revenue. K-14 districts receive less property tax revenue, but this is offset with increased state aid. The flip of sales taxes for property taxes ends after the deficit-financing bonds are repaid (currently estimated to occur in 2016).

The VLF Swap. The VLF—a tax on vehicle ownership—provides revenue to local governments. In 1999, the state began reducing the VLF rate and backfilling city and county revenue losses from this tax reduction with state aid. The 2004-05 budget package permanently replaced the state VLF backfill by diverting property tax revenue from ERAF and, if necessary, non-basic aid K-14 districts to cities and counties. In 2004-05, cities and counties did not experience a change in overall revenue from the VLF swap, as the amount of property tax shifted to them was equal to the VLF backfill amount. In subsequent years, state law specifies that each local government’s VLF swap payment grows based on the annual change in its assessed valuation. As a result, most cities and counties benefit fiscally from the VLF swap because assessed valuation typically grows more quickly than VLF revenue. Similar to the triple flip, K-14 districts’ property tax revenue losses are made up with increased state aid.

Distributing ERAF

The triple flip and VLF swap further expanded the use of ERAF and changed the priorities governing how its resources are used. As shown in Figure A-3, the original purpose of ERAF was to supplement the property tax revenue of non-basic aid K-14 districts. Under current law, however, funding K-14 districts falls to the fourth priority. As a result, non-basic aid school districts do not receive any ERAF resources unless additional funds

remain after the county auditor (1) returns excess ERAF, (2) reimburses the triple flip, and (3) make payments for the VLF swap. This change in priorities has a significant effect on the amount of ERAF available for school districts. In 2010-11, for example, auditors in 33 counties reported using *all* ERAF resources for the first three priorities, leaving no ERAF for schools.

Figure A-4 (see next page) displays the complex process county auditors follow to allocate ERAF and to reimburse cities and counties for the triple flip and VLF swap. This figure also shows that, under certain circumstances, it is possible that the auditor could determine that there are not enough funds to fully compensate cities and the county for the triple flip and/or the VLF swap. These funding insufficiencies are referred to as “insufficient ERAF.”

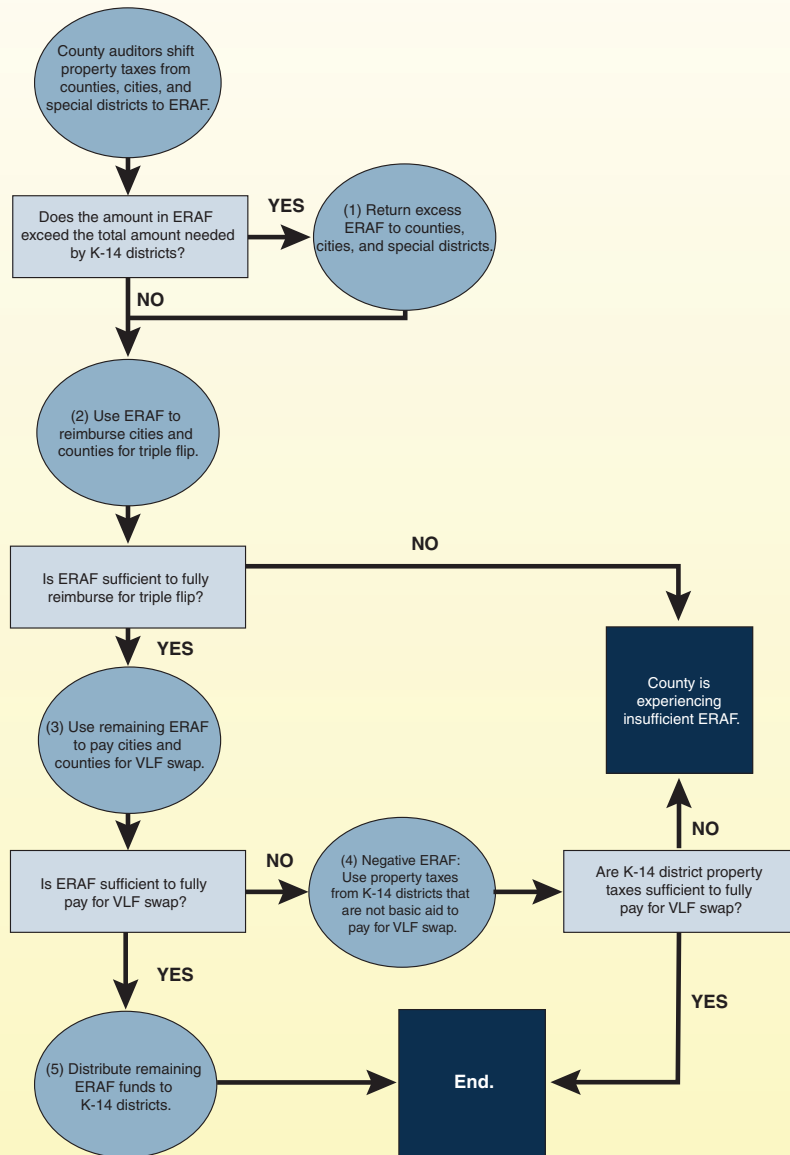
Step 1: Return Excess ERAF. As shown in the figure, the first step is for each county auditor to determine whether the funds deposited into the countywide account exceed the amount needed by all non-basic aid K-14 districts in the county, plus a specified amount for special education. If so, the excess ERAF is returned to cities, special districts, and the county in proportion to the amount of property taxes they contributed to ERAF. This calculation of excess ERAF was modified recently to reflect the increased revenue that K-14 districts and ERAF receive from the dissolution of redevelopment agencies. Specifically, to maximize the state fiscal benefit related to redevelopment

Figure A-3
Uses of ERAF Listed in Priority Order

Priority	Early 1990s	Late 1990s to 2004	2004 to Present
First	Fund non-basic aid K-14 districts	Return excess ERAF	Return excess ERAF
Second		Fund non-basic aid K-14 districts	Reimburse triple flip
Third			Make payments for VLF swap
Fourth			Fund non-basic aid K-14 districts

ERAF = Educational Revenue Augmentation Fund; VLF = vehicle license fee.

Figure A-4
Process to Distribute ERAF and Reimburse the Triple Flip and VLF Swap



ERAF = Educational Revenue Augmentation Fund; VLF = vehicle license fee.

dissolution, Chapter 26, Statutes of 2012 (AB 1484, Committee on Budget) directs county auditors to exclude property taxes related to the dissolution of redevelopment agencies in the calculation of excess ERAF.

Step 2: Reimburse Triple Flip. Following the calculation and distribution of excess ERAF, state law directs county auditors to reimburse local governments for their revenue losses associated with the triple flip. This reimbursement is shown in the figure as step two. If the county auditor uses all available ERAF, but determines that the local governments have not been fully reimbursed for the triple flip, the county has insufficient ERAF. In this situation, additional state action is required if cities and counties are to be fully reimbursed for the triple flip.

Steps 3 and 4: Pay for VLF Swap. After reimbursing the triple flip, the next use of ERAF is to make payments to local governments for the VLF swap. If the county auditor determines that ERAF resources are not sufficient to fully

pay cities and the county for the VLF swap, the county auditor redirects some property taxes from non-basic aid K-14 districts for this purpose, as shown in step 4. The redirection of school property taxes is commonly referred to as negative ERAF because it decreases K-14 property taxes rather than supplementing them (the original purpose of ERAF). If the amount of property taxes deposited in ERAF and allocated to non-basic aid school district is not enough to make the payments required under the VLF swap, then the county has insufficient ERAF. In this situation, additional state action is required for cities and counties to receive the full VLF swap payment. In 2012-13, the first time this issue came before the Legislature, the state included \$1.5 million in the budget to compensate the county and cities in Amador County for insufficient ERAF.

Step 5: Distribute Remaining ERAF to K-14 Districts. Any funds remaining in ERAF after the other uses have been satisfied are distributed to schools and offset state education spending.

LIMITS ON THE STATE'S AUTHORITY OVER PROPERTY TAX ALLOCATION

The state's use of property tax shifts to help resolve its severe budget difficulties—as well as other actions affecting the state-local fiscal relationship—have been a source of considerable friction between state and local government. In response, local government advocates have sponsored initiatives to limit the state's authority over local finances, including two constitutional measures reducing the state's authority over property tax allocation. As a result, much of the authority granted to the state in Proposition 13 and used to establish AB 8, ERAF, the VLF swap, and the triple flip is now restricted.

Proposition 1A (2004)

In 2004, voters approved Proposition 1A, amending the State Constitution to prohibit the state from shifting property tax revenue from cities, counties, and special districts to K-14 districts. The measure, however, provided an exception to its restrictions. Beginning in 2008-09, the measure allowed the state to shift a limited amount of local property tax revenue to schools and community colleges provided that the state repaid local governments for their property tax losses, with interest, within three years. The measure also specified that any change in how property tax

revenue is shared among cities, counties, and special districts must be approved by two-thirds of both houses of the Legislature (instead of by majority vote). For example, state actions that shift a share of property tax revenue from one local special district to another, or from the county to a city, require approval by two-thirds of both houses of the Legislature.

The state utilized Proposition 1A's exception for shifting property tax revenue to provide state fiscal relief in its 2009-10 budget package. Specifically, the state borrowed \$1.9 billion of property tax revenue from cities, counties, and special districts—revenue equal to roughly 8 percent of each local agency's property tax revenue. (Under Proposition 1A, the state was required to repay these funds by 2012-13. Companion legislation, however, allowed local governments to borrow against the state's future repayments so that local government budgets were not negatively affected in 2009-10.) The 2009-10 budget package also required redevelopment agencies

to make payments totaling \$1.7 billion (2009-10) and \$350 million (2010-11) to K-12 school districts serving students living in or near their redevelopment areas. Unlike the borrowing from cities, counties, and special districts, the state did not reimburse redevelopment agencies for these required payments.

Proposition 22 (2010)

In 2010, voters approved Proposition 22, which, among other things, prohibits the state from redirecting property tax revenue as it did in 2009-10. Specifically, Proposition 22 eliminates the state's authority to borrow property tax revenue from local governments as previously allowed under Proposition 1A and prohibits the state from requiring redevelopment agencies to shift revenue to K-14 districts or other agencies. As discussed in the nearby box, the prohibition on shifting redevelopment funds contributed indirectly to the dissolution of redevelopment agencies in February 2012.

The Dissolution of Redevelopment Agencies

As discussed in our report, *The 2012-13 Budget: Unwinding Redevelopment*, redevelopment had the overall effect of increasing state costs for K-14 education. For this reason, the state frequently required redevelopment agencies to shift some funds to support K-14 education. Under Proposition 22 (2010), however, the state no longer had the authority to require redevelopment agencies to shift property tax revenue to school districts. Facing considerable fiscal constraints and not authorized to shift funds from redevelopment for state fiscal relief as it had done in the past, the Legislature took a new approach as part of the state's 2011-12 budget. Specifically, the Legislature approved and the Governor signed Chapter 5, Statutes of 2011 (ABX1 26, Blumenfeld), which dissolved all redevelopment agencies. They also approved Chapter 6, Statutes of 2011 (ABX1 27, Blumenfeld), allowing redevelopment agencies to avoid dissolution by voluntarily agreeing to make annual payments to school districts. The Supreme Court later ruled ABX1 27 unconstitutional, meaning all redevelopment agencies were subject to ABX1 26's dissolution requirement. Under the dissolution process, the property tax revenue that formerly went to redevelopment agencies is first used to pay off redevelopment debts and obligations and the remainder is distributed to local governments in accordance with AB 8.

LOOKING FORWARD

Proposition 1A and Proposition 22 limit the state's authority to change property tax allocation laws. Measures that reallocate property tax revenue among counties, cities, and special districts require a two-thirds vote of the Legislature and measures that change state laws to increase the percentage of property taxes allocated to schools are prohibited. Even without additional legislative action, however, the distribution of property tax revenue will change in the near future for two reasons.

- ***End of Redevelopment.*** As the debts and obligations of former redevelopment agencies are paid off, property tax revenue that previously was allocated to redevelopment agencies will be distributed to K-14 districts, counties, cities, and special districts.
- ***The End of the Triple Flip.*** We estimate that the state's deficit-financing bonds will be paid off in 2016-17. At that time, the state sales tax rate will decline by one-quarter cent and the local sales tax rate will increase by one-quarter cent. Because the local sales tax rate is restored in full, the property tax revenue currently used to backfill cities and counties for the loss in sales tax revenue will be allocated to K-14 districts. Although none of these entities will experience any change in overall revenue, cities, and to a lesser extent counties, will receive a smaller share of the property tax than they do today. In addition, the property tax revenue allocated to K-14 districts will reduce the state's education costs.

APPENDIX 2:

PROPERTY TAX AND LOCAL GOVERNMENT PUBLICATIONS

Property Taxes

Property Tax Agents at the Local Level in California: An Overview (June 20, 2012)

Discusses the role of property tax agents in appealing property assessments.

Reconsidering AB 8: Exploring Alternative Ways to Allocate Property Taxes (February 3, 2000)

Examines the problems in the current property tax allocation system and discusses the tensions and trade-offs inherent in five reform proposals.

Reversing the Property Tax Shifts (April 2, 1996)

Explains the mechanics of the Educational Revenue Augmentation Fund shift and the formulas which implemented it.

Local Finance

Major Milestones: Over Four Decades of the State-Local Fiscal Relationship (November 29, 2012)

Provides a timeline summarizing major changes in the state-local relationship.

Local Government Bankruptcy in California: Questions and Answers (August 7, 2012)

Addresses some common questions about the Chapter 9 process for local governments.

The 2012-13 Budget: Unwinding Redevelopment (February 17, 2012)

Reviews the history of redevelopment agencies, the events that led to their dissolution, and the process communities are using to resolve their financial obligations.

The 2011-12 Budget: Should California End Redevelopment Agencies? (February 8, 2011)

Examines the Governor's proposal to end redevelopment.

Ten Events That Shaped California State-Local Fiscal Relations (December 16, 2009)

Discusses key events and measures that influenced state-local relations.

Overview of California Local Government (June 17, 2010)

Summarizes key issues related to local government.

Understanding Proposition 218 (December 17, 1996)

Examines the constitutional requirements related to property assessments and fees.

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This report was prepared by Chas Alamo and Mark Whitaker, and reviewed by Marianne O'Malley. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature. To request publications call (916) 445-4656. This report and others, as well as an e-mail subscription service, are available on the LAO's website at www.lao.ca.gov. The LAO is located at 925 L Street, Suite 1000, Sacramento, CA 95814.



South Lake County Fire Protection District
— in cooperation with —
California Department of Forestry and Fire Protection

P.O. Box 1360 Middletown, CA 95461 - (707) 987-3089

DATE: July 17, 2020

TO: Board of Directors

FROM: Gloria Fong
Staff Services Analyst

SUBJECT: Resolution No. 2020-21 02, A Resolution Calling for a Special Election for the Purpose of Establishing a New Appropriations Limit

For the Board's consideration is subject resolution with motion to include override amount. The override amount will be either 1) the amount of special tax levy Ordinance No. 2018-19 01 the voters of the District approved on November 6, 2018, 2) the amount of \$1,250,000 as previously set in prior overrides and the amount of special tax levy Ordinance No. 2018-19 01 the voters of the District approved on November 6, 2018, or 3) a different amount.

It is my recommendation to utilize 2) above. This calculation is provided in attached page 2 highlighted. Please note it will change slightly dependent upon the appropriations limit aforementioned item on tonight's agenda. The calculation factors in a 2% consumer price index (CPI) annual increase and uses the 1.8% CPI increase for fiscal year 2020-21. By using method 2), the limit is adjusted upward by 1.25 million and increased with the amount with CPI escalation.

Additionally, the attached resolution has area for Lake County Counsel Anita Grant to approve and motion to include approval contingent "approved to form" signature prior to submittal to Registrar of Voters' Office.

Attachments

Attachments

1 **BOARD OF DIRECTORS, SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT**
2 **COUNTY OF LAKE, STATE OF CALIFORNIA**

3 **RESOLUTION NO. 2020-21 02**

4 **A RESOLUTION CALLING FOR A SPECIAL ELECTION FOR THE PURPOSE**
5 **OF ESTABLISHING A NEW APPROPRIATIONS LIMIT**
6

7 **WHEREAS**, the Board of Directors of the South Lake County Fire Protection District (Fire
8 District) wishes to establish a new appropriations limit for the next four years commencing in 2021-
9 2022 fiscal year; and

10 **WHEREAS**, Section 4 of Article XIII B of the California Constitution permits any special
11 district to establish a new appropriations limit; and

12 **WHEREAS**, this new appropriations limit will not affect the tax rate of the residents within
13 the Fire District.

14 **NOW, THEREFORE, BE IT RESOLVED, ORDERED AND DIRECTED** that:

15 1. At the general election to be held on November 3, 2020, there shall be submitted to the
16 registered voters of the area enclosed within the Fire District the question of whether or not a new
17 appropriations limit should be established for the next four fiscal years.

18 2. The ballot measure to be submitted to the registered voters of the South Lake County
19 Fire Protection District shall read as follows:

20 "Shall the South Lake County Fire Protection District, without increasing the tax rate,
21 establish an annual appropriations limit in **1) the amount of special tax levy Ordinance No.**
22 **2018-19 01 the voters of the District approved on November 6, 2018, 2) in the amount of**
23 **\$1,250,000 and the amount of special tax levy Ordinance No. 2018-19 01 the voters of the**
24 **District approved on November 6, 2018, or 3) a different amount** over and above the
25 previously approved appropriations limit as annually adjusted pursuant to Article XIII B of the
26 California State Constitution which shall be effective for the 2021-2022 fiscal year; and for
27 the three fiscal years thereafter said limit shall continue and be adjusted for changes in the
28 cost of living and population?

29 YES___ NO___"

30 3. The Lake County Registrar of Voters' Office is hereby directed to publish a notice of
31 election as required by Elections Code Section 12000 et seq.

32 4. The ballot measure shall be presented to the qualified registered voters encompassed
33 by the boundaries of South Lake County Fire Protection District. Said election shall be held on
34 Tuesday, November 3, 2020.

35 5. The Board of Directors hereby requests the Board of Supervisors of the County of Lake
36 to permit the Registrar of Voters to render the Fire District the services necessary for the
37 preparation of the ballots and conduct the election herein described.

38 6. South Lake County Fire Protection District shall reimburse the County of Lake in full for
39 the service performed by the Registrar of Voters upon presentation of a bill to South Lake County
40 Fire Protection District.

41 7. The Clerk of this Board is directed to forthwith deliver a copy of this Resolution to the
42 Clerk of the Board of Supervisors of the County of Lake.

43 **THIS RESOLUTION** was passed by the Board of Directors of South Lake County Fire
44 Protection District at a regular meeting thereof on the 21st day of July, 2020 by the following
45 vote:

46 AYES:

47 NOES:

48 ABSENT OR NOT VOTING:

49

50

51

52 [SEAL]

53

54

55

56

57

58 ATTEST: _____

59

60

61

62

63 APPROVED AS TO FORM:

64 ANITA GRANT

65 County Counsel

66

67

68 _____

SOUTH LAKE COUNTY
FIRE PROTECTION DISTRICT

MADELYN MARTINELLI
President, Board of Directors

Gloria Fong
Clerk to the Board of Directors

SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT
 APPROPRIATIONS LIMIT - CALCULATION SUMMARY

FY	PERS INC %	POPULATION %	CPI & POP %	PROP 4 LIMIT w/o over ride	Approved Override	New Override Ord 2018-19 01	LIMIT	RES. NO.
1981-82				182,860.00		-		
1982-83	6.79	6.04	13.24%	207,070.66		-	207,070	
1983-84	2.35	6.17	8.66%	225,002.26		-	291,106	
1984-85	4.74	5.36	10.35%	248,289.71		-	320,217	
1984-85					\$750,000	-		784
1985-86	3.74	7.49	11.51%	276,867.06		-	1,107,074	
1986-87	2.30	4.95	7.36%	297,244.41		-	1,124,139	
1987-88	3.47	3.87	7.47%	319,448.13		-	1,203,166	
1988-89	4.66	3.62	8.45%	346,441.36		-	1,295,689	1.9.88
1988-89					\$950,000	-		1.3.89
1989-90	5.19	2.66	7.99%	374,121.64		-	1,319,997	1.6.89
1990-91	4.21	3.55	7.91%	403,713.97		-	1,424,277	1.9.90
1991-92	4.14	4.02	8.33%	437,342.29		-	1,425,597	04-91
1992-93	-0.64	4.48	3.81%	454,004.73		-	1,809,046	01-92
1992-93					\$950,000	-		93-02
1993-94	2.72	3.38	6.19%	482,106.85		-	1,407,566	93-12
1994-95	0.71	2.68	3.41%	498,545.81		-	1,468,012	94-06
1995-96	4.72	1.76	6.56%	531,249.55		-	1,560,056	95-03
1996-97	4.67	0.90	5.61%	561,052.07		-	1,652,731	96-04
1996-97					\$950,000	-		96-08
1997-98	4.67	-0.18	4.48%	586,187.13		-	1,521,688	97-05
1998-99	4.15	0.27	4.43%	612,155.08		-	1,585,266	98-04
1999-00	4.53	0.49	5.04%	643,007.61		-	1,601,918	99-03
2000-01	4.91	1.03	5.99%	681,523.12		-	1,697,873	00-07
2000-01					\$950,000	-		00-12
2001-02	7.82	1.36	9.29%	744,836.49		-	1,855,605	2001-06
2002-03	-1.27	1.72	0.43%	748,038.79		-	1,681,312	2002-09
2003-04	2.31	1.55	3.90%	777,211.48		-	1,747,470	2003-11
2004-05	3.28	1.65	4.98%	815,916.11		-	1,856,598	2004-14
2004-05					\$1,250,000	-		2004-15
2005-06	5.26	1.26	6.59%	869,684.86		-	2,119,707	2005-16
2006-07	3.96	0.90	4.90%	912,298.52		-	2,223,573	2006-11
2007-08	4.42	0.51	4.95%	957,456.75		-	2,333,640	2007-11
2008-09	4.29	0.25	4.55%	1,001,020.25		-	2,439,820	2008-12
2008-09					\$1,250,000	-		2009-02
2009-10	0.62	-0.22	0.40%	1,005,024.08		-	2,255,053	2010-01
2010-11	-2.54	0.01	-2.53%	979,596.89		-	2,229,624	2011-01
2011-12	2.51	0.31	2.83%	1,007,318.57		-	2,257,348	2011-12
2012-13	3.77	-1.65	2.06%	1,028,068.75		-	2,303,849	2012-10
2012-13					\$1,250,000	-	2,278,068	2013-03
2012-13								2013-01
2013-14	5.12	0.25	5.38%	1,083,378.06		-	2,333,378	2013-22
2014-15	-0.23	0.15	-0.08%	1,082,511.30		-	2,332,511	2014-09
2015-16	3.82	0.57	4.41%	1,130,249.74		-	2,380,249	2015-16
2016-17	5.37	-0.98	4.34%	1,179,301.81		-	2,429,301	2016-16

SOUTH LAKE COUNTY FIRE PROTECTION DISTRICT
 APPROPRIATIONS LIMIT - CALCULATION SUMMARY

FY	PERS INC %	POPULATION %	CPI & POP %	PROP 4 LIMIT w/o over ride	Approved Override	New Override Ord 2018-19 01	LIMIT	RES. NO.
2016-17					\$1,250,000			2016-17-01
2017-18	3.69	0.50	4.21%	1,228,949.57			2,478,949	2016-17-18
2018-19	3.67	1.30	5.02%	1,290,642.24			2,540,642	2017-18 28
2019-20	3.85	0.28	4.14%	1,344,074.58		1,856,810	4,450,884	2019-20 01
2020-21	3.73	-0.24	3.48%	1,390,847.78		1,890,233	4,531,080	
2020-21					\$1,250,000			
<u>using</u>	3.69	0.50	4.21%	1,449,401.66		1,928,038	4,627,439	
<u>2017-18</u>	3.67	1.30	5.02%	1,522,160.93		1,966,598	4,738,758	
<u>thru</u>	3.85	0.28	4.14%	1,585,177.42		2,005,930	4,841,107	
<u>2020-21</u>	3.73	-0.24	3.48%	1,640,341.16		2,046,049	4,936,390	
	3.73	-0.24	3.48%	1,390,847.78		2,086,970	5,034,394	

OFFICIAL BUSINESS

Document entitled to free recording

Government Code Section 27383

RECORDING REQUESTED BY AND

WHEN RECORDED MAIL TO:

Lake County

255 N. Forbes Street, #109

Lakeport, CA 95453

Attn: Clerk of the Board of Supervisors

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

APN: see Exhibits B-1, B-2 and B-3

**DEVELOPMENT AGREEMENT
BY AND BETWEEN**

THE COUNTY OF LAKE

AND

LOTUSLAND INVESTMENT HOLDINGS, INC.

**DEVELOPMENT AGREEMENT
(GUENOC VALLEY)**

This Development Agreement (the “**Agreement**”) is entered into as of _____, 2020, by and between the **County of Lake**, a political subdivision of the State of California (“**County**”), on the one hand, and on the other, **Lotusland Investment Holdings, Inc.**, a California corporation (“**Developer**”), and the property owners (“**Owners**” and each an “**Owner**”) identified on **Exhibit A** attached hereto. County, Developer, Owners and their respective successors and Transferees are hereinafter collectively referred to as the “**Parties**” and singularly as “**Party**.”

RECITALS

A. **Authorization.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the legislature of the State of California adopted Government Code Sections 65864, et seq. (the “**Development Agreement Statute**”), which authorizes the County and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the property which is the subject of the development project application. The purpose of the Development Agreement Statute is to authorize municipalities, in their discretion, to establish certain development rights for a period of years regardless of intervening changes in land use regulations.

B. **Developer.** Developer and the Owners are each a corporation organized under the laws of the State of California and in good standing thereunder.

C. **Property.** Developer acts as agent for Owners who hold title to approximately 16,000 acres of land within the Guenoc Valley in unincorporated Lake County as more particularly described in the attached **Exhibit B-1** (the “**Guenoc Property**”). In addition, Developer holds title to approximately 3.5 acres of land on Santa Clara Road in Middletown as more particularly described in the attached **Exhibit B-2** (the “**Santa Clara Property**”), and has an option to purchase property adjacent to the intersection of Butts Canyon Road and Highway 29 (the “**Butts Canyon Property**,” which property is more particularly described in the attached **Exhibit B-3**, and together with the Guenoc Property and the Santa Clara Property, the “**Properties**”).

D. **Background.**

D.1: **Initial Project Review.** In December 2018, the Lake County Community Development Department received an application from Developer for a General Plan of Development and General Plan Amendment (“**GPA**”) for the Guenoc Property, which was the initial application for the Initial Project. On the basis of this application, a determination was made that the Initial Project would require an Environmental Impact Report (“**EIR**”), and an environmental consultant (“**AES**”) was selected. A Notice of Preparation for the EIR, dated April 23, 2019, was duly filed.

D.2. **The Application.** On May 30, 2019 Developer filed an application for the remaining aspects of the Project, which included: adoption of a new zoning district, to be known

as the Guenoc Valley Planned Development District (“**GVD**”); a use permit for a Specific Plan of Development (“**SPOD**”) for the Project; approval of entitlements for the proposed workforce housing on the Santa Clara Property (the “**Middletown Housing**”) including tentative subdivision map for 50 units, a use permit for a community center and rezoning of the Santa Clara Property from Single Family Residential to Two-Family Residential, and phased tentative subdivision maps for all of the foregoing (the “**Tentative Maps**”) (together with the GPA application, the “**Application**”). The Application describes the proposed project as consisting of a master planned mixed-use resort community within the Guenoc Property to include a phased destination luxury resort, consisting of hotels, resort residential units, single family residential villas/estates and recreational facilities, as well as commercial centers, modified agricultural production, emergency response center and associated supporting infrastructure, and the Middletown Housing (collectively, the “**Project**”). Proposed outdoor recreational and resort amenities included in the Project on the Guenoc Property include wineries, a wellness center and spa, golf course, equestrian facilities, polo grounds and a wilderness camp.

D.3. **Environmental Review.** On February 21, 2020 the County published a Draft EIR for the Project. On _____, 2020 the County published the Final Environmental Impact Report which consists of the Draft EIR, comments on the Draft EIR and responses to such comments, as well as a list of text changes to the Draft EIR (collectively, the “**Final EIR**”). On _____, 2020 the Planning Commission of Lake County (the “**Planning Commission**”) recommended that the Board of Supervisors (“**Board**”) certify the Final EIR, adopt CEQA findings and Statement of Overriding Considerations, and approve the Project subject to the findings, conditions of approval and mitigation measures recommended by the Planning Commission (as amended by such findings, conditions and measures, the “**Project**”).

D.4. **EIR Certified.** On _____, 2020 the Board of Supervisors certified the Final EIR as adequate and complete for Developer’s Project proposal and approved the Project as further described below.

E. **The GPA and Zoning Ordinance and Project Approvals.** On _____, 2020, the Board adopted CEQA findings and mitigation measures and Statement of Overriding Considerations, and adopted the GPA. In addition, the Board of Supervisors adopted the zoning ordinance (the “**Zoning Ordinance**”) for the new GVD zoning district, as well as the other Project Approvals.

E.1. **The General Plan Amendment.** The GPA designated the entire Guenoc Property as “**Resort Commercial.**” The GPA allows a mixed-use development of about 400 hotel units, 450 resort residential units, 1,400 residential estate villas at the maximum development on the Guenoc Property. The first phase of development, as proposed in the current SPOD, includes 127 hotel units, 50 temporary workforce units, 20 campsites, 100 workforce housing co-housing units, 401 resort residential units, and 401 residential villas.

E.2. **The Zoning Ordinance.** The map of the Guenoc Property attached hereto as **Exhibit C-1** shows the different development clusters and uses permitted under the GVD zoning district. Consistent with the GPA, the GVD zoning district allows for the types and extent of development shown on the table attached hereto as **Exhibit C-2**.

E.3. SPOD, General Plan of Development, and Design Guidelines.

Development within the GVD zoning district must conform to the SPOD (as to the first phase of development) and to the General Plan of Development and design guidelines approved by the Board of Supervisors of County (the “**Board**”). In accordance with the Zoning Code, on _____, 2020, the Planning Commission recommended Board approval of the Guenoc Valley Design Guidelines (“**Design Guidelines**”), the General Plan of Development, and the SPOD, including the Design Guidelines, each dated as of _____, 2020. Concurrently with the approval of this Agreement, the Board adopted the SPOD and Design Guidelines by Ordinance No. _____.

F. Planning Commission Public Hearing. On _____, 2020, at a duly noticed public hearing, the Planning Commission, serving as the County’s planning agency for purposes of development agreement review pursuant to Section 21-69.6 of the Lake County Code, considered this Agreement. The Planning Commission recommended that the Board approve the Project and recommended approval of this Development Agreement.

G. Project and Project Approvals. The County has also adopted the land use and other approvals in addition to the GPA, the GVD zoning district, the SPOD, the General Plan of Development and the Design Guidelines for the Project identified in **Exhibit D** (all of such approvals and related ordinances being the “**Project Approvals**”), which Project Approvals include and are the subject of this Agreement. In adopting the Project Approvals, the Board found that they are consistent with and implement the goals and policies of the County’s General Plan, and satisfy the necessary requirements and goals of all other applicable laws of the County. In particular, the GPA, the Use Permit for the GPOD and SPOD, Zoning Ordinance Amendment, General Plan of Development, Design Guidelines and Tentative Maps provide balanced and diversified land uses in order to maintain the overall quality of life and the environment within the County, to impose appropriate requirements with respect to land development and usage, and to provide substantial amounts of open space. Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, the County found that this Agreement satisfies the Government Code Section 65867.5 requirement of general plan consistency.

H. Costs of Project Infrastructure and Services. Pursuant to this Agreement, Developer agrees to pay the costs of Project Infrastructure as necessary to serve the Project and to mitigate impacts on the community of the development of the Properties, and Developer may proceed with and complete development of the Project as described in the Project Approvals and in accordance with the terms of this Agreement. County and Developer recognize and agree that, but for Developer’s contributions set forth herein, including but not limited to mitigating the impacts arising as a result of the Project Approvals and any Subsequent Approvals granted pursuant to this Agreement, County could not and would not approve the development of the Properties as provided by this Agreement. County’s vesting of the right to develop the Properties as provided herein is in reliance upon and in consideration of Developer’s and/or Owners’ (and when applicable an assignee or Transferee as provided for in Section 16 below) agreement to, among other things, pay the costs of and construct Project Infrastructure.

I. Appropriateness of Development Agreement. County has determined that the Project is a development for which a development agreement is appropriate. A development

agreement will eliminate uncertainty in the County's land use planning process and secure orderly development of the Project consistent with the Project Approvals, assure progressive and timely installation of necessary improvements and mitigation appropriate to each stage of development of the Project, and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted. The Project is highly capital intensive, especially in its initial phases, which, in order to make the Project economically and fiscally feasible, requires major commitment to and investment in on-site and off-site improvements prior to the construction and sale, lease or use of the resort, residential and commercial units. In order to enable the Developer to expend the necessary sums to prepare the plans referred to in this Agreement and to pursue other various pre-development work associated with the development of the Project, the County desires to provide certainty through this Agreement with respect to specific development criteria to be applicable to the Properties in order to provide for appropriate utilization of the Properties in accordance with sound planning principles.

J. Community Benefits Provided Pursuant to the Development Agreement. The Board has determined that the development of the Project will afford the County and its citizens and the surrounding region with the benefits described in **Exhibit F** hereto (collectively, the "**Community Benefits**").

K. Reasons for the Agreement. The County is entering into this Agreement in consideration of the Community Benefits described above. In exchange for the Community Benefits of the Project that exceed those required by law, Developer desires to receive assurances that County shall grant permits and approvals required for the development of the Project, over the Project's anticipated long term development horizon, in accordance with procedures provided by law and in this Agreement, and that Developer may proceed with the Project in accordance with the Existing County Land Use Regulations (as hereinafter defined), subject to the terms and conditions of this Agreement. In order to effect these purposes, the Parties desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, conditions and covenants hereinafter set forth, the adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Exhibits and Recitals.** The Preamble, Recitals, Exhibits and all defined terms set forth therein are hereby incorporated into this Agreement as if set forth herein in full.

2. **Definitions.** Each reference in this Agreement to any of the following terms shall have the meaning set forth below for each such term. Certain other terms shall have the meaning set forth for such term in this Agreement.

2.1 **Adoption Date.** _____, 2020, the date the Board adopted the Ordinance approving this Agreement ("**Enacting Ordinance**").

2.2 **Agencies.** Defined in Section 22.

2.3 **Board.** Defined in Recital D3.

2.4 **CC&Rs.** Covenants, conditions and restrictions, including the Master Declaration, recorded in the Official Records and encumbering all or any portion of each of the Properties, imposing covenants, restrictions, equitable servitudes and/or easements running with the land, governing the design, maintenance, operation, access, use and other matters in connection with the Properties made subject to the CC&Rs, together with any amendments, supplements, declarations of annexation or other similar documents appending or amending the original CC&Rs.

2.5 **CEQA.** The California Environmental Quality Act (Public Resources Code §§ 21000, et seq.) and the Guidelines thereunder (Title 14, Cal. Code Regs. §§ 15000, et seq.).

2.6 **Complaining Party.** Defined in Section 23.

2.7 **Consent.** Defined in Section 38.

2.8 **Community Development Director.** The Lake County Community Development Director or his or her designee.

2.9 **Community Benefits.** Defined in Recital J.

2.10 **County.** The County of Lake, a political subdivision of the State of California.

2.12 **County Land Use Regulations.** The ordinances, resolutions, codes, rules, regulations and official policies of the County, governing the permitted uses of land, the subdivision of land, the density of development, design, improvement and construction standards and specifications to the extent applicable to the development of the Properties and property upon which required Off-Site Infrastructure will be constructed. Specifically, but without limiting the generality of the foregoing, County Land Use Regulations shall include the County's General Plan (including the GPA), the County's Zoning Code including the Zoning Ordinance and the County's Subdivision Code regulations, all as may be amended by the GVD zoning ordinance the SPOD, the General Plan of Development, the Design Guidelines, this Agreement and all other Project Approvals.

2.13 **Default.** Defined in Section 21.

2.14 **Design and Construction Standards.** Defined in Section 7.3.

2.15 **Design Guidelines.** Defined in Recital E3.

2.16 **Developer.** Lotusland Investment Holdings, Inc., as agent for Owners, and its and their Transferees, as applicable and as determined at the time in question.

2.17 **Development Agreement Statute.** Defined in Recital A.

2.19 **Development Fees and Exactions.** All monetary or other exactions including in-kind contributions and dedications, other than taxes, special assessments or administrative fees, which are required by the Local Agency in connection with any permit, approval, agreement or entitlement for development of Project Infrastructure or other improvements on the Properties, and any requirement for the dedication or reservation of land for construction of public facilities, Off-Site Infrastructure or Project Infrastructure, or any requirement to provide or contribute to any public amenity or services. Development Fees and Exactions do not include fees for ministerial processing based upon the County's processing costs.

2.20 **DRE.** Defined in Section 14.2.1.

2.21 **Effective Date.** Defined in Section 7.2.

2.22 **EIR.** Defined in Recital D1 above.

2.23 **Emergency Response Center.** A building shell and core intended to eventually be fitted-out to serve as a fire station to house firefighting equipment such as a fire truck, and to include a conference room to provide a headquarters meeting location in the case of emergency, to provide for an emergency response center, a medical office and exam room and a helipad location for emergency services.

2.24 **Enacting Ordinance.** Defined in Section 2.1 above.

2.25 **Existing County Land Use Regulations.** The County Land Use Regulations in effect as of the Adoption Date.

2.26 **Final Map.** Any final map applicable to the Properties approved and recorded in the Official Records pursuant to and in accordance with the California Subdivision Map Act (Government Code sections 66410 et seq.).

2.27 **Finally Granted.** The date that (i) any and all applicable appeal periods for the filing of any administrative or judicial appeal challenging the issuance or effectiveness of any of the Project Approvals, this Agreement or the EIR shall have expired and no such appeal shall have been filed, or (ii) unless specifically waived by Developer provided notice, if such an administrative or judicial appeal is filed, the Project Approvals, this Agreement or the EIR, as applicable, shall have been upheld by a final decision in each such appeal, and (iii) if a referendum petition relating to this Agreement is timely and duly circulated and filed, certified as valid and an election is held, the date the election results on the ballot measure are certified by the Board in the manner provided by the Elections Code reflecting the final defeat or rejection of the referendum.

2.28 **General Plan.** The General Plan for the County as in effect as of the Adoption Date. The term "**General Plan**" as used herein includes the GPA.

2.29 **General Plan of Development** A General Plan of Development as defined in the Zoning Ordinance, Section 21.13, for all or a portion of the Project as included in the Project Approvals or as a Subsequent Approval.

2.30 **GPA.** Defined in Recital D1.

2.31 **Laws.** Any law, regulation, rule, order or ordinance of any governmental agencies having jurisdiction over the Project which are applicable to the Project or any portion thereof now in effect or as hereafter promulgated.

2.32 **Local Agency and Local Agencies.** Defined in Section 3.

2.33 **Local Agency-wide.** All (a) privately owned property in the territorial limits of a Local Agency, and (b) privately owned property within a designated use district or classification of the Local Agency, so long as (i) any such use district or use classification includes a substantial amount of affected private property other than the affected portion of the Properties, and (ii) the use district or use classification includes substantially all private property within the use district or use classification that receives the general or special benefits of, or cause the burdens that occasion the need for the new or increased Development Fees or Exactions.

2.34 **Lot.** As defined in Section 7.6.

2.35 **Master Association.** That certain owners association governing the Project, in which all owners of Lots which have been subject to the Master Declaration are members.

2.37 **Minor Amendment.** Defined in Section 20.4.

2.38 **Master Declaration.** A Master Declaration of Covenants, Conditions and Restrictions and Grant of Reciprocal Easements, recorded or to be recorded in the Official Records and encumbering title to all or a portion of the Properties, as it may be amended or supplemented from time to time.

2.39 **Mitigation Measures.** The mitigation measures applicable to the Project developed as part of the **EIR** process and adopted as part of the Project Approvals, and identified in the MMRP, and to be implemented as provided in the MMRP.

2.40 **MMRP.** The Mitigation Monitoring and Reporting Plan adopted as part of the Project Approvals, adopted by the Board on _____, 2020, by Resolution No. _____.

2.41 **Mortgage.** A mortgage or deed of trust, or other instrument, pursuant to which any or all of the Properties, or a portion thereof or an interest therein, or any improvements thereon, is conveyed or pledged as security, contracted in good faith and for fair value, or a sale and leaseback arrangement in which any or all of the Properties, or a portion thereof or an interest therein, or improvements thereon, is sold and leased back concurrently therewith in good faith and for fair value.

2.42 **Mortgagee.** The holder of the beneficial interest under a Mortgage, or the owner of the Properties, or interest therein, under a Mortgage.

2.43 **Off-Site Infrastructure.** The improvements and facilities, such as paving, curbs, gutters, sidewalks, storm drains and traffic signals, required under the Project Approvals or other Agency actions, to be constructed and/or installed on public property in connection with development of the Project.

2.44 **Official Records.** The Official Records of Lake County, State of California.

2.45 **Original Tentative Maps or “OTM”.** The tentative subdivision maps, approved by the Board on _____, 2020, by Resolution No. _____, which subdivide the Guenoc Property and the Santa Clara Property.

2.46 **Owners’ Associations.** Defined in Section 14.2.2(c).

2.47 **Party.** County, Developer, Owners, and their respective successors, assignees or Transferees, determined as of the time in question, and collectively they shall be called the “Parties.” **Party in Default.** Defined in Section 23.

2.49 **Permitted Delay.** Defined in Section 31.

2.50 **Person.** An individual, partnership, firm, association, corporation, trust, governmental agency, administrative tribunal or other form of business or legal entity.

2.51 **Planning Director.** The County’s Community Development Director.

2.52 **Prevailing Party.** Defined in Section 24.

2.53 **Prevailing State Laws.** The Laws and regulations of the State governing the following aspects of the design and construction related to the Project as such laws and regulations may be revised and superseded from time to time:

2.53.1 Clean Water Act, Grading Restrictions (SWPPP, etc.)

2.53.2 Air Quality re Temp Power

2.53.3 Fresh Water Standards

2.53.4 Temp Wastewater Handling

2.53.5 Building Code (CCR Title 24 as amended from time to time)

2.54 **Processing Fee.** A Local Agency-wide fee payable upon the submission of an application for a permit or approval which covers only the estimated actual and non-duplicative or supplemental costs to Local Agency of processing that application in accordance with regular practices on a Local Agency wide basis, and is not a Development Fee or Exaction.

2.55 **Project.** Defined in Recital D.2.

2.56 **Project Approvals.** Defined in Recital G.

2.57 **Project Component.** A Lot or group of Lots identified in the Project Approvals or the MMRP as being subject to requirements specific to that Lot or group.

2.58 **Project Infrastructure.** Those areas and facilities in the Project which are for the non-exclusive use, enjoyment and benefit of the owners of the Lots, including, but not limited to all roadways, back of house areas, offices, employee housing, maintenance and storage areas, open areas, landscaped areas, lakes, streams, fences, gates, fire life safety equipment and facilities, utility, communication, drainage systems, culverts, sump pumps, domestic water systems, storm and sanitary sewer systems, natural gas and/or propane systems, electrical systems, telephone systems, cable television systems, telecommunications systems, satellite communications systems, utility meters, lightning rods, vaults and switchgears, emergency generators, central utility services and all other utility systems, conduits, cabling and facilities serving the Project which are situated in, on, over and under the Project, and including any areas or facilities defined under the Master Declaration as “Master Common Areas” or “Master Common Facilities” and any other areas or facilities owned or controlled by the Master Association.

2.59 **Properties.** Defined in Recitals.

2.60 **Required Transferee.** Defined in Section 18.1.

2.61 **Review Procedures.** The procedures governing ministerial review of applications for Tentative Maps, building, grading and other construction-related permits, building inspections and certificates of occupancy and other Local Agency permits and approvals for conformance with the Design and Construction Standards, the Existing Land Use Regulations and other Project Approvals or Subsequent Approvals and the approval of such permits and other governmental actions which do not require Board, planning commission or other discretionary approval, as such procedures are set forth in Exhibit E attached hereto.

2.62 **State.** The State of California.

2.63 **Subsequent Approvals.** Any and all Local Agency approvals, entitlements or permits of any kind or character consistent with the Project Approvals that are necessary or advisable for the implementation and development of the Project in accordance with this Agreement and the other Project Approvals, including, but not limited to, approvals required under the Zoning Ordinance, SPOD, General Plan of Development, Design Guidelines, the subdivision maps, site permits, minor administrative permits, sign permits, lot mergers and lot line adjustments, building permits and approvals under building permits, street and park improvement permits, improvement plans, use permits, variances, demolition permits, site clearance permits, grading and excavation plans and permits, certificates of occupancy, abandonment or establishment of streets or rights-of-way, utility easements, right-of-way transfers, sewer and water conversion permits, and encroachment permits. A Subsequent Approval shall also include any amendment to the foregoing land use approvals, entitlements, permits and approvals, or any amendment to the Project Approvals, future SPODs and other

discretionary approvals and amendments thereto that are sought by Developer and approved by County.

2.64 **Subsequent Rule.** Defined in Section 9.1.

2.65 **Substantial Compliance.** With respect to any Project Approval or Subsequent Approval, a proposed action, design, size, area or other dimension or attribute, but not formula for the payment of fees or other monetary obligations, which is within ten percent (10%) of the amount specified in the Project Approval or Subsequent Approval.

2.66 **Substantive Amendment.** Defined in Section 20.3.

2.67 **Tentative Map.** Any tentative parcel map or subdivision map which approved by the County Planning Commission or the Board at any time in the future, which subdivides all or a portion of the Properties and which is not a Final Map. All tentative maps shall comply with Government Codes Section 66473.7.

2.68 **Term.** Defined in Section 6.3.

2.69 **Third Party Project Infrastructure.** The portions of the Project Infrastructure which are developed, owned and operated by third parties (i.e., other than the Master Association or Developer), including facilities, equipment, poles, conduit, pipes, wires, cable and works of improvement, such as water systems, sewage treatment systems and public and utilities' facilities, which serve occupants of the Project, whether located on the Properties or otherwise, and which are not owned or operated by the Master Association.

2.70 **Transfer.** Defined in Section 15.1.

2.71 **Transferee.** Defined in Section 15.1.

2.72 **Transferred Property.** Defined in Section 15.1.

2.73 **Transient Occupancy Tax.** The tax imposed under Lake County Code Chapter 18, Article II.

2.74 **Vested Rights.** Defined in Section 7.3.

2.75 **Zoning Ordinance.** Defined in Recital E-2.

2.76 **Parties to the Development Agreement.** The Parties to this Development Agreement are:

(a) County: The County of Lake, a political subdivision of the State of California exercising general governmental functions and power. The principal place of business of the County is located at 255 N. Forbes Street, Lakeport, CA 95453.

(b) Developer: Lotusland Investment Holdings, Inc., a California corporation, as agent for each of the Owners as listed on Exhibit A-1.

For purposes of this Agreement, the term “**Local Agency**” means the County as to any portion of any of the Properties that is within County jurisdiction, and any other subsequently created municipal agency, should any of the Properties be located with the jurisdictional boundaries of such agency.

3. **Description of Properties.** The Properties that are the subject of this Agreement are described generally in Recital C and with greater particularity in **Exhibit B-1**, **B-2** and **B-3** attached hereto.

4. **Interest of Developer.** The Developer hereby represents and warrants on behalf of Owners that Owners presently have a legal or equitable interest in the entirety of the Properties sufficient to satisfy the requirement of California Government Code section 65865.

5. **Relationship of Local Agencies and Developer.** The Parties specifically acknowledge that the Project is a private development, that no Party is acting as the agent of the other in any respect hereunder (other than Developer acting as agent for each of the Owners), and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in the businesses of Developer, the affairs of a Local Agency, or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Local Agencies and Developer hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making a Local Agency and Developer joint venturers or partners.

6. **Execution and Recording; Effective Date; Term.**

6.1 **Execution and Recording.** Not later than ten (10) days after the Adoption Date, County and Developer shall execute and acknowledge this Agreement. Not later than forty (40) days after the Effective Date, the County Clerk shall cause this Agreement to be recorded in the Official Records.

6.2 **Effective Date.** Provided that no referendum applicable to the Enacting Ordinance or any other Project Approval has been timely filed and submitted to the County, then the Effective Date of this Agreement shall be _____, 2020, which is the effective date of County Ordinance No. _____ adopting this Agreement (the “**Effective Date**”). If such a referendum has been timely filed and submitted, then this Agreement shall remain binding upon all of the Parties but all of the Parties’ respective rights and obligations shall be suspended until the date upon which the Enacting Ordinance is Finally Granted, which date shall then be the Effective Date and an amendment to this Agreement reflecting such revised Effective Date shall be executed by the Parties and recorded in the Official Records.

6.3 **Term.** The term of this Agreement shall commence on the Effective Date and extend for a period of thirty-five (35) years or, as to any portion of the Properties that becomes subject to a newly incorporated municipal corporation, such shorter period as shall be the maximum permitted by law as of the Effective Date (the “**Term**”), unless said Term is terminated, modified or extended by the terms of this Agreement. Following the expiration of

the Term or any extension thereof this Agreement shall have no force and effect, except as specifically provided herein.

6.4 Extension of Term Due to Litigation. In the event that litigation is filed by a third party (i.e., an entity other than a Local Agency that is a Party to this Agreement, Developer, Owners, or any of their respective successors, assigns or Transferees) that seeks to invalidate this Agreement or any of the Project Approvals, the Term of this Agreement shall be extended for a period of time equal to the length of time from the date a summons and complaint and/or petition are first served on the defendant(s)/respondent(s) until the date that the resolution of the litigation is final and not subject to appeal.

6.5 Term of Subdivision Maps and Project Approvals. The term of the each Tentative Map, including any master map which is an initial tentative map in a multiple tentative map series covering the same parcel(s) of land, with respect to any portion of the Properties, including the OTM, shall be the longer of (i) the Term, or (ii) the term otherwise allowed under the Subdivision Map Act or applicable Subdivision Ordinance for each such Final Map. The term of all other Project Approvals and Subsequent Approvals shall be coextensive with the Term of this Agreement.

6.6 Automatic Termination Upon Issuance of Certificate of Occupancy. This Agreement, shall be terminated with respect to any legal lot or parcel created under a Final Map (in each case, a “**Lot**”) which is designated for residential or commercial purposes in the Project Approvals or Subsequent Approvals, regardless of the type of structure eventually constructed on the Lot, upon the issuance of a temporary certificate of occupancy, final certificate of occupancy or similar approval applicable to the first habitable structure to be constructed on such Lot, without any further action by any Party or need to record any additional document,

6.7 Rights and Obligations Upon Expiration of the Term or Earlier Termination.

6.7.1 Upon expiration or sooner termination of this Agreement, all of the rights, duties and obligations of the Parties hereunder with respect to the Properties or the portion of the Properties to which such termination applies shall terminate and be of no further force and effect, except as otherwise expressly set forth herein; and except with regard to the Parties’ respective obligations under the Project Approvals that are applicable to any construction activities that are in progress as of the time of such expiration or termination.

6.7.2 Expiration or earlier termination shall not affect any right of Developer arising from any previously granted Project Approval and Subsequent Approval for development of all or any portion of the Project, including, whether completed or uncompleted, without limitation, Developer’s right to complete and/or occupy any Project Infrastructure, building or other improvement authorized by such Project Approval or Subsequent Approval, provided that any such Project Infrastructure, building or improvement is completed in accordance with all previously granted Project Approvals and Subsequent Approvals in effect at the time of such termination.

7. **Vested Rights.**

7.1 **Vested Rights and Permitted Uses.** Except as otherwise explicitly set forth in this Agreement, during the Term of this Agreement, the subdivision and permitted uses of the Properties, the density and intensity of use, the rate, timing and sequence of development, the location and number of buildings, maximum height and design and size of proposed buildings, parking standards, provisions for reservation and dedication of land for public purposes and limitations on Development Fees and Exactions shall be those set forth in the Existing County Land Use Regulations, this Agreement, the Project Approvals and any Subsequent Approvals. Developer shall have those benefits granted and obligations created to develop the Project in accordance with the Project Approvals and Existing County Land Use Regulations consistent therewith and the Prevailing State Laws (the “**Vested Rights**”). By stating that the terms and conditions of this Agreement, the Existing County Land Use Regulations, the Project Approvals, any Subsequent Approvals and the Prevailing State Laws control the overall design, development and construction of the Project, this Agreement is consistent with the requirements of California Government Code Section 65865.2 (requiring a development agreement to state permitted uses of the Properties, the density or intensity of use, the maximum height and size of proposed buildings and provisions for reservation or dedication of land for public purposes).

7.2 **Exactions.** Except as otherwise explicitly provided in this Agreement, Local Agency shall not impose any further or additional Development Fees or Exactions on the development of the Project, whether through the exercise of the police power, the taxing power, design review, conditions of approval or any other means other than the Development Fees and Exactions set forth in the Project Approvals, the Mitigation Measures and this Agreement. Local Agency and Developer acknowledge that the provisions contained in this Section 7.2 are intended to implement the intent of the Parties that Developer has the right to construct, occupy and use the Project pursuant to specified and known criteria and rules, and that Local Agency receive the benefits which will be conferred as a result of such development without abridging the right of Local Agency to act in accordance with its powers, duties and obligations.

7.3 **Rules Regarding Design, Engineering and Construction for the Project.** All ordinances, resolutions, codes, rules, regulations and governmental officials’ interpretations thereof governing design, engineering and other design standards and/or construction standards and specifications (collectively, “**Design and Construction Standards**”) applicable to the Project shall be those set forth in the Project Approvals, or if not so specified, then those in force and effect as of the Effective Date. Notwithstanding the foregoing, unless a particular Design and Construction Standard is required by state or federal law, the Local Agency shall not apply any changes in the Design and Construction Standards in effect as of the Effective Date hereof if such changes would require modification of the density or intensity of uses as set forth in the Project Approvals or apply any changes to the extent that such changes conflict with specifications for Project Infrastructure contained in the SPOD, the General Plan of Development, or the OTM, and provided that any changes in the Design and Construction Standards shall conform to the Project Approvals with regard to the Project Infrastructure, Third Party Project Infrastructure and Off-site Infrastructure. In the event of a conflict among the Project Approvals or Subsequent Project Approvals, the more specific Project Approvals shall control such that, for example, the specific design of Project Infrastructure as shown on a

Tentative Map shall control over more general requirements of other Design and Construction Standards.

7.4 **Transient Occupancy Tax.** The Transient Occupancy Tax and any successor thereto or other tax of governmental fee calculated based upon the revenues of hotel or other short-term residential revenues applicable to activities on the Properties shall be that in effect as of the Adoption Date and the Local Agency shall not increase such tax or impose additional or substitute fees or taxes in lieu thereof or in addition thereto.

8. **Subsequent Approvals.** Except as set forth herein, during the Term of this Agreement, no Local Agency ordinances, resolutions, rules, regulations or official policies enacted after the Adoption Date (“**Subsequent Rule**”), or governmental officials’ interpretations of any Subsequent Rule, that conflict with the Vested Rights of Developer set forth in this Agreement shall be applicable to the Project without Developer’s written consent; provided, however, that nothing herein shall prevent Local Agency from taking such action as may be necessary and appropriate to protect the physical public health and/or safety impacts caused by the Project or to protect residents of the Local Agency against specific physical health and/or safety impacts.

8.1 **Conflicting Actions.** Any action or proceeding of the Local Agency (whether enacted by administrative action, or by a commission, board, the legislative body or the electorate) undertaken without the consent of Developer, that has any of the following effects on the Project shall be considered in conflict with the Vested Rights, this Agreement, and the Existing County Land Use Regulations and shall be deemed to have no force or effect on the Properties:

8.1.1 limiting, reducing or modifying the uses, height, bulk, density or intensity of permitted uses of all or any part of the Project, or otherwise requiring any reduction in the square footage or total number or location of buildings, residential units or other improvements;

8.1.2 limiting the location or sites, grading, roadways or other improvements or facilities on the Properties in a manner that conflicts with, or is more restrictive than the limitations included in, this Agreement or the Project Approvals;

8.1.3 requiring the dedication of any roadways or any other portions of the Properties for public use, whether or not offers of dedication are accepted thereafter;

8.1.4 limiting, reducing or modifying the Project requirements set forth in the Project Approvals with regard to the Project Infrastructure, Third Party Project Infrastructure or Off-site Infrastructure;

8.1.5 limiting or controlling the rate, timing, phasing, or sequencing of the approval, development, or construction of all or any part of a Project except as otherwise provided in this Agreement, including the demolition or removal of existing buildings, facilities or materials;

8.1.6 requiring the issuance of Subsequent Approvals other than those required under the Existing County Land Use Regulations;

8.1.7 limiting the availability of water, sewage treatment, water, gas, electricity, telecommunications or other utilities services or facilities or any privileges or rights to utilities, services or facilities for the Project, or any portion thereof, that may be necessary or convenient in connection with the development, use and occupancy of the Project;

8.1.8 limiting or refusing the processing of applications for and/or the obtaining of approvals of Subsequent Approvals that are necessary or convenient to implement the Project Approvals;

8.1.9 imposing or increasing any Development Fees and Exactions in a manner that conflicts with this Agreement;

8.1.10 changing or limiting Project Approvals; or

8.1.11 limiting, reducing or substantially modifying vehicular access or parking from that described in the Project Approvals or as otherwise contemplated under the Project Approvals.

8.2 **Change in State or Federal Law.** Except for and subject to Section 8.3 below, this Agreement shall not preclude the application to development of the Properties of Subsequent Rules mandated and required by changes in Laws that are required by California or United States law.

8.3 **Moratoria, Quotas, Restrictions or Other Growth Limitations.** Developer and Local Agency intend that, except as otherwise provided in this Agreement, this Agreement shall vest the Project Approvals against subsequent Local Agency resolutions, ordinances, initiatives, and other actions, of whatever nature, that would limit the extent, rate, timing, or sequencing of development (except as provided for herein), or prevent or conflict with the permitted uses, and the density and intensity of uses as set forth in the Project Approvals; provided, however, Developer shall be subject to any growth limitation ordinance, resolution, rule, regulation or policy which (a) is adopted or applied on a Local Agency-wide basis, and (b) directly concerns an actual and serious risk to health and safety and is mandated and required by California or United States Laws, in which case Local Agency shall treat Developer in a uniform, Local Agency-wide, equitable and proportionate manner with all properties, public and private, which are impacted by that actual and serious risk to safety.

8.4 **OTM Approvals and Subsequent Approvals.**

8.4.1 Consistent with this Agreement, applications for any Subsequent Approvals pursuant to an OTM and future Tentative Maps shall allow for any such OTM (and any future Tentative Map) to be reconfigured to rearrange, combine or resize, within the same subdivision footprint, those Lots included in the Project Approvals and/or to move such Lots from one Map to another and such applications may relate to OTM's in the sequence or order determined by Developer. Development of the Project is subject to discretionary and ministerial Subsequent Approvals in accordance with the Project Approvals. In considering, reviewing and

acting on applications for Subsequent Approvals, the County shall apply the Existing County Land Use Regulations subject to any changes to Existing County Land Use Regulations permitted or provided for under this Agreement. Local Agency's review of Subsequent Approvals shall be limited to a determination of Substantial Compliance and consistency with the Project Approvals and any prior Subsequent Approvals and in the course of such review, Local Agency shall not apply criteria or standards that would conflict with or impose requirements or Exactions in addition to those set forth in the Project Approvals or prior Subsequent Approvals. Consequently, the Local Agency shall not use its authority to change the policy decisions reflected by the Project Approvals and this Agreement or otherwise to prevent, delay or modify development of the Project as contemplated by the Project Approvals.

8.4.2 Applications for Local Agency permits and approvals that require review and approval for consistency with the SPOD, the General Plan of Development, and the Design Guidelines shall be processed in accordance with the Review Procedures.

8.5 **Subsequent Environmental Review.**

8.5.1 Subsequent Environmental Review. The provisions of CEQA, as they may be amended from time to time, shall apply to any Subsequent Approval for the Project. The Parties acknowledge, however, that the EIR contains a thorough analysis of the Project and Project alternatives and specifies the feasible Mitigation Measures necessary to eliminate or reduce to an acceptable level adverse environmental impacts of the Project. For these reasons, no further review or mitigation under CEQA shall be required by Local Agency for any Subsequent Approvals unless the standards for further environmental review under CEQA are met for reasons as specified in California Public Resources Code Section 21166.

8.5.2 Compliance with CEQA Mitigation Measures. Developer shall perform, or cause to be performed, all Mitigation Measures applicable to each Project Component that is identified in the MMRP as the responsibility of the Project Applicant (including its successors in interest and contractors), until there is a Transfer of that Project Component, whether to the Master Association, an Owner or another responsible party such as a public utility or community facilities district. The Parties expressly acknowledge that the EIR and its associated MMRP are intended to be used in connection with each of the Project Approvals and any Subsequent Approvals to the extent appropriate and permitted under applicable Laws. Nothing in this Agreement shall limit the ability of the Local Agency to impose mitigation measures on any new, discretionary permit resulting from Substantive Amendments to the Project from that described by the Project Approvals or any Subsequent Approvals as determined by the Local Agency to be necessary to mitigate adverse environmental impacts identified through the CEQA review process; provided, however, any such measures must be in accordance with this Section 8 and applicable law.

8.6 **Net Zero Energy.** For the purpose of interpreting a mitigation measure requiring achievement of net zero energy, the determination shall be made on a community-wide basis such that the actual annual consumed energy will be less than or equal to the renewable generated energy utilized.

8.7 **Temporary Offices.** In recognition of the size and scope of the Project and the greater length of time that development activities are likely to occur, the provisions in Article 27 of the County Zoning Ordinance permitting temporary offices subject to certain conditions are hereby amended to provide: 1. one or more mobile modular office structures may be used as temporary offices in connection with development activities on the Properties; 2. applicants for a temporary office zoning permit shall, prior to issuance of a zoning permit obtain building and health permits for the inspection of the water supply, waste discharge system and electrical installation for the temporary office; 3. the temporary office shall not be permanently attached to the ground and shall be in modules of such a size that may be readily removable; and 4. the temporary office shall be removed from the site within ten (10) years following installation. A temporary office shall meet the development standards of the zoning district but need not meet the general performance standards of Zoning Ordinance Article 41.

9. **Other Governmental Permits.** Developer shall apply for such other permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development of, sale of, or provision of services to, the Project. Local Agency shall reasonably cooperate with Developer in its efforts to obtain such permits, agreements, entitlements or approvals as may be necessary or desirable for the development, operation, use, financing and sale of the Project or portions thereof.

10. **Easements.** Upon Developer's written request, the Local Agency shall reasonably cooperate with Developer in connection with Developer's efforts to abandon or relocate existing utility or other easements and facilities or create new easements within the Properties necessary or appropriate for development, operation and use of such Properties in accordance with the Project Approvals.

11. **Subdivision of Properties; Future Tentative Maps.** Developer shall have the right, from time to time or at any time, to apply for one or more Tentative Maps, subdividing the Properties into smaller developable parcels including, but not limited, to condominiums, as may be necessary in order to develop, sell, lease or finance any portion of the Properties in connection with development of the Project consistent with the Project Approvals. Applications for Tentative Maps shall be processed in accordance with the California Subdivision Map Act and the applicable Local Agency's Subdivision Code as modified by the Review Procedures.

12. **Certain Developer Obligations.**

12.1 **Community Benefits.** The Project shall provide the Community Benefits.

12.2 **Stormwater Management Requirements.** Developer shall construct Stormwater Management Improvements in accordance with the Project Approvals. Because the Local Agency does not have Phase 2 MS4 post-construction stormwater guidelines approved by the applicable Regional Water Quality Control Board, such improvements and any on-going maintenance requirements, will comply with regionally applicable guidelines for neighboring counties that meet State and Federal requirements.

12.3 **Emergency Response Center.** Developer shall cause the Emergency Response Center to be substantially completed as a condition to the issuance of a certificate of

occupancy for the first commercial building to be constructed on the Properties following the Adoption Date. At Developer's option, the cost of design and construction of the Emergency Response Center, including permit and other governmental fees, shall be credited by the Local Agency against the first amounts of the fire mitigation impact fees (Lake County Code Chap. 27) that are otherwise payable in connection with construction on the Properties or at Developer's request, County shall cooperate with the South Lake County Fire Protection District (the "**Fire District**"), with the consent of property owners as required under the Mello-Roos Community Facilities Act (Government Code Section 53311, et seq.), or the successor of such Act (the "**Mello-Roos Act**"), to cause the sale of bonds and the acquisition by the Fire District of the Emergency Response Center from Developer.

12.4 **Community Facilities Districts.** Developer may finance all or a portion of the costs of the Project Infrastructure with one or more methods of public financing, including, but not limited to Community Facilities Districts pursuant to the Mello-Roos Act, Assessment Districts under California Streets and Highways Code, Division 10 and 12, or any successor thereto, or any other special assessment district(s), facilities assessment district(s), community taxing districts, benefit assessment districts, commercial business districts, landscaping, lighting or other service maintenance districts and other infrastructure or fee financing devices or public facilities financing districts now or hereafter permitted to be created (collectively, "**Districts**") as well as the Property Assessed Clean Energy (PACE) Program, and any other similar laws or programs available in California for financing the Project infrastructure, and as well as grants or subsidies or other means of reducing the cost of financing the Project infrastructure (collectively "**Financing Plans**"). In connection with any such Potential Districts and Financing Plans, Local Agency agrees:

12.4.1 That a District or Financing Plan may (i) encumber the Project with the levy of special taxes, assessments, exactions, fees or charges (collectively, "**Impositions**"), and (ii) pledge all or a portion of the Properties as security for a borrowing, for the issuance of bonds, and/or for the payment of Impositions.

12.4.2 To cooperate with Developer and all participating governmental entities and take such actions as shall be reasonably required in connection with matters relating to the formation of one or more Districts, Financing Plans and Impositions on the Properties, and the issuance of bonds in connection therewith.

12.4.3 At any time prior to completion of all Project Infrastructure, not to contest, protest or otherwise challenge, reduce, or repeal the formation of any Districts or Financing Plans, the authorization, amendment and/or levy of the Impositions of such Districts or Financing Plans on the Properties, or the issuance of any Bonds secured by such Impositions, provided they are consistent with this Agreement.

13. **Project Infrastructure; Master Associations.**

13.1 **Developer Responsibilities.** Developer shall be solely responsible for all costs necessary to design and construct the Project Infrastructure necessary for development and operation of the Project, except for the Third Party Project Infrastructure. Developer shall be responsible for the on-going operation, maintenance and repair associated with all Project

Infrastructure, other than the Third Party Project Infrastructure, until such time as the obligations for all or any portion of the Project Infrastructure are assumed by the Master Association in accordance with Section 16.2 hereof; provided, however, Developer may from time to time convey ownership of individual Lots containing portions of the Project Infrastructure to the Master Association or otherwise assign to the Master Association responsibility for operation, maintenance and repair of the Project Infrastructure on a schedule determined by Developer such that at certain times the Master Association is responsible for the operation, maintenance and repair of some of the Project Infrastructure and Developer is responsible for the operation, maintenance and repair of the remaining Project Infrastructure. The respective owners of any Third Party Project Infrastructure shall respectively be responsible for the operation, maintenance and repair for the portions of the Third Party Infrastructure and neither Developer or the Master Association shall have such responsibility. The obligations for operation, maintenance and repair for the privately-owned Project Infrastructure shall be contained within CC&Rs recorded against the Properties as more particularly described in Section 14.2 hereof, and shall be at no cost or expense to Local Agency, or any other public agency. The on-going operation, maintenance and repair obligations of Developer and the Master Association described in this Section 13 shall survive the expiration or earlier termination of this Agreement.

13.2 Conditions, Covenants & Restrictions.

13.2.1 Approval and Timing of Recordation of CC&Rs. As a condition of approval for each Final Map, Developer shall submit to Local Agency shall review and approve pursuant to the Review Procedures any CC&Rs applicable to the portion of the Properties subject to such Final Map. Such review shall be limited to consistency with the conditions imposed for already recorded Final Maps in the Project. Local Agency shall provide written notice of its approval or disapproval of the CC&Rs to Developer within sixty (60) days of receipt thereof. In the event of a disapproval, Local Agency shall provide reasonably detailed comments as to the reasons for its disapproval, and Developer shall revise and re-submit the CC&Rs accordingly until approved by Local Agency. If Local Agency fails to respond to submittal of such CC&Rs within such sixty (60) day period, the CC&Rs shall be deemed approved for the purposes of this Section 13.2.1. Notwithstanding the foregoing, if CC&Rs have already been approved by Local Agency for the Project, Developer may subject the property shown on such Final Map to such approved CC&Rs by means of a supplemental declaration or declaration of annexation. In such case the approved CC&Rs shall not be subject to another review by Local Agency, however, such supplemental declaration or declaration of annexation shall be subject to Local Agency review as provided in this Section 13.2.1. Such review by Local Agency shall be limited to confirming that the CC&Rs comply with the Project Approvals (including, without limitation, the requirements of this Agreement) and the conditions of approval for the Final Map at issue and that the CC&Rs do not, directly or indirectly and intentionally or unintentionally, burden the Local Agency with any costs, obligations or responsibilities that the Local Agency has not agreed to accept pursuant to this Agreement or through the conditions of approval for the Final Map at issue. If the Final Map contains Lots designated for residential use or a combination of residential and commercial use, the Local Agency through its Director of Community Development or similar official, shall approve the CC&Rs required by the conditions of approval for such Final Map prior to the recording of such Final Map; provided however, Developer shall not be required to record the CC&Rs against any Lots for residential use shown on such Final Map until after the California Department of Real

Estate, or the successor of such Department regulating the sale of subdivided real property (the “DRE”) has reviewed those CC&Rs applicable to the residential Lots which are subject to DRE review and has issued to the Developer a Conditional Subdivision Public Report or Final Subdivision Public Report or other approval permitting the offering for sale of the residential Lots; and further provided that, in no event shall Developer record CC&Rs in a form that has not been approved by the Local Agency, or in a form that is different from the form of CC&Rs reviewed and approved by the Local Agency without the consent of the Local Agency. If Local Agency fails to approve, disapprove or conditionally approve the CC&Rs (or any modifications thereto) within sixty (60) days following submittal of Developer’s request for approval (subject to extension by mutual agreement of the Parties), the CC&Rs shall be deemed approved by Local Agency.

13.2.2 CC&Rs Requirements.

(a) Davis-Stirling. CC&Rs for the residential property shall comply with the requirements of applicable law governing the offering for sale of common interest subdivisions (currently, the Davis-Stirling Common Interest Development Act, California Civil Code Section 4000, et seq.) and this Section 13.2.2.

(b) Recordation/Legal Effect. The Master Association shall be made responsible for the on-going operation, maintenance and repair associated with all Project Infrastructure within the Guenoc Property and, at Developer’s discretion, the Butts Canyon Property, excluding any Third Party Project Infrastructure. Subject to the foregoing, the Developer may record the Master Declaration as overall CC&Rs to govern said Properties and/or may record separate CC&Rs against separate geographic regions of such Properties and/or may record separate CC&Rs against the commercial portions of the Guenoc and Butts Canyon Properties and separate CC&Rs against the residential portions of the Properties. Such CC&Rs shall be binding on all owners of the Properties described in each Final Map which have been subjected to such CC&Rs and all successors thereto, and on any Owners’ Associations formed by the property owner(s), and shall run with the land.

(c) Contents of CC&Rs.

(i) The Master Declaration shall describe the various relationships among the Local Agency, the Developer and its successors, including the Master Association and individual property owners regarding payments for funding the Master Association’s obligations and detailing the Master Association’s responsibility for the use, maintenance and repair of the Project Infrastructure covered by each Final Map. The CC&Rs for any other homeowners’ and/or commercial property owners’ associations formed within the Project (excluding the Master Association) pursuant to which a portion of the Properties are subject (each an “**Owners’ Association**” and collectively, the “**Owners’ Associations**”) shall describe the various relationships between the Local Agency, the Developer and its successors, including the obligation of the individual property owners and the applicable Owners’ Association regarding the payment of such Owners’ Association’s fair share of the cost associated with the Master

Association's obligations under the Project Approvals (including, without limitation, this Agreement).

(ii) The CC&Rs shall require each Owners' Association to comply with all requirements of the CC&Rs and applicable state and local laws.

(iii) The CC&Rs shall (i) provide for a minimum term of sixty (60) years with ten (10) year automatic renewals, (ii) provide for the establishment of an Owners' Association comprised of the owners of each individual lot or condominium unit within the portion of the property covered by such CC&Rs, and (iii) provide for the ownership of the privately maintained Project Infrastructure, or "common area", by either the Owners' Association or the owners of each individual lot or condominium unit as tenants in common.

13.3 Budget Review. At least forty-five days prior to submittal to DRE, the Developer shall submit to the Community Development Director of the Local Agency for its approval a copy of the draft build-out budget for the portion of the Project that Developer intends to submit to the DRE and any subsequent update to such build-out budget. The draft build-out budget shall conform to DRE requirements, but shall include, at a minimum, anticipated costs of and all sources of revenue for (including anticipated monthly Owners' Association dues per unit) the maintenance, repair and operation of all Project Infrastructure (excepting any Third Party Project Infrastructure), and other common areas to be owned or maintained by the Owners' Association, and anticipated reserves. Said review and approval shall be limited to ensuring that the build-out budget includes funds for the Master Association's maintenance and repair of the Project Infrastructure, including reserves that are necessary for the replacement of said Project Infrastructure in accordance with the budget guidelines of the DRE and compliance with any terms of this Agreement or the Project Approvals that Owners' Association has assumed including any mitigation measures under the MMRP. Local Agency shall provide written notice of its approval or disapproval of the build-out budget to Developer within thirty (30) days of receipt thereof. In the event of a disapproval, Local Agency shall provide reasonably detailed comments as to the reasons for its disapproval, and Developer shall revise and re-submit the build-out budget accordingly until approved by Local Agency. If Local Agency fails to respond to such build-out budget within such thirty (30) day period, the build-out budget shall be deemed approved.

13.4 Local Agency as Third Party Beneficiary. The CC&Rs required by this Section 13 shall be subject to reasonable review and approval as to form by the Local Agency's general counsel, and shall expressly provide the Local Agency with a third party right to enforce the Developers' or its successors' and assigns', including each Owners' Association's, obligations under Sections 13.2 and 13.3 above.

13.5 Joint Powers Authority. At Developer's request, the Local Agency shall cooperate and, with the consent of the requisite ownership of the Properties intended to be subject to assessment, shall cause the formation of a Community Facilities District under the Mello-Roos Act or other governmental unit, such as a water district, as enabled under State law to finance the construction, acquisition and/or operation of public facilities and services within or serving the Properties or portions thereof. At the request of such district, the Local Agency shall

form a joint powers authority to construct, acquire, own and operate public facilities on or serving the Properties, such as water and sewage treatment systems, open space easements and other qualified facilities, and to issue indebtedness in connection with such activities.

14. **No Development Obligation; Phasing.**

14.1 **No Development Obligation.** There is no requirement under this Agreement that Developer initiate or complete development of the Project, or any portion thereof. There is no requirement that development be initiated or completed within any period of time or in any particular order. The development of the Project is subject to numerous factors that are not within the control of Developer or the Local Agency, such as the availability of financing, interest rates, access to capital and other market conditions and similar factors. Except as expressly required by this Agreement, Developer may develop the Project in such order and at such rate and times as Developer deems appropriate within the exercise of its sole and subjective business judgment. In *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), the California Supreme Court ruled that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development and controlling the parties' agreement. It is the intent of the Parties to avoid such a result by acknowledging and providing for the timing of development of the Project in the manner set forth herein. The Parties acknowledge that such a right is consistent with the intent, purpose and understanding of the Parties to this Agreement, and that without such a right, Developer's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Statute and by this Agreement.

15. **Transfers and Assignments.**

15.1 **Transfers Generally.** Developer shall have the right to assign (a "**Transfer**") all or any portion of its interest, rights or obligations under this Agreement to a Person (the "**Transferee**") acquiring a fee or leasehold interest or estate in all or a portion of the Properties that then are subject to this Agreement (the "**Transferred Property**"). Developer shall provide written notice to County promptly following the effective date of any Transfer and, whether or not such notice is given, upon the filing in the Official Records of a deed or other instrument effecting such Transfer, the Transferee shall be deemed a Party.

15.2 **Assignment and Release of Project Infrastructure Obligations.**

15.2.1 Conditions to Release. Developer shall remain responsible for all obligations and requirements under this Agreement after the effective date of a Transfer unless Developer satisfies the following conditions: (i) on or about the effective date of the Transfer, Transferee executes and delivers to County an agreement specifying the obligations and requirements assumed by the Transferee; and (ii) Developer has not received a notice of a Default under this Agreement that remains uncured as of the effective date of the Transfer.

15.2.2 Effect of Transfer. If conditions (i) and (ii) in Section 15.2.1 above are satisfied, then Developer shall be released from any further liability or obligation under this Agreement related to the Transferred Property and the Transferee shall be deemed to be the Developer under this Agreement with all rights and obligations related thereto, with

respect to such Transferred Property, and the Local Agency shall provide Developer a written instrument to such effect in a form and substance reasonably satisfactory to Developer. Notwithstanding anything to the contrary contained in this Agreement, if a Transferee Defaults under this Agreement, such Default shall not constitute a Default by Developer (or any other Transferee) with respect to any other portion of the Properties not owned by such defaulting Transferee and shall not entitle Local Agency to terminate or modify this Agreement with respect to such other portion of the Properties. Upon the release of Developer set forth in this Section, the Local Agency shall provide Developer with a written release in a form that may be recorded in the official records and substance reasonably satisfactory to Developer from the obligations so Transferred (but excluding therefrom any default which occurred prior to the date of such Transfer).

15.2.3 Constructive Notice. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Properties is, and shall be, constructively deemed to have consented to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Properties. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Properties and undertakes any development activities on the Properties is, and shall be, constructively deemed to have consented and agreed to, and is obligated by, all of the terms and conditions of this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Properties.

15.2.4 Rights of Developer. The provisions in this Section 15 shall not be deemed to prohibit or otherwise restrict Developer from (i) granting easements or licenses to facilitate development of the Properties, (ii) encumbering the Properties or any portion thereof or of the improvements thereon by any mortgage, deed of trust, or other devise securing financing with respect to the Properties or the Project, (iii) granting a leasehold interest in portions of the Properties, (iv) entering into a joint venture agreement or similar partnership agreement to fulfill its obligations under this Agreement, or (v) transferring all or a portion of the Properties pursuant to a foreclosure, conveyance in lieu of foreclosure, or other remedial action in connection with a mortgage.

15.2.5 Transfer to Owners' Association. In addition to the other Transfer provisions of this Agreement, following the issuance of a temporary or final certificate of occupancy for an individual building project or approval of final inspection under the building permit for a portion of Project Infrastructure associated with either an individual building project, or all or an identified portion of the Lots created under a Final Map, Developer may Transfer any remaining obligations which pertain to the individual building project or to the applicable work of Project Infrastructure to the Master Association to perform such duties so Transferred, including, without limitation, obligations associated with the operation, maintenance and repair of Project Infrastructure and obligations associated with any transportation systems management plan or other on-going obligations under the MMRP, this Agreement, other Project Approvals or Subsequent Approvals. Provided written notice to the Local Agency is provided in accordance with this Section 15, the Local Agency shall provide Developer with a written release in a form that may be recorded in the official records and substance reasonably satisfactory to Developer

from the obligations so Transferred (but excluding therefrom any default which occurred prior to the date of such Transfer).

16. **Lender Obligations and Protections.**

16.1 **Encumbrances on the Properties.** The Parties hereto agree that this Agreement shall not prevent or limit Developer, in any manner, from encumbering the Properties or any portion thereof or any improvements thereon with any Mortgage securing financing with respect to the construction, development, use, or operation of the Properties.

16.2 **Mortgage Obligations.** A Mortgagee not in legal possession of a Properties or any portion thereof shall not be subject to the obligations or liabilities of the Developer under this Agreement, including the obligation to construct or complete construction of improvements or pay fees. A Mortgagee in legal possession shall not have any obligation or duty under this Agreement to construct or complete the construction of improvements, or to pay, perform or provide any fee, dedication, improvements or other exaction or imposition. A Mortgagee in legal possession of said Properties or portion thereof shall only be entitled to use of Properties or to construct any improvements on the Properties in accordance with the Project Approvals and this Agreement if Mortgagee fully complies with the terms of this Agreement as applicable to the Properties or portion(s) thereof subject to its Mortgage.

16.3 **Mortgage Protection.** This Agreement shall be superior and senior to any lien placed upon the Properties, or any portion thereof, after the date of recording this Agreement, including the lien for any Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all the terms and conditions contained in this Agreement shall be binding upon and effective against any Person or entity, including any deed of trust beneficiary or Mortgagee that acquires title to the Properties, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise, and any such Mortgagee or successor to a Mortgagee that takes title to the Properties or any portion thereof shall be entitled to the benefits arising under this Agreement.

16.4 **Notice of Default to Mortgagee; Right of Mortgagee to Cure.** If Local Agency receives notice from a Mortgagee requesting a copy of any notice of Default given Developer under this Agreement and specifying the address for service thereof, then Local Agency shall deliver to such Mortgagee, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by Local Agency that Developer is in Default and/or Certificate of Non-Compliance. Each Mortgagee shall have the right during the same period available to Developer to cure or remedy, or to commence to cure or remedy, the Default or non-compliance as provided in this Agreement; provided, however, that if the Default, noncompliance or Certificate of Non-Compliance is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession, such Mortgagee may seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall thereafter remedy or cure the Default, noncompliance or Certificate of Non-Compliance within ninety (90) days after obtaining possession. If any such Default, noncompliance or Certificate of Non-Compliance cannot, with diligence, be remedied or cured within such ninety (90) day period, then such Mortgagee shall have such additional time as may be reasonably necessary to remedy

or cure such Default, noncompliance or Certificate of Non-Compliance (including but not limited to proceeding to gain possession of the Properties) if such Mortgagee commences cure during such ninety (90) day period, and thereafter diligently pursues completion of such cure to the extent possible.

17. **Estoppel Certificate.** Any Party may, at any time, and from time to time, deliver written notice to any other Party requesting such Party to certify in writing that, to the knowledge of the certifying Party, (a) this Agreement is in full force and effect and a binding obligation of the Parties, (b) this Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, (c) the requesting Party is not in Default in the performance of its obligations under this Agreement, or if in Default, to describe therein the nature and amount of any such Default; and (d) such other information as may reasonably be requested. A Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. The Community Development Director, or his or her designee, shall have the right to execute any certificate requested by Developer hereunder. Local Agency acknowledges that a certificate hereunder may be relied upon by Transferees, lenders and Mortgagees.

18. **Annual Review.**

18.1 **Review Date.** The annual review date for this Agreement may occur each year on the anniversary date of the Effective Date of this Agreement (“**Annual Review Date**”) if requested by Local Agency of Developer and/or its Transferee (either, a “**Required Transferee**”), or if requested by Developer.

18.2 **Required Information from Developer.** Not more than sixty (60) days following Local Agency’s written request, the Developer and each Required Transferee shall provide a letter to the Local Agency’s Planning Director demonstrating its compliance with this Agreement.

18.3 **Local Agency Report.** Within forty (40) days after Developer and each Required Transferee submits its letter, the Local Agency Planning Director shall review the information submitted and all other available evidence on Developer’s and each Required Transferee’s compliance with this Agreement. All such available evidence including public comments and final staff reports shall, upon receipt by the Local Agency, be made available as soon as practicable to Developer and each Required Transferee. The Planning Director shall notify the Developer and each Required Transferee in writing whether it has complied with the terms of this Agreement. If Planning Director finds the Developer or a Required Transferee in compliance, the Planning Director shall issue a Certificate of Compliance. If Planning Director finds the Developer or a Required Transferee is not in compliance, the Planning Director shall issue a Certificate of Non-Compliance after complying with the procedures set forth in Section 18.4 below. The Local Agency’s failure to timely complete the annual review shall not deemed to be a waiver of the right to do so at a later date.

18.4 **Non-compliance with Agreement; Hearing.** Prior to issuing a Certificate of Non-Compliance, if the Local Agency Planning Director, on the basis of substantial evidence, finds that the Developer or a Required Transferee has not complied with

the terms of this Agreement, it shall specify in writing to such Developer or Required Transferee, with reasonable specificity, the respects in which Developer or Required Transferee has failed to comply. The Planning Director shall also specify a reasonable time for Developer and Required Transferee to respond, provide additional evidence of compliance or to meet the terms of compliance, which time shall be not less than thirty (30) days, and shall be reasonably related to the time necessary for Developer or Required Transferee to adequately bring its performance into compliance with the terms of this Agreement, subject to any Permitted Delay; provided, however, that if the non-compliance solely involves a monetary Default, then the Planning Director may require payment in sixty (60) days. If after the reasonable time for Developer or Required Transferee to meet the terms of compliance has passed and the Planning Director, on the basis of substantial evidence, continues to find that the Developer or Required Transferee has not complied, then the Planning Director shall issue a Certificate of Non-Compliance. Any Certificate of Non-Compliance shall be made in writing with reasonable specificity as to the reasons for the determination, and a copy shall be provided to Developer and Required Transferee in the manner prescribed in Section 19.3. If the Planning Director issues a Certificate of Non-Compliance, then the Local Agency's legislative body shall conduct a hearing within thirty (30) days of the Planning Director's issuance of the Certificate of Non-Compliance, or at the next available, regularly scheduled hearing thereafter. The Developer and Required Transferee shall be given not less than twenty (20) days written notice of the hearing and copies of the evidence upon which the Planning Director made her/his determination. Developer and Required Transferee will be given the opportunity to present evidence at the hearing. If the legislative body determines that the Developer or a Required Transferee is not in compliance with this Agreement, it may proceed to enforce the Local Agency's rights and remedies, including, modifying or terminating this Agreement at a subsequent public hearing.

18.5 Appeal of Determination. The decision of the legislative body as to Developer's or a Required Transferee's compliance shall be final, and any Court action or proceeding to attack, review, set aside, void or annul any decision of the determination by the Board shall be commenced within thirty (30) days of the final decision by the legislative body.

18.6 Costs. Costs reasonably incurred by the Local Agency in connection with the annual review and related hearings shall be paid by Developer and Required Transferee(s) in accordance with the Local Agency's schedule of fees and billing rates for staff time in effect at the time of review.

18.7 Effect on Transferees. If Developer has completed one or more Transfers so that its interest in the Properties has been divided among Transferees, and an annual review hereunder has been performed with respect to Developer and one or more Transferees, then the Local Agency Planning Director, and if appealed, its legislative body shall make its determinations and take its actions separately with respect to each Party. If the Planning Director or its legislative body terminates, modifies or takes such other actions as may be provided by this Agreement in connection with a determination that such Party has not complied with the terms and conditions of this Agreement, such action by the Planning Director, or the legislative body shall be effective only as to the Party as to whom the determination is made and the portions of the Properties in which such Party has an interest.

18.8 **No Limit on Remedies for Default.** The rights and powers of the Local Agency legislative body under this Section 18 are in addition to, and shall not limit, the rights of the Local Agency to terminate or take other action under this Agreement on account of the commission by Developer or a Transferee of an event of Default.

19. **Indemnification.** Developer agrees to indemnify, defend pursuant to the provisions of Section 25 and hold harmless Local Agency, and their respective elected and appointed councils, boards, commissions, officers, agents, employees, volunteers and representatives from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death or physical property damage (including inverse condemnation) and from any and all claims, demands and actions in law or equity (including attorneys' fees and litigation expenses) (collectively, "**Claims**") by any Person or entity; directly or indirectly arising or alleged to have arisen out of or in any way related to (1) any third party claim arising from the approval of or Developer's default or failure to comply with the Project Approvals (including this Agreement) or any Subsequent Approvals; (2) failure of the Project Infrastructure to comply with Laws; (3) any development or use of the Properties under this Agreement, the Project Approvals or any Subsequent Project Approvals; and (4) any actions or inactions by the Developer or its contractors, subcontractors, agents, or employees or by any one or more persons directly or indirectly employed by or acting as an agent for Developer or any of Developer's contractors or subcontractors in connection with the construction or improvement of the Properties and the Project, including Project Infrastructure. Notwithstanding the foregoing, with respect to any Project Infrastructure to be dedicated to a Local Agency, or any other public entity or agency or utility service provider, once the Local Agency or any other public entity or agency or utility service provider accepts the Project Infrastructure, Developer's indemnification obligation with respect to those improvements shall cease subject to the terms of any ongoing warranty or other improvement agreement obligation.

Notwithstanding the foregoing, Developer shall have no defense or indemnification obligation with respect to (1) the gross negligence or willful misconduct of County or their respective contractors, subcontractors, agents or employees, or by any one or more persons directly or indirectly employed by or acting as an agent for Developer or any of Developer's contractors or subcontractors; or (2) the maintenance, use or condition of any improvement or portion of the Properties after the time it has been dedicated to and accepted by the County or another public entity or agency or utility service provider, or taken over by an Owners' Association, so long as such indemnification obligation has been assumed by such Owners' Association through the CC&R's or otherwise. The indemnity under this Section shall survive termination of this Agreement.

20. **Amendment, Cancellation or Suspension.**

20.1 **Modification Because of Conflict with State or Federal Laws.** In the event that Laws or regulations enacted after the Effective Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require substantial and material changes in Project Approvals, the Parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such change in Laws. Any such

amendment of the Agreement shall be approved by the Local Agency's legislative body, in accordance with existing local laws and this Agreement.

20.2 Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures of State Law, Local Agency Law and this Agreement.

20.3 Substantive Amendments. Any substantive amendment to the Agreement shall require approval of an amendment to this Agreement in accordance with State Law and Local Agency Law. The term "**Substantive Amendment**" is defined to include the following: (a) any change to the Term of this Agreement; (b) any changes to the permitted uses of the Project or a material change in the density and/or intensity of use of the Project; (c) any changes to provisions in this Agreement or the Project Approvals related to reservation or dedication of land or easements; (d) any changes to provisions in this Agreement or the Project Approvals related to monetary contributions or payments by Developer; or (e) any other similar proposed amendment reasonably determined by the Community Development Director to be a Substantive Amendment. A Substantive Amendment shall not include future SPODs and modifications thereto which are consistent with the GVD zoning district.

20.4 Minor Amendment. A "**Minor Amendment**" is any amendment of this Agreement other than a Substantive Amendment. Subject to compliance with the requirements of Section 20.2, a Minor Amendment may be approved by means of a written agreement between Developer and/or Transferees and the Local Agency, approved, without a public hearing, by the Community Development Director or similar public official.

20.5 Amendment Exemptions. No Subsequent Approval and no amendment of a Project Approval or a Subsequent Approval, shall require an amendment to this Agreement. Upon approval of an amendment to a Project Approval, the meaning of the term "Project Approvals" as used in this Agreement shall be amended to reflect the approved amendment to the Project Approval (and any conditions imposed by the approving Local Agency thereon), and, along with any Subsequent Approval or amendment to a Subsequent Approval, shall be deemed to be incorporated automatically into the Project and vested under this Agreement (subject to any conditions set forth in the Subsequent Approval or amendment). Notwithstanding the foregoing, in the event of any direct conflict between the terms of this Agreement and a Subsequent Approval, or between this Agreement and any amendment to a Project Approval or Subsequent Approval, the terms of this Agreement shall prevail.

20.6 Cancellation by Mutual Consent. This Agreement may be terminated in whole or in part by the mutual consent of all the Parties or their successors in interest, in accordance with the provisions of the State law and the Local Agency's Code. Any fees or payments of any kind paid pursuant to this Agreement prior to the date of mutual termination shall be retained by the Local Agency.

20.7 Suspension by Local Agency. Local Agency may suspend a portion of this Agreement within the Local Agency's jurisdiction, if it finds, in its reasonable and sole discretion, that suspension is necessary to protect persons or property from a condition which would create an immediate and serious risk to the physical health and safety of the general public

or residents or employees who are occupying or will occupy the Properties, such as might be the case in the event of a major earthquake or natural disaster of similar magnitude.

21. **Default.** Subject to Section 23, a Party's violation of any material term of this Agreement or failure by any Party to perform any material obligation of this Agreement required to be performed by such Party shall constitute a default ("**Default**"). A Default by the Developer includes, but is not limited to any failure by the Developer to: (a) pay when due any fee, tax, assessment or other charge applicable to the Project or Properties and required pursuant to this Agreement to be paid by Developer; or (b) implement or comply with terms and conditions set out in the Project Approvals, including, but not limited to, Mitigation Measures. While a Developer is in Default under this Agreement, Local Agency may in its sole discretion, but shall not be obligated to grant to such Developer any Subsequent Approval with respect to any Properties that is owned by such Developer, until such Developer cures the Default in accordance with Section 23.

22. **Remedies for Default.** Subject to the notice and opportunity to cure provisions in Section 23 below, the sole and exclusive judicial remedy for any Party in the event of a Default by the other Party (except with respect to a payment Default) shall be an action in mandamus, specific performance, or other injunctive or declaratory relief. In addition, upon the occurrence of a Default and subject to the procedures described in Section 23, the non-defaulting Party shall have the right to terminate this Agreement, but any such termination shall not affect such Party's right to seek such remedies as are provided for in this Agreement on account of the Default for which this Agreement has been terminated, and shall be subject to the procedures specified in this Agreement. Developer expressly agrees that except in the case of monetary disputes, neither Local Agency, nor any of their respective elected and appointed councils, boards, commissions, officers, agents, employees, volunteers and representatives (collectively, for purposes of this Section 22, the "**Agencies**") shall be liable for any monetary damage for a Default by the Agencies or any claims against the Agencies arising out of this Agreement. Except as provided above, Developer hereby, for itself and all of its officers, agents, employees, volunteers and representatives (collectively, for purposes of this Section 22, "**Developer**") expressly waives any such monetary damages against the Agencies, and, except with respect to payment or cost disputes arising under specific terms of this Agreement, the Agencies expressly agree that the Developer shall not be liable for any monetary damage for a Default by the Developer or any claims by the Agencies against Developer arising out of this Agreement. The Agencies hereby expressly waive any such monetary damages against Developer. Any legal action by a Party alleging a Default shall be filed within one hundred eighty (180) days from the end of the default procedure described in Section 22.

23. **Procedure Regarding Defaults.** For purposes of this Agreement, a Party claiming another Party is in Default shall be referred to as the "**Complaining Party**," and the Party alleged to be in Default shall be referred to as the "**Party in Default**." A Complaining Party shall not exercise any of its remedies as the result of Default unless such Complaining Party first gives notice to the Party in Default as provided in this Section, and the Party in Default fails to cure such Default within the applicable cure period.

23.1 **Notice; Meet and Confer.** The Complaining Party shall give written notice of Default to the Party in Default, specifying the Default alleged by the Complaining

Party. Delay in giving such notice shall not constitute a waiver of any Default nor shall it change the time of Default. Before sending a Notice of Default, the Party which may assert that the other Party has failed to perform or fulfill its obligations under this Agreement shall first attempt to meet and confer with the other Party to discuss the alleged failure and shall permit such Party a reasonable period, but not less than ten (10) days, to respond to or cure such alleged failure; provided, however, the meet and confer process shall not be required (i) for any failure to pay amounts due and owing under this Agreement or (ii) if a delay in sending a notice pursuant to this Section would materially and adversely affect a Party or its rights under this Agreement. The Party asserting such failure shall request and if, despite the good faith efforts of the requesting Party, such meeting has not occurred within seven (7) business days of such request, such Party shall be deemed to have satisfied the requirements of this Section and may proceed in accordance with the issuance of a notice of default.

23.2 Notice. The Complaining Party shall give written notice of Default to the Party in Default, specifying the Default alleged by the Complaining Party. Delay in giving such notice shall not constitute a waiver of any Default nor shall it change the time of Default.

23.3 Cure. The Party in Default shall have thirty (30) days from receipt of the Notice of Default to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged Default is such that it cannot practicably be cured within such thirty (30) day period, then it shall not be considered a Default during that thirty (30) day period so long as: (a) the cure was commenced at the earliest practicable date following receipt of the notice; (b) the cure was diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the curing Party's receipt of the notice), the curing Party provided written notice to the Complaining Party that the cure cannot practicably be completed within such thirty (30) day period; and (d) the cure was completed at the earliest practicable date. The Party in Default shall diligently endeavor to cure, correct or remedy the matter complained of, provided such cure, correction or remedy shall be completed within the applicable time period set forth herein after receipt of written notice (or such additional time as may be agreed to by the Complaining Party to be reasonably necessary to correct the matter).

23.4 Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies.

23.5 Procedure for Terminating Agreement upon Default. If the Local Agency desires to terminate this Agreement in the event of a Default that has not been cured pursuant to Section 23, the matter shall be set for a public hearing before the Board. The burden of proof of whether a Party is in Default shall be on the Complaining Party. If the Local Agency's legislative body determines that Developer is in Default and has not cured to the Local Agency's reasonable satisfaction, or that the Default presents a serious risk to the physical public health, safety or welfare, the Local Agency's legislative body, if appropriate, may terminate this Agreement.

23.6 **No Cross Default.** Notwithstanding anything to the contrary in this Agreement, if Developer has completed a Transfer so that its interest in the Properties has been divided between Developer and one or more Transferees, then any determination that a Party is in Default (and any termination of this Agreement or portion thereof, pursuant to Section 23.5) above shall be effective only as to the Party to whom the determination is made and the portions of the Properties in which such Party has an interest.

24. **Attorneys' Fees and Costs In Legal Actions by Parties to the Agreement.** If either Party brings an action or proceeding (including, without limitation, any cross-complaint, counterclaim, or third-party claim) against another Party by reason of a Default, or otherwise arising out of this Agreement, the prevailing Party in such action or proceeding shall be entitled to its costs and expenses of suit, including but not limited to reasonable attorneys' fees (including, without limitation, costs and expenses), which shall be payable whether or not such action is prosecuted to judgment. "**Prevailing Party**" shall include, without limitation, a Party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

25. **Attorneys' Fees and Costs In Legal Actions by Third Parties.** If any Person or entity not a Party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement, the Project Approvals or Subsequent Approvals, the Parties shall cooperate in defending such action. Developer shall bear its own costs of defense as a real party in interest in any such action, and Developer shall timely reimburse the applicable Local Agency for all costs (including, court costs) and attorneys' fees incurred by Local Agency in defense of any such action or other proceeding. For purposes of this provision, "**timely**" reimbursement means full payment by Developer of costs incurred by Local Agency, as applicable, not later than sixty (60) days following Developer's receipt of an invoice from Local Agency describing costs previously incurred by Local Agency in defense of such action. In its sole discretion, Local Agency may tender its defense of such action to Developer or defend the action itself. Upon a tender of defense to Developer by Local Agency, Developer shall defend through counsel approved by Local Agency, which approval shall not be unreasonably withheld, and Developer shall bear all attorneys' fees and costs from the date of tender.

26. **Third Party Court Action/Limitation on Action.** If any court action or proceeding is brought by any third party to challenge any Project Approval or this Agreement, then (a) Developer shall have the right to terminate this Agreement upon thirty (30) days' notice, in writing to Local Agency, given at any time during the pendency of such action or proceeding, or within ninety (90) days after the final determination therein (including any appeals), irrespective of the nature of such final determination, and (b) any such action or proceeding shall constitute a Permitted Delay(s).

27. **Eminent Domain.** If Developer is required by Local Agency to acquire from a third party an interest in property necessary for construction of Project Infrastructure and is unable to do so despite commercially reasonable, good-faith efforts, the Local Agency may attempt to negotiate a purchase with the property owner. If necessary, and in compliance with State law, Local Agency may use its power of eminent domain, in which case Developer shall

pay for all costs, expenses and fees, including attorneys' fees and staff time, incurred by Local Agency in an eminent domain action.

28. **Agreement Runs with the Land.** Except as otherwise provided for in this Agreement, all of the provisions, agreements, rights, terms, powers, standards, covenants, and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assignees, representatives, lessees, and all other Persons acquiring the Properties, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California, and the burdens and benefits shall be binding upon and inure to the benefit of each of the Parties and their respective heirs, successors (by merger, consolidation, or otherwise), assigns, devisees, administrators, representatives, and lessees.

29. **Bankruptcy.** The obligations of this Agreement shall not be dischargeable in bankruptcy.

30. **Insurance.**

30.1 **Liability and Property Damage Insurance.** At all times that Developer is constructing any improvements that will become Project Infrastructure, Developer shall maintain an effective policy of comprehensive general liability insurance with a per-occurrence combined single limit of not less than five million (\$5,000,000) dollars and a deductible not more than is commercially reasonable taking into consideration the scope of the work then in progress and the financial capacity of Developer.

30.2 **Workers' Compensation Insurance.** At all times that Developer is causing construction of any improvements that will become Project Infrastructure, if it has any employees, Developer shall maintain workers' compensation insurance as required by California law for all persons employed by Developer for work at the Project site. Developer shall require each contractor and subcontractor similarly to provide workers' compensation insurance for its respective employees.

30.3 **Evidence of Insurance.** Prior to commencing construction of any improvements which will become Project Infrastructure, Developer shall furnish Local Agency with satisfactory evidence of insurance as required under State Law and/or Local Agency Law.

31. **Excuse for Nonperformance.** Notwithstanding anything to the contrary in this Agreement, Developer and the applicable Local Agency shall be excused from performing any obligation or undertaking provided in this Agreement, except any obligation to pay any sum of money under the applicable provisions hereof, in the event and so long as the performance of any such obligation is prevented or delayed, retarded or hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, civil unrest, quarantine restrictions, pandemic, invasion, insurrection, riot, mob violence, sabotage, inability to procure or shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, freight embargoes, strikes, lockouts, labor disputes, condemnation, requisition, changes in Laws,

litigation, orders of governmental, civil, military or naval authority, the failure of any governmental agency, public utility or communication or transportation provider to issue a permit, authorization, consent, or approval required for development, construction, use, or operation of the Project or portion thereof within typical, standard or customary timeframes, or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Party claiming the extension of time to perform (a “**Permitted Delay**”). The Party claiming such extension shall send written notice of the claimed extension to the other Party within thirty (30) days from the commencement of the cause entitling the Party to the extension.

32. **Third Party Beneficiary.** This Agreement is made and entered into solely for the protection and benefit of the Developer, and Local Agency, and their respective successors and assigns, and no other Person shall have any right of action based upon any provision in this Agreement.

33. **Notice.** Any notice to any Party or Third Party Beneficiary required by this Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and given by delivering the same to such party in person or by sending the same by registered or certified mail, return receipt requested, or by overnight delivery with acknowledgement of receipt, in all cases with postage prepaid, to the party’s mailing address. The respective mailing addresses of the Parties are, until changed as hereinafter provided, the following:

County:

County of Lake
255 N. Forbes Street, #109
Lakeport, CA 95453
Attention: Clerk of the Board of Supervisors

with a copy to:

Office of the County Counsel
255 N. Forbes Street
Lakeport, CA 95453
Attention: County Counsel

Developer:

Lotusland Investment Holdings, Inc.
One Embarcadero Center, Suite 730
San Francisco, CA 94111
Attention: Alex Xu

with a copy to:

Farella Braun + Martel LLP
899 Adams Street, Suite G
St. Helena, CA 94574

Attention: Katherine Philippakis, Esq.

Any Party may change its mailing address at any time by giving written notice of such change to the other Party in the manner provided herein at least ten (10) days prior to the date such change is affected. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed, on the delivery date or attempted delivery date shown 'on the return receipt.

34. **Severability.** Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any Person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to Persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Agreement from and after such determination.

35. **Waiver; Remedies Cumulative.** Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of a Default shall be effective or binding upon such Party unless made in writing by such Party and no such waiver shall be implied from any omission by a Party to take any action with respect to such Default. No express written waiver of any Default shall affect any other Default, or cover any other period of time, other than any Default and/or period of time specified in such express waiver. Except as may be explicitly provided in this Agreement, all of the remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

36. **Applicable Law and Venue.** This Agreement, and the rights and obligations of the Parties, shall be governed by and interpreted in accordance with the Law of the State of California. The Parties agree that any lawsuit or legal proceeding arising hereunder shall be heard in the Federal District Court in the Northern District (San Francisco branch) if in federal court or the Lake County Superior Court if in California Superior Court.

37. **Further Assurances.** Each Party covenants, on behalf of itself and its successors, heirs and assigns, to use good faith efforts to take all actions and do all things as may reasonably be necessary or appropriate to effect the purposes of this Agreement, the Project Approvals and the Subsequent Approvals, and to execute, with acknowledgment or affidavit if required, any and all documents and writings that may be necessary or appropriate to achieve the purposes and objectives of this Agreement, the Project Approvals and the Subsequent Approvals.

38. **Approvals.** Unless otherwise herein provided, whenever a determination, approval, consent or satisfaction (herein collectively referred to as "**Consent**") is required of a

Party pursuant to this Agreement, such Consent shall not be unreasonably withheld, conditioned, or delayed. If a Party shall not Consent, the reasons therefore shall be stated in reasonable detail in writing. Consent by a Party to or of any act or request by the other Party shall not be deemed to waive or render unnecessary Consent to or of any similar or subsequent acts or requests. Consent given or withheld by the Community Development Director or the County's Planning Director may be appealed to the Board.

39. **Not a Public Dedication.** Except as provided herein and in the Project Approvals, nothing contained herein shall be deemed to be a gift or dedication of the Properties to the general public, for the general public.

40. **Entire Agreement.** This written Agreement and the Exhibits hereto contain all the representations and the entire agreement between the Parties with respect to the subject matter hereof Except as otherwise specified in this Agreement, any prior correspondence, memoranda, agreements, warranties or representations are superseded in total by this Agreement.

41. **Form of Agreement; Entirety; Recordation; Exhibits.** This written Agreement, which consists of 69 pages and 6 exhibits (**Exhibits A** through **F**), contains all of the representations and the entire agreement between the Parties with respect to its subject matter. The County shall cause this Agreement, any amendment hereto and any termination of any parts or provisions hereof, to be recorded, at Developer's expense, with the County Recorder within ten (10) days of the Adoption Date, the date of the approval of an amendment hereto, or the date of termination of any parts or provisions hereof, as applicable. Any amendment or termination of this Agreement to be recorded that affects less than all of any of the Properties shall describe the portion thereof that is the subject of such amendment or termination. This Agreement is executed in three duplicate originals, each of which is deemed to be an original.

42. **Construction of Agreement.** The provisions of this Agreement shall be construed as a whole according to their common meaning in order to achieve the objectives and purposes of the Parties, and not strictly for or against any Party. The captions and headings are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa. The exhibits to this Agreement are intended to be and shall be incorporated into this Agreement as if stated fully herein. The use in this Agreement of the words "including", "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such statement, term or matter to the specific items or matters, whether or not language of non-limitation, such as "without limitation" or "but not limited to", or words of similar import, are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter. This Agreement has been reviewed and revised by legal counsel for Developer and Local Agency, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.

43. **Signature Pages.** For convenience, the signatures of the Parties to this Agreement may be executed and acknowledged on separate pages in counterparts which, when attached to this Agreement, shall constitute this as one complete Agreement.

44. **Time.** Time is of the essence of this Agreement and of each and every term and condition hereof.

IN WITNESS WHEREOF, the County of Lake, a political subdivision of the State of California, has authorized the execution of this Agreement in duplicate by the Community Development Director and attested to by its County Clerk under the authority of Ordinance No. _____ adopted by the Board of Supervisors of Lake County on _____, 2020, and Developer has caused this Agreement to be executed.

“COUNTY”

COUNTY OF LAKE,
a political subdivision of the State of California

Name:
Its: Executive Officer

APPROVED AS TO FORM:

County Counsel

“DEVELOPER” as agent for each of the Owners

LOTUSLAND INVESTMENT HOLDINGS,
INC., a California corporation

By: _____
Name: _____
Its: _____

Exhibit A

LIST OF OWNERS

Guenoc Property:

Bohn Valley, Inc., a California corporation
Butts Creek, Inc., a California corporation
Guenoc Valley Inc., a California corporation

Santa Clara Property:

Lih Scr Holdings, a California corporation

Exhibit B-1

GUENOC PROPERTY LEGAL DESCRIPTION

Exhibit "B-1" Legal Description

The land described herein is situated in the unincorporated area of the County of Lake, State of California and is described as follows:

TRACT ONE:

Parcel 1: Certificate of Compliance No. CC 11-30

Lots numbered Five, Six, Seven and Ten of Section Six in Township Ten North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006016.

APN: 013-022-011 (portion)

Parcel 2: Certificate of Compliance No. CC 11-31

The Northeast quarter of Section Twelve in Township Ten North, Range Six West, Mount Diablo Meridian.

Excepting therefrom the Southwest quarter of the Northeast quarter of said Section Twelve.

All as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006010.

APN: 013-023-150 (portion)

Parcel Three: Certificate of Compliance No. CC 11-32

Lot numbered One and the Northeast quarter of the Northwest quarter of Section Twelve, and the Lot numbered Ten and the East half of the Southwest quarter of Section One, all in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006011.

APN: 013-023-150 (portion) and 013-023-101 (portion)

Parcel 4: Certificate of Compliance No. CC 11-33

Lots numbered One and Two of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006015.

APN: 013-023-071 (portion)

Parcel Five: Certificate of Compliance No. CC 11-34

The Southeast quarter of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006012.

APN: 013-023-071 (portion)

Parcel Six: Certificate of Compliance No. CC 11-35

Lot One of Section Thirty and Lots Three and Four and the Southeast quarter of the Southwest quarter of Section Nineteen, Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom the following:

Tract One:

Commencing at the Northwest corner of the Northeast quarter of the Northwest quarter of Section Thirty, Township Eleven North, Range Five West, M.D.M., and running South 33°15' West 911 feet; thence South 480 feet to the South line of Lot One of said Section Thirty; thence East along said Lot line 502 feet to the Southeast corner thereof; thence North 1,320 feet along the East line of said Lot One to the place of beginning.

Tract Two:

Commencing at the Northwest corner of the Northeast quarter of the Northwest quarter of Section Thirty, Township Eleven North, Range Five West, M.D.M., and running North 33°15' East 89.7 feet; thence East 1,300 feet, parallel to the North line of said Section Thirty, to a point 75 feet North of the Northeast corner of said Northwest quarter of Section Thirty; thence South to the said Northeast corner of the Northwest quarter of Section Thirty; thence West 1,350 feet along the North line of said Section Thirty to the place of beginning.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007456.

APN: 013-019-051 (portion), 013-019-091 (portion) and 013-021-061 (portion)

Parcel Seven: Certificate of Compliance No. CC 11-36

Lot numbered Four of Section Two, and the Lots numbered Eight and Nine, and the West half of the Lot numbered Seven of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006017.

APN: 013-023-071 (portion) and 013-023-101 (portion)

Parcel Eight: Certificate of Compliance No. CC 11-37

Lots numbered Eleven and Twelve and the Southeast quarter of the quarter of the Northwest quarter of Section Seven in Township Ten described in that certain Certificate of Compliance recorded April Document No. 2012006013.

APN: 013-022-011 (portion) and 013-022-150

Parcel Nine: Certificate of Compliance No. CC 11-38

Lots numbered Two, Three and Four and the Southeast quarter of the Southwest quarter of Section Thirty in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006014.

APN: 013-021-061 (portion)

Parcel Ten: Certificate of Compliance No. CC 11-39

The Southwest quarter of the Northeast quarter and the South half of the Northwest quarter of Section Twenty-five, and the Southeast quarter of the Northeast quarter of Section Twenty-six, all in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007458.

APN: 013-016-041 (portion) and 013-016-081 (portion)

Parcel Eleven: Certificate of Compliance No. CC 11-40

The East half of the Northeast quarter of Section Thirty-one, and the South half of the Southeast quarter of Section Thirty, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006018.

APN: 013-021-061 (portion) and 013-021-091 (portion)

Parcel Twelve: Certificate of Compliance No. CC 11-41

The Southwest quarter of the Northeast quarter, the North half of the Southeast quarter and the Northeast quarter of the Southwest quarter of Section Nineteen, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006019.

APN: 013-019-051 (portion) and 013-019-091 (portion)

Parcel Thirteen: Certificate of Compliance No. CC 11-42

The North half of the South half of Section Twenty-five and the Northeast quarter of the Southeast quarter of Section Twenty-six, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017313.

APN: 013-016-041 (portion) and 013-016-081 (portion)

Parcel Fourteen: Certificate of Compliance No. CC 11-43

The East half of the Southeast quarter of Section Twenty-four, and the East half of the Northeast quarter of Section Twenty-five, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005996.

APN: 013-015-281 (portion) and 013-016-041 (portion)

Parcel Fifteen: Certificate of Compliance No. CC 11-44

Lot Four of Section One, Lot One of Section Two in Township Ten North, Range Six West, Mount Diablo Meridian, and Lot Four of Section Thirty-five in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005997.

APN: 013-016-051 (portion) and 013-023-101 (portion)

Parcel Sixteen: Certificate of Compliance No. CC 11-45

Lots numbered One and Two, the Southeast quarter of the Northwest quarter and the Northeast quarter of the Southwest quarter of Section Twenty-six, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007459.

APN: 013-016-081 (portion)

Parcel Seventeen: Certificate of Compliance No. CC 11-46

The South half of the Southeast quarter of Section Fifteen and the East half of the Northeast quarter of Section Twenty-two, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005998.

Excepting from said Section Twenty-two all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other minerals contained therein as reserved in the Patent from the State of California to Woodland Farms, Inc., dated September 6, 1956, recorded September 25, 1956 in Book 268 of Official Records at Page 229.

Also excepting from said Section Twenty-two all oil, gas, oil shale, coal, phosphate, sodium, gold, silver, geothermal resources and all other minerals contained therein as reserved in that Patent from the State of California to Magoon Estates, Limited, dated August 4, 1977, recorded September 27, 1977 in Book 899 of Official Records at Page 694.

APN: 013-024-120 (portion) and 013-024-280 (portion)

Parcel Eighteen: Certificate of Compliance No. CC 11-47

The South half of the Southwest quarter of Section Twenty-five, and the Southeast quarter of the Southeast quarter, the Northwest quarter of the Southeast quarter, and the Southwest quarter of the Northeast quarter of Section Twenty-six, all in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007460.

APN: 013-016-041 (portion) and 013-016-081 (portion)

Parcel Nineteen: Certificate of Compliance No. CC 11-48

The West half of the Southeast quarter and the East half of the Southwest quarter of Section Twenty-four, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005999.

APN: 013-015-281 (portion)

Parcel Twenty: Certificate of Compliance No. CC 11-49

Lot numbered Two and the Southeast quarter of the Northwest quarter of Section Nineteen in Township Eleven North, Range Five West, Mount Diablo Meridian, and the South half of the Northeast quarter of Section Twenty-four, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006000.

APN's: 013-015-291 (portion) and 013-019-051 (portion)

Parcel Twenty-one: Certificate of Compliance No. CC 11-50

The Northwest quarter of the Southwest quarter, the South half of the Northwest quarter and the Northeast quarter of the Northwest quarter of Section Twenty-four, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007463.

APN: 013-015-281 (portion) and 013-015-291 (portion)

Parcel Twenty-two: Certificate of Compliance No. CC 11-51

The East half of the Northeast quarter, the Northwest quarter of the Northeast quarter and the Northeast quarter of the Northwest quarter of Section Nineteen, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006001.

APN: 013-019-051 (portion)

Parcel Twenty-three: Certificate of Compliance No. CC 11-52

Lot numbered Two of Section Fifteen, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006002.

Excepting therefrom an undivided one-sixteenth of all coal, oil, gas, and other mineral deposits contained in said land as reserved in the patent from the State of California, as reserved to the State of California by the provisions of the Act of the Legislature, Statute of 1921, Page 404, and amendments thereto.

APN: 013-024-280 (portion)

Parcel Twenty-four: Certificate of Compliance No. CC 11-53

Lot numbered Three and the Southwest quarter of the Southeast quarter of Section Twenty-six and the Lot numbered One and the Northeast quarter of the Northeast quarter of Section Thirty-five, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007462.

APN: 013-016-051 (portion) and 013-016-081 (portion)

Parcel Twenty-five: Certificate of Compliance No. CC 11-55

The South half of the Southeast quarter of Section Six, and the West half of the Northeast quarter of Section Seven, all in Township Ten North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006003.

APN: 013-022-051 (portion) and 013-022-140 (portion)

Parcel Twenty-six: Certificate of Compliance No. CC 11-57

The South half of the Southeast quarter of Section Twenty-five in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006020.

Excepting therefrom an undivided one-sixteenth of all coal, oil, gas, and other mineral deposits contained in said land as reserved in the patent from the State of California, as reserved to the State of California by the provisions of the Act of the Legislature, Statute of 1921, Page 404, and amendments thereto.

APN: 013-016-041 (portion)

Parcel Twenty-seven: Certificate of Compliance No. CC 11-58

The North half of the Northwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom the portion lying within Napa County.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017314.

Excepting therefrom an undivided one-sixteenth of all coal, oil, gas, and other mineral deposits contained in said land as reserved in the patent from the State of California, as reserved to the State of California by the provisions of the Act of the Legislature, Statute of 1921, Page 404, and amendments thereto.

APN: 013-021-101 (portion)

Parcel Twenty-eight: Certificate of Compliance No. CC 11-60

The West half of the Northeast quarter and the North half of the Southeast quarter of Section Thirty-one, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006022.

APN: 013-021-09 (portion)

Parcel Twenty-nine: Certificate of Compliance No. CC 11-61

Lots Five and Six of Section One, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006023.

APN: 013-023-071 (portion) and 013-023-101 (portion)

Parcel Thirty: Certificate of Compliance No. CC 11-63

The South half of the Southeast quarter, the Northwest quarter of the Southeast quarter, the Northeast quarter of the Southwest quarter, the South half of the Northwest quarter and the Northeast quarter of the Northwest quarter of Section Seven in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom the following:

1. Any portion lying within the County of Napa.
2. All the portion as described in the Lot Line Adjustment recorded March 12, 1998, in Document No. 98-003880.
3. Any portion lying within the South half of the Northwest quarter and the Northeast quarter of the Northwest quarter of Section 7.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017315.

APN: 013-022-140 (portion)

Parcel Thirty-one: Certificate of Compliance No. CC 11-64

The Northwest quarter of the Southwest quarter, Lot Six and the West half of Lots Seven and Eight of Section Five, the North half of the Southeast quarter, the Northeast quarter of the Southwest quarter and Lots One, Two, Three, Four, Eight and Nine of Section Six, all in Township Ten North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006005.

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Excepting from the West half of Lots Seven and Eight all coal and other minerals in said land together with the right to prospect for, mine, and remove the same pursuant to the Act of December 29, 1916 (39 Stat., 862) as reserved in the patent from the United States of America, recorded in Book 9 of Patents, Page 280, Records of said County.

APN: 013-022-011 (portion), 013-022-020 (portion) and 013-022-051 (portion)

Parcel Thirty-two: Certificate of Compliance No. CC 11-65

The West half of Section Thirty-one in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006004.

APN: 013-021-091 (portion)

Parcel Thirty-three: Certificate of Compliance No. CC 11-66

Lots Two and Three and the Southeast quarter of the Northeast quarter of Section Thirty-five, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005987.

APN: 013-016-051 (portion)

Parcel Thirty-four: Certificate of Compliance No. CC 11-68

The Southeast quarter of the Southeast quarter of Section Twenty-three, and the Northeast quarter of the Northeast quarter of Section Twenty-six, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that parcel of land as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005989.

APN: 013-016-081 (portion)

Parcel Thirty-five: Certificate of Compliance No. CC 11-69

The Southwest quarter of the Northeast quarter of Section Twelve, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005990.

APN: 013-023-150 (portion)

Parcel Thirty-six: Certificate of Compliance No. CC 11-74

Section Thirty-six in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005991.

APN: 013-016-061

Parcel Thirty-seven: Certificate of Compliance No. CC 11-75

The East half of Lot Seven of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005992.

APN: 013-023-071 (portion)

Parcel Thirty-eight: Certificate of Compliance No. CC 11-76

The West half of the Southwest quarter and the Northeast quarter of the Southwest quarter and the Northwest quarter of the Southeast quarter of Section Thirty-two, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017316.

APN: 013-021-101 (portion)

Parcel Thirty-nine: Certificate of Compliance No. CC 11-77

The West half of the Northwest quarter, and the Southeast quarter of the Northwest quarter, and the Southwest quarter of the Northeast quarter of Section Thirty-two, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017317.

APN: 013-021-101 (portion)

Parcel Forty: Certificate of Compliance No. CC 11-78

Lot Three of Section One, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006006.

Excepting therefrom all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral deposits, contained in said land, and further reserving to the state of California, and persons authorized by the State, the right to drill for and extract such deposits of oil and gas or gas, and to prospect for, mine, and remove such deposits of other minerals from said land, and to occupy and use so much of the surface of said land as may be required therefore, upon compliance with the conditions and subject to the provisions and limitations of Chapter 5, Part I, Division 6 of the public Resource Code, as reserved in the patent from the State of California, recorded in Book 268, Page 229, Official Records of said County.

APN: 013-023-061

Parcel Forty-one: Certificate of Compliance No. CC 11-79

The Northwest quarter of the Southwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017318.

Excepting therefrom one-sixteenth of all coal, oil, gas and other mineral deposits contained therein, as reserved in the Patent from the State of California to A.R. Asbill, dated October 13, 1925, recorded November 2, 1925 in Book 9 of Patents, at Page 230.

APN: 013-021-101 (portion)

Parcel Forty-two: Certificate of Compliance No. CC 11-80

Lot Two, Section Twelve in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006007.

APN: 013-023-091

Parcel Forty-three: Certificate of Compliance No. CC 11-81

Lot Three, Section Two in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006008.

APN: 013-023-100 (portion)

Parcel Forty-four: Certificate of Compliance No. CC 11-82

Lot Two, Section Two in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006009

Excepting therefrom all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral deposits, contained in said land, and further reserving to the state of California, and persons authorized by the State, the right to drill for and extract such deposits of oil and gas or gas, and to prospect for, mine, and remove such deposits of other minerals from said land, and to occupy and use so much of the surface of said land as may be required therefore, upon compliance with the conditions and subject to the provisions and limitations of Chapter 5, Part I, Division 6 of the public Resource Code, as reserved in the patent from the State of California, recorded in Book 899, Page 694, Official Records of said County.

APN: 013-023-111

Parcel Forty-five: Certificate of Compliance No. CC 11-83

The Southeast quarter of the Northeast quarter and the East half of the Southeast quarter of Section Thirty-two, and the Southwest quarter of the Southwest quarter of Section Thirty-three, all being in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017319.

Excepting from said lands lying within Section Thirty-three, one-sixteenth of all coal, oil, gas and other mineral deposits contained therein, as reserved in the Patent from the State of California to A.R. Asbill, dated October 13, 1925, recorded November 2, 1925 in Book 9 of Patents, at Page 230.

APN: 013-021-101 (portion)

Parcel Forty-six: Certificate of Compliance No. CC 11-84

The Southeast quarter of the Northeast quarter and the Northeast quarter of the Southeast quarter of Section Seven, and the West half of the Southwest quarter of Section Eight, all in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017320.

APN: 013-022-140 (portion)

Parcel Forty-seven: Certificate of Compliance No. CC 11-85

The Southwest quarter of the Southwest quarter of Section Five, the Northeast quarter of the Northeast quarter of Section Seven, and the West half of the Northwest quarter of Section Eight, all in Township Ten North, Range Five West, Mount Diablo Meridian.

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Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017321.

APN: 013-022-020 (portion) and 013-022-140 (portion)

Parcel Forty-eight: Certificate of Compliance No. CC 11-86

The Southeast quarter of the Southeast quarter of Section Thirty-one, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005988.

APN: 013-021-091 (portion)

Parcel Forty-nine: Certificate of Compliance No. CC 11-87

The Southwest quarter of the Northwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005993.

Excepting therefrom one-sixteenth of all coal, oil, gas and other mineral deposits contained therein, as reserved in the Patent from the State of California to A.R. Asbill, dated October 13, 1925, recorded November 2, 1925 in Book 9 of Patents, at Page 230.

APN: 013-021-101 (portion)

Parcel Fifty: Certificate of Compliance No. CC 11-88

The Southwest quarter of the Southeast quarter of Section Thirty-one, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005994.

APN: 013-021-091 (portion)

Parcel Fifty-one: Certificate of Compliance No. CC 11-89

The South Half of the Southeast quarter and the Northwest quarter of the Southeast quarter and the Northeast quarter of the Southwest quarter of Section Twenty-eight, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017322.

APN: 013-021-051

Parcel Fifty-two: Certificate of Compliance No. CC 11-90

Lots numbered Four and Five of Section Five in Township Ten North, Range Five West, Mount Diablo Meridian, and the Southeast quarter of the Southwest quarter, and the Southwest quarter of the Southeast quarter of Section

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Thirty-two in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017323.

APN: 013-021-101 (portion) and 013-022-020 (portion)

Parcel Fifty-three: Certificate of Compliance No. CC 11-91

The Southeast quarter of the Northwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017324.

Excepting therefrom an undivided one-sixteenth of all coal, oil, gas, and other mineral deposits contained in said land as reserved in the patent from the State of California, recorded in Book 9 of Patents, Page 230, Records of said County.

APN: 013-021-101 (portion)

Parcel Fifty-four: Certificate of Compliance No. CC 11-92

Lots One and Two, the East half of Lot Eight, the East half of Lot Seven and the East half of the Southwest quarter of Section Five, and the East half of the Northwest quarter and the Northeast quarter of the Southwest quarter of Section Eight, all in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017325.

APN: 013-022-020 (portion)

Parcel Fifty-five: Certificate of Compliance No. CC 12-16

Lot Three of Section Five in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded March 6, 2013 in Official Records of Lake County under Document No. 2013003323.

APN: 013-022-020 (portion)

Parcel Fifty-six: Certificate of Compliance No. CC 12-17

The Southwest quarter of the Southwest quarter of Section Twenty-four and the North half of the Northwest quarter and the Northwest quarter of the Northeast quarter of Section Twenty-five, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded March 6, 2013 in Official Records of Lake County under Document No. 2013003324.

APN: 013-015-0281 (portion) and 013-016-041 (portion)

Parcel Fifty-seven: Certificate of Compliance No. CC 12-18

The West half of the Northeast quarter and the East half of the Northwest quarter of Section 22, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded March 6, 2013 in Official Records of Lake County under Document No. 2013003325.

APN: 013-024-120 (portion)

Parcel Fifty-eight:

All that certain real property designated and described in Exhibit "A" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lots numbered Three and Four of Section Fifteen, and Lot number Four and that portion of Lot numbered Three of Section Fourteen, lying Southerly of the South line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder, of the County of Lake, on February 27, 1957, in Book 273 of Official Records at Page 304, all lying within Township Ten North, Range Six West, Mount Diablo Meridian.

APN: 013-024-290

Parcel Fifty-nine:

All that certain real property designated and described in Exhibit "B" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

All that portion of Lot numbered Two and that portion of the Southwest quarter of the Northeast quarter of Section Fourteen, Township Ten North, Range Six West, Mount Diablo Meridian, lying South of the Southerly line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder of the County of Lake, on November 22, 1955 in Book 259 at Page 203, Lake County Records.

APN: 013-024-300

Parcel Sixty:

All that certain real property designated and described in Exhibit "H" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lot Numbered One in Section Eleven, Lots numbered Four and Five, and that portion of the Southwest quarter of the Southeast quarter of Section Twelve, lying Northwesterly of a line described as Beginning at the Southwest corner of said Southwest quarter of the Southeast quarter and running thence Northeasterly, in a direct line, to the Northeast corner of said Southwest quarter of the Southeast quarter of said Section Twelve; all lying with Township Ten North, Range Six West, Mount Diablo Meridian.

APN: 013-023-130

Parcel Sixty-one:

All that certain real property designated and described in Exhibit "I" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lot numbered Three, the Southeast quarter of the Northwest quarter, the Northwest quarter of the Southeast quarter, and that portion of the Northeast quarter of the Southeast quarter, lying Northwesterly of a line described as Beginning at the Southwest corner of said Northeast quarter of the Southeast quarter, and running thence Northeasterly, in a direct line, to the Northeast corner of said Northeast quarter of the Southeast quarter of Section Twelve, Township Ten North, Range Six West, Mount Diablo Meridian.

APN: 013-023-140

Parcel Sixty-two:

All that certain real property designated and described in Exhibit "J" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

The Northeast quarter of the Northwest quarter, the North half of the South half of the Northwest quarter, and the Southwest quarter of the Southwest quarter of the Northwest quarter of Section Seven, Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting from Tract One any portion thereof lying within the County of Napa, State of California.

Also excepting therefrom any portion thereof of Tract One lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13, 14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8, 1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

APN: 013-022-130

TRACT TWO:

Lots 1 and 3 as shown on that certain Subdivision Map filed in the office of the County Recorder of said Lake County on December 17, 1999 in Book 15 of Subdivision Maps at Pages 46, 47, 48 and 49 being a portion of Parcel Z as shown on a map filed in the office of the County Recorder of said Lake County on March 31, 1981, in Book 19 of Parcel Maps at Page 48.

Excepting therefrom all that portion thereof granted to the County of Lake by Deed recorded June 12, 1974, in Book 763 of Official Records at Page 188.

APN's: 014-310-071, 014-310-091, 014-330-091, 014-340-041, 014-004-251, 014-320-080 and 014-320-100.

TRACT THREE:

All that certain real property designated and described in Exhibit "C" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

All that portion of the Northwest quarter of the Southwest quarter of Section Thirteen, Township Ten North, Range Six West, Mount Diablo Meridian, lying South of the Southerly line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake, on July 13 1955, in Book 254 of Official Records at Page 399, Lake County Records.

APN 013-024-310

TRACT FOUR:

All that certain real property designated and described in Exhibit "D" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

The Northeast quarter of the Southwest quarter, the Northwest quarter of the Southeast quarter, the East half of the Southeast quarter of the Southwest quarter, and the South half of the Southeast quarter of Section Thirteen, the East half of the Northeast quarter of the Northwest quarter and the North half of the Northeast quarter of Section Twenty-four, Township Ten North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion lying North of the South line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake, on July 13, 1955, in Book 254 of Official Records at Page 399, Lake County Records.

Also excepting therefrom any portion of the lands described herein, which may lie within Napa County, California.

APN's 013-024-350 and 013-024-360

TRACT FIVE:

Parcel No. 1 as shown on a map filed in the Office of the County Recorder of said Lake County on October 29, 1974, in Book 8 of Parcel Maps at Page 23, and being part of Section 28, 29 and 32, all in Township 11 North, Range 5 West, M.D.M.

APN 013-053-011

TRACT SIX:

[Intentionally deleted.]

TRACT SEVEN:

Parcel One:

All that certain real property designated and described in Exhibit "E" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lots numbered 1, 2, and 3, and the South half of the Northeast quarter of Section 14, the Northwest quarter, the North half of the Southwest quarter, the North half of the Northeast quarter, the Southwest quarter of the Northeast quarter, and the West half of the Southeast quarter of Section 13, and that portion of the Southeast quarter of Section 12, lying Southeasterly of a line described as beginning at the Southwest corner of said Southeast quarter of Section 12 and running from said point of beginning, Northeasterly, in a direct line, to the Northwest corner of the Southeast quarter of the Southeast quarter of said Section 12, and thence Northeasterly, in a direct line, to the Northeast corner of said Southeast quarter of Section 12, all in Township 10 North, Range 6 West, M.D.B. & M., together with Lot numbered 1, that portion of Lot numbered 2 lying Northwesterly of a line described as beginning at the Southwest corner of said Lot 2 and running thence from said point of beginning, Northeasterly, in a direct line, to the Northeast corner of said Lot 2, the South half of the Southeast quarter of the Northwest quarter and the Southeast quarter of the Southwest quarter of the Northwest quarter of Section 7, Township 10 North, Range 5 West M.D.B. & M.

Excepting therefrom all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral contained therein as reserved in the Patent from the State of California to Woodland Farms, Inc., dated September 6, 1956, recorded September 25, 1956 in Book 268 of Official Records at Page 229.

Also excepting therefrom all oil, gas, oil, shale, coal, phosphate, sodium, gold, silver, geothermal resources and all other minerals contained therein, as reserved in that Patent from the State of California to Magoon Estates, Limited, dated August 4, 1977, recorded September 27, 1977, in Book 899 of Official Records at Page 694.

Also excepting therefrom any portion thereof lying within the County of Napa, State of California.

Also excepting therefrom that portion lying South of the North line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder, of the County of Lake, on July 13, 1955 in Book 254 of Official Records at Page 399, Lake County Records.

Also excepting therefrom any portion thereof lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13,14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8, 1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

Excepting from the Northwest quarter and the Southwest quarter of the Northeast quarter of said Section 13 all coal and other minerals in said land together with the right to prospect for, mine, and remove the same pursuant to the Act of December 29, 1916 (39 Stat., 862) as reserved in the patent from the United States of America, recorded in Book 157, Page 358, Official Records of said County.

APN: 013-023-120, 013-024-330 and 013-022-080

Parcel Two:

All that certain real property designated and described in Exhibit "F" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

The East half of the Southeast quarter, the Southeast quarter of the Northeast quarter of Section 13, Township 10 North, Range 6 West, M.D.B. & M., and Lot numbered 1 and that portion of Lot 2 lying Northwesterly of a line described as beginning at the Southwest corner of said Lot 2, and running thence from said point of beginning, Northeasterly, in a direct line, to the Northeast corner of said Lot 2, within Section 18, Township 10 North, Range 5 West, M.D.B. & M., and that portion of Lot numbered 2 and the Southeast quarter of the Southwest quarter of Section 7, Township 10 North, Range 5 West, M.D.B. & M., described as beginning at the Southwest corner of said Section 7, also being the Southwest corner of said Lot 2, and running thence from said point of beginning, Northeasterly, in a direct line, to the Northeast corner of said Lot 2, also being the Northwest corner of the Southeast quarter of the Southwest quarter of said Section 7, thence East, along the North line of said Southeast quarter of the Southwest quarter to the Northeast corner thereof; thence Southwesterly, in a direct line, to the Southwest corner of said Southeast quarter of the Southwest quarter of said Section 7, also being the Southeast corner of said Lot 2, and thence West, along the South line of said Lot 2 to the point of beginning.

Excepting therefrom all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral contained therein as reserved in the Patent from the State of California to Woodland Farms, Inc., dated September 6, 1956, recorded September 25, 1956 in Book 268 of Official Records at Page 229.

Also excepting therefrom all oil, gas, oil, shale, coal, phosphate, sodium, gold, silver, geothermal resources and all other minerals contained therein, as reserved in that Patent from the State of California to Magoon Estates, Limited, dated August 4, 1977, recorded September 27, 1977, in Book 899 of Official Records at Page 694.

Also excepting therefrom any portion thereof lying within the County of Napa, State of California.

Also excepting therefrom that portion lying South of the North line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder, of the County of Lake, on July 13, 1955 in Book 254 of Official Records at Page 399, Lake County Records.

Also excepting therefrom any portion thereof lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13, 14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8, 1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

APN: 013-024-340, 013-022-090 and 013-022-100

Parcel Three:

All that certain real property designated and described in Exhibit "G" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lots numbered 3 and 4, that portion of Lot numbered 2 lying Southeasterly of a line described as beginning at the Southwest corner of said Lot 2, and running thence Northeasterly, in a direct line, to the Northeast corner of said Lot 2, the East half of the Northwest quarter and the Northeast quarter of the Southwest quarter of Section 18, and that portion of the Southeast quarter of the Southwest quarter of Section 7, lying Southeasterly of a line described as beginning at the Southwest corner of said Southeast quarter of the Southwest quarter of said Section 7, and running thence Northeasterly, in a direct line, to the Northeast corner of said Southeast quarter of the Southwest quarter of said Section 7, all within Township 10 North, Range 5 West, M.D.B. & M., Lake County California

Excepting therefrom all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral contained therein as reserved in the Patent from the State of California to Woodland Farms, Inc., dated September 6, 1956, recorded September 25, 1956 in Book 268 of Official Records at Page 229.

Also excepting therefrom all oil, gas, oil, shale, coal, phosphate, sodium, gold, silver, geothermal resources and all other minerals contained therein, as reserved in that Patent from the State of California to Magoon Estates, Limited, dated August 4, 1977, recorded September 27, 1977, in Book 899 of Official Records at Page 694.

Also excepting therefrom any portion thereof lying within the County of Napa, State of California.

Also excepting therefrom that portion lying South of the North line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder, of the County of Lake, on July 13, 1955 in Book 254 of Official Records at Page 399, Lake County Records.

Also excepting therefrom any portion thereof lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13, 14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8, 1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

APN's: 013-022-110 and 013-022-120

Exhibit B-2

SANTA CLARA PROPERTY LEGAL DESCRIPTION

Exhibit "B-2"
Legal Description

The land described herein is situated in the State of California, County of Lake, unincorporated area, described as follows:

Real property in the unincorporated area of the County of Lake, State of California, described as follows:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF THAT CERTAIN TRACT OF LAND CONVEYED BY HARRIET JANE STANLEY, ET VIR., TO HORACE E. CHILDERS, ET UX., BY DEED DATED MARCH 20, 1944, OF RECORD IN BOOK 155 OF OFFICIAL RECORDS OF LAKE COUNTY AT PAGE 16, AT THE NORTHWESTERLY CORNER OF THE TRACT CONVEYED BY HORACE E. CHILDERS, ET UX., TO ARTHUR L. ROGERS, ET UX., BY DEED DATED AUGUST 5, 1947, OF RECORD IN BOOK 189 OF OFFICIAL RECORDS OF LAKE COUNTY AT PAGE 100, AND RUNNING THENCE, FROM SAID POINT OF BEGINNING, ALONG THE BOUNDARY LINE OF SAID TRACT SO CONVEYED TO ROGERS, ET UX., AND ITS SOUTHERLY EXTENSION SOUTH 29° 30' 00" WEST, 457.00 FEET, TO THE SOUTHWESTERLY LINE OF SAID TRACT CONVEYED BY STANLEY, ET VIR., TO CHILDERS, ET UX.; THENCE NORTH 71° 15' 00" WEST, ALONG THE SOUTHWESTERLY LINE OF SAID CHILDERS TRACT, TO THE MIDDLE OF DRY CREEK; THENCE NORTHEASTERLY, ALONG THE MIDDLE OF DRY CREEK, TO THE MOST NORTHERLY CORNER OF SAID CHILDERS TRACT; AND THENCE SOUTH 71°15' 00" EAST, ALONG THE NORTHERLY LINE OF SAID CHILDERS TRACT, TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE APPROVING A LOT LINE ADJUSTMENT, RECORDED OCTOBER 13, 1992, AS INSTRUMENT NO. 1992-021672 OF OFFICIAL RECORDS.

APN: 014-380-090-000

Exhibit B-3

BUTTS CANYON PROPERTY LEGAL DESCRIPTION

Exhibit "B-3" Legal Description

The land described herein is situated in the State of California, County of Lake, unincorporated area, described as follows:

Parcel One:

Parcel B as shown on a map filed in the office of the County Recorder of said Lake County on December 12, 1978, in Book 15 of Parcel Maps at Page 41.

Excepting therefrom all that portion of said Parcel B more particularly described as follows:

Commencing at a 3/4" iron rod tagged L.S. 3235 at the most southerly comer of said Parcel B and running along the southeasterly line of said Parcel B the following courses: North 31°31'57" East, 462.00 feet to a 3/4" iron rod tagged L.S. 3235; South 57°01'41" East, 236.49 feet to a 5/8" iron rod tagged L.S. 2581; North 26°53'45" East, 280.00 feet to the most easterly comer of said Parcel B at the centerline of Long Valley Creek; thence leaving said comer and running northwesterly along the northeasterly line of said Parcel B and the centerline of Long Valley Creek, as shown on said Parcel Map, North 23°14'50" West, 1164.82 feet to a point that is the most easterly comer of Parcel A as it is shown on said Parcel Map, said point also being the True Point of Beginning of this Description; thence leaving said point South 31°46'12" West, 75.61 feet, more or less, to a fence post that is at the intersection of two fence lines; thence leaving said intersection and running southwesterly and generally along said fence line and its southwesterly extension South 31°11'00" West, 849.03 feet to a point in a row of oak trees that run northwesterly; thence leaving said point and running northwesterly and generally along said row of oak trees North 56°24'45" West, 412.59 feet, more or less, to a point on the northwesterly line of Said Parcel B, said point lies on that certain course shown as South 42°19'00" West, 520.00 feet, on said Parcel Map, said point bears North 42°19'00" East, 26.62 Feet from a 6"x 8" Fence post tagged L.S. 3546 as shown on said Parcel Map; thence northeasterly along the northwesterly line of said Parcel B, North 42°19'00" East 493.38 feet, more or less, to a 5/8" iron rod tagged L.S. 3546; thence South 47°41'00" East, 230.00 feet to a 5/8" iron rod tagged L.S. 3546; thence North 42°19'00" East, 435.05 feet to a 5/8" iron rod tagged L.S. 3546 thence North 42°19'00" East, 41.72 feet, more or less, to the True Point of Beginning of this Description.

Also excepting therefrom all that portion of said Parcel B that lies northwesterly of the following described line being more particularly described as follows:

Commencing at a 3/4" rebar tagged L.S. 3235 at the most southerly comer of said Parcel B and running along the southeasterly line of said Parcel B the following courses: North 31°31'57" East, 462.00 feet to a 3/4" iron rod tagged L.S. 3235; thence South 57°01'41" East, 236.49 feet to a 5/8" iron rod tagged L.S. 3235; thence North 26°53'45" East, 280.00 feet to the most easterly comer of said Parcel B; thence leaving said comer and running northwesterly along the northeasterly line of said Parcel B and the centerline of Long Valley Creek, as shown on said Parcel Map, North 23°14'50 West, 1164.82 feet to a point that is the most easterly comer of Parcel A as it is shown on said Parcel Map; thence leaving said point South 31°46'12" West, 75.61 feet, more or less, to a fence post that is at the intersection of two fence lines; thence leaving said intersection and running southwesterly and generally along said fence line and its southwesterly extension South 31°11'00" West, 849.03 feet to a point in a row of oak trees that run northwesterly; thence leaving said point and running northwesterly and generally along said row of oak trees North 56°24'45" West, 108.31 feet to a point, said point being the True Point of Beginning of this Description; thence South 34°45'13" West, 453.94

feet, more or less, to a point on the southwesterly line of said Parcel B, said point bears North 56°18'00" West, 867.32 feet from the Point of Commencement.

Together with all that portion of Parcel No. 1, as it is shown on a map filed in the office of the County Recorder of said Lake County on May 29, 1973, in Book 6 of Parcel Maps at Page 27. that lies southeasterly of the following described line being more particularly described as follows:

Commencing at a 3/4" iron rod tagged L.S. 3235 at the most southerly corner of said Parcel B, said point also being the most easterly corner of said Parcel No. 1 and running northwesterly along the common line of said Parcel B and Parcel No. 1 North 56°18'00" West 1016.27 feet to a point on said common line, said point being the True Point of Beginning of this Description; thence leaving said point and generally following an existing fence line South 34°45'13" West 541.91 feet; thence leaving said fence line North 55°25'22" West, 150.00 feet; thence South 34°45' 13" West, 100.24 feet, more or less, to a point on the southwesterly line of said Parcel No. 1.

The Basis of Bearings of this description is the bearing between the 3/4 inch iron rods, tagged L.S. 3235, on the southwesterly line of Parcel "B" shown as having a bearing of North 56°18'00" West on that certain Parcel Map filed in the Office of the Recorder of the County of Lake, State of California, recorded December 12, 1978 in Book 15 of Parcel Maps at Page 41.

Parcel Two:

Parcel 1 as shown on a map filed in the office of the County Recorder of said Lake County on May 29, 1973, in Book 6 of Parcel Maps at Page 27 together with Parcel B as shown on a map filed in the office of the County Recorder of said Lake County on December 12, 1978, in Book 15 of Parcel Maps at Page 41.

Excepting therefrom all that portion of Parcel No. 1. as it is shown on a map filed in the office of the County Recorder of said Lake County on May 29, 1973, in Book 6 of Parcel Maps at Page 27, that lies southeasterly of the following described line being more particularly described as follows:

Commencing at a 3/4" iron rod tagged L.S. 3235 at the most southerly corner of Parcel B, said point also being the most easterly corner of said Parcel No. 1, and running northwesterly along the common line of said Parcel B and Parcel No. 1 North 56°18'00" West 1016.27 feet to a point on said common line, said point being the True Point of Beginning of this Description; thence leaving said point and generally following an existing fence line South 34°45'13" West 541.91 feet; thence leaving said fence line North 55°25'22" West, 150.00 feet; thence South 34°45'13" West, 100.24 feet more or less to a point on the southwesterly line of said Parcel No. 1

Also excepting therefrom all that portion of Parcel 1, as contained in the Deed from Lake County Vineyard Ventures, LLC to the State of California, recorded February 10, 2004 as Instrument No. 2004003340, Lake County Records.

Also excepting therefrom all that portion of said Parcel B more particularly described as follows:

Commencing at a 3/4" iron rod tagged L.S. 3235 at the most southerly corner of said Parcel B and running along the southeasterly line of said Parcel B the following courses: North 31°31'57" East. 462.00 feet to a 3/4" iron rod tagged L.S. 3235; South 57°01'41" East, 236.49 feet to a 5/8" iron rod tagged L.S. 2581; North 26°53'45" East. 280.00 feet to the most easterly corner of said Parcel B at the centerline of Long Valley Creek; thence leaving said corner and running northwesterly along the northeasterly line of said Parcel B and the centerline of Long Valley Creek, as shown on said Parcel Map. North 23°14'50" West. 1164.82 feet to a point that is the most easterly corner of Parcel A as it is shown on said Parcel Map, said point also being the True Point of Beginning of this Description; thence leaving said point South 31°46'12" West 75.61 feet, more or

less, to a fence post that is at the intersection of two fence lines; thence leaving said intersection and running southwesterly and generally along said fence line and its southwesterly extension South 31°11'00" West, 849.03 feet to a point in a row of oak trees that run northwesterly; thence leaving said point and running northwesterly and generally along said row of oak trees North 56°24'45" West, 412.59 feet, more or less, to a point on the northwesterly line of Said Parcel B, said point lies on that certain course shown as South 42°19'00" West. 520.00 feet, on said Parcel Map, said point bears North 42°19'00" East, 26.62 feet from a 6"x 8" Fence post tagged L.S. 3546 as shown on said Parcel Map; thence northeasterly along the northwesterly line of said Parcel B, North 42°19'00" East 493.38 feet to a 5/8" iron rod tagged L.S. 3546; thence South 47°41'00" East 230.00 feet to a 5/8" iron rod tagged L.S. 3546; thence North 42°19'00" East, 435.05 feet to a 5/8" iron rod tagged L.S. 3546 thence North 42°19'00" East, 41.72 feet, more or less, to the True Point of Beginning of this Description.

Also excepting therefrom all that portion of said Parcel B lying southeasterly of the following described line, more particularly described as follows:

Commencing at a 3/4" iron rod tagged L.S. 3235 at the most southerly corner of said Parcel B and running along the southeasterly line of said Parcel B the following courses: North 31°31'57" East, 462.00 feet to a 3/4" iron rod tagged L.S. 3235; South 57°01'41" East. 236.49 feet to a 5/8" iron rod tagged L.S. 2581; North 26°53'45" East, 280.00 feet to the most easterly corner of said Parcel B at the centerline of Long Valley Creek; thence leaving said corner and running northwesterly along the northeasterly line of said Parcel B and the centerline of Long Valley Creek, as shown on said Parcel Map, North 23°14'50" West, 1164.82 feet to a point that is the most easterly corner of Parcel A as it is shown on said Parcel Map; thence leaving said point South 31°46'12" West, 75.61 feet, more or less, to a fence post that is at the intersection of two fence lines; thence leaving said intersection and running southwesterly and generally along said fence line and its southwesterly extension South 31°1'00" West, 849.03 feet to a point in a row of oak trees that run northwesterly; thence leaving said point and running northwesterly and generally along said row of oak trees North 56°24'45" West, 108.31 feet to a point, said point also being the True Point of Beginning of this Description; thence South 34°45'13" West, 453.94 feet, more or less, to a point on the southwesterly line of said Parcel B, said point bears North 56°18'00" West, 867.32 feet from the Point of Commencement.

The Basis of Bearings of this description is the bearing between the 3/4 inch iron rods, tagged L.S. 3235, on the southwesterly line of Parcel "B" shown as having a bearing of North 56°18'00" West on that certain Parcel Map filed in the Office of the Recorder of the County of Lake, State of California, recorded December 12, 1978 in Book 15 of Parcel Maps at Page 41

Parcel Three:

An easement for well, utilities and water line as described in that certain Easement Grant Deed to Joseph R. Sullivan and David B. Sanson, recorded December 31, 2018, as Instrument No. 2018016416, Official Records.

Parcel Four:

An easement for well, utilities and water line as described in that certain Easement Grant Deed to Joseph R. Sullivan and David B. Sanson, recorded December 31, 2018, as Instrument No. 2018016417, Official Records.

APN: ptn 014-430-070 & 090

Exhibit C-1






GVD DEVELOPMENT CLUSTERS/USES

[see attached]

RESORT COMMUNITIES & PARCEL USES

	Hotel Units	Resort Residential Units	Residential Estate Units
Bohn Ridge Resort Community	31	30	39
Equestrian Center Community	6	13	88
Maha Farm Community	48	45	145
Denniston Golf Estates Community	30	40	89
Resort at Trout Flat Community	12	13	29
Spa Community	-	-	11
Tent Camp Area	20	-	-
Total	147	141	401

Parcel Uses

-  Resort/Hotel Parcels
-  Resort Residential Parcels
-  Residential Estate Parcels
-  Golf Course Parcel
-  Accessory Use Parcels

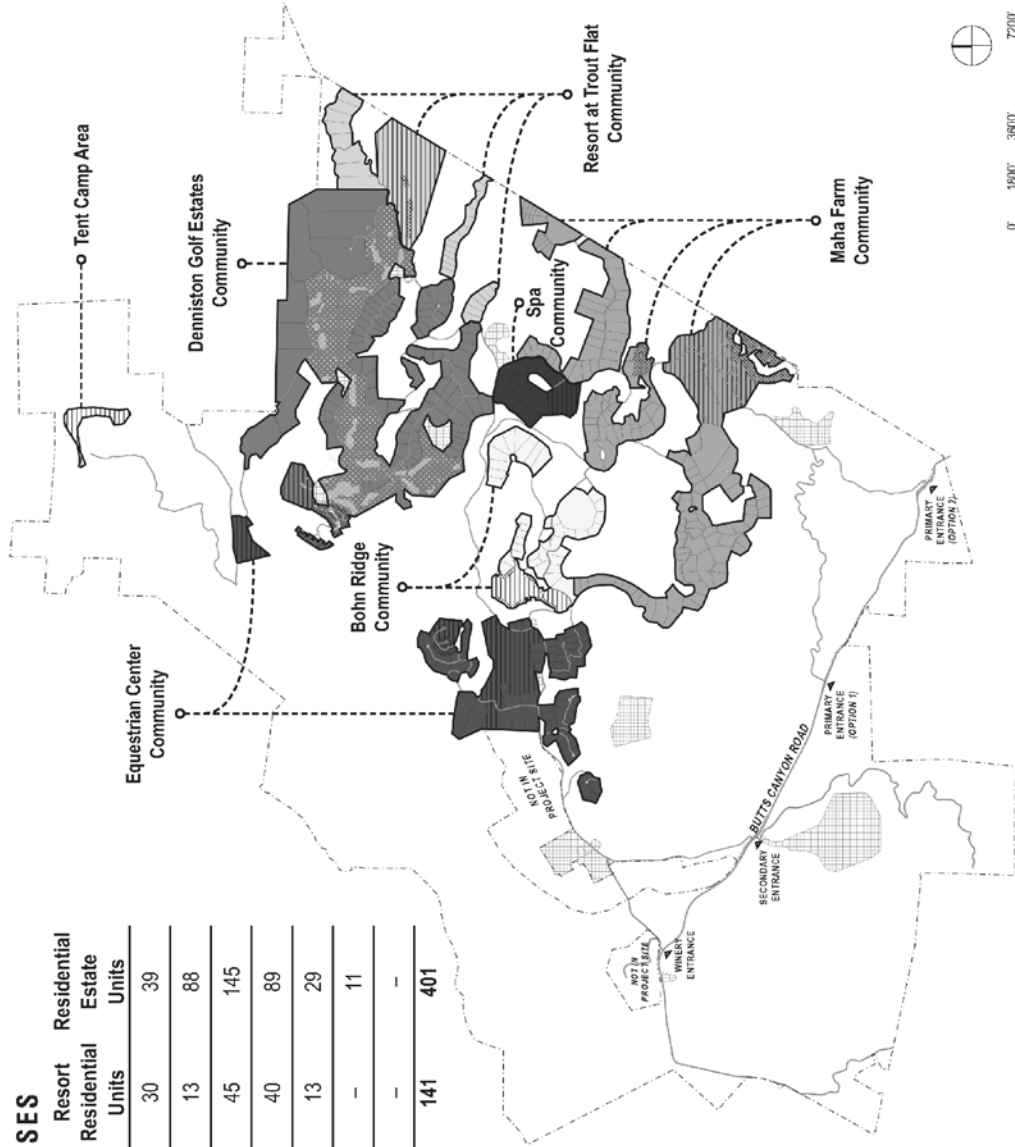


Exhibit C-2

GVD DEVELOPMENT LIMITS TABLE

Exhibit "C-2"

Table 1: Proposed Table Primary Uses of the Guenoc Valley District

Uses	Characteristics	Size (Range of Units or Approximate Acreage)	First Phase GVD Anticipated Uses	Future Phases GVD Anticipated Uses	First Phase as submitted (acres)	First Phase as submitted (Sq Ft)
		GVD Zoning request as described in the NOP			SPOD & Tentative Map	
1. Resort Facilities*						
1.1 Hotels Units	Hotel units are attached or detached hotel rooms without kitchens and include normal uses and structures related to the operation of a hotel. The combination of hotel units are spread out between five boutique hotels (Farmstead, Bohn Ridge, Trout Flat, Red Hill, and Equestrian Lodge) in addition to the wilderness tent camping area, and overnight staff accommodations referred to as the staff hotel or the Entourage Hotel.	350-400 units (290 acres)	(+/-) 225 units	(+/-) 155 units	150 units (area included in commercial square footage)	290,839 Sq Ft
1.2 Resort Residential Units	Attached or detached units with kitchens; fractional or whole ownership.	400-450 units (85 acres)	(+/-) 144 units	(+/-) 260 units	141 units (98 acres)	Units range in size from 1,500 Sq Ft to 3,000 Sq Ft
2. Residential Development						
2.1 Residential Estate Villas*	Whole ownership units intended for sale and subject to GVD Design/Development standards	1,400 units (1895 acres)	(+/-) 411 units	(+/-) 989 units	401 units (2,058 acres)	Units range in size from 2,000 Sq Ft to 15,000 Sq Ft
2.2 Workforce Co-housing	Mixed unit types to accommodate essential employees for the various resorts and commercial uses, offsite locations being considered. Workforce housing units are defined as a 400 square foot bedroom and bathroom unit with shared cooking and resting areas, referenced as co-housing unit.	500 co-housing units	(+/-) 300 co-housing units	(+/-) 200 co-housing units	321 co-housing "units" (on & off-site)	Units range in size from 1,000 Sq Ft to 4,000 Sq Ft
3. Resort Amenities**						
3.1 Outdoor Entertainment	Includes but not limited to outdoor events such as sports events, boating, conference centers, amphitheater, amplified music, etc.	55 acres	5 acres	50 acres	1 acre	20,000 Sq Ft
3.2 Spa and Wellness Area	Offering wide range of health and beauty services and accompanying amenities such as gym & yoga rooms, restrooms/showers, food services, and treatment rooms.	40 acres	20 acres	20 acres	27 acres	161,400 Sq Ft
3.3 Sports and Recreation	Includes but not limited to outdoor recreation areas such as: soccer, rugby, field hockey, football fields, tennis, bocce, basketball, badminton court, swimming pools and recreational surf complex. Indoor facilities include circuit training, organized classes, indoor courts, rock climbing, etc.	300 acres	-	300 acres	5 acres	216,728 Sq Ft
3.4 Equestrian Area	Indoor and outdoor arena, stables, polo club, polo fields, clubhouse, spectator area.	200 acres	100 acres	100 acres	110 acres	161,000 Sq Ft
3.5 Golf	Development of a new non-returning course, clubhouse, storage and service areas, restrooms and the potential to reconstruct the previous golf course.	555 acres	490 acres	175 acres	441 acres	65,850 Sq Ft
3.6 Camping Area	Includes semi-permanent tents for high end glamping opportunities and surrounding outdoor recreational facilities such as but not limited to designated skeet shooting area, hunting, off road courses, fishing, etc.	45 acres	45 acres	-	29 acres	43,200 Sq Ft
3.7 Commercial & Retail	Includes but not limited to coffee shops, butcher shop, creamery, florist, fishmonger, art displays, bakery, newsagent or stand, post office, deli, wine store, restaurant(s), accessory retail stores, recording studio, car parking, public restrooms, open air markets, artisan workshops, gardens, pavilions, bowling, theater, educational facilities such as a culinary school, etc.	45 acres	30 acres	15 acres	9 acres	380,000 Sq Ft
4. Agriculture						
4.1 Agricultural Production Facilities	Wineries to allow production supported by accessory facilities Two boutique wineries with tasting rooms and accessory uses including caves for barrel storage, commercial kitchens.	32 acres (up to a total of 850,000 gallons per year of production)	16 acres (150,000 gallon per year total production)	16 acres (700,000 gallons per year of production)	41 acres (150,000 gallon per year total production)	91,955 Sq Ft indoor 6,202 Sq Ft outdoor
4.2 Accessory to Agricultural Production	Diversified agricultural production facilities include but not limited to herbal distillery, fruit dehydrations, jams and jellies production, creamery, aquaponic agriculture, tallow candles, flower arranging, and honey.	50 acres	34 acres	16 acres	1 acre	27,672 Sq Ft indoor 15,869 Sq Ft outdoor
4.3 Accessory to Livestock and Farm Management	Includes but not limited to bams, equipment storage facilities, fencing, etc.	50 acres	34 acres	16 acres	1 acre	19,000 Sq Ft indoor
5. Accessory Uses						
5.1 Back of House Facilities	Centralized shipping/receiving center, staff support services, centralized laundry facility, private entrance, staff parking, restrooms, maintenance and service areas, security.	75 acres	54 acres	25 acres	55 acres	145,000 Sq Ft
5.2 Fire Station and Emergency Response Center	Emergency Medical Professional (EMT) office to expand into a nurse station, emergency command center, kitchen, restrooms, service rooms, on-site emergency response vehicle storage, and overnight Entourage Units.	25 acres	21 acres	4 acres	18 acres	10,000 Sq Ft
5.3 Alternative Energy Production	Alternative energy sector for solar, wind, and ground source heat pump resources	50 acres	30 acres	20 acres	50 acres	-
5.4 Float Plane Dock	Allowance for float plane landings on Detert Reservoir; welcome center; transportation services	3 acres	3 acres	-	3 acres	3,500 Sq Ft
5.5 Helipads	For medical emergencies there will be a heliport landing center to be located next to the emergency response center, additional locations for guest arrivals and departure will be located proximate to the float plane dock and dedicated welcome kiosk.	2 acres	1 acre	1 acre	1 acre	128,000 Sq Ft (64,000 Sq Ft each)

* All short term rentals under 30 days subject to the payment of Transient Occupancy Tax (TOT).

* Resort Hotel Units may be transferred to Resort Residential Unit allocations and vice versa.

** Ability to swap Resort Amenities acreage between uses.

Maha Permitted Uses as per the GVD Zoning Ordinance & SPOD - submitted October 2019

Exhibit D

LIST OF PROJECT APPROVALS

- General Plan & Zoning Ordinance Amendment (AM 18-04) establishing a new zoning district and to rezone the Guenoc Property to Guenoc Valley District, which would permit the development of up to 850 hotel and resort residential units, 1,400 residential estates, workforce housing, resort amenities, and accessory uses within the Guenoc Property. The zoning ordinance amendment also establishes an Agricultural Preserve Combining District and an Open Space Combining District.
- Approval of entitlements for Phase 1 of development, including a Use Permit for the General Plan of Development (GPOD) and Specific Plan of Development (SPOD; UP 18-01; Appendix SPOD).
- Phased Tentative Subdivision Maps for the Guenoc Property that would allow for the development of seven separate subdivisions with approximately 401 residential estate units villas, 141 resort residential units, 177 hotel rooms, 20 camp sites, and 100 on-site co-housing workforce bedroom units (equivalent to 35 housing units).
- Approval of entitlements for the proposed Workforce Housing on the Santa Clara Property (the “**Middletown Housing Site**”), including a rezone, tentative subdivision map for 50 units and a use permit for a community center.
- Rezone of approximately 3.5 acres in the center of the Middletown Housing Site from Single Family Residential to Two-Family Residential.
- Conceptual Grading Permit to allow for development of off-site water supply well and pipeline to the Detert Reservoir within the Guenoc Property in Butts Canyon Road.
- Map Amendment to the Middletown Area Plan Special Study Area Number 3.

Exhibit E

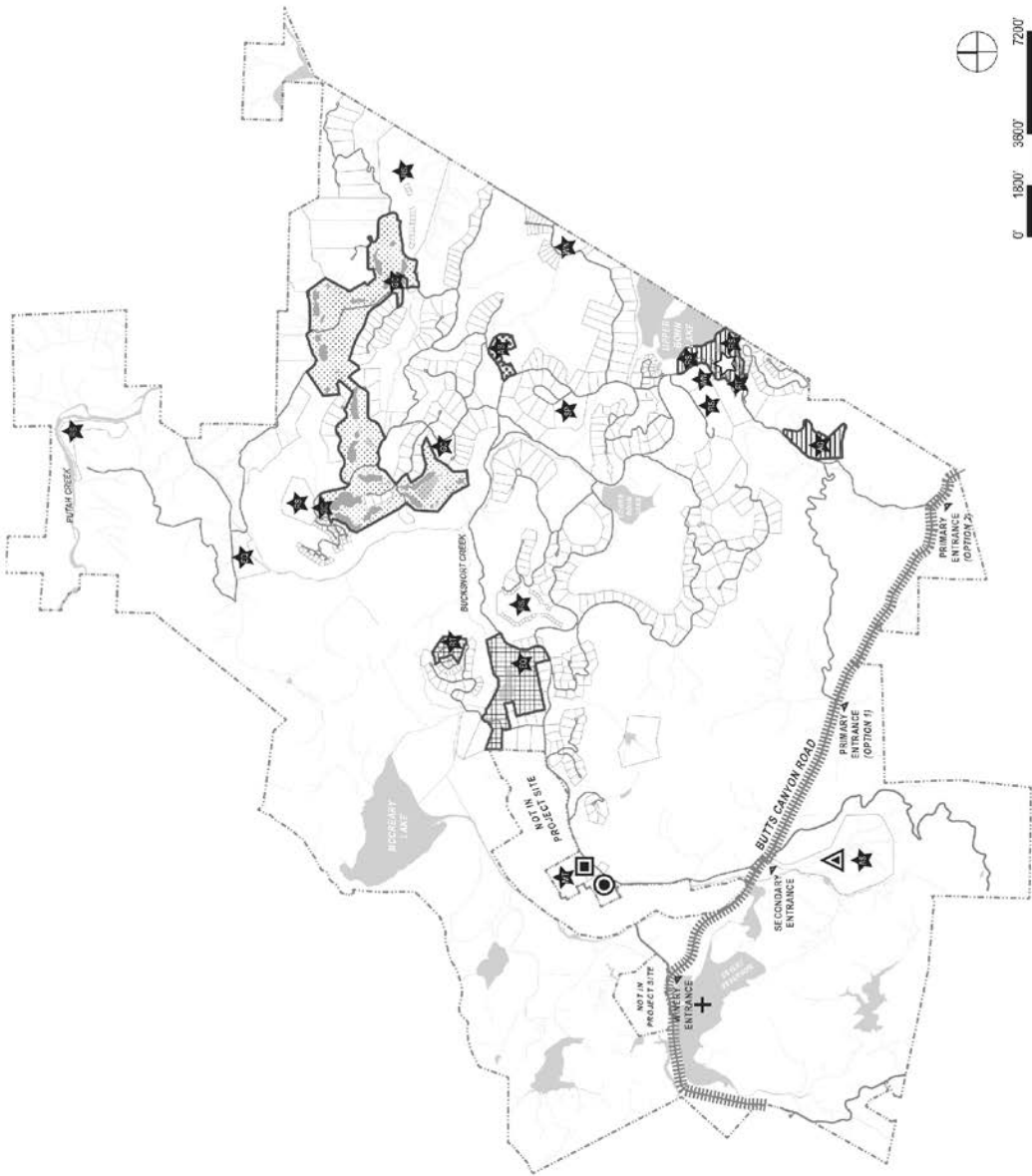
REVIEW PROCEDURES

1. **Electronic Submission.** Notwithstanding anything to the contrary in the Existing County Land Use Regulations or the Design and Construction Standards, all applications for permits, inspections, reviews, approvals and other Local Agency actions, and supporting documentation, may be submitted by Developer in electronic form, and all communications among Developer and Local Agency staff relating to such matters shall be by electronic means.
2. **Independent Professionals.** In the processing of requests and applications for Subsequent Approvals, at Developer's request and at its expense, the Local Agency shall engage independent professionals with appropriate qualifications (each, an "**Independent Professional**") to review the requests for inspections and applications for approvals or other Local Agency action and to request additional information and/or changes in the document or condition being reviewed or inspected from Developer and to recommend approval by the Local Agency official with jurisdiction of the requested Subsequent Approval. Developer shall propose the identity of each Independent Professional for Local Agency approval, which approval shall not unreasonably be withheld or delayed. Developer shall enter into a reimbursement and indemnification agreement with the Local Agency in form and substance reasonably acceptable to each providing for Developer's obligation to pay all fees and reimbursable expenses of the Independent Professional and of Local Agency staff related to the approval, permit or other Local Agency applied for and to indemnify the Local Agency from third party claims arising out of or related to the engagement of the Independent Professional. The Local Agency shall credit all costs incurred by Developer in connection with the Local Agency's engagement of an Independent Professional and related Local Agency staff time against the Local Agency's scheduled application, review and approval fees.
3. **Response Times.** Local Agency departments shall, and shall cause any Independent Professionals to, review and respond to initial applications for Local Agency consents, approvals and permits within fifteen (15) Local Agency working days, and to review and respond to resubmittals following previous comments and requests for revision within then (10) Local Agency working days. If responses are not in the form of approval or the granting of consent or issuance of a permit, the Local Agency shall within such time periods provide detailed descriptions of any additional information or changes required in the documentation previously submitted.

Exhibit F

COMMUNITY BENEFITS

[See attached.]



COMMUNITY BENEFITS

- + Aerial Transportation Access
- ||||| Butts Canyon Road Traffic Calming
- ▒ Emergency Response Center
- ▒ Equestrian Center
- ▒ Farmer's Market & Outdoor Theater
- ▒ Golf Course
- ⊙ Hospitality Employment Education Center
- ▒ Construction Employment Education Center
- ▲ On-Site Workforce Housing & Community Center
- ☆ Local Artisan Retail Opportunities
- ★ Employment Opportunities
- AG Agriculture
- AS Administration & Support Services
- EQ Equestrian
- GC Golf Course
- MT Maintenance
- RS Resort
- RT Restaurant
- WN Winery
- SP Spa



South Lake County Fire Protection District
— in cooperation with —
California Department of Forestry and Fire Protection

P.O. Box 1360 Middletown, CA 95461 - (707) 987-3089

BOARD OF DIRECTORS' REGULAR MEETING MINUTES

7:00 P.M., June 16, 2020

Middletown Fire Station, 21095 Highway 175

NON-TIMED ITEMS

A. OPEN MEETING:

- A1. *President Martinelli called meeting to order at 7:10 p.m.*
- A2. *Chief Duncan lead pledge of allegiance.*
- A3. *Present: Directors Eric Redford, Rob Bostock, Devin Hoberg, Vice President Jim Comisky, and President Madelyn Martinelli. Also present: Chief Paul Duncan, Battalion Chief Mike Wink, and Board Clerk Gloria Fong.*
- A4. *Administration of Oath of Office to Eric Redford appointed May 12, 2020 by Lake County Board of Supervisors to hold office until December 2020 "must stand for Election November 3, 2020 for 2-year unexpired term" to fill vacancy created by resignation of Reg Garcia, who resigned from office on February 13, 2020, and whose 4-year term of office expires in December 2022.*
- A5. **HOBERG/COMISKY MOTION** to approve agenda. *AYES: Hoberg, Redford, Bostock, Comisky, Martinelli. NOES: None. MOTION CARRIED.*

B. CITIZENS' INPUT: None

C. COMMUNICATIONS:

C1. Reports:

C1.1. Fire Sirens

Reported on second page of Chief's report is that they plan to re-open "House of Bargains" on July 14th.

C1.2. SL Fire Safe Council: No report.

C1.3. Volunteer Firefighters' Association

Association President Fenk reports:

Annual firemen's dinner originally scheduled for June is on hold until next year.

Association is meeting to start discussion for small raffle to keep in public eye.

COVID situation as far as response been exceptional.

Vehicle fire training, testing and week or two for completion of certs is what remains to get new recruits ready for response. He hopes to hold badge pinning at July Board meeting.

The Type 6 is reported in in Chief's report.

C1.4. Chief's Report

Chief Duncan read from his written report provided in the agenda packet.

C1.5. Financial Report

Analyst Fong read from her report provided in the agenda packet.

C2. Directors' Activity and Committee Report

Director Bostock has no activity to report.

Director Hoberg has no district business to report.

Director Comisky participated in rewrite of Director and Fire Chief curriculum that hasn't been done in 10 years. While employed with Sonoma County Fire he was involved with preparation of Directors book and is looking into one for this Board.

Battalion Chief Wink expanded on this, explaining the nexus with what Director Comisky is working on was talked about over the years. We don't have some sort of MOU or MOA with guidelines for Directors when in extreme situations like Valley Fire, where Directors put in excessive hours to be able to be reimbursed or compensated. This is partially planning for setting up Board for success and provide some sort of compensation above and beyond, which Board agreed to have Director Comisky continue.

Director Martinelli's activity has been with Cobb Area Council.

C3. Written Communications: *Chief Duncan read redacted copy of seizure call kudos that's included in the agenda packet. FAE/Paramedic Tony Dozier, Recruit Nik Vargas, and FAE/Paramedic Smith responded to this incident. Chief Duncan will make sure the Sonoma Lake Napa staff also receives a copy of this.*

TIMED ITEMS

D. REGULAR ITEM:

D1. Consideration for duty statements for additions / changes and Memorandum of Understanding By and Between South Lake County Fire Protection District and South Lake County Volunteer Firefighters Association Inc. for Paid-Call Personnel. Placed on agenda by Association President Todd Fenk.

Association President Fenk informed the Board that this is for the EMS position we'd been going back and forth on and moving forward with.

COMISKY/BOSTOCK MOTION to accept duty statements and additions, changes provided for D1. **AYES:** Redford, Bostock, Comisky, Hoberg, Martinelli. **NOES:** None. **MOTION CARRIED.**

D2. Consideration for Resolution No. 2019-20-12, A Resolution Requesting the Board of Supervisors and the Registrar of Voters consent to and order the consolidation with such other elections as may be held on Tuesday, November 3, 2020, anywhere within the territory of the district for three (3) full four-year terms of office expiring December 2020 and one (1) two-year unexpired term of office expiring December 2022. Placed on agenda by Gloria Fong.

COMISKY/HOBERG MOTION to approve D2 as submitted. **AYES:** Bostock, Hoberg, Redford, Comisky, Martinelli **NOES:** None. **MOTION CARRIED.**

D3. Consideration for Resolution No. 2019-20-13, A Resolution Establishing Fiscal Year 2020-2021 Appropriations Limit. Placed on agenda by Gloria Fong

Item is tabled to July meeting.

D4. Consideration for Surplus of 1966 Sonoma Kitchen/Trailer. Placed on agenda by Chief Paul Duncan.

Chief Duncan read his information that is provided in the agenda packet.

HOBERG/MARTINELLI MOTION to surplus Sonoma Kitchen, sold to Kelseyville Fire for \$2,000 and for our use when needed. AYES: Comisky, Redford, Hoberg, Bostock, Martinelli. NOES: None. **MOTION CARRIED.**

E. CONSENT CALENDAR:

E1. Minutes presented:

E1.1. April 21, 2020 – Regular Meeting

E1.2. May 19, 2020 – Regular Meeting

E2. Warrants presented:

E2.1. June – preliminary

E2.2. May – corrected

HOBERG/BOSTOCK MOTION to approve consent calendar. AYES: Bostock, Redford, Hoberg, Bostock, Comisky, Martinelli. NOES: None. **MOTION CARRIED.**

F. **COMISKY/HOBERG MOTION** to adjourn the meeting at 8:11 p.m. All members in attendance are in favor of the motion

Respectfully submitted by: _____
Gloria Fong
Board Clerk

READ AND APPROVED BY: _____
MADELYN MARTINELLI
President – Board of Directors

**South Lake County
Fire Protection District
Cost Accounting Management System
Invoice Distribution**

*Detail Report by Voucher No, Invoice
Run Date: 07/17/2020 04:15:37pm By: GF
Fiscal Year: 2021, 2020*

Selection Criteria

Select Inv Batch No
07/01/20, 07/21/20

Report Template

*KEEP Warrant List
\\Southlake\Lsladmin\Wincams\Lslfiles\Report\Criteria\KEEP Warrant List.rst*

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10106	VOUCHER NO: <unknown> REST PYRL 20-21 INVOICE: RESTABLISH PYRL 07/01/20 STATUS: Printed VENDOR: SOUT002 SOUTH LAKE COUNTY FIRE FY 2020-2021	357-9557-795-0900 -00	50,000.00	
	* REST PYRL 20-21 Subtotal		50,000.00	
	** 10106 Subtotal (1 Invoice)		50,000.00	
10107	VOUCHER NO: <unknown> 8518AUG2020 INVOICE: GROUP LIFE FOR PCFS 07/01/20 STATUS: Printed VENDOR: ARBA001 ARBA			
	AUG 2020 ATKINS	357-9557-795-0330 -G	8.32	
	AUG 2020 BULLOCK	357-9557-795-0330 -G	8.32	
	AUG 2020 CHASE	357-9557-795-0330 -G	8.32	
	AUG 2020 COLLINS	357-9557-795-0330 -G	8.32	
	AUG 2020 COSTA	357-9557-795-0330 -G	8.32	
	AUG 2020 DANIELS	357-9557-795-0330 -G	8.32	
	AUG 2020 DELONG	357-9557-795-0330 -G	8.32	
	AUG 2020 EMERSON	357-9557-795-0330 -G	8.32	
	AUG 2020 FANUCCHI	357-9557-795-0330 -G	8.32	
	AUG 2020 FENK	357-9557-795-0330 -G	8.32	
	AUG 2020 FLEENAR	357-9557-795-0330 -G	8.32	
	AUG 2020 FRAYER	357-9557-795-0330 -G	8.32	
	AUG 2020 HESS	357-9557-795-0330 -G	8.32	
	AUG 2020 HILDEBRAND	357-9557-795-0330 -G	8.32	
	AUG 2020 LANNING	357-9557-795-0330 -G	8.32	
	AUG 2020 LEUZINGER	357-9557-795-0330 -G	8.32	
	AUG 2020 LIBBY	357-9557-795-0330 -G	8.32	
	AUG 2020 LOPEZ	357-9557-795-0330 -G	8.32	
	AUG 2020 MCGEE	357-9557-795-0330 -G	8.32	
	AUG 2020 MIINCH	357-9557-795-0330 -G	8.32	
	AUG 2020 MYERS	357-9557-795-0330 -G	8.32	
	AUG 2020 NEWSOM	357-9557-795-0330 -G	8.32	
	AUG 2020 PARROTT	357-9557-795-0330 -G	8.32	
	AUG 2020 RYON	357-9557-795-0330 -G	8.32	
	AUG 2020 SMITH	357-9557-795-0330 -G	8.32	
	AUG 2020 TOTAGRANDE	357-9557-795-0330 -G	8.32	
	AUG 2020 VARGAS	357-9557-795-0330 -G	8.32	
	AUG 2020 ZIENTEK	357-9557-795-0330 -G	8.32	
	* 8518AUG2020 Subtotal		232.96	
	** 10107 Subtotal (1 Invoice)		232.96	
10108	VOUCHER NO: <unknown> 15042485 INVOICE: TELEPHONE CHGS 07/13/20 STATUS: Printed VENDOR: AT&T001 AT&T			
	ME 07/12/20	357-9557-795-3000 -T4	21.60	
	ME 07/12/20	357-9557-795-3000 -T2	47.90	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10108	VOUCHER NO: <unknown>			
15042485	INVOICE: TELEPHONE CHGS 07/13/20	STATUS: Printed VENDOR: AT&T001	AT&T	
	ME 07/12/20	357-9557-795-3000 -T3	48.98	
	ME 07/12/20	357-9557-795-3000 -T0	170.93	
	ME 07/12/20	357-9557-795-3000 -TF	19.95	
	* 15042485 Subtotal		309.36	
** 10108 Subtotal (1 Invoice)			309.36	
10109	VOUCHER NO: <unknown>			
80	06/29/20 INVOICE: WATER 07/01/20	STATUS: Printed VENDOR: CALL001	CALLAYOMI CO WATER DISTRICT	
	ME 06/29/20 (106620)	357-9557-795-3000 -W0	1,033.22	
	* 80 06/29/20 Subtotal		1,033.22	
81	06/29/20 INVOICE: WATER 07/01/20	STATUS: Printed VENDOR: CALL001	CALLAYOMI CO WATER DISTRICT	
	ME 06/29/20 (275)	357-9557-795-3000 -WF	34.54	
	* 81 06/29/20 Subtotal		34.54	
** 10109 Subtotal (2 Invoices)			1,067.76	
10110	VOUCHER NO: <unknown>			
710-CSS	INVOICE: WinCAMS Acctg Softwa 07/01/20	STATUS: Printed VENDOR: CASC001	CASCADE SOFTWARE SYSTEMS	
	07/01/2020 - 06/30/2021	357-9557-795-1700 -60	1,000.00	
	* 710-CSS Subtotal		1,000.00	
** 10110 Subtotal (1 Invoice)			1,000.00	
10111	VOUCHER NO: <unknown>			
185	06/22/20 INVOICE: WATER 06/22/20	STATUS: Printed VENDOR: COBB001	COBB AREA CO WATER DISTRICT	
	ME 06/22/20 (8000)	357-9557-795-3000 -W2	120.76	
	* 185 06/22/20 Subtotal		120.76	
** 10111 Subtotal (1 Invoice)			120.76	
10112	VOUCHER NO: <unknown>			
FASIS-2021-0195	INVOICE: WORKERS COMPENSATION 07/01/20	STATUS: Printed VENDOR: FASI001	FASIS	
	CLERICAL, NONSAFETY	357-9557-795-0400 -NC	543.00	
	SAFETY	357-9557-795-0400 -SF	2,104.00	
	VOLUNTEER	357-9557-795-0400 -SF	2,726.00	
	MUNICIPALITY, NONSAFETY	357-9557-795-0400 -NM	65.00	
	* FASIS-2021-0195 Subtotal		5,438.00	
** 10112 Subtotal (1 Invoice)			5,438.00	
10113	VOUCHER NO: <unknown>			
16421	INVOICE: BAY DOOR REPAIR 06/20/20	STATUS: Printed VENDOR: JERI001	JERI-CO GARAGE DOORS & OPERATIONS	
	LIFTMASTER MH5011 & EXTRA REMOTES	357-9557-795-1800 -60	900.00	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10117	VOUCHER NO: <unknown>			
2141	INVOICE: ELECTRICAL SAFETY PR 03/16/20 COPIES - YELLOW CARDSTOCK	STATUS: Printed VENDOR: MIDD001 357-9557-795-2830 -PG	MIDDLETOWN COPY & PRINT 7.51	PG&E FUNDS
	* 2141 Subtotal		4,342.99	
2182	INVOICE: MAHA-GUENOC PRESENTA 07/08/20 FIRE PREVENTION BOOKS (154 PGS) FLYER - SAFETY ALERT 110# INDEX-CAN	STATUS: Printed VENDOR: MIDD001 357-9557-795-2270 -60 357-9557-795-2270 -60	MIDDLETOWN COPY & PRINT 312.74 16.09	
	* 2182 Subtotal		328.83	
	** 10117 Subtotal (2 Invoices)		4,671.82	
10118	VOUCHER NO: <unknown>			
699137074150622	INVOICE: ELECTRIC CHARGES 06/23/20 ME 06/22/20 (2502.322800 kWh) ME 06/22/20 (486.011000 kWh) ME 06/22/20 (406.647000 kWh) ME 06/22/20 (4290.380000 kWh) ME 06/22/20 (2955.154000 kWh)	STATUS: Printed VENDOR: PG&E001 357-9557-795-3000 -E2 357-9557-795-3000 -EF 357-9557-795-3000 -E4 357-9557-795-3000 -E0 357-9557-795-3000 -E3	PG&E 655.21 149.85 130.41 1,295.66 773.59	
	* 699137074150622 Subtotal		3,004.72	
	** 10118 Subtotal (1 Invoice)		3,004.72	
10119	VOUCHER NO: <unknown>			
8588205	INVOICE: LABELMAKER REFILLS 07/14/20 PTOUCH TAPE 1/2IN BLK/WHT PTOUCH TAPE 1/2IN BLK/WHT	STATUS: Printed VENDOR: QUIL001 357-9557-795-2270 -60 357-9557-795-2270 -62	QUILL LLC 32.69 32.69	
	* 8588205 Subtotal		65.38	
	** 10119 Subtotal (1 Invoice)		65.38	
10120	VOUCHER NO: <unknown>			
02-116796 063020	INVOICE: REFUSE/RECYCLE COLL 06/30/20 ME 06/30/20	STATUS: Approved VENDOR: USBA001 357-9557-795-3000 -G2	US BANK 65.55	
	* 02-116796 063020 Subtotal		65.55	
02-152940 063020	INVOICE: REFUSE/RECYCLE COLL 06/30/20 ME 6/30/20	STATUS: Approved VENDOR: USBA001 357-9557-795-3000 -G0	US BANK 81.40	
	* 02-152940 063020 Subtotal		81.40	
02-601722 063020	INVOICE: REFUSE/RECYCLE COLL 06/30/20 ME 06/30/20	STATUS: Approved VENDOR: USBA001 357-9557-795-3000 -G3	US BANK 77.64	
	* 02-601722 063020 Subtotal		77.64	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10120	VOUCHER NO: <unknown>			
02-75450	INVOICE: MENS RR LIGHT FXT RE 07/05/20	STATUS: Approved	VENDOR: USBA001	US BANK
	ELECTRICAL SUPPLIES	357-9557-795-1800 -60	450.40	
	* 02-75450 Subtotal		450.40	
0423433	INVOICE: SUPPLIES TO SUPPORT 07/14/20	STATUS: Approved	VENDOR: USBA001	US BANK
	POLYCOM SOUNDSTATION2 EXPANDABLE AN	357-9557-795-1200 -60	66.44	
	* 0423433 Subtotal		66.44	
062920	INVOICE: AC UNIT MAINT 06/29/20	STATUS: Approved	VENDOR: USBA001	US BANK
	T3D - UNIT REFRIGERANT LOW, LEAK SE	357-9557-795-1800 -62	100.00	
	410A REFRIGERANT	357-9557-795-1800 -62	268.00	
	LEAK STOP	357-9557-795-1800 -62	150.00	
	* 062920 Subtotal		518.00	
071118	INVOICE: AC UNIT MAINT-BILLED 07/11/18	STATUS: Approved	VENDOR: USBA001	US BANK
	DIAGNOSTIC- OTHER UNIT	357-9557-795-1800 -62	70.00	
	6 LBS REFRIGERANT - OTHER UNIT	357-9557-795-1800 -62	402.00	
	T2D - LIVING AREA UNIT	357-9557-795-1800 -62	100.00	
	* 071118 Subtotal		572.00	
1112197601	INVOICE: PROPANE 06/29/20	STATUS: Approved	VENDOR: USBA001	US BANK
	FILL 06/29/20	357-9557-795-3000 -P0	191.13	
	* 1112197601 Subtotal		191.13	
1143	INVOICE: EXTRICATION EQT SVC 06/26/20	STATUS: Approved	VENDOR: USBA001	US BANK
	E1487 REPLACE CARBURATOR #17463hu	357-9557-795-1700 -31	78.23	
	E1487 REPLACE CARRY HANDLE ON 5350	357-9557-795-1700 -31	52.16	
	E1487 SERVICE SET TR5350/70 CARRY H	357-9557-795-1700 -31	279.56	
	E1487 TRAVEL TIME	357-9557-795-1700 -31	104.31	
	E1487 CARBURETOR GXH50Q	357-9557-795-1700 -31	64.67	
	* 1143 Subtotal		578.93	
1356240	INVOICE: EXTENDED FIRELINE SU 07/04/20	STATUS: Approved	VENDOR: USBA001	US BANK
	WT6011 JET BOIL COFFEE MAKER	357-9557-795-2830 -60	18.47	
	WT6411 JET BOIL COFFEE MAKER	357-9557-795-2830 -64	18.47	
	WT6011 JET BOIL FUEL	357-9557-795-2830 -60	19.50	
	WT6411 JET BOIL FUEL	357-9557-795-2830 -64	19.50	
	WT6011 MOUNTAIN HOUSE BUCKET FOOD	357-9557-795-2830 -60	56.59	
	WT6411 MOUNTAIN HOUSE BUCKET FOOD	357-9557-795-2830 -64	56.60	
	* 1356240 Subtotal		189.13	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10120	VOUCHER NO: <unknown>			
1413485	INVOICE: NOMEX PANTS 06/16/20 DOMINIC FANUCCHI	STATUS: Approved VENDOR: USBA001 357-9557-795-1100 -UF	US BANK 185.25	
	* 1413485 Subtotal		185.25	
146681	INVOICE: NOZZLE REPLACEMENT 07/06/20 BRASS CHROME PLATED 2-1/2" NH E6221	STATUS: Approved VENDOR: USBA001 357-9557-795-2830 -62	US BANK 110.37	
	* 146681 Subtotal		110.37	
1611418	INVOICE: NEW GPS UNITS E6221, 07/09/20 GARMIN GPSMAP 64SX HANDHELD with AL GARMIN GPSMAP 64SX HANDHELD with AL	STATUS: Approved VENDOR: USBA001 357-9557-795-2830 -62 357-9557-795-2830 -63	US BANK 287.90 287.90	
	* 1611418 Subtotal		575.80	
179125	INVOICE: NEW PORTABLE LIGHTS 07/10/20 FIRE VULCAN LED-ORANGE/STANDARD W/S	STATUS: Approved VENDOR: USBA001 357-9557-795-2848 -A3	US BANK 385.68	
	* 179125 Subtotal		385.68	
300000770	INVOICE: ANNUAL MEMBERSHIP 07/01/20 FY 2020-2021	STATUS: Approved VENDOR: USBA001 357-9557-795-2000 -FD	US BANK 200.00	
	* 300000770 Subtotal		200.00	
30128147	07/1620 INVOICE: INTERNET SVC 06/07/20 ME 07/16/20	STATUS: Approved VENDOR: USBA001 357-9557-795-3000 -I3	US BANK 67.64	
	* 30128147 07/1620 Subtotal		67.64	
30165883	072620 INVOICE: INTERNET SVC 06/17/20 ME 07/26/20	STATUS: Approved VENDOR: USBA001 357-9557-795-3000 -I2	US BANK 67.64	
	* 30165883 072620 Subtotal		67.64	
30173705	072620 INVOICE: INTERNET SVC 06/17/20 ME 07/26/20	STATUS: Approved VENDOR: USBA001 357-9557-795-3000 -I0	US BANK 57.99	
	* 30173705 072620 Subtotal		57.99	
30522043	INVOICE: BOARD MEETING REMOTE 07/11/20 STANDARD PRO MONTHLY 07/11-08/10/20	STATUS: Approved VENDOR: USBA001 357-9557-795-2380 -WH	US BANK 14.99	
	* 30522043 Subtotal		14.99	
324868	INVOICE: FABRICATE, WELD SHEL 06/28/20 3/16x1-1/2x1-1/2 Alum Angre Iron Sq Ft 1/8" Alum Plate	STATUS: Approved VENDOR: USBA001 357-9557-795-1800 -60 357-9557-795-1800 -60	US BANK 259.53 301.63	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10120	VOUCHER NO: <unknown>			
324868	INVOICE: FABRICATE, WELD SHEL 06/28/20	STATUS: Approved VENDOR: USBA001	US BANK	
	Labor Welding/Fabricating shelves	357-9557-795-1800 -60	900.00	
	* 324868 Subtotal		1,461.16	
3515	INVOICE: QTRLY SVC & SUBSCR Q 06/30/20	STATUS: Approved VENDOR: USBA001	US BANK	
	B1417 TABLET	357-9557-795-2380 -FA	45.00	
	B1418 TABLET	357-9557-795-2380 -FA	45.00	
	E1487 TABLET	357-9557-795-2380 -FA	45.00	
	M6211 TABLET	357-9557-795-2380 -F2	45.00	
	M6311 TABLET	357-9557-795-2380 -F3	45.00	
	* 3515 Subtotal		225.00	
399275	INVOICE: STRUCTURE GEAR 06/23/20	STATUS: Approved VENDOR: USBA001	US BANK	
	G-XCEL JACKET GLOBE CUSTOM	357-9557-795-1100 -PE	6,998.06	
	GPS-SLIM JACKET GLOBE CUSTOM	357-9557-795-1100 -PE	2,243.67	
	GPS-REG PANT GLOBE CUSTOM	357-9557-795-1100 -PE	3,365.51	
	* 399275 Subtotal		12,607.24	
400492	INVOICE: WILD LAND GEAR 06/25/20	STATUS: Approved VENDOR: USBA001	US BANK	
	YELLOW WILDFIRE XL WILDLAND FIRE HE	357-9557-795-1100 -PE	304.32	
	* 400492 Subtotal		304.32	
45315	INVOICE: PEST CONTROL 07/15/20	STATUS: Approved VENDOR: USBA001	US BANK	
	RODENT BAIT STATIONS	357-9557-795-1800 -63	20.00	
	* 45315 Subtotal		20.00	
50050000 063020	INVOICE: WATER/SEWER 07/01/20	STATUS: Approved VENDOR: USBA001	US BANK	
	Water ME 06/30/20 (648)	357-9557-795-3000 -W3	56.95	
	Sewer ME 06/30/20	357-9557-795-3000 -W3	71.21	
	* 50050000 063020 Subtotal		128.16	
60285A	INVOICE: SEWER CHECK-DUG UP S 05/19/20	STATUS: Approved VENDOR: USBA001	US BANK	
	HOURS OF PLUMBING	357-9557-795-1800 -62	169.36	
	MATERIALS AND PARTS	357-9557-795-1800 -62	707.93	
	* 60285A Subtotal		877.29	
60361A	INVOICE: SEWER CHECK-DUG UP A 05/21/20	STATUS: Approved VENDOR: USBA001	US BANK	
	HOURS OF PLUMBING	357-9557-795-1800 -62	724.81	
	VIDEO INSPECT	357-9557-795-1800 -62	100.67	
	MATERIALS AND PARTS	357-9557-795-1800 -62	83.75	
	* 60361A Subtotal		909.23	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10120	VOUCHER NO: <unknown>			
61512	INVOICE: BAY DOOR REPAIR 07/02/20 10% OF BID FOR GLASS REPL	STATUS: Approved VENDOR: USBA001 357-9557-795-1800 -60	US BANK 112.00	
* 61512 Subtotal			112.00	
6888268	INVOICE: EXTENDED FIRELINE SU 07/04/20 WT6011 JETBOIL FLASH CAMPING STOVE WT6411 JETBOIL FLASH CAMPING STOVE	STATUS: Approved VENDOR: USBA001 357-9557-795-2830 -F0 357-9557-795-2830 -F4	US BANK 117.92 117.92	
* 6888268 Subtotal			235.84	
79646-01	INVOICE: POSTAGE 07/15/20 US FLAG COIL/100	STATUS: Approved VENDOR: USBA001 357-9557-795-2271 -60	US BANK 110.00	
* 79646-01 Subtotal			110.00	
8869	INVOICE: INVENTORY APP ANNUAL 07/01/20 07/01/20 - 06/30/21 07/01/20 - 06/30/21 07/01/20 - 06/30/21 07/01/20 - 06/30/21	STATUS: Approved VENDOR: USBA001 357-9557-795-2380 -60 357-9557-795-2380 -62 357-9557-795-2380 -63 357-9557-795-2380 -64	US BANK 280.25 280.25 280.25 280.25	
* 8869 Subtotal			1,121.00	
9172245	INVOICE: TRNG SUPPLIES B17/18 07/14/20 WHITEBOARD 40x28 MAGNETIC DRY ERASE DRY ERASE MARKERS CHISEL TIP ASST'D DRY ERASE MARKERS CHISEL TIP 6 PIEC	STATUS: Approved VENDOR: USBA001 357-9557-795-2830 -TB 357-9557-795-2830 -TB 357-9557-795-2830 -TB	US BANK 428.79 42.81 29.52	
* 9172245 Subtotal			501.12	
9857521624	INVOICE: CELLULAR SVC 06/26/20 M6211 ME 07/26/20 Booster extender M6311 ME 07/26/20 Booster Extender NM6211 ME 07/26/20 Tablet B1417 ME 07/26/20 Tablet B1418 ME 07/26/20 Tablet M6211 ME 07/26/20 Tablet E1487 ME 07/26/20 Tablet M6311 ME 07/26/20 Tablet M6012 ME 07/26/20 Cell Phone OES359 ME 07/26/20 Cell Phone Spare ME 07/26/20 Cell Phone M6011 ME 07/26/20 Cell Phone M6211 ME 07/26/20 Cell Phone	STATUS: Approved VENDOR: USBA001 357-9557-795-1200 -C2 357-9557-795-1200 -C3 357-9557-795-1200 -C2 357-9557-795-1200 -CA 357-9557-795-1200 -CA 357-9557-795-1200 -C2 357-9557-795-1200 -CA 357-9557-795-1200 -C3 357-9557-795-1200 -C0 357-9557-795-1200 -C0 357-9557-795-1200 -C0 357-9557-795-1200 -C0 357-9557-795-1200 -C2	US BANK 38.01 38.01 38.01 16.02 16.02 16.02 16.02 16.02 16.02 0.46 0.46 0.46 0.46 0.46	

Run Date: 07/17/2020 04:15:37pm
Fiscal Year: 2021, 2020
Selection Criteria: See Cover Page

South Lake County
Fire Protection District
Cost Accounting Management System
Invoice Distribution

Page 9
By: GF

<u>Line</u>	<u>Item Description</u>	<u>Budget Exp Acct</u>	<u>Line Net Amt</u>	<u>Req No / Descr 2</u>
10120	VOUCHER NO: <unknown>			
9857521624	INVOICE: CELLULAR SVC 06/26/20	STATUS: Approved VENDOR: USBA001	US BANK	
	M6311 ME 07/26/20 Cell Phone	357-9557-795-1200 -C3	0.46	
	* 9857521624 Subtotal		196.89	
I-306387	INVOICE: COPY PAPER 07/10/20	STATUS: Approved VENDOR: USBA001	US BANK	
	PAPER 8.5x11 20LB	357-9557-795-2270 -60	81.36	
	* I-306387 Subtotal		81.36	
SO1383804	INVOICE: THERMAL IMAGING CAME 07/05/20	STATUS: Approved VENDOR: USBA001	US BANK	
	SEEK TIC GEAR KEEPER WITH ALUM CARA	357-9557-795-2830 -31	44.48	
	* SO1383804 Subtotal		44.48	
** 10120 Subtotal (35 Invoices)			23,391.07	
*** Grand Total (53 Invoices)			93,075.20	

*** END OF REPORT ***

**South Lake County
Fire Protection District
Cost Accounting Management System
Invoice Distribution**

*Detail Report by Voucher No, Invoice
Run Date: 07/17/2020 12:51:59pm By: GF
Fiscal Year: 2020*

Selection Criteria

Select Inv Batch No
06/16/20, 06/25/20

Report Template

*KEEP Warrant List for Board without USBank
\\Southlake\Lsladmin\Wincams\Lslfiles\Report\Criteria\KEEP Warrant List for Board without USBank.rst*

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10075	VOUCHER NO: <unknown>			
6579403	INVOICE: BLACKLIGHT FLASHLIGH	04/05/20 STATUS: Printed	VENDOR: USBA001	US BANK
	MCDOER BLACKLIGHT FLASHLIGHT UV 100	357-9557-795-2830 -00	51.33	PO 20014 COVID19
	* 6579403 Subtotal		51.33	
9541863	INVOICE: TOOL REPL M6211 03/31/20	STATUS: Printed	VENDOR: USBA001	US BANK
	LOCK OUT TOOL	357-9557-795-2700 -62	73.01	
	* 9541863 Subtotal		73.01	
** 10075 Subtotal (2 Invoices)			124.34	
10076	VOUCHER NO: <unknown>			
VOID10076 061620	INVOICE: VOID 10076 06/16/20 06/16/20	STATUS: Approved	VENDOR: VOID	VOID
	VOID 10076 06/16/20	357-9557-795-3800 -V	0.00	
	* VOID10076 061620 Subtotal		0.00	
** 10076 Subtotal (1 Invoice)			0.00	
10077	VOUCHER NO: <unknown>			
20120998	INVOICE: BOARD MTG REMOTE ACC	06/16/20 STATUS: Printed	VENDOR: USBA001	US BANK
	STANDARD PRO MONTHLY 6/10/20	357-9557-795-2380 -WH	14.99	
	* 20120998 Subtotal		14.99	
6586671CM	INVOICE: SAFETY SIGNAGE 05/05/20	STATUS: Printed	VENDOR: USBA001	US BANK
	EYE PROTECTION REQUIRED IN THIS ARE	357-9557-795-1800 -60	-12.34	
	EMERGENCY GAS SHUTOFF SIGN - STA 63	357-9557-795-1800 -63	-4.01	
	EMERGENCY GAS SHUTOFF SIGN - STA 60	357-9557-795-1800 -60	-4.01	
	* 6586671CM Subtotal		-20.36	
6586671CORR	INVOICE: SAFETY SIGNAGE 05/05/20	STATUS: Printed	VENDOR: USBA001	US BANK
	EYE PROTECTION REQUIRED IN THIS ARE	357-9557-795-1800 -60	12.33	
	EMERGENCY GAS SHUTOFF SIGN - STA 63	357-9557-795-1800 -63	4.01	
	EMERGENCY GAS SHUTOFF SIGN - STA 60	357-9557-795-1800 -60	4.01	
	* 6586671CORR Subtotal		20.35	
6788201	INVOICE: THERMOMETER 04/07/20	STATUS: Printed	VENDOR: USBA001	US BANK
	THERMOSCAN PRO 6000 EAR THERMOMETER	357-9557-795-2830 -00	267.05	PO 20014 COVID19
	* 6788201 Subtotal		267.05	
W855702008CM	INVOICE: DISHWASHER REPL STA	04/22/20 STATUS: Printed	VENDOR: USBA001	US BANK
	FRIGIDAIRE FRONT CONTROL BUILT IN D	357-9557-795-1700 -63	-722.96	
	DISHWASHER 110V CORD	357-9557-795-1700 -63	-10.71	
	DISHWASHER PARTS KIT AND ADAPTER	357-9557-795-1700 -63	-23.58	
	* W855702008CM Subtotal		-757.25	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10077	VOUCHER NO: <unknown>			
	W855702008CORR INVOICE: DISHWASHER REPL STA 04/22/20 STATUS: Printed VENDOR: USBA001 US BANK			
	FRIGIDAIRE FRONT CONTROL BUILT IN D	357-9557-795-1700 -63	722.97	
	DISHWASHER 110V CORD	357-9557-795-1700 -63	10.71	
	DISHWASHER PARTS KIT AND ADAPTER	357-9557-795-1700 -63	23.58	
	* W855702008CORR Subtotal		757.26	
	** 10077 Subtotal (6 Invoices)		282.04	
10078	VOUCHER NO: <unknown>			
	09961 INVOICE: ELECTRICAL INTERIOR 05/28/20 STATUS: Printed VENDOR: BIGV001 BIG VALLEY ELECTRIC			
	100 AMP PANEL	357-9557-795-1800 -64	209.70	PO 20007 LOCH LOMOND STA REPRS
	1POLE 20AMP BREAKERS	357-9557-795-1800 -64	64.80	PO 20007 LOCH LOMOND STA REPRS
	1POLE 15 AMP BREAKERS	357-9557-795-1800 -64	64.80	PO 20007 LOCH LOMOND STA REPRS
	MISC CONDUIT FITTINGS	357-9557-795-1800 -64	5.70	PO 20007 LOCH LOMOND STA REPRS
	1/2"EMT CONDUIT	357-9557-795-1800 -64	14.00	PO 20007 LOCH LOMOND STA REPRS
	1/2" EMT COMP. CONNECTORS	357-9557-795-1800 -64	2.00	PO 20007 LOCH LOMOND STA REPRS
	4 SQ DEEP METAL BOX	357-9557-795-1800 -64	10.00	PO 20007 LOCH LOMOND STA REPRS
	INDUSTRIAL METAL OUTLET COVER	357-9557-795-1800 -64	16.00	PO 20007 LOCH LOMOND STA REPRS
	#12 THHH COPPER WIRE	357-9557-795-1800 -64	18.00	PO 20007 LOCH LOMOND STA REPRS
	20 AMP GFI OUTLETS	357-9557-795-1800 -64	103.20	PO 20007 LOCH LOMOND STA REPRS
	50 AMP RANGE OUTLET	357-9557-795-1800 -64	20.61	PO 20007 LOCH LOMOND STA REPRS
	RANGE OUTLET PLATE	357-9557-795-1800 -64	2.24	PO 20007 LOCH LOMOND STA REPRS
	4" WRAP STYLE FIXTURES	357-9557-795-1800 -64	241.60	PO 20007 LOCH LOMOND STA REPRS
	4" LED RETRO LAMP KITS	357-9557-795-1800 -64	240.00	PO 20007 LOCH LOMOND STA REPRS
	2 GANG RANGE OUTLET BOX	357-9557-795-1800 -64	17.55	PO 20007 LOCH LOMOND STA REPRS
	RANGE OUTLET RING	357-9557-795-1800 -64	4.80	PO 20007 LOCH LOMOND STA REPRS
	4"-4 LAMP WRAP FIXTURE	357-9557-795-1800 -64	150.00	PO 20007 LOCH LOMOND STA REPRS
	4" LED RETRO LAMP KITS	357-9557-795-1800 -64	80.00	PO 20007 LOCH LOMOND STA REPRS
	LABOR	357-9557-795-1800 -64	1,710.00	PO 20007 LOCH LOMOND STA REPRS
	* 09961 Subtotal		2,975.00	
	** 10078 Subtotal (1 Invoice)		2,975.00	
10079	VOUCHER NO: <unknown>			
	80 05/29/20 INVOICE: WATER ME 05/29/20 05/29/20 STATUS: Printed VENDOR: CALL001 CALLAYOMI CO WATER DISTRICT			
	WATER ME 05/29/20 (100370)	357-9557-795-3000 -W0	1,010.22	
	* 80 05/29/20 Subtotal		1,010.22	
	81 05/29/20 INVOICE: WATER ME 05/29/20 05/29/20 STATUS: Printed VENDOR: CALL001 CALLAYOMI CO WATER DISTRICT			
	WATER ME 05/29/20 (137)	357-9557-795-3000 -WF	33.77	
	* 81 05/29/20 Subtotal		33.77	
	** 10079 Subtotal (2 Invoices)		1,043.99	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10080	VOUCHER NO: <unknown>			
04-00408754	INVOICE: REFUSE REMOVAL 07/07 06/01/20 STATUS: Printed	VENDOR: COUN002	COUNTY OF LAKE SOLID WASTE	
	REFUSE REMOVAL 06/01/2020 (15140 LB)	357-9557-795-3000 -GF	39.32	
	REFUSE REMOVAL 06/01/2020(12580LB)	357-9557-795-3000 -GF	39.32	
	* 04-00408754 Subtotal		78.64	
** 10080 Subtotal (1 Invoice)			78.64	
10081	VOUCHER NO: <unknown>			
VOID10081 061620	INVOICE: VOID 10081 06/16/20 06/16/20 STATUS: Printed	VENDOR: VOID	VOID	
	VOID 10081 06/16/20	357-9557-795-3800 -V	0.00	
	* VOID10081 061620 Subtotal		0.00	
** 10081 Subtotal (1 Invoice)			0.00	
10082	VOUCHER NO: <unknown>			
7997	INVOICE: ELECTRIC REPRS TO FI 06/02/20 STATUS: Printed	VENDOR: JAME001	JAMES DAY CONTRUCTION INC.	
	ELECTRICAL REPRS CONDUIT WIRING, NE	357-9557-795-1800 -FS	3,007.00	
	* 7997 Subtotal		3,007.00	
** 10082 Subtotal (1 Invoice)			3,007.00	
10083	VOUCHER NO: <unknown>			
2020 BURN PERMIT	INVOICE: 2020 BURN PERMITS 06/09/20 STATUS: Printed	VENDOR: KFPD001	KELSEYVILLE FIRE	
	2020 BURN PERMITS		84.00	
	* 2020 BURN PERMIT Subtotal		84.00	
** 10083 Subtotal (1 Invoice)			84.00	
10084	VOUCHER NO: <unknown>			
HORST JUL 2020	INVOICE: OPEB JULY 2020 06/01/20 STATUS: Printed	VENDOR: LAKE001	LAKE COUNTY EMPLOYEES' ASSN	
	JULY 2020 LCEA DUES HORST	357-9557-795-0330 -P	31.64	
	* HORST JUL 2020 Subtotal		31.64	
** 10084 Subtotal (1 Invoice)			31.64	
10085	VOUCHER NO: <unknown>			
2020 BURN PERMIT	INVOICE: 2020 BURN PERMITS 06/09/20 STATUS: Printed	VENDOR: LCFP001	LAKE COUNTY FIRE	
	2020 BURN PERMITS		336.00	
	* 2020 BURN PERMIT Subtotal		336.00	
** 10085 Subtotal (1 Invoice)			336.00	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10086	VOUCHER NO: <unknown> 2020 BURN PERMIT INVOICE: 2020 BURN PERMITS 06/09/20 STATUS: Printed VENDOR: LPFP001 LAKE PILLSBURY FIRE 2020 BURN PERMITS		336.00	
	* 2020 BURN PERMIT Subtotal		336.00	
	** 10086 Subtotal (1 Invoice)		336.00	
10087	VOUCHER NO: <unknown> 1001349 INVOICE: EMS SUPPLIES 05/11/20 STATUS: Printed VENDOR: LIFE001 LIFE ASSIST INC ORDER # 54204416-2	357-9557-795-1940 -EM	112.80	
	* 1001349 Subtotal		112.80	
	** 10087 Subtotal (1 Invoice)		112.80	
10088	VOUCHER NO: <unknown> 31 05/18/20 INVOICE: WATER ME 05/18/20 05/19/20 STATUS: Printed VENDOR: LOCH001 LOCH LOMOND MUTUAL WATER WATER ME 05/18/20	357-9557-795-3000 -W4	125.00	
	* 31 05/18/20 Subtotal		125.00	
	** 10088 Subtotal (1 Invoice)		125.00	
10089	VOUCHER NO: <unknown> 2020 BURN PERMIT INVOICE: 2020 BURN PERMITS 06/09/20 STATUS: Printed VENDOR: NSFP001 NORTHSHORE FIRE 2020 BURN PERMITS		224.00	
	* 2020 BURN PERMIT Subtotal		224.00	
	** 10089 Subtotal (1 Invoice)		224.00	
10090	VOUCHER NO: <unknown> HORST JULY 2020 INVOICE: OPEB JULY 2020 06/01/20 STATUS: Printed VENDOR: OPER001 OPERATING ENGINEERS JULY 2020 HEALTH INS HORST	357-9557-795-0330 -P	1,497.00	
	* HORST JULY 2020 Subtotal		1,497.00	
	** 10090 Subtotal (1 Invoice)		1,497.00	
10091	VOUCHER NO: <unknown> 69913707415 0521 INVOICE: ELECTRIC CHGS ME 05/ 05/22/20 STATUS: Printed VENDOR: PG&E001 PG&E ELECTRIC CHGS ME 05/21/20 (1978.148 357-9557-795-3000 -E2 495.88 ELECTRIC CHGS ME 05/21/20 (430.7030 357-9557-795-3000 -EF 129.83 ELECTRIC CHGS ME 05/21/20 (547.8890 357-9557-795-3000 -E4 159.09 ELECTRIC CHGS ME 05/21/20 (2579.360 357-9557-795-3000 -E0 771.26 ELECTRIC CHGS ME 05/21/20 (2231.983 357-9557-795-3000 -E3 564.52		2,120.58	
	* 69913707415 0521 Subtotal		2,120.58	
	** 10091 Subtotal (1 Invoice)		2,120.58	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10092	VOUCHER NO: <unknown>			
2004043	INVOICE: AMBULANCE BILLING AP 06/04/20	STATUS: Printed	VENDOR: WITT001	WITTMAN ENTERPRISES
	AMBULANCE BILLING APR 2020	357-9557-795-2380 -AB	1,894.90	
	* 2004043 Subtotal		1,894.90	
2005043	INVOICE: AMBULANCE BILLING MA 06/10/20	STATUS: Printed	VENDOR: WITT001	WITTMAN ENTERPRISES
	AMBULANCE BILLING MAY 2020	357-9557-795-2380 -AB	1,753.46	
	* 2005043 Subtotal		1,753.46	
** 10092 Subtotal (2 Invoices)			3,648.36	
10093	VOUCHER NO: <unknown>			
00FAD01A0378	INVOICE: CFSTES - DRIVER OP 12/24/19	STATUS: Printed	VENDOR: DEPT001	DEPARTMENT OF FORESTRY AND
	CFSTES - FAD01A 0378 BILLING FOR CF	357-9557-795-2830 -MQ	560.00	
	HANDLING FEE	357-9557-795-2830 -MQ	8.00	
	* 00FAD01A0378 Subtotal		568.00	
CF-NRS10241	INVOICE: CFSTES - RESCUE SYST 04/23/20	STATUS: Printed	VENDOR: DEPT001	DEPARTMENT OF FORESTRY AND
	CFSTES - CF-NRS10241	357-9557-795-2830 -MQ	1,120.00	
	HANDLING FEE	357-9557-795-2830 -MQ	8.00	
	* CF-NRS10241 Subtotal		1,128.00	
FS-LARRO0847	INVOICE: FSTEP-FS-LARRO0847 C 04/27/20	STATUS: Printed	VENDOR: DEPT001	DEPARTMENT OF FORESTRY AND
	FSTEP-FS-LARRO0847	357-9557-795-2830 -MQ	240.00	
	HANDLING FEE	357-9557-795-2830 -MQ	8.00	
	* FS-LARRO0847 Subtotal		248.00	
** 10093 Subtotal (3 Invoices)			1,944.00	
10094	VOUCHER NO: <unknown>			
1292260	INVOICE: 3RD QTR (JAN-MAR 20 05/23/20	STATUS: Printed	VENDOR: DEPT001	DEPARTMENT OF FORESTRY AND FIRE
	17500 PERSONNEL SERVICES	357-9557-795-2380 -CS	368,562.32	
	17500 WORKER COMP SAFETY	357-9557-795-2380 -CS	413.74	
	17500 UNEMPLOYMENT INS	357-9557-795-2380 -CS	1,910.67	
	17500 OPERATING EXPENSE	357-9557-795-2380 -CS	33,456.27	
	17500 ADMINISTRATION FEE	357-9557-795-2380 -CS	41,205.38	
	17500 WORK COMP - MISC	357-9557-795-2380 -CS	1,418.26	
	17500 RETIREMENT	357-9557-795-2380 -CS	135,023.67	
	17500 BENEFITS	357-9557-795-2380 -CS	80,145.99	
	17500 WC-POF	357-9557-795-2380 -CS	15,937.46	
	17500 STATEWIDE PRO RATA	357-9557-795-2380 -CS	33,244.53	
	* 1292260 Subtotal		711,318.29	
1292261	INVOICE: 3RD QTR (JAN-MAR 202 05/23/20	STATUS: Printed	VENDOR: DEPT001	DEPARTMENT OF FORESTRY AND FIRE
	17510 PERSONNEL SERVICES	357-9557-795-2380 -CS	1,185.80	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10094	VOUCHER NO: <unknown>			
1292261	INVOICE: 3RD QTR (JAN-MAR 202	05/23/20 STATUS: Printed	VENDOR: DEPT001	DEPARTMENT OF FORESTRY AND FIRE
17510	WORKER COMP SAFETY	357-9557-795-2380 -CS	0.00	
17510	UNEMPLOYMENT INS	357-9557-795-2380 -CS	0.00	
17510	OPERATING EXPENSE	357-9557-795-2380 -CS	12,447.00	
17510	ADMINISTRATION FEE	357-9557-795-2380 -CS	883.16	
17510	WORKER COMP MISC	357-9557-795-2380 -CS	0.00	
17510	RETIREMENT	357-9557-795-2380 -CS	0.00	
17510	BENEFITS	357-9557-795-2380 -CS	17.19	
17510	WORKER COMP POF	357-9557-795-2380 -CS	0.00	
17510	STATEWIDE PRO RATA	357-9557-795-2380 -CS	712.53	
	* 1292261 Subtotal		15,245.68	
	** 10094 Subtotal (2 Invoices)		726,563.97	
10095	VOUCHER NO: <unknown>			
8518	JUL 2020 INVOICE: GROUP LIFE	CM JUL 20 06/01/20 STATUS: Printed	VENDOR: ARBA001	ARBA
	GROUP LIFE CM JUN 2020 FOR PCFS - A	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - B	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - C	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - C	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - C	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - D	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - E	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - F	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - F	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - F	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - F	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - H	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - L	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - L	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - L	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - L	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - M	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - M	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - N	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - P	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - R	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - S	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - T	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - D	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - H	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - M	357-9557-795-0330 -G	8.32	
	GROUP LIFE CM JUN 2020 FOR PCFS - V	357-9557-795-0330 -G	8.32	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10095	VOUCHER NO: <unknown>			
8518	JUL 2020 INVOICE: GROUP LIFE CM JUL 20 06/01/20 STATUS: Printed	VENDOR: ARBA001	ARBA	
	GROUP LIFE CM JUN 2020 FOR PCFS - Z	357-9557-795-0330 -G	8.32	
	* 8518 JUL 2020 Subtotal		232.96	
	** 10095 Subtotal (1 Invoice)		232.96	
10096	VOUCHER NO: <unknown>			
14896985	INVOICE: TELEPHONE SERVICE ME 06/13/20 STATUS: Printed	VENDOR: AT&T001	AT&T	
	TELEPHONE SERVICE ME 06/12/20	357-9557-795-3000 -T4	20.89	
	TELEPHONE SERVICE ME 06/12/20 LONG	357-9557-795-3000 -T2	0.00	
	TELEPHONE SERVICE ME 06/12/20	357-9557-795-3000 -T2	44.84	
	TELEPHONE SERVICE ME 06/12/20 LONG	357-9557-795-3000 -T3	1.20	
	TELEPHONE SERVICE ME 06/12/20	357-9557-795-3000 -T3	45.93	
	TELEPHONE SERVICE ME 06/12/20 LONG	357-9557-795-3000 -T0	2.55	
	TELEPHONE SERVICE ME 06/12/20	357-9557-795-3000 -T0	150.99	
	TELEPHONE SERVICE ME 06/12/20 LONG	357-9557-795-3000 -TF	4.62	
	TELEPHONE SERVICE ME 06/12/20	357-9557-795-3000 -TF	19.23	
	* 14896985 Subtotal		290.25	
	** 10096 Subtotal (1 Invoice)		290.25	
10097	VOUCHER NO: <unknown>			
VOID10097 062320	INVOICE: VOID 10097 06/23/20 06/16/20 STATUS: Printed	VENDOR: VOID	VOID	
	VOID 10097 06/23/20	357-9557-795-3800 -V	0.00	
	* VOID10097 062320 Subtotal		0.00	
	** 10097 Subtotal (1 Invoice)		0.00	
10098	VOUCHER NO: <unknown>			
02-116796 053120	INVOICE: REFUSE/RECYCLE COLL 05/31/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	REFUSE/RECYCLE COLL SVC ME 053120	357-9557-795-3000 -G2	65.55	
	* 02-116796 053120 Subtotal		65.55	
02-152940 053120	INVOICE: REFUSE/RECYCLE COLL 05/31/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	REFUSE/RECYCLE COLL SVC ME 053120	357-9557-795-3000 -G0	81.40	
	* 02-152940 053120 Subtotal		81.40	
02-48235	INVOICE: MEALS FOR STAGING LA 06/03/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	MEALS FOR STAGING LAW ENFORCEMENT	357-9557-795-1300 -M	139.25	
	* 02-48235 Subtotal		139.25	
02-601722 053120	INVOICE: REFUSE/RECYCLE COLL 05/31/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	REFUSE/RECYCLE COLL SVC ME 053120	357-9557-795-3000 -G3	77.64	
	* 02-601722 053120 Subtotal		77.64	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10098	VOUCHER NO: <unknown>			
05-42868	INVOICE: GENERATOR MAINT - ST 06/11/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	ANTIFREEZ PEAK RTU	357-9557-795-1800 -60	10.71	
	CLAMP HOSE 1/4TO 5/8	357-9557-795-1800 -60	5.76	
	* 05-42868 Subtotal		16.47	
08090069	INVOICE: ENGINE EQUIPMENT 05/24/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	FORESTRY SHOVEL	357-9557-795-2830 -MQ	89.55	TYPE 6 ENGINE
	* 08090069 Subtotal		89.55	
1111834636	INVOICE: PROPANE FILL 05/21/20 05/21/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	PROPANE FILL 05/21/20	357-9557-795-3000 -P3	476.53	
	* 1111834636 Subtotal		476.53	
11555CM	INVOICE: CSFA ANNUAL MEMBERSH 04/28/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	BRYAN ATKINS	357-9557-795-0330 -M	-82.50	
	DEMEL BULLOCK	357-9557-795-0330 -M	-82.50	
	RON CHASE	357-9557-795-0330 -M	-82.50	
	CHRIS COLLINS	357-9557-795-0330 -M	-82.50	
	JUSTIN COSTA	357-9557-795-0330 -M	-82.50	
	JUNIOR EMERSON	357-9557-795-0330 -M	-82.50	
	DOMINIC FANUCCHI	357-9557-795-0330 -M	-82.50	
	TODD FENK	357-9557-795-0330 -M	-82.50	
	TYLER FLEENOR	357-9557-795-0330 -M	-82.50	
	BROOKE FRAYER	357-9557-795-0330 -M	-82.50	
	MICHAEL HESS	357-9557-795-0330 -M	-82.50	
	ROBERT LANNING	357-9557-795-0330 -M	-82.50	
	JOHANNA LEUZINGER	357-9557-795-0330 -M	-82.50	
	WALTER LIBBY	357-9557-795-0330 -M	-82.50	
	DON LOPEZ	357-9557-795-0330 -M	-82.50	
	PETER MCGEE	357-9557-795-0330 -M	-82.50	
	KIMBERLY MIINCH	357-9557-795-0330 -M	-82.50	
	MARSHAL NEWSON	357-9557-795-0330 -M	-82.50	
	DAKOTA PARROTT	357-9557-795-0330 -M	-82.50	
	BLUE RYON	357-9557-795-0330 -M	-82.50	
	PAUL TOTAGRANDE	357-9557-795-0330 -M	-82.50	
	ROBERT ZOLENSKY	357-9557-795-0330 -M	-82.50	
	* 11555CM Subtotal		-1,815.00	
11555CORR	INVOICE: CSFA ANNUAL MEMBERSH 04/28/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	BRYAN ATKINS	357-9557-795-0330 -M	82.50	
	DEMEL BULLOCK	357-9557-795-0330 -M	82.50	
	RON CHASE	357-9557-795-0330 -M	82.50	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10098	VOUCHER NO: <unknown>			
11555CORR	INVOICE: CSFA ANNUAL MEMBERSH	04/28/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	CHRIS COLLINS	357-9557-795-0330 -M	82.50	
	JUSTIN COSTA	357-9557-795-0330 -M	82.50	
	JUNIOR EMERSON	357-9557-795-0330 -M	82.50	
	DOMINIC FANUCCHI	357-9557-795-0330 -M	82.50	
	TODD FENK	357-9557-795-0330 -M	82.50	
	TYLER FLEENOR	357-9557-795-0330 -M	82.50	
	BROOKE FRAYER	357-9557-795-0330 -M	82.50	
	MICHAEL HESS	357-9557-795-0330 -M	82.50	
	ROBERT LANNING	357-9557-795-0330 -M	82.50	
	JOHANNA LEUZINGER	357-9557-795-0330 -M	82.50	
	DON LOPEZ	357-9557-795-0330 -M	82.50	
	PETER MCGEE	357-9557-795-0330 -M	82.50	
	KIMBERLY MIINCH	357-9557-795-0330 -M	82.50	
	MARSHAL NEWSON	357-9557-795-0330 -M	82.50	
	DAKOTA PARROTT	357-9557-795-0330 -M	82.50	
	BLUE RYON	357-9557-795-0330 -M	82.50	
	PAUL TOTAGRANDE	357-9557-795-0330 -M	82.50	
	ROBERT ZOLENSKY	357-9557-795-0330 -M	82.50	
	* 11555CORR Subtotal		1,732.50	
11652	INVOICE: CSFA ANNUAL MEMBERSH	06/11/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	JAKE DANIELS	357-9557-795-0330 -M	82.50	
	CADEN DELONG	357-9557-795-0330 -M	82.50	
	LOGAN HILDEBRAND	357-9557-795-0330 -M	82.50	
	SHELBY MYERS	357-9557-795-0330 -M	82.50	
	NICHOLAS VARGAS	357-9557-795-0330 -M	82.50	
	* 11652 Subtotal		412.50	
117495	INVOICE: GENERATOR MAINT - ST	06/11/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	KOHLER OIL COMMAND COURAGE 10W	357-9557-795-1800 -60	7.06	
	FINAL CHARGE 50/50 ANTIFREEZE 1GAL	357-9557-795-1800 -60	18.47	
	* 117495 Subtotal		25.53	
120313241	INVOICE: SHELVING/BINS	05/24/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	DIVIDER 7X4' BLACK	357-9557-795-2848 -A3	22.96	PO 20010 NM6311
	DIVIDER 4X4' BLACK	357-9557-795-2848 -A3	21.75	PO 20010 NM6311
	CLEAR SHELF BIN 4X12X4	357-9557-795-2848 -A3	47.85	PO 20010 NM6311
	CLEAR SHELF BINS 7X12X4	357-9557-795-2848 -A3	60.42	PO 20010 NM6311
	DIVIDERS 8 1/2X4 BLACK	357-9557-795-2848 -A3	47.13	PO 20010 NM6311
	LABEL HOLDERS AND INSERTS	357-9557-795-2848 -A3	15.71	PO 20010 NM6311

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10098	VOUCHER NO: <unknown>			
120313241	INVOICE: SHELVING/BINS 05/24/20	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	SHELF BINS 8 1/2X12X4	357-9557-795-2848 -A3	42.79	PO 20010 NM6311
	* 120313241 Subtotal		258.61	
143107	INVOICE: LEATHER BASE PANEL,I 06/10/20	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	LEATHER HELMET IDENTIFIER W/VELCRO	357-9557-795-1100 -PE	771.59	
	LEATHER BASE PANEL FOR IDENTIFIER 2	357-9557-795-1100 -PE	83.87	
	* 143107 Subtotal		855.46	
1511430	INVOICE: FIRE EXTINGUISHER -E 05/24/20	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	AMEREX 240, 2.5 GALLON WATER CLASS	357-9557-795-2830 -MQ	125.47	TYPE 6 ENGINE
	AMEREX HEAVY DUTY VEHICLE BRACKET	357-9557-795-2830 -MQ	231.60	TYPE 6 ENGINE
	* 1511430 Subtotal		357.07	
19816/2	INVOICE: SMALL MOTOR FUEL STA 06/15/20	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	ETHANOL FREE GAS 92 NOT MIXED	357-9557-795-1700 -60	53.61	
	ETHANOL FREE GAS 92 NOT MIXED	357-9557-795-1700 -62	53.61	
	ETHANOL FREE GAS 92 NOT MIXED	357-9557-795-1700 -63	53.61	
	1/2X260 PIPE TAPE TEFLON	357-9557-795-1700 -60	1.06	
	1/2X260 PIPE TAPE TEFLON	357-9557-795-1700 -62	1.06	
	1/2X260 PIPE TAPE TEFLON	357-9557-795-1700 -63	1.08	
	* 19816/2 Subtotal		164.03	
212894	INVOICE: HYDRANT TOOL BAGS RE 06/06/20	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	HYDRANT TOOL BAGS REPL (9)	357-9557-795-2700 -00	362.05	
	* 212894 Subtotal		362.05	
21755655	INVOICE: MEDICAL OXYGEN RENTA 05/31/20	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	MEDICAL OXYGEN RENTAL ME 05/31/20	357-9557-795-1940 -OX	30.22	
	* 21755655 Subtotal		30.22	
230784	INVOICE: FLOW TEST SOFTWARE 05/19/20	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	MSA FLOW TEST SOFTWARE	357-9557-795-1700 -60	977.56	
	* 230784 Subtotal		977.56	
2319448	INVOICE: REPAIRS STA 62 AND S 03/16/20	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	AIR COMPRESSOR ACCESSORIES/REPAIRS	357-9557-795-1800 -62	75.68	
	VEHICLE EXHAUST REMOVAL/COMPRESSOR	357-9557-795-1800 -60	32.36	
	* 2319448 Subtotal		108.04	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10098	VOUCHER NO: <unknown>			
2391571	INVOICE: PPE ROOM REPAIR - ST 06/15/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	1X12 #2/BTR COMMON PINE	357-9557-795-1800 -62	25.85	
	* 2391571 Subtotal		25.85	
25386931	INVOICE: BOARD MTG REMOTE ACC 06/11/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	STANDARD PRO MONTHLY 7/10/20	357-9557-795-2380 -WH	14.99	
	* 25386931 Subtotal		14.99	
2552	INVOICE: SERVICE ICE MACHINE 06/16/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	SERVICE ICE MACHINE STA 60	357-9557-795-1700 -60	150.00	
	* 2552 Subtotal		150.00	
27957	INVOICE: SERVICE DISTRICT OWN 06/10/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	SERVICE DISTRICT OWNED PORTAPOTTY	357-9557-795-1800 -60	50.00	
	* 27957 Subtotal		50.00	
3005107820	INVOICE: MEDICAL WASTE DISP M 05/11/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	MONTHLY ENERGY CHARGE	357-9557-795-1940 -MW	2.00	
	MONTHLY FUEL CHARGE	357-9557-795-1940 -MW	7.88	
	STERISFAE SELECT MONTHLY	357-9557-795-1940 -MW	77.17	
	* 3005107820 Subtotal		87.05	
3005141625	INVOICE: MEDICAL WASTE DISP M 06/11/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	MONTHLY ENERGY CHARGE	357-9557-795-1940 -MW	4.00	
	MONTHLY FUEL CHARGE	357-9557-795-1940 -MW	15.76	
	STERISFAE SELECT MONTHLY	357-9557-795-1940 -MW	154.34	
	48 GAL TUB DISP (BIO) 13.4 LBS	357-9557-795-1940 -MW	0.61	
	* 3005141625 Subtotal		174.71	
3008	INVOICE: SWIFTWATER SUIT REPA 05/21/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	PRESSURE TEST	357-9557-795-1700 -SW	374.21	
	REPLACE NECK SEAL-R	357-9557-795-1700 -SW	240.56	
	REPLACE LATEX SOCKS-R	357-9557-795-1700 -SW	105.85	
	PATCH HOLE POCKET	357-9557-795-1700 -SW	21.38	
	* 3008 Subtotal		742.00	
30128147 061620	INVOICE: INTERNET SVC ME 06/1 05/07/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	INTERNET SVC ME 06/16/20	357-9557-795-3000 -I3	67.64	
	* 30128147 061620 Subtotal		67.64	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10098	VOUCHER NO: <unknown>			
30165883	062620 INVOICE: INTERNET SVC ME	06/2 05/17/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	INTERNET SVC ME 06/26/20	357-9557-795-3000 -I2	67.64	
	* 30165883 062620 Subtotal		67.64	
30173705	062620 INVOICE: INTERNET SVC ME	06/2 05/17/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	INTERNET SVC ME 06/26/20	357-9557-795-3000 -I0	57.99	
	* 30173705 062620 Subtotal		57.99	
3096232	INVOICE: FIRE EXTINGUISHER -	05/24/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	ABC DRY CHEM CLASS ABC EXTING	357-9557-795-2830 -MQ	160.86	TYPE 6 ENGINE
	* 3096232 Subtotal		160.86	
32016	INVOICE: FIRE SUPPRESSION EQU	06/10/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	ELKHART XD SHUTOFF NO PISTOL GRIP 2	357-9557-795-2830 -F0	2,934.56	RES 2019-20 04
	ELKHART XD SMOOTH BORE TIP BUMPER B	357-9557-795-2830 -F0	690.03	RES 2019-20 04
	* 32016 Subtotal		3,624.59	
392570	INVOICE: REPLENISH WILDLAND P	05/28/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	XXL WILDLAND PANTS	357-9557-795-1100 -PE	1,308.45	
	SM WILDLAND COAT	357-9557-795-1100 -PE	916.99	
	MED WILDLAND COAT	357-9557-795-1100 -PE	611.32	
	LG WILDLAND COAT	357-9557-795-1100 -PE	1,528.31	
	XL WILDLAND COAT	357-9557-795-1100 -PE	1,222.65	
	XXL WILDLAND COAT	357-9557-795-1100 -PE	654.22	
	SM REG CUFF WILDLAND GLOVES	357-9557-795-1100 -PE	158.22	
	MED REG CUFF WILDLAND GLOVES	357-9557-795-1100 -PE	158.19	
	LG REG CUFF WILDLAND GLOVES	357-9557-795-1100 -PE	158.19	
	XLG REG CUFF WILDLAND GLOVES	357-9557-795-1100 -PE	158.19	
	LG FIRE SHELTER	357-9557-795-1100 -PE	2,359.50	
	SAFETY VEST	357-9557-795-1100 -PE	191.44	
	COBRA CLASSIC 2PLY HOOD	357-9557-795-1100 -PE	270.81	
	HYDRATION PACK	357-9557-795-1100 -PE	1,206.56	
	LG ACCESSORY BAG	357-9557-795-1100 -PE	217.18	
	HOSE CLAMP & TOOL POUCH	357-9557-795-1100 -PE	217.18	
	FIRE SHELTER CASE	357-9557-795-1100 -PE	159.53	
	RED XL TURNOUT GEAR BAG	357-9557-795-1100 -PE	455.81	
	* 392570 Subtotal		11,952.74	
39445	INVOICE: GENERATOR ANNUAL PM	06/06/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	MAY ONE-TIME PM INSPECTION	357-9557-795-1800 -64	560.00	
	FILTER, AIR	357-9557-795-1800 -64	37.67	
	OIL FILTER	357-9557-795-1800 -64	9.11	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10098	VOUCHER NO: <unknown>			
39445	INVOICE: GENERATOR ANNUAL PM	06/06/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	BULK OIL - QUART	357-9557-795-1800 -64	14.42	
	HAZARDOUS WASTE FEE	357-9557-795-1800 -64	5.00	
	* 39445 Subtotal		626.20	
39446	INVOICE: GENERATOR ANNUAL PM	06/06/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	MAY ONE TIME INSPECTION	357-9557-795-1800 -63	560.00	
	OIL FILTER	357-9557-795-1800 -63	6.95	
	BULK OIL - GALLON	357-9557-795-1800 -63	28.94	
	ANTIFREEZE COOLANT GALLON	357-9557-795-1800 -63	4.88	
	HAZARDOUS WASTE FEE	357-9557-795-1800 -63	5.00	
	* 39446 Subtotal		605.77	
39447	INVOICE: GENERATOR ANNUAL PM	06/06/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	MAY ONE TIME PM INSPECTION	357-9557-795-1800 -62	560.00	
	OIL FILTER	357-9557-795-1800 -62	6.95	
	BULK OIL GALLON	357-9557-795-1800 -62	28.94	
	HAZARDOUS WASTE FEE	357-9557-795-1800 -62	5.00	
	* 39447 Subtotal		600.89	
39948	INVOICE: GENERATOR ANNUAL PM	06/06/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	MAY ONE TIME PM INSPECTION	357-9557-795-1800 -60	675.00	
	COOLANT RECOVERY BOTTLE	357-9557-795-1800 -60	37.75	
	OIL FILTER	357-9557-795-1800 -60	7.27	
	BULK OIL - QUART	357-9557-795-1800 -60	46.85	
	HAZARDOUS WASTE FEE	357-9557-795-1800 -60	5.00	
	* 39948 Subtotal		771.87	
43641	INVOICE: PEST CONTROL SVC (RO	06/02/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	PEST CONTROL SVC (RODENTS) 06/02/20	357-9557-795-1800 -63	20.00	
	* 43641 Subtotal		20.00	
43977	INVOICE: PEST SERVICE (GENERA	06/10/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	GENERAL PESTS 06/10/20	357-9557-795-1800 -63	90.00	
	* 43977 Subtotal		90.00	
44030	INVOICE: WEED SPRAY SERVICE B	06/11/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	WEED SPRAY SERVICE BI-ANNUAL	357-9557-795-1800 -60	585.00	
	* 44030 Subtotal		585.00	
448828	INVOICE: 06/08/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	STARBUCKS KCUP FR RS	357-9557-795-2830 -MQ	10.79	TRAINING BUREAU FUNDS

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10098	VOUCHER NO: <unknown>			
448828	INVOICE: 06/08/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	STARBUCKS KCUP VERAN	357-9557-795-2830 -MQ	10.79	TRAINING BUREAU FUNDS
	EED HOT COCOA K-CUP	357-9557-795-2830 -MQ	15.58	TRAINING BUREAU FUNDS
	STARBUCKS KCUP HOUSE	357-9557-795-2830 -MQ	10.79	TRAINING BUREAU FUNDS
	* 448828 Subtotal		47.95	
449037	INVOICE: CLEANING SUPPLIES ST 06/03/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	CLEANER ALL PURPOSE	357-9557-795-1400 -62	16.28	
	* 449037 Subtotal		16.28	
449046	INVOICE: CLEANING SUPPLIES ST 06/11/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	THREAD ROD STL 1/4X3	357-9557-795-1400 -60	5.35	
	* 449046 Subtotal		5.35	
449055	INVOICE: ICE MACHINE REPAIR S 06/12/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	DEFAULT HARDWARE	357-9557-795-1700 -60	5.06	
	* 449055 Subtotal		5.06	
450022	INVOICE: ORGANIZE, MAINTAIN PP 06/02/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	TIDE HE ORIGINAL	357-9557-795-1800 -62	25.73	
	HANGERS	357-9557-795-1800 -62	17.12	
	MOUSE TRAP	357-9557-795-1800 -62	6.00	
	GARMENT HOOK	357-9557-795-1800 -62	4.92	
	TOGGLE BOLT 3/16X3	357-9557-795-1800 -62	7.07	
	TOGGLE BOLT RH 1/4X3	357-9557-795-1800 -62	6.00	
	ELBOW 90 3/4SLXFPT S	357-9557-795-1800 -62	1.69	
	AIR COUPLER/PLUG KIT	357-9557-795-1800 -62	9.64	
	THREADLOCK BLUE	357-9557-795-1800 -62	5.35	
	GARMENT HOOK H&C SN	357-9557-795-1800 -62	14.76	
	* 450022 Subtotal		98.28	
451134	INVOICE: CLEANING SUPPLIES ST 06/10/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	ACID MURIATIC GAL	357-9557-795-1400 -60	9.64	
	GONG BRUCH BLK 8.5	357-9557-795-1400 -60	7.50	
	* 451134 Subtotal		17.14	
454273	INVOICE: CLEANING, MAINT SUPP 05/08/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	EE ALUMINUM STANDARD	357-9557-795-1400 -63	6.41	
	BOX SGL GNG PVC OW	357-9557-795-1400 -63	2.13	
	DEFAULT HARDWARE	357-9557-795-1400 -63	11.52	
	CASCADE ACTIONPAC 25	357-9557-795-1400 -63	8.10	
	COFFEE FILTER	357-9557-795-1400 -63	1.45	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10098	VOUCHER NO: <unknown>			
454273	INVOICE: CLEANING, MAINT SUPP	05/08/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	WALLPLATE DUPLEX 1G	357-9557-795-1400 -63	1.49	
	GROUND RECEPTACLE 15	357-9557-795-1400 -63	0.85	
	5 GL BUCKET	357-9557-795-1400 -63	5.35	
	* 454273 Subtotal		37.30	
454356	INVOICE: RESTOCK FENCE REPR M	05/01/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	WIRE TIE REBAR 16GA	357-9557-795-1700 -62	9.64	
	WIRE TIE REBAR 16GA	357-9557-795-1700 -64	9.64	
	* 454356 Subtotal		19.28	
455566	INVOICE: ADD'L PARTS INSTL DI	05/07/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	SPLY FCT3/8CX1/2IPX3	357-9557-795-1800 -63	10.71	
	TRAP P PVC 1.5X1.5 B	357-9557-795-1800 -63	6.42	
	SINK PRAY HOSE HEAD	357-9557-795-1800 -63	21.44	
	DUAL VALVE QT 1/2X3/8	357-9557-795-1800 -63	16.08	
	COM CONNECT 5/8X1/2BR	357-9557-795-1800 -63	7.50	
	SAW BLADE WOOD AND DRY	357-9557-795-1800 -63	10.72	
	* 455566 Subtotal		72.87	
455696	INVOICE: ROOF PROP SAFETY RAI	05/03/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	SNAP 2ENDBOLT BRZ3-1	357-9557-795-1800 -RP	19.69	
	DEFAULT HARDWARE	357-9557-795-1800 -RP	2.36	
	BOLT EYE WITH NUTS 16X	357-9557-795-1800 -RP	8.54	
	* 455696 Subtotal		30.59	
50050000	053020 INVOICE: WATER/SEWER ME	05/30 06/01/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	WATER ME 05/30/20 (452)	357-9557-795-3000 -W3	51.69	
	SEWER ME 05/30/20	357-9557-795-3000 -W3	71.21	
	* 50050000 053020 Subtotal		122.90	
55524	INVOICE: BOTTLED WATER - HYDR	05/08/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	BOTTLED WATER - HYDRATION FOR STA	357-9557-795-1300 -BW	25.00	
	* 55524 Subtotal		25.00	
55525	INVOICE: BOTTLED WATER - HYDR	05/22/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	BOTTLED WATER - HYDRATION FOR STA	357-9557-795-1300 -BW	31.25	
	* 55525 Subtotal		31.25	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10098	VOUCHER NO: <unknown>			
55910	INVOICE: BOTTLED WATER - HYDR 06/05/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	BOTTLED WATER - HYDRATION FOR STA	357-9557-795-1300 -BW	12.50	
	* 55910 Subtotal		12.50	
7905	\$597 BAL INVOICE: WEBSITE DEV - NEW MO 06/12/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	WEBSITE DEV - NEW MOTOCMS	357-9557-795-2380 -WH	597.00	
	* 7905 \$597 BAL Subtotal		597.00	
90555391	INVOICE: COMPARTMENT SHELF 04/15/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	DMND PLTE	357-9557-795-2848 -A2	250.68	
	DRI-DECK BLACK ROLL	357-9557-795-2848 -A2	65.19	
	UNISTRUT HOR 04200014-12	357-9557-795-2848 -A2	66.60	
	* 90555391 Subtotal		382.47	
9690655	INVOICE: ENGINE SAFETY EQUIPM 05/24/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	WARNING TRIANGLES	357-9557-795-2830 -MQ	31.84	TYPE 6 ENGINE
	CHIEF COLLAPSIBLE DUAL BAG FIRE FED	357-9557-795-2830 -MQ	435.02	TYPE 6 ENGINE
	4L SAFETY CAN	357-9557-795-2830 -MQ	39.66	TYPE 6 ENGINE
	* 9690655 Subtotal		506.52	
9853430422	INVOICE: CELLULAR SVC ME 05/2 05/18/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	BOOSTER EXTENDER M6211	357-9557-795-1200 -C2	38.01	
	BOOSTER EXTENDER M6311	357-9557-795-1200 -C3	38.01	
	TABLET NM6211	357-9557-795-1200 -C2	38.01	
	TABLET B1417	357-9557-795-1200 -CA	16.02	
	TABLET B1418	357-9557-795-1200 -CA	16.02	
	TABLET M6211	357-9557-795-1200 -C2	16.02	
	TABLET E1487	357-9557-795-1200 -CA	16.02	
	TABLET M6311	357-9557-795-1200 -C3	16.02	
	CELL PHONE P1426	357-9557-795-1200 -C0	-2.26	
	CELL PHONE M6012	357-9557-795-1200 -C0	0.46	
	CELL PHONE OES359	357-9557-795-1200 -C0	0.46	
	CELL PHONE SPARE	357-9557-795-1200 -C0	0.46	
	CELL PHONE M6011	357-9557-795-1200 -C0	0.46	
	CELL PHONE M6211	357-9557-795-1200 -C2	0.46	
	CELL PHONE - M6311	357-9557-795-1200 -C3	0.46	
	D1403 CREDIT	357-9557-795-1200 -CA	-2.45	
	* 9853430422 Subtotal		192.18	
9855480284	INVOICE: CELLULAR SVC ME 06/2 05/26/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK	
	BOOSTER EXTENDER M6211	357-9557-795-1200 -C2	38.01	
	BOOSTER EXTENDER M6311	357-9557-795-1200 -C3	38.01	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10098	VOUCHER NO: <unknown>			
9855480284	INVOICE: CELLULAR SVC ME 06/2	05/26/20 STATUS: Printed	VENDOR: USBA002	U.S.BANK
	TABLET NM6211	357-9557-795-1200 -C2	38.01	
	TABLET B1417	357-9557-795-1200 -CA	16.02	
	TABLET B1418	357-9557-795-1200 -CA	16.02	
	TABLET M6211	357-9557-795-1200 -C2	16.02	
	TABLET E1487	357-9557-795-1200 -CA	16.02	
	TABLET M6311	357-9557-795-1200 -C3	16.02	
	CELL PHONE M6012	357-9557-795-1200 -C0	0.46	
	CELL PHONE OES359	357-9557-795-1200 -C0	0.46	
	CELL PHONE SPARE	357-9557-795-1200 -C0	0.46	
	CELL PHONE M6011	357-9557-795-1200 -C0	0.46	
	CELL PHONE M6211	357-9557-795-1200 -C2	0.46	
	CELL PHONE - M6311	357-9557-795-1200 -C3	0.46	
	* 9855480284 Subtotal		196.89	
9911402	INVOICE: ENGINE EQUIPMENT 05/24/20	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	MCLLOUD	357-9557-795-2830 -MQ	163.44	TYPE 6 ENGINE
	* 9911402 Subtotal		163.44	
CN 150141	INVOICE: REPAIRS-ROOF LK, ABES 12/08/19	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	INHAUS 7MM AFRICAN ROSEWOOD FLOOR (357-9557-795-1800 -64	-620.72	PO 20007 LOCH LOMOND STA REPRS
	* CN 150141 Subtotal		-620.72	
I-305945	INVOICE: PAPER 05/21/20	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	PAPER	357-9557-795-2270 -60	40.68	
	* I-305945 Subtotal		40.68	
ORD 11841695	INVOICE: STATION MAINTENANCE 05/13/20	STATUS: Printed	VENDOR: USBA002	U.S.BANK
	PORCH LIGHT	357-9557-795-1800 -63	42.88	
	CABINET KNOB (10)	357-9557-795-1800 -63	21.44	
	CAST TORPEDO 9'	357-9557-795-1800 -63	4.06	
	LIGHT FIXTURE	357-9557-795-1800 -63	46.11	
	TOOLBOX LEVEL	357-9557-795-1800 -63	15.00	
	PRY BAR	357-9557-795-1800 -63	10.71	
	CLAW HAMMER	357-9557-795-1800 -63	27.87	
	WIRE STRIPPER MULTITOO	357-9557-795-1800 -63	15.00	
	NEEDLE NOSE PLIER	357-9557-795-1800 -63	5.35	
	BENT NOSE PLIER	357-9557-795-1800 -63	6.42	
	LINEMANS PLIER	357-9557-795-1800 -63	10.71	
	TORX SET 5 PC	357-9557-795-1800 -63	12.86	
	SQ SET 5 PC	357-9557-795-1800 -63	12.86	
	BIT SET 5 PC	357-9557-795-1800 -63	12.86	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10098	VOUCHER NO: <unknown>			
ORD 11841695	INVOICE: STATION MAINTENANCE	05/13/20	STATUS: Printed	VENDOR: USBA002 U.S.BANK
	FLEXABLE MAGNETIC BIT AND SCREW HOL	357-9557-795-1800 -63	32.16	
	LIQUID NAILS	357-9557-795-1800 -63	2.18	
	LONG NOSE VICE GRIPS	357-9557-795-1800 -63	16.08	
	CHANNEL LOCK HI LEVERAGE PLIER	357-9557-795-1800 -63	27.87	
	CUTTING PLIER	357-9557-795-1800 -63	18.22	
	WIRE CONNECTOR KIT	357-9557-795-1800 -63	12.86	
	9' CAULKING GUN	357-9557-795-1800 -63	4.92	
	CRESCENT WRENCH STL 6"	357-9557-795-1800 -63	18.22	
	VICE GRIP 1 1/4X10	357-9557-795-1800 -63	24.66	
	VINYL BLINDS 36X64	357-9557-795-1800 -63	15.00	
	5' PIPE INSULATION	357-9557-795-1800 -63	2.78	
	BIG EASY BLUE HIGHBACK CHAIR	357-9557-795-1800 -63	57.89	
	FINISH POWERBALL DETERGENT	357-9557-795-1800 -63	10.70	
	MOP AND GLOW WAX	357-9557-795-1800 -63	9.64	
	OXI CLEAN	357-9557-795-1800 -63	11.56	
	BOUNCE FABRIC SOFTENER	357-9557-795-1800 -63	7.50	
	* ORD 11841695 Subtotal		516.37	
ORD 22866	INVOICE: OSHA REQ'D FACILITY	05/25/20	STATUS: Printed	VENDOR: USBA002 U.S.BANK
	CARB MONOXIDE SIGN	357-9557-795-1800 -62	14.30	
	DIESEL FUEL SIGN	357-9557-795-1800 -62	55.11	
	EXIT SIGNS	357-9557-795-1800 -62	51.66	
	LIFTING TECH SIGN	357-9557-795-1800 -62	15.51	
	* ORD 22866 Subtotal		136.58	
ORD 52396707	INVOICE: FIRE EXTINGUISHER MI	05/21/20	STATUS: Printed	VENDOR: USBA002 U.S.BANK
	BUCKEYE 10LB ABC FIRE EXTINGUISHER	357-9557-795-1700 -63	76.52	
	BUCKEYE 10LB ABC FIRE EXTINGUISHER	357-9557-795-1700 -62	76.52	
	BUCKEYE 10LB ABC FIRE EXTINGUISHER	357-9557-795-1700 -64	76.52	
	BUCKEYE 10LB ABC FIRE EXTINGUISHER	357-9557-795-1700 -64	76.52	
	BUCKEYE 10LB ABC FIRE EXTINGUISHER	357-9557-795-1700 -60	76.50	
	* ORD 52396707 Subtotal		382.58	
ORD W862368958	INVOICE: STORAGE - STA 60	06/06/20	STATUS: Printed	VENDOR: USBA002 U.S.BANK
	27 GAL TOUGH STORAGE BIN	357-9557-795-2270 -60	239.36	
	* ORD W862368958 Subtotal		239.36	
ORD W862976690	INVOICE: HOUSEHOLD ITEM REPL	06/11/20	STATUS: Printed	VENDOR: USBA002 U.S.BANK
	SHOWER CURTAIN LINER CLEAR/FROST	357-9557-795-1400 -60	42.81	
	SHOWER CURTAIN RINGS (12-PACK)	357-9557-795-1400 -60	93.52	
	SHOWER CURTAIN BLACK/GRAY	357-9557-795-1400 -60	141.92	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr
10098	VOUCHER NO: <unknown>			
	ORD W862976690 INVOICE: HOUSEHOLD ITEM REPL 06/11/20 STATUS: Printed VENDOR: USBA002 U.S.BANK			
	GARLUND RUG DARK GRAY 24X10	357-9557-795-1400 -60	89.87	
	* ORD W862976690 Subtotal		368.12	
	SO1377257 INVOICE: SEEK THERMAL IMAGING 06/09/20 STATUS: Printed VENDOR: USBA002 U.S.BANK			
	SEEK REVEAL FIRE PRO	357-9557-795-2830 -F0	2,196.29	RES 2019-20 04
	SEEK TIC GEAR KEEPER WITH ALUMINUM	357-9557-795-2830 -F0	265.65	RES 2019-20 04
	SEEK REVEAL FIRE PRO 4 + 1 PACKAGE	357-9557-795-2830 -F0	3,249.43	RES 2019-20 04
	* SO1377257 Subtotal		5,711.37	
	SO72964 INVOICE: FIRE EXTINGUISHER MO 05/21/20 STATUS: Printed VENDOR: USBA002 U.S.BANK			
	SUPER QUICK FIST TOOL MOUNT (12) E6	357-9557-795-1700 -62	20.60	
	SUPER QUICK FIST TOOL MOUNT (12) E6	357-9557-795-1700 -63	20.60	
	SUPER QUICK FIST TOOL MOUNT (12) E6	357-9557-795-1700 -64	20.59	
	SUPER QUICK FIST TOOL MOUNT (12) WT	357-9557-795-1700 -64	20.59	
	SUPER QUICK FIST TOOL MOUNT (12) E6	357-9557-795-1700 -60	20.60	
	* SO72964 Subtotal		102.98	
	TRANSID 89021 INVOICE: HYDRATION FOR PCFS S 06/07/20 STATUS: Printed VENDOR: USBA002 U.S.BANK			
	AQUAFINA	357-9557-795-1300 -BW	59.80	
	CRV	357-9557-795-1300 -BW	16.00	
	* TRANSID 89021 Subtotal		75.80	
	** 10098 Subtotal (69 Invoices)		34,424.12	
10099	VOUCHER NO: <unknown>			
	VOID10099 062320 INVOICE: VOID 10099 06/23/20 06/23/20 STATUS: Printed VENDOR: VOID VOID			
	VOID 10099 06/23/20	357-9557-795-3800 -V	0.00	
	* VOID10099 062320 Subtotal		0.00	
	** 10099 Subtotal (1 Invoice)		0.00	
10100	VOUCHER NO: <unknown>			
	Q04595 INVOICE: COMPUTER REPLACEMENT 05/28/20 STATUS: Printed VENDOR: NWNC001 NWN CORPORATION			
	HP ELITEDESK 800 G5 DESKTOP MINI PC	357-9557-795-3800 -60	645.96	PO 20015 Q-04595
	HP ELITE DISPLAY E273Q MONITOR	357-9557-795-3800 -60	313.03	PO 20015 Q-04595
	HP CAREPACK NB DAY HW SUPPORT	357-9557-795-3800 -60	96.00	PO 20015 Q-04595
	EWASTE FEE	357-9557-795-3800 -60	5.00	PO 20015 Q-04595
	HP ELITEDESK 800 G5 DESKTOP MINI PC	357-9557-795-3800 -62	645.96	PO 20015 Q-04595
	HP ELITE DISPLAY E273Q MONITOR	357-9557-795-3800 -62	313.03	PO 20015 Q-04595
	HP CAREPACK NB DAY HW SUPPORT	357-9557-795-3800 -62	96.00	PO 20015 Q-04595
	EWASTE FEE	357-9557-795-3800 -62	5.00	PO 20015 Q-04595
	HP ELITEDESK 800 G5 DESKTOP MINI PC	357-9557-795-3800 -63	645.96	PO 20015 Q-04595
	HP ELITE DISPLAY E273Q MONITOR	357-9557-795-3800 -63	313.02	PO 20015 Q-04595

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10100	VOUCHER NO: <unknown>			
Q04595	INVOICE: COMPUTER REPLACEMENT 05/28/20 STATUS: Printed	VENDOR: NWNC001	NWN CORPORATION	
	HP CAREPACK NB DAY HW SUPPORT	357-9557-795-3800 -63	96.00	PO 20015 Q-04595
	EWASTE FEE	357-9557-795-3800 -63	5.00	PO 20015 Q-04595
	* Q04595 Subtotal		3,179.96	
Q05943	INVOICE: COMPUTER REPLACEMENT 06/15/20 STATUS: Printed	VENDOR: NWNC001	NWN CORPORATION	
	HP NOTEBOOK I7-9850H	357-9557-795-3800 -60	4,177.19	PO 20016 Q-05943
	HP ULTRASLIM DOC 2013	357-9557-795-3800 -60	509.44	PO 20016 Q-05943
	27" MONITORS HP ELITE DISPLAY E273Q	357-9557-795-3800 -60	1,252.12	PO 20016 Q-05943
	HP 5 YR NEXT BUS DAY ONSITE NB ONLY	357-9557-795-3800 -60	468.00	PO 20016 Q-05943
	EWASTE FEE	357-9557-795-3800 -60	30.00	PO 20016 Q-05943
	* Q05943 Subtotal		6,436.75	
** 10100 Subtotal (2 Invoices)			9,616.71	
10101	VOUCHER NO: <unknown>			
VOID10101 062320	INVOICE: VOID 10101 06/23/20 06/23/20 STATUS: Printed	VENDOR: VOID	VOID	
	VOID 10101 06/23/20	357-9557-795-3800 -V	0.00	
	* VOID10101 062320 Subtotal		0.00	
** 10101 Subtotal (1 Invoice)			0.00	
10102	VOUCHER NO: <unknown>			
FIRECLASS3/25	INVOICE: CANCELLED CLASS 06/18/20 STATUS: Printed	VENDOR: GILL001	MICHELE GILLIES	
	CANCELLED CLASS		100.00	
	* FIRECLASS3/25 Subtotal		100.00	
** 10102 Subtotal (1 Invoice)			100.00	
10103	VOUCHER NO: <unknown>			
106	INVOICE: WEED CONTROL, IRRIGA 06/12/20 STATUS: Printed	VENDOR: MAHO001	DENNIS MAHONEY	
	WEED CONTROL, IRRIGATION STA 60 05/	357-9557-795-1800 -60	50.00	
	WEED CONTROL, IRRIGATION STA 60 06/	357-9557-795-1800 -60	50.00	
	* 106 Subtotal		100.00	
** 10103 Subtotal (1 Invoice)			100.00	
10104	VOUCHER NO: <unknown>			
04-00411590	INVOICE: REFUSE REMOVAL 06/18 06/18/20 STATUS: Printed	VENDOR: COUN002	COUNTY OF LAKE SOLID WASTE	
	REFUSE REMOVAL 06/18/20 (1380 LB)	357-9557-795-3000 -G0	21.19	
	REFUSE REMOVAL 06/18/20 (1380 LB)	357-9557-795-3000 -GF	21.20	
	* 04-00411590 Subtotal		42.39	
** 10104 Subtotal (1 Invoice)			42.39	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10105	VOUCHER NO: <unknown>			
	05/25/20 AMAZON INVOICE: ENGINE EQUIPMENT 05/25/20 STATUS: Printed VENDOR: USBA001 US BANK	357-9557-795-2830 -MQ	68.14	TYPE 6 ENGINE
	* 05/25/20 AMAZON Subtotal		68.14	
447743	INVOICE: CLEANING SUPPLIES 06/17/20 STATUS: Printed VENDOR: USBA001 US BANK			
	LATCHING TOTE	357-9557-795-1800 -60	85.71	
	MOP STARTER KIT	357-9557-795-1800 -60	51.46	
	MOP PAD	357-9557-795-1800 -60	21.43	
	GARMENT HOOK	357-9557-795-1800 -60	34.46	
	GARMENT HOOK	357-9557-795-1800 -60	19.69	
	BLADE CIRC 7 1/4	357-9557-795-1800 -60	10.71	
	BLADE CIRC 7 1/4	357-9557-795-1800 -60	10.71	
	GARMENT HOOK	357-9557-795-1800 -60	4.92	
	OVERSIZE WALL PLATE	357-9557-795-1800 -60	2.13	
	HEX NUTS	357-9557-795-1800 -60	3.74	
	DEFAULT HARDWARE	357-9557-795-1800 -60	5.89	
	INLINE COUPLER	357-9557-795-1800 -60	7.50	
	DUPLEX RECEPTACLE	357-9557-795-1800 -60	3.21	
	TITEBOND GLUE	357-9557-795-1800 -60	7.08	
	* 447743 Subtotal		268.64	
447762	INVOICE: CHIEFS MEETING 06/24/20 STATUS: Printed VENDOR: USBA001 US BANK			
	SANDWICH	357-9557-795-1300 -00	11.06	
	2LTR BOTTLE SODA	357-9557-795-1300 -00	6.91	
	CRV	357-9557-795-1300 -00	0.30	
	SANDWICH	357-9557-795-1300 -00	42.19	
	SUSHI	357-9557-795-1300 -00	14.07	
	SALSA	357-9557-795-1300 -00	3.61	
	CHIPS	357-9557-795-1300 -00	3.21	
	CHIPS	357-9557-795-1300 -00	5.32	
	CHIPS	357-9557-795-1300 -00	3.81	
	PEPSI	357-9557-795-1300 -00	1.90	
	VIT WATER	357-9557-795-1300 -00	1.50	
	CRV	357-9557-795-1300 -00	0.10	
	SANDWICH	357-9557-795-1300 -00	8.04	
	SANDWICH	357-9557-795-1300 -00	9.05	
	* 447762 Subtotal		111.07	
447933	INVOICE: LIVE FIRE TRAINING M 06/20/20 STATUS: Printed VENDOR: USBA001 US BANK			
	SANDWICH	357-9557-795-1300 -00	105.90	
	12 PK SODA	357-9557-795-1300 -00	15.12	

Line	Item Description	Budget Exp Acct	Line Net Amt	Req No / Descr 2
10105	VOUCHER NO: <unknown>			
447933	INVOICE: LIVE FIRE TRAINING M 06/20/20	STATUS: Printed	VENDOR: USBA001	US BANK
	CRV	357-9557-795-1300 -00	1.82	
	* 447933 Subtotal		122.84	
694/5	INVOICE: LIVE FIRE TRAINING F 06/20/20	STATUS: Printed	VENDOR: USBA001	US BANK
	GRASS HAY	357-9557-795-2830 -00	23.58	
	WHEAT HAY	357-9557-795-1700 -60	10.18	
	* 694/5 Subtotal		33.76	
7793026-3	INVOICE: ENGINE EQUIPMENT E60 04/24/20	STATUS: Printed	VENDOR: USBA001	US BANK
	WAKEMAN SLEEPING PAD	357-9557-795-2830 -MQ	38.60	
	* 7793026-3 Subtotal		38.60	
7793026-4	INVOICE: ENGINE EQUIPMENT E60 04/24/20	STATUS: Printed	VENDOR: USBA001	US BANK
	PORTABLE WARDROBE CLOTHES STORAGE W	357-9557-795-2830 -MQ	113.62	
	* 7793026-4 Subtotal		113.62	
7793026-5	INVOICE: ENGINE EQUIPMENT E60 04/24/20	STATUS: Printed	VENDOR: USBA001	US BANK
	32 GB MEMORY CARD	357-9557-795-2830 -MQ	8.03	
	* 7793026-5 Subtotal		8.03	
913463	INVOICE: HYDRATION FOR STATIO 06/19/20	STATUS: Printed	VENDOR: USBA001	US BANK
	BOTTLE WATER SO #913463	357-9557-795-1300 -BW	31.25	
	* 913463 Subtotal		31.25	
PURCID8413	INVOICE: METAL SHELVING STA 6 05/28/20	STATUS: Printed	VENDOR: USBA001	US BANK
	METAL SHELVING STA 60, 64	357-9557-795-1800 -60	196.18	
	METAL SHELVING STA 60, 64	357-9557-795-1800 -64	196.18	
	* PURCID8413 Subtotal		392.36	
** 10105 Subtotal (10 Invoices)			1,188.31	
*** Grand Total (120 Invoices)			790,529.10	