

# INTEROFFICE MEMO

**DATE:** December 9, 2011

**PHONE:** 387-8311

**FROM:** Ron Riley, Sr. Planner  
Land Use Services Dept./ Planning Division

**MAIL CODE:** 0182

**TO:** Honorable Planning Commission



Item # 4

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**SUBJECT:** Arrowhead Canyon Homes; Revision to Approved Action to Modify the Early Occupancy Release Surety required for completion of development requirements on 17.09 acres; Project No: P201000243/ TR 18389-1; APN: 0331-324-28\*; Lake Arrowhead; Applicant: Diversified Pacific

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**RECOMMENDATION:** That the Planning Commission:

- A. **APPROVE** the Modification to allow the release for occupancy for Lot 19, exchange the surety withhold from Lot 19 to Lot 9, and retain a hold on the occupancy for lot 10 for completion of all outstanding grading, erosion control and landscaping improvements for Tract 18389-1, including the following:
- 1) Completion of all required and remedial grading;
  - 2) Completion of all required and remedial erosion control; and
  - 3) Recordation of all corrective lot line adjustments necessary to resolve lot boundary encroachments and open space dedication as a result of over-construction on lots originating from Tract 18389 and Tract 16211.

**BACKGROUND:**

On February 25, 2003 (Item 105), the County Board of Supervisors (BOS) conducted a public hearing for a General Plan Amendment (GPA) to Planned Development (PD), Tract 16211 for 41 single family residential lots, and Preliminary and Final Development Plans on 11.8 acres (Project). The proposal was reviewed and considered under substantial controversy, but was eventually adopted and approved subject to conditions of approval. Although much progress has been made over the past years since the initial Board approval, the development and completion of the project has had a long and complex period of problems including changes in ownership, over-construction beyond the lot boundaries, and proper completion of development requirements.

On August 4, 2011 the Planning Commission considered a request from the Developer to revised the project conditions and allow the release of occupancy of Phase I completed structures for lots 1, 2, 3, 4, 7, 9, 18, 20, and 21 (with completion of final building inspection and sign-off on each structure); and subject to recordation of corrective lot line adjustments to resolve lot boundary encroachments and open space dedication as a result of over encroachments resulting from lots originating with Tract 16211 and Tract 18389-1; subject to completion of any outstanding remedial grading, erosion control or other public improvements; and withhold the occupancy of Lots 10 and 19 (in lieu of Bonds), even with the lot line adjustments completed. During the hearing, the Developer proposed and the

Planning Commission accepted his agreement to withhold the occupancy on the two Lots 10 and 19 instead of requiring a bond and Developer Agreement, as recommended by Staff. Now, it appears that, the developer has entered into escrow on one of the lots and is now requesting modification of the agreement to substitute Lots 3 or 9 for Lot 19 and continue the withhold occupancy on Lot 10.

### **ANALYSIS:**

Diversified is currently requesting release of occupancy for Lot 19. The corrective lot line adjustment has been completed for this lot and most of the development and remedial improvements for the Project site regarding drainage, landscaping, and erosion control have been completed and most of the lot boundary encroachments have been completed. Lot Line Adjustments have been recorded for Lots 1, 2, 3, 4, 7, 9, 10, 17, 18, 19, 20, 21, & 28. The developer has completed many of the required improvements and feels that it should not be a problem to exchange the surety withhold from lot 19 to Lots 3 or 9. He feels the cost of the remaining improvements should be adequately covered by the two lots. The authority remains with the Planning Commission to modify the approval involving timing between site improvements and occupancy

Prior to scheduling this hearing to consider Diversified's request, staff received from Diversified the attached letter, dated December 6, 2011 requesting the occupancy release. Staff is of the opinion that the issues and concerns regarding this project have been addressed in earlier previous correspondence and are reiterated within this memorandum.

For the reasons articulated in this memorandum and the attached correspondence, Staff concurs with the request of Diversified for a release of occupancy for lot 19 and the developer's agreement to complete all remaining lot line adjustments and project improvements subject to the surety of withholding occupancy on Lots 3 or 9, and 10.

### **IMPROVEMENT WORK STATUS:**

Currently Diversified has been working toward completion of the improvements identified in their December 6, 2011 letter to accommodate occupancy releases for the project. They have stated that their progress is as follows:

- Required Road and Drainage improvement work has been completed to the satisfaction of the Land Development Division for the current Phase of development,
- Grading Permit Review Corrections have been completed,
- Remedial grading in the area around Lots 11, and 12, and remedial improvements to Lots 14, 15, and 18 have been completed,
- Remedial work for the drainage between Lots 21 and 22 has been completed, and
- Remedial Erosion Control and Landscaping has been completed throughout the site.



- Corrective Lot Line Adjustment have been completed and recorded for Lots 1, 2, 3, 4, 7, 9, 10, 17, 18, 19, 20, 21, & 28.

Outstanding work remaining to be completed include the following:

Building and Safety:

- a. Several lots have retaining walls constructed with surcharged slopes, none of which were constructed with required building permits or inspections. The Developer needs to submit engineered wall plans for review, approval, and inspections,
- b. Keystone walls have been constructed on the expired building permits without inspections. The Developer needs to submit engineered wall plans for review, approval, and inspections,
- c. No building permits were obtained for the existing storm system, any of the head walls, the catch basins, or the diverter boxes over 4 ft. in depth as required by the Building Code. The Developer needs to submit engineered wall plans for review, approval, and inspections for those portions of the system that were not reviewed, approved, and inspected by the County Land Development Division.
- d. Grading Permit Review Corrections have not been completed as otherwise suggested in the December 6, 2011 letter from Diversified. The Building and Safety correction notice (dated 12/01/2011) for Grading Permit # B201008464 has advised the Developer that the plans have not been approved and that the plans need to be re-submitted with requested information and documents.

Land Development Division:

- a. All of the remedial drainage improvements were completed and certified by the Engineers for Diversified.

Planning Division:

- a. A review of the project site on December 12, 2011 for compliance with Landscaping and Erosion Control requirements found many of the previous problem areas regarded and covered with jute, compost and hydroseed. The growth and continued effectiveness of the control methods is questionable due to the small plant growth and ground appeared frozen due to the winter season for the area.
- b. The area in the center of the Phase II portion of the project was partially hydroseeded, however the continued effectiveness is questionable because drainage flow tracks and trails could be easily identified and will become increasingly pronounced with more rain along with the spring thaw.
- c. The new growth of newly completed landscaping was observed during a previous site visit at mid-year. Time will tell if the landscaping became established.
- d. The landscaping for the Phase II area remains outstanding. While a Landscape bond is currently in place, it is due to expire and will need to be replaced. (The same applies for the roads and drainage improvement bonds for the project). The Developer does not wish to replace these bonds.

- e. The Lot Line Adjustments have not been completed for Lots 5, 6, 8, 13, 14, 15, 16, 22, 23, 24, 28 of the Phase I development.

**FINDING:**

The Commission Finds that the Findings made for the original application are still affirmative.

**Attachments:**

- Exhibit A: Site Map
- Exhibit B: Findings: Original findings for Tract 18389
- Exhibit C: Email from Phil Burum requesting exchange of lots for surety, dated December 7, 2011.
- Exhibit D: Letter from Philip Burum to Ron Riley, dated December 6, 2011.
- Exhibit E: Email from Phil Burum to Christine Kelly requesting the release of occupancy on Lot 19, dated December 1, 2011.
- Exhibit F: December 12, 2011 site photos.



# EXHIBIT A

## SITE MAP

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## **EXHIBIT B**

### **FINDINGS: ORIGINAL FINDINGS FOR TRACT 18389**

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## **FINDINGS: TENTATIVE TRACT 18389-1**

1. The proposed subdivision, together with the provisions for its design and improvements is consistent with the San Bernardino County General Plan because the use, design and improvements conform with the provisions of the Planned Development Residential land use district including the locational criteria and building density standards for the project site. The project is an infill development located in an area surrounded by existing residential development where general services are readily available.
2. The site is physically suitable for the proposed type and density of development, as the land is adequate in size, shape and topography to accommodate the proposed land use, setbacks, walls and fences and other required improvements.
3. The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially or avoidably injure fish or wildlife or their habitat because the site has been previously disturbed and does not provide suitable habitat for a endangered plant or animal species.
4. The design of the subdivision and any related type of proposed improvements are not likely to cause serious public health problems, or cause threat to life and property from a conflagration because the site location, the design, and the density proposed are such that hazards from flood, fire, noise and other potential public health hazards are minimized.
5. The proposed subdivision, will not conflict with public easements within or through the site because the conditions of approval require that public rights of easements will not be interfered with any utility companies whose easements may be affected by the proposed development.
6. The design of the subdivision provides, to the extent feasible, passive or natural heating and cooling opportunities to each of the proposed lots.
7. The proposed subdivision, its design, density and type of development and improvements conform to the regulations of the Development Code and the regulations of any public agency having jurisdiction by law because it exceeds those standards in lot area and density.

8. The proposed subdivision is not a land project because it is a residential development of less than 50 units that will have all improvements completed or bonded prior to recordation.
9. An independent Initial Study, in compliance with the California Environmental Quality Act (CEQA), has been completed for the project that determined the proposal will not have any adverse impacts that will remain potentially significant, after the completion of the Conditions of Approval and mitigation measures. Therefore adoption of a Mitigated Negative Declaration is recommended.

**EXHIBIT C**

**EMAIL FROM PHIL BURUM REQUESTING  
EXCHANGE OF LOTS FOR SURETY, DATED  
DECEMBER 7, 2011**

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## Riley, Ron - LUS

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**From:** Phil Burum [PBurum@diversifiedpacific.com]  
**Sent:** Wednesday, December 07, 2011 3:50 PM  
**To:** Riley, Ron - LUS  
**Cc:** Kelly, Christine - LUS; Lewis, Bobby - LUS; Brizzee, Bart  
**Subject:** RE: Occupancy of Lot 19

Mr. Riley,

I sincerely appreciate the quick response. I also appreciate the willingness to find a spot on the next available agenda. As you know from our discussion, I was eager to avoid scheduling an appearance for Planning Commission purely based on timing. Is there anything that can be done to avoid having to be heard on the 22<sup>nd</sup>?

Is there any legally permissible instance in which we could be added to tomorrow's agenda?

Is it possible for staff to approve an exchange (without requiring Planning Commission approval) that results in increased security for the County? In other words, withhold occupancy on Lots 3, 9 & 10, in lieu of Lots 10 & 19. In that respect, staff has obtained even more security than initially required by the Planning Commission.

I, perhaps foolishly, never imagined that it would take so long to coordinate with all of the involved parties. When it became clear that we were in danger of not making the required dates, I again, perhaps foolishly, assumed that staff would be able to approve the requested modification and lost a week or so in the process because of that assumption. If there are any suggestions on how we might have a chance to clear the path for occupancy before the current assumption of January 1<sup>st</sup>, I would truly appreciate any input.

Along the same line (that is, the path towards clearance for remaining occupancies), I am confident that I identified the 3 remaining unresolved concerns in my letter

- 1) recordation of lot line adjustments for Lots 14 & 15,
- 2) coordinate resolution of the Building and Safety Department comments to our project's "as-built" grading plan. Currently there are 3 outstanding/unresolved comments;
  - a. keystone wall construction by the prior owner occurred without a permit,
  - b. the inlet structure constructed by the prior owner located on phase 2 was built without a permit,
  - c. the planning department needs to "sign off" on the planall three of which are in progress but have been dependent upon others for completion.

Can you confirm that these are the only remaining items? If by some miracle, some or all are completed faster than the current assumed schedule, I'd like to be sure we obtain clearance at the earliest opportunity.

Thank you again for your time and efforts

**Phil Burum**  
*Diversified Pacific*  
10621 Civic Center Drive  
Rancho Cucamonga, CA 91730  
(909) 481-1150 ext. 241  
(909) 481-1151 fax  
[pburum@diversifiedpacific.com](mailto:pburum@diversifiedpacific.com)

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**From:** Riley, Ron - LUS [mailto:Ron.Riley@lus.sbcounty.gov]  
**Sent:** Wednesday, December 07, 2011 1:19 PM  
**To:** Phil Burum  
**Cc:** Kelly, Christine - LUS; Lewis, Bobby - LUS; Brizzee, Bart  
**Subject:** FW: Occupancy of Lot 19  
**Importance:** High

Mr. Burum,

Please be advised that your request to modify the Early Occupancy Release Surety for completion of the development requirements for Tract 18389-1 has been scheduled for consideration by the County Planning Commission at regular public hearing on December 22, 2011. A copy of your attached documents will be included with the memorandum to the Commission. Please submit any additional documents that you may wish to be included by Friday a.m., December 9, 2011. Should you have additional questions, please call or respond by email.

Please be further advised that an additional deposit to the project account may be necessary the special hearing on this item. An invoice will be mailed.

Thank You!

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**From:** Phil Burum [mailto:PBurum@diversifiedpacific.com]  
**Sent:** Tuesday, December 06, 2011 3:18 PM  
**To:** Riley, Ron - LUS  
**Cc:** Kelly, Christine - LUS; Brizzee, Bart; Matt Jordan  
**Subject:** Occupancy of Lot 19  
**Importance:** High

Mr. Riley,

The letter that we spoke of earlier today is attached, as is the Revision to Approved Action confirmation for ease of reference. Thank you for continuing to work with us on this project.

**Phil Burum**  
*Diversified Pacific*  
10621 Civic Center Drive  
Rancho Cucamonga, CA 91730  
(909) 481-1150 ext. 241  
(909) 481-1151 fax  
[pburum@diversifiedpacific.com](mailto:pburum@diversifiedpacific.com)

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**EXHIBIT D**

**LETTER FROM PHIL BURUM TO RON RILEY,  
DATED DECEMBER 6, 2011**

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DIVERSIFIED  
*Pacific*

December 6, 2011

San Bernardino County  
Land Use Services Department  
Attn: Ron Riley  
385 N Arrowhead Avenue, 1<sup>st</sup> Floor  
San Bernardino CA 92415-0182

via email: [Ron.Riley@lus.sbcounty.gov](mailto:Ron.Riley@lus.sbcounty.gov)

Re: Revision to Approved Action for tract 18389-1

Dear Mr. Riley:

On August 4, 2011, the San Bernardino County Planning Commission approved a Revision to a Prior Approved Action, allowing for the release of occupancies on certain homes in the Lake Arrowhead Canyon community. On August 19, 2011, we received confirmation of the Planning Commission Action (attached for reference).

The Planning Commission approved the immediate release of occupancies (pending recordation of the corrective lot line adjustments and confirmation of sign off from the Building and Safety Department) on Lots 1-4, 7, 9, 18, 20 and 21. The agreement to release occupancies was based on our Company's agreement to continue to work towards resolving County concerns related to the community. The Planning Commission Approved Action stated that the County would withhold occupancy on two homes within the community in lieu of a bond. Based on our perception of how much time it would take to cure the outstanding issues, we arbitrarily selected lots 10 and 19.

Four months have passed since the Planning Commission Action. In that time we have completed the following; (i) the remedial grading of Lots 11, 12, 27 and the Phase 2 area, (ii) the remedial drainage and erosion corrections to lots 14, 15 and 18, (iii) resolved the drainage and erosion issue between lots 21 and 22, and (iv) recorded lot line adjustments for all but two of our lots (lots 14 and 15, for which the application is expected to be submitted within days). The two remaining outstanding issues are related to the issuance of permits for previously constructed improvements. We have been working with the involved parties to rectify the situation and are confident that resolution is imminent.

Throughout the process of resolving the County's community concerns, we have continued to market our homes for sale. Although the residential real estate market is still struggling, we have closed escrow on three homes since the Planning Commission Action. With the expectation that we would be able to timely resolve the remaining outstanding concerns, we accepted a purchase contract on Lot 19. Escrow is scheduled to close on December 15, 2011.

In order to maintain our commitment to the County and our buyer, we are requesting that the Planning Department release their occupancy hold on Lot 19 in exchange for a hold on the occupancy of Lot 3. All of the homes within our community are of similar value, any of which far exceeds the cost of the remaining unresolved issues. We believe that the spirit of the Planning Commission Action is still met if the County continues to withhold occupancy of two homes, regardless of which lots they are located on.

We sincerely appreciate your consideration on this matter and we are grateful for the support of staff on this proposed adjustment. We look forward to your favorable reply.

Thank you,



Phil Burum

cc via email: Christine Kelly  
Bart Brizzee

[Christine.Kelly@lus.sbcounty.gov](mailto:Christine.Kelly@lus.sbcounty.gov)  
[BBrizzee@cc.sbcounty.gov](mailto:BBrizzee@cc.sbcounty.gov)

**EXHIBIT E**

**EMAIL FROM PHIL BURUM TO CHRISTINE KELLY  
REQUESTING THE RELEASE OF OCCUPANCY  
ON LOT 19, DATED DECEMBER 1, 2011**

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## Riley, Ron - LUS

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**From:** Kelly, Christine - LUS  
**Sent:** Thursday, December 01, 2011 12:04 PM  
**To:** Riley, Ron - LUS; Lewis, Bobby - LUS  
**Subject:** Fw: Follow up on Lake Arrowhead  
**Attachments:** [DOC120111-12012011103300.pdf](#)

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**From:** Phil Burum [mailto:PBurum@diversifiedpacific.com]  
**Sent:** Thursday, December 01, 2011 11:35 AM  
**To:** Kelly, Christine - LUS  
**Cc:** Randall, Harmon - LUS  
**Subject:** RE: Follow up on Lake Arrowhead

Ms. Kelly,

As a follow up to the brief conversation I had with Wendy yesterday afternoon, I wanted to provide you with an update to our progress on the items relating to final occupancy clearance for the Lake Arrowhead homes in hopes of requesting a minor adjustment to our current agreement. If more appropriate, I can provide formal correspondence, but I thought I would start with a quick email. I also assumed that whomever I spoke to about this, I would likely end up in a conversation with you, so I thought it would be more efficient to start here.

In order to find a workable solution for all, our company agreed to offer two homes as security to "guarantee" our efforts to resolve the Building and Safety Department concerns related to the project as well as those of the Planning Department related to lot line encroachments. The Planning Commission and County Staff graciously agreed to work with us on this proposal. We arbitrarily chose Lots 10 & 19 not knowing how long the resolution would take. Now that we have completed everything within our control and are poised to work through even the 3<sup>rd</sup> party issues, we are faced with a new problem. In short, Lot 19 is under contract and the buyer is eager to close escrow. Based on our progress to date, we are hoping that you could simply release the occupancy hold on Lot 19, or if necessary, we would certainly be willing to substitute a home in Lot 19's place.

Although we have made tremendous progress (as you will see below) there remains a few minor clean up items that involve the cooperation of third parties. We are optimistic of speedy resolution but we are handicapped by the schedule of others, especially now that we have entered the Holiday season.

The information below is simply intended to show the progress we have made. The items are broken down in order to conform to the letter confirming the Planning Commission action. For ease of reference, the letter summarizing the Planning Commission action is attached to this email.

- Final inspections have occurred on all constructed homes, with the exception of Lots 10 and 19 (for which construction is ongoing but nearly completed).
- Lot line adjustments have recorded for lots 1, 2, 3, 4, 7, 9, 18, 20, & 21. Lots 10 & 19 are expected to record today or tomorrow.
- All erosion control devices have been repaired and are in proper working order, as verified by the Building Inspector.
- All eroded areas within the property have been corrected, inspected and approved by the Building Inspector.



- All remedial grading has been completed, all slopes are stabilized within Phase 1 and Phase 2, including lots 11, 12 & 27. The field observation report has been submitted to and accepted by the Building and Safety Department
- The drainage structure between lots 21 & 22 has been designed, approved, installed, inspected and approved by the Building Inspector.
- The remedial erosion/drainage work specific to lots 14, 15, & 18 has been completed and the final report certifying the work has been submitted to and accepted by Building and Safety.

Based on our progress and limitations, is this something that can easily accomplished? I sincerely appreciate your time in reviewing this request and look forward to hearing from you.

**Phil Burum**  
*Diversified Pacific*  
 10621 Civic Center Drive  
 Rancho Cucamonga, CA 91730  
 (909) 481-1150 ext. 241  
 (909) 481-1151 fax  
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**From:** Riley, Ron - LUS - Current Planning [<mailto:Ron.Riley@lus.sbcounty.gov>]  
**Sent:** Wednesday, August 10, 2011 2:52 PM  
**To:** Phil Burum  
**Cc:** Kelly, Christine; Brizzee, Bart; Tatman, Judy - LUS; Randall, Harmon - LUS - Building & Safety; Warrick, Chris - LUS  
**Subject:** RE: Follow up on Lake Arrowhead

Mr. Burum,

The Planning Commission's action to approve the Revision to Conditions to allow release of occupancies will become effective on August 15, 2011, the eleventh day after August 4, 2011 hearing. The action notice letter will be mailed after August 15th. The occupancy for Lot 1 will be released on August 15th, and upon completion of final building inspection and sign-off on the structure.

Occupancies for Phase I completed structures for Lots 2, 3, 4, 7, 9, 18, 20, and 21 will be released (with completion of final building inspection and sign-off on the structure) subject to recordation of corrective lot line adjustments to resolve lot boundary encroachments and open space dedications as a result of over encroachments resulting from lots originating with Tract 16211 and 18389-1, and occupancy for Lots 10 and 19 will be withheld (in lieu of bonds), even with the lot line adjustments completed, subject to completion of any outstanding remedial grading, erosion control or other public improvements.

Please complete the Building and Safety required remedial grading and permit corrections as previously identified; complete the stabilization of the slopes and the erosion control for the lot 11, 12, 27 and Phase II areas, and the drainage and erosion control between lots 21 and 22; complete the landscaping for all of these same areas; complete the remedial drainage improvements to lots 14, 15, and 18, and complete the lot line adjustments for all of the lots and areas that are affected by boundary encroachments.

Please advise me of any additional questions you may have.

Thank You!

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**From:** Phil Burum [<mailto:PBurum@diversifiedpacific.com>]

**Sent:** Tuesday, August 09, 2011 12:24 PM

**To:** Riley, Ron - LUS - Current Planning

**Subject:** Follow up on Lake Arrowhead

Mr. Riley,

I thought it would be prudent to check in with you and close the loop on a few items so we can keep moving forward. I was confused on how and when I would first see the final approved resolution from the Planning Commission. Based on the email I received from Judy Tatman yesterday, it seems my first look at the specific wording will come from you in a letter that you will be sending describing the results of the Planning Commission meeting.

Can you confirm when we might receive that letter? As you can imagine, we are anxious to complete the file on this issue and having confirmation of the approved action in our hands will go a long way to accomplishing that. It might also help get things re-started for our lot 1 buyer.

Regarding the action taken by the Commission, as you heard from Mr. Jordan's presentation, our Lot 1 buyer is our top priority right now. As mentioned Thursday, his loan commitment expired and we are working with him to get everything going again. His lender is now demanding that a copy of an Occupancy Permit be filed with escrow before starting the new loan paperwork. Although not part of the normal protocol, we understand their rationale and are trying to help however we can. I spoke with Mr. Randall yesterday and he confirmed, although not typical, that the County can issue a final occupancy permit. He also indicated that he would be dependent upon you for notification that occupancy can be released.

Based on my understanding of the approved action and the timeline, occupancy of each home, assuming final building inspections have occurred, will be granted after the lot line adjustment has recorded for that specific lot. That action will become official ten days after the hearing. If I followed that properly, that would mean that Lots 1, 7 & 20 will be released for occupancy (assuming Building and Safety has signed off on their final inspection) on August 14 or 15. I am hopeful that you will be able to notify Building and Safety by August 15 that the occupancies can be released so I can obtain a copy of the Occupancy Permit. Is there something that I should be doing in advance of that to ensure a seamless action?

I also wanted to keep you informed on the status of the open issues on the site. Until they are all completed, I will try to send regular updates.

Building and Safety comments. We received updated plan check comments and have made a lot of progress. We will be working with Harmon Randall and Don Baker to resolve the remaining concerns over the next 2-3 weeks, with a goal of having everything addressed within the next month.

Site conditions. Unfortunately, upon completion of the remedial grading operation on Friday, the contractor parked his equipment on phase II and left the site. The equipment prevented our contractor from completing the hydro-seed work on Phase II. All other work is complete (lots 11 & 27 were properly graded, jute netted and seeded and/or planted). We are currently working with the grading contractor to remove his equipment and working with the hydro-seeding contractor to re-schedule a final site visit. I will notify you when this work is finally completed.

Thank you for your continued diligence. I look forward to working with you to complete this project.

Sincerely,

Phil Burum

*Diversified Pacific*



# LAND USE SERVICES DEPARTMENT



COUNTY OF SAN BERNARDINO

## PLANNING DIVISION

385 N. Arrowhead Avenue, San Bernardino, CA 92415-0182  
(909) 387-8311 Fax (909) 387-3223  
<http://www.sbcounty.gov/landuseservices>

CHRISTINE KELLY  
Director

August 19, 2011

Effective Date: 08-15-2011  
Expiration Date: 08/15/2014

Diversified Pacific  
Attn: Phil Burum  
10621 Civic Center Drive  
Rancho Cucamonga, CA 91730

W. J. McKeever, Inc.  
Attn: Bill McKeever  
900 E. Washington St., Ste. 208  
Colton, CA 92324

Re: "Revision to Approved Action" for Tract 18389-1 requesting the Early Release of Dwellings for Occupancy and Modification of Conditions of Approval # 109, 110, 111, & 112 of the Preliminary & Final Development Plan on 17.09 acres (total); generally located on the west side of Kuffel Canyon Rd., approx. 30 ft. south of Shenandoah Dr. in the community of Lake Arrowhead/3rd Supervisorial District; APN: 0331-324-28\*; P201000243/RMC

Dear Mr. Burum:

This is to advise you that the referenced project, after due consideration and completion of the environmental review process was approved by the San Bernardino County Planning Commission at regular public hearing on August 4, 2011. The Revision to Approved Action was found to be in conformance with County General Plan and Development Policies and was approved to allow the release of occupancy of Phase I completed structures for lots 1, 2, 3, 4, 7, 9, 18, 20, and 21 (with completion of final building inspection and sign-off on each structure); and subject to recordation of corrective lot line adjustments to resolve lot boundary encroachments and open space dedication as a result of over encroachments resulting from lots originating with Tract 16211 and Tract 18389-1; and withhold the occupancy of Lots 10 and 19 (in lieu of Bonds), even with the lot line adjustments completed, subject to completion of any outstanding remedial grading, erosion control or other public improvements, and complete the corrective lot line adjustments.

Please complete the Building and Safety required remedial grading and permit corrections; complete the stabilization of the slopes and the erosion control for the lots 11, 12, 27 and Phase II areas, and the drainage and erosion control between lots 21 and 22; complete the landscaping for all of these same areas; complete the remedial drainage improvements to lots 14, 15, and 18; and complete the lot line adjustments for all of the lots and areas that are affected by boundary encroachments as previously identified and discuss at the hearing

All of the original conditions of approval for Tact 16211, Tract 18389-1, and the Preliminary and Final Development Plan for the development of the project shall remain applicable to the development and to the project site.

GREGORY C. DEVEREAUX  
Chief Executive Officer

Board of Supervisors			
BRAD MITZELFELT.....	First District	NEIL DERRY .....	Third District
JANICE RUTHERFORD.....	Second District	GARY C. OVITT.....	Fourth District
JOSIE GONZALES.....	Fifth District		

Tract 18389; P201000243  
Diversified Pacific (Phil Burum)  
August 19, 2011  
Page 2 of 2

This Planning Commission action was determined to be a negligible minor modification with no potential for any significant effects on the environment or the community and a Notice of Exemption was adopted, and including Findings for approval of the revision.

**NOTE:** The Planning Division considers your conditions of approval, the recorded tract map(s), and the stamped/approved preliminary/final development plan map your final development criteria/design. This is not considered a conceptual design, and as such, is not subject to change or alteration, without County approval. Therefore, any proposed revisions or modifications will require the submittal of a "Revision to Approved Action Application for review and approval.

This approval shall be null and void if all conditions have not been completed and the occupancy or use of the land has not taken place within the time period specified in the conditional approval for this project. An extension of time, not exceeding a total of thirty-six (36) months, may be granted upon submittal of an "Extension of Time Application" along with the required fee. The Extension Application must be submitted to the Planning Division not less than thirty (30) days prior to the expiration date.

**PLEASE NOTE:** THIS WILL BE THE ONLY NOTICE GIVEN FOR THE ABOVE SPECIFIED EXPIRATION DATE. THE APPLICANT IS SOLELY RESPONSIBLE FOR INITIATING ANY TIME EXTENSION REQUEST.

Pursuant to Title 8, of the San Bernardino County Code, any interested person may, within ten (10) days after the Planning Commission may appeal this matter to the County Board of Supervisors for consideration thereof. The appeal must be submitted, along with the appropriate fee, on the forms available from the Clerk of the Board of Supervisors.

Should you have any questions regarding specific condition(s) outlined in this approval, please contact this office at (909) 387-8311.

Thank you,

  
**Ron Riley, Senior Planner**  
LUSD/ Planning Division

cc: County Surveyor, Mike Raihle  
Land Development Division, Gia Kim  
County Fire Department, Mark Anderson  
County Building & Safety, Harmon Randall  
Environmental Health Services, Josh Dugas

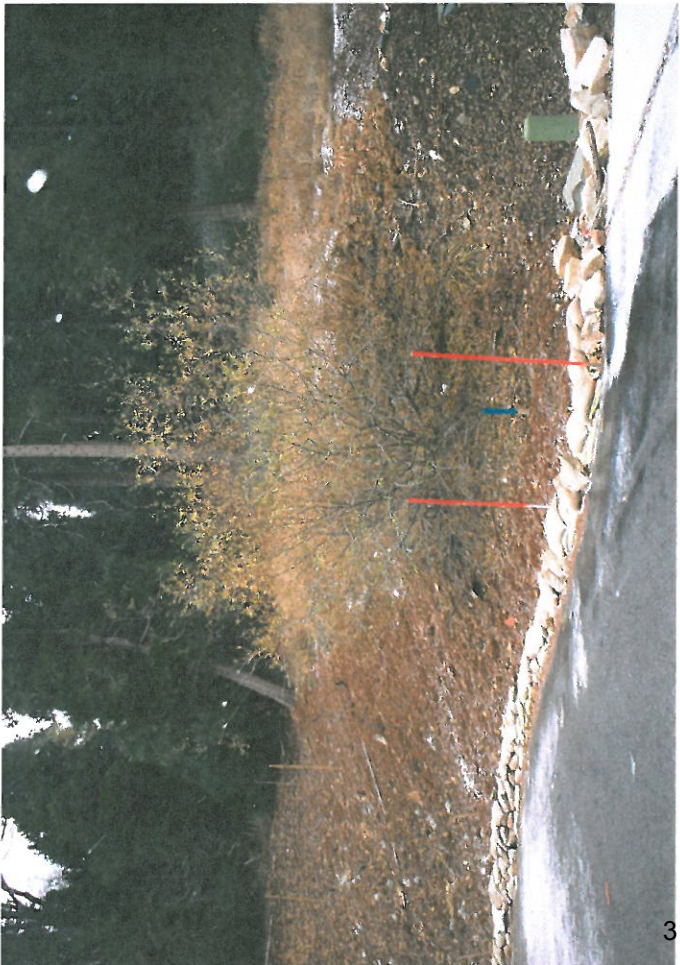
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**EXHIBIT F**

**DECEMBER 12, 2011 SITE PHOTOS**

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