



**CITY COUNCIL MEETING
AGENDA
March 18, 2014**

**Council Chambers, Civic Auditorium
400 N Douty St**

THE CITY COUNCIL STUDY SESSION WILL BEGIN AT 5:00 PM

**THE SUCCESSOR AGENCY MEETING WILL BE HELD CONCURRENT WITH THE REGULAR CITY COUNCIL MEETING AT
7:00PM**

REGULAR COUNCIL MEETING - 7:00 PM

ROLL CALL BY THE CITY CLERK:

PUBLIC COMMENT:

Any person may directly address the Council at this time on any item on the agenda, or on any item that is within the subject matter jurisdiction of the Council. A maximum of five minutes is allowed for each speaker.

1. STUDY SESSION FOR THE DISCUSSION OF THE FOLLOWING:

- A.** Finance Department: Review FY2013 Audit Reports

ADJOURN TO CLOSED SESSION

2. CLOSED SESSION FOR DISCUSSION OF THE FOLLOWING:

- A.** CONFERENCE WITH LABOR NEGOTIATORS – Pursuant to Government Code 54957.6

Agency designated representatives:

Darrel Pyle, Robert Dowd, and Mario Zamora

Employee Organization:

Executive Management Employees Association (E.M.E.A.)

- B.** CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Pursuant to Government Code §54956.9(d)(2)

NUMBER OF POTENTIAL CASES: 1

- C.** CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Government Code §54956.9(d)(1):

CASE NAME: Hanford Executive Management Employee Assoc. et al v City of Hanford, et al

CASE NUMBER: Eastern District of California No. 1:11-CV-00828

CASE NAME: Lindsay v. City of Hanford

CASE NUMBER: Kern County No. S-1500-cv-280112

CASE NAME: Michael Hamburger, et al. v. City of Hanford, et al.

CASE NUMBER: Kings County No. 13C0256

CASE NAME: Miller v. Schmitz, et al.

CASE NUMBER: U.S. District Ct. (Eastern Dist.) No. 1:12-CV-137

CASE NAME: Pedro Cruz Plascencia v. Couty of Kings, et al.

CASE NUMBER: Kings County No. 13C0311

CASE NAME: Lance Tomlinson v. Scott Woodhouse, et al.
CASE NUMBER: Kings County No. 13C0285
CASE NAME: Albert Talavera Aguilar v. City of Hanford, et al.
CASE NUMBER: Kings County No. 13C0341
CASE NAME: City of Hanford v. County of Kings
CASE NUMBER: Kings County No. 14C0058

D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Pursuant to Government Code Sec. 54956.8

Property: APNs 014-251-044, 014-251-023, 014-251-051, 014-251-050, 014-251-051, 014-251-040, 014-251-045, 014-251-046, 014-251-006, 014-251-007, 014-260-077, 014-260-078

Agency Negotiators: Darrel Pyle, and Ty Mizote.

Negotiating Party: Pinnacle Pointe, LLC, Helena, Terry Johnson, Leroy Souza, SPCA, EBC Farms, LLC, and Daljit Singh.

Under Negotiation: Terms and Price

Property: APNs 012-086-007, 012-091-006

Agency Negotiators: Darrel Pyle, and Ty Mizote.

Negotiating Party: Alejandro Clark, and Jim Clark

Under Negotiation: Terms and Price

Property: APNs 010-264-001, 010-265-001, 010-265-002, and 012-053-005

Agency Negotiators: Darrel Pyle, Ty Mizote and Mario Zamora

Negotiating Party: Kings County

Under Negotiation: Terms and Price

ROLL CALL BY THE CITY CLERK:

FLAG SALUTE:

INVOCATION:

RECOGNITIONS/PROCLAMATIONS:

PUBLIC COMMENT:

Any person may directly address the Council at this time on any item on the agenda, or on any item that is within the subject matter jurisdiction of the Council. A maximum of five minutes is allowed for each speaker.

Written Correspondence:

3. STAFF COMMUNICATIONS:

4. CONSENT CALENDAR:

All items listed under the Consent Calendar are considered routine and will be enacted by one motion (**ROLL CALL VOTE required**). For discussion of an item on the Consent Calendar, it will be removed at the request of any member of the City Council or any person in the audience and made a part of the regular agenda.

A. City Clerk: Approve Meeting Minutes for January 13, 2014

B. City Clerk: Approve Meeting Minutes for January 21, 2014

C. City Manager: As it relates to the sale of 1.1 Acres on 7th Street to KART

1. Approve the Purchase & Sale Agreement (PSA), in the amount of \$430,747 and authorize the Mayor to sign the same; and
2. Authorize the Mayor to sign a Grant Deed and other documents required to sell the property in accordance with the terms set forth in the PSA.

D. City Manager: As it pertains to the Redesignation and Expansion of the Greater South San Joaquin Valley Recycling Market Development Zone (RMDZ)

1. Authorize the Mayor to sign Resolution 14-05-R, approving the expansion and redesignation of the Greater South San Joaquin Valley RMDZ; and
2. Direct the Kings County Job Training Office Director to submit the expansion and redesignation application to CalRecycle.

E. Hanford Police Department: Approve the road closure for the 2014 Hanford Criterium road race on March 23, 2014 between the hours of 0500-1600

F. Public Works: Authorize staff to advertise for bids for the FY 13-14 Centerline Striping Project.

G. Public Works: Approval of purchase and installation of a Petro Vend Fuel Management System from Banks &

Company for a total price of \$12,494.00.

- H. Public Works: Approve the purchase of one 2015 Thermo-Lay asphalt patch truck from Northwest Manufacturing of Billings, Montana, in the amount of \$196,886.25 (tax and delivery included); approve an additional appropriation of \$24,334.25 from Fleet Replacement Reserves; and declare one 2001 PB loader asphalt patch truck as surplus and authorize the sale of this vehicle.
- I. Public Works: Approve the purchase of one 2015 Altec traffic control lift truck from Keller Motors of Hanford in the amount of \$125,618.88; approve an additional appropriation of \$24,038.88 from Fleet Replacement Reserves; and declare one 2000 Versalift traffic control truck as surplus and authorize the sale of this vehicle.
- J. Finance: Approve warrant register for 2-27-2014 through 3-12-2014

Adjourn to the Successor Agency

PUBLIC COMMENT:

Any person may directly address the Board at this time on any item on the agenda, or on any item that is within the subject matter jurisdiction of the Board. A maximum of five minutes is allowed for each speaker.

5. SUCCESSOR AGENCY FOR THE DISCUSSION OF THE FOLLOWING:

- A. Successor Agency Attorney: Adoption of the Kings Economic Development Corporation Marketing Agreement
- B. Successor Agency Attorney: Approve the First Amended and Restated Long-Term Property Management Plan
- C. City Clerk: Approve the minutes from the October 15, 2013 Successor Agency Meeting.
- D. Finance Department: Review and Approval of Administrative Budget for the period July 1, 2014 to December 31, 2014.
- E. Finance Department: Review and approval of the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2014 to December 31, 2014.
- F. Successor Agency Attorney: Approve the Purchase and Sale Agreement and Escrow Instructions for 5.14 Acres of RDA property located in the Kings Industrial park to Kings Mosquito Abatement District

ADJOURN AS THE SUCCESSOR AGENCY

6. PUBLIC HEARING:

- A. Public Works: Hold a Public Hearing to take testimony regarding the proposed Citywide Energy Savings Project Phase II, adopt a Resolution 14-06-R, approving the energy service contract with Chevron Energy Solutions in the amount of \$9,995,139.00, and adopt Resolution 14-07-R, approving a financing contract with Bank of America, N.A in an amount not to exceed \$8,495,139.00.

7. NEW BUSINESS:

- A. City Manager: Authorize the Mayor to sign the agreements for City Acceptance of Old Courthouse, Bastille, Old Post Office, and Veterans' Building from Kings County, and authorize the City Manager to sign the Deed of Certification for the same.
- B. Finance Department: Accept and file the Fiscal Year 2013 audit reports and financial statements for the City of Hanford, the Single Audit Report, and the Appropriations Limit Report filed by the CPA firm of Sampson, Sampson and Partners, LLP, Certified Public Accountants.
- C. Public Works: Award a contract to WITBRO, Inc., dba Seal Rite Paving & Grading of Fresno, CA in the amount of \$527,731 for the Harris Street Reconstruction / Resurfacing Project, establish a construction contingency of \$52,700, and approve an additional appropriation of \$52,431 from Gas Tax Reserves.
- D. Public Works: Approve a request by Amtrak to install and maintain a metal fencing and locking gates at the Intermodal Parking Lot located at the northwest corner of Eighth Street and Santa Fe Street.

8. COUNCIL REPORTS/COMMENTS:

9. ADJOURNMENT:

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office located at 319 N. Douty Street, Hanford, California 93230, during normal business hours. City Council Agendas and materials are also available at the City's website, www.cityofhanfordca.com; subject to staff's ability to post the agenda before the meeting.

If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's office, 559-585-2515, 319 N. Douty Street, Hanford, California 93230, at least 2 days prior to the meeting {28 CFR 35.102.35.104 ADA Title II}



**AGENDA
STAFF REPORT**

MEETING DATE:

AGENDA SECTION: 1. A.

SUBJECT:

Finance Department: Review FY2013 Audit Reports

RECOMMENDATION:

Review FY2013 Audit Reports

BACKGROUND:

FISCAL IMPACT:



**AGENDA
STAFF REPORT**

MEETING DATE: 3/18/2014	AGENDA SECTION: 4. A.
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SUBJECT:

City Clerk: Approve Meeting Minutes for January 13, 2014

RECOMMENDATION:

Approve the City Council Meeting Minutes for January 13, 2014

BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

Description

📎 [1-13-14 Action Summary Minutes](#)



**CITY COUNCIL SPECIAL MEETING
ACTION SUMMARY MINUTES
January 13 2014**

**Training Room, City Hall
319 N Douty St**

SPECIAL MEETING - 5:30 PM

ROLL CALL BY THE CITY CLERK:

Mayor Pannett called the meeting to order at 5:30 PM

Present: Jim Irwin (JI), Joleen Jameson (JJ), Lou Martinez (LM), Russ Curry (RC), Garry Pannett (GP).

Public comment:

Dan Chin: spoke regarding sales tax incentives policies adopted 2 yrs ago, to bring big box retail and to still protect the downtown created regional commercial zone; sales tax incentives is a common tool in cities, but new to Hanford; also spoke regarding the use of development agreements as a tool, such as Live Oak Development, a contract granting entitlement rights.

James Morgenthal: congratulated council on turning down Lew Edwards group, suggested that council put questionnaire in water bills to conduct survey.

Council consensus was given to take New Business, Items 4A and 4B, before going into closed session.

Non-action item./ . 0-0.

1. CLOSED SESSION FOR DISCUSSION OF THE FOLLOWING:

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Pursuant to Government Code Sec. 54956.8

Property: APNs 014-251-044, 014-251-023, 014-251-051, 014-251-050, 014-251-051, 014-251-040, 014-251-045, 014-251-046, 014-251-006, 014-251-007, 014-260-077, 014-260-078

Agency Negotiators: Darrel Pyle, and Ty Mizote.

Negotiating Party: Pinnacle Pointe, LLC, Helena, Terry Johnson, Leroy Souza, SPCA, EBC Farms, LLC, and Daljit Singh.

Under Negotiation: Terms and Price

2. CLOSED SESSION ACTION REPORT:

A. Closed Session Action Report

There was nothing to report out./ . 0-0.

3. STAFF COMMUNICATIONS:

A. City Clerk - Special Meeting Notice

4. **NEW BUSINESS:**

A. City Manager: Discussion regarding a Sales Tax Incentive Agreement for the 59 acre commercial development at the southwest corner of E. Lacey Blvd. and Highway 43.

The Staff report was presented by City Manager Darrel Pyle.

City Attorney Ty Mizote handed out a summary regarding the City Sales Tax Incentive, and went over the document.

Council and Staff discussed the hand out and the proposed development agreement.

Council consensus was given to proceed with developing the Sales Tax Incentive agreement and to bring back for possible action./ . 0-0.

B. City Manager: Discussion of potential Development Agreement terms for the 59 acre commercial development at the southwest corner of E. Lacey Blvd. and Highway 43.

The staff report was presented by City Manager Darrel Pyle.

City Attorney Ty Mizote handed out a summary of the Live Oak development document, and went through handout.

Council and Staff discussed the proposed development agreement, and asked to hear from the Developers.

After discussion by the Council with Staff and the Developers, Council gave direction to move forward with the development agreement, with a 10 year life span, with fixed development impact fees for 5 years and with a reopener based on agreement by both parties, knowing council can amend or adopt as presented, also with the understanding that the proposed agreement will go to Planning Commission, and then be brought back to Council for final approval.

Council consensus was to proceed with the proposed development agreement, with conditions as noted./ . 0-0.

ADJOURNMENT:

The meeting was adjourned at 8:45 PM./ . 0-0.

Respectfully Submitted,

Melonie Patrick, City Clerk



**AGENDA
STAFF REPORT**

MEETING DATE: 3/18/2014

AGENDA SECTION: 4. B.

SUBJECT:

City Clerk: Approve Meeting Minutes for January 21, 2014

RECOMMENDATION:

Approve the City Council Meeting Minutes for January 21, 2014

BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

Description

📎 [1-21-14 Action Summary Minutes](#)



**CITY COUNCIL MEETING
ACTION SUMMARY MINUTES
January 21 2014**

**Council Chambers, Civic Auditorium
400 N Douty**

STUDY SESSION WILL BEGIN AT 6:00 PM

ROLL CALL BY THE CITY CLERK:

Mayor Pannett called the meeting to order at 6:01 PM

Present: Joleen Jameson (JJ), Lou Martinez (LM), Russ Curry (RC), Gary Pannett (GP)

Absent: Jim Irwin (JI)

Public Comment: None.

Non-action item./.. 0-0.

PUBLIC COMMENT:

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1. STUDY SESSION FOR THE DISCUSSION OF THE FOLLOWING:

- A.** Community Development: Discussion to consider raising Building Permit fees to more reasonably reflect costs.

Item presented by Tom Webb.

Council gave staff direction to move forward with proposed changes for future review and discussion for second meeting in February, and possible action at the first meeting in March./.. 0-0.

- B.** City Manager: Overview and discussion regarding revenue and expenditure projections versus actuals as of December 31, 2013.

Presented by Darrel Pyle and Tom Dibble.

Non-action item./.. 0-0.

THE CLOSED SESSION WILL BE HELD IMMEDIATELY FOLLOWING THE CITY COUNCIL REGULAR SESSION

REGULAR COUNCIL MEETING - 7:00 p.m.

ROLL CALL BY THE CITY CLERK:

Mayor Pannett called the meeting to order at 7:03 PM

Present: Joleen Jameson (JJ), Lou Martinez (LM), Russ Curry (RC), Gary Pannett (GP)

Absent: Jim Irwin (JI)

Non-action item./ . 0-0.

FLAG SALUTE:

Led by: JJ.

Non-action item./ . 0-0.

INVOCATION:

None.

Non-action item./ . 0-0.

RECOGNITIONS/PROCLAMATIONS:

Hanford Police Department: Swearing in of new Officers: Jacob Snow, Natasha Souza, Jonathon Rivera and David Maldonado.

Animal Control officer was introduced, and Officers were introduced by Chief Mestas and sworn in by the City Clerk.

Non-action item./ . 0-0.

Hanford Police Department: Introduction of New Animal Control Officer Ashley Rico

PUBLIC COMMENT:

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Written Correspondence:

Glenda Dwyer: spoke regarding a letter to the editor regarding meeting on 12/3, "Time to step up to the plate", spoke regarding an error in the statement regarding council member Jameson leaving the meeting upset for the reason of not hanging the constitution on the walls and not related to the selection of the new mayor. Also spoke regarding a second set of the constitution prints believed they were delivered to Council member Martinez in December and would like to see the discussion of this second set brought back to the agenda.

Brian Thoburn: with Southern California Edison, gave an update on progress and update on current project in the City, next phase is a high profile and intensive piece involving the downtown area, attempting to minimize impacts to customers.

Bob Ramos: spoke regarding constitution documents, stated there was a second set that was presented to the council and wants to see them displayed in chambers.

Kathleen Jorgensen: spoke regarding the safety tax, stated that feels that council is losing their courage when it comes to safety tax, can't sell their way out of a new police department and fire station. Council needs to show more courage to ask for pennies on the dollar to provide more safety for our city. Also stated she was against selling the park, and said please don't mess up Costco.

Andrew Mattos: spoke regarding public safety tax, impact fees collected over the year that should've been used for police station and fire station, but went else where, hasn't seen an accounting of the use, stated we need to look at the revenue side, look at impact fees. Need to look at impact fees and revenue enhancements, look at surrounding cities, compared sales tax rates.

Pam Johnson: Spoke before in opposition of a consultant, but wants the Council to put the tax up for a vote. Need to keep our trained officers here in Hanford.

Mark Tretsa: Spoke regarding frustration of relating quality of life as a low tax rate.

Vick Bonia: regarding Diana Galavese, spoke to an article in the paper related to a loan from the city, \$40,000 amount received in 2006, amount not to be started to be repaid for 5 years with a payment of \$73 starting in 2011. In 2011 she was sent a letter stating her payments were \$214 per month, 3 times the amount than she was told, stated that City Employees altered the documents and attached her paperwork, had a meeting with a City employee named Barbra (couldn't recall the last name), and was told that that it was a template error, and she apologized but that the amount would have to be paid, or they would foreclose. Stated they have sent out 5 certified letters, and received one response from Mr. Chin, who stated that city manager would call. Stated that after they did not receive a call, Mr. Chin told them that he had done what he could and had no further comment. Stated that Deed is correct, but the actual contract was altered.

Non-action item./ . 0-0.

2. COUNCIL REPORTS/COMMENTS:

JJ: Attended several meetings. Received two calls regarding behavior that was unbecoming of someone during planning commission and general plan meetings, was discussed by council in the past and the problem needs to be dealt with in a timely fashion, stated that Council needs to deal with issue.

LM: Attended several meetings/events, stated that the Council as a body never discussed anything about putting up a second set of constitutions in the Council chambers. Stated that he personally spoke to Congressman Valadao to ask for another set, has them in his office and would like to give them to City Manager and possibly brought back for council discussion. Asked staff to bring a staff report regarding public comment made regarding home loan. Also stated that he would like to make a new selection for the citizens advisory committee for the general plan, Katherine Willis, since his original selection of Fred Wills has not been available on a regular basis. Consensus was given to make the change as requested.

RC: Attended several meetings/events: meet and greet with delegates from Sister City in Japan; Planning Commission meeting, appointed new Chair, Judy Baird and Vice Chair as Steve Froberg; met with the Mayor and City Manager to go over agenda.

GP: Attended several meetings/events: Joint County coordination meeting in Lemoore; meet and greet with delegates from Sister City in Japan; KCAO Board of Directors meeting; met with the Vice Mayor, City Manager and City Clerk to go over agenda; Martin Luther King celebration with the vice Mayor.

Non-action item./ . 0-0.

3. STAFF COMMUNICATIONS:

City Manager Darrel Pyle: Stated that Mayor and Vice Mayor will be headed to the New Mayor's training, and it the City Manager's will have a league meeting in two weeks.

Community Development Manager Melody Haigh: stated that last week had a General Plan Citizens Advisory Committee meeting and a Planning Commission meeting; also that there would be another Planning Commission meeting next week.

Lou Camara: Busy with lots of construction projects, street widening project on South 10th.

Non-action item./ . 0-0.

4. CONSENT CALENDAR:

Motion to approve the Consent Calendar items 4A through 4H by :Russ Curry/Joleen Jameson. Passed. 4-0. Ayes: Martinez , Jameson , Pannett , Curry . Absent: Irwin .

All items listed under the Consent Calendar are considered routine and will be enacted by one motion (**ROLL CALL VOTE required**). For discussion of an item on the Consent Calendar, it will be removed at the request of any member of the City Council or any person in the audience and made a part of the regular agenda.

- A. City Clerk: Approve Meeting Minutes for November 5, 2013
- B. City Clerk: Denial of the following claim for damages and direct the City Clerk to send out notification of such: Betty Middleton, Travelers Insurance for Edgar Murray.
- C. City Clerk: Approve and authorize the Mayor to sign the Purchase & Sale Agreement for the City's sale of the 1950's Studebaker Fire truck to the Hanford Chamber of Commerce.
- D. City Clerk: Approve and authorize the Mayor to sign the Fourth Amendment to the Service Agreement and

- E. Hanford Police Department: Approve the removal of vehicle #109 also known as the "S.W.A.T. Transport Van" from fleet inventories, and accept a 2000 Ford E-450 to serve as the new S.W.A.T. transportation vehicle.
- F. Public Works: Approval of Final Map and Subdivision Agreement for Tract No. 794, Quail Park - Unit I and accept all easements and dedications offered for public use.
- G. Public Works: Approve the attached Quitclaim Deed for the relinquishment of rights to Pinnacle Pointe LLC, for the change of grade of East Lacey Boulevard from approximately 1880 feet west of Highway 43 to Highway 43 and authorize the City Manager to execute said quitclaim deed and City Clerk to record with the Kings County Recorder.
- H. Finance: Approve warrant register for 1-1-2014 through 1-15-2014

5. PULLED FROM CONSENT TO THE REGULAR AGENDA:

6. PUBLIC HEARING:

- A. City Manager: Hold a hearing regarding the sale of 18.1+/- acres of undeveloped land adjacent to the existing Hidden Valley Park and, by motion, adopt resolution 14-01-R.

The staff report was presented by Darrel Pyle.

Mayor Pannett asked how many people in the audience were in opposition versus in favor of and offered to give the option of a spokesperson with 15 minutes. The majority of the audience, of approximately 75 people in the room raised their hands.

City Attorney Bob Dowd stated that there were written documents emailed prior to the public hearing, in protest of the sale of the property submitted by Robin Mattos to the City Clerk and included as part of the official record of testimony.

Public Hearing was open at 7:58PM.

Bob Ramos: Spoke to address potential negative traffic impacts to streets in area, and no current outlet as its blocked by railroad.

Rob Bentley: Spoke in opposition of selling the park land, there as a child for grand opening, and still dreams of it being finished.

Kathleen Jorgensen: Spoke in opposition of selling the park land, and the attempt to sell 10 years ago, less land now with dog park, and now all school yards are locked down at end of day.

Dave Eliason: Spoke in opposition of selling the park, spoke that council was supposed to continue prior council dream, Hanford needs the park space for the kids, and don't need more housing, housing will use up more water we don't have.

Mark Pratter: Spoke in opposition of selling the park, spoke to type of community do we want. Asked if we were overdeveloped as a community, listed off several examples of closed businesses and vacant buildings. Spoke to the ongoing air pollution and poor air quality, further development would just continue to pollute air. Need breathing space.

Mike Stoddard: Currently seated on Parks and Recreation Commission, spoke regarding commission's vote to note recommend sale. Stated that Parks and Rec Commission wasn't notified as requested when the item went to the planning commission, stated they never were told, and item was take to the planning commission twice.

Gary Weinberger: Submitted documents to the City Clerk for the record. Also stated that the City Park survey was not valid, stated that it was a neighborhood survey but it's a community park. Spoke regarding the attempt to sell the property to raise fund for Freedom Park, and that park was built without the sale. No effort regarding the planning the use of the park land.

Chris Sores: spoke in opposition of the sale of the park land, stated large need for active park land, all the parks in this city are overwhelmed with people. Asked council to vote against if they had even the smallest doubt.

Theresa Raposo: her father was landscape architect involved in the first phase of the park build, and remembers this project being a true community project to build what the city couldn't afford.

Paul Brusard: spoke in opposition of the sale of the park land, stated never received a survey, and was never asked in person. Doesn't think that the parks should be used to offset funding needs, stated ok paying a few more pennys in a tax instead.

Noor Memon: spoke in opposition of the sale of the park land, stated that we could build more jail space instead of parks if we sell it. Keep the park for the kids.

Andrew Mattos: spoke in opposition of the sale of the park land, doesn't agree with the staff report, referenced an article in the Hanford Sentinel in the 70's, that the park was to be built in phases at 9 acres at a time. The planning commission staff report doesn't accurately reflect the effects of SEQUA, and potential environmental impact, these impacts need to be studied further. Also spoke regarding the parks master plan survey, 74% of people wanted it developed as some sort of park land. Stated that thinks that the property appraisal is too low, industrial park being used as comps.

Andrew Youngblood: spoke in opposition of the sale of the park land, stated that the park needs more growth, like the dog park, stated that the city is dirty, and that needs more nature areas.

Kelsie Burnett: spoke in opposition of the sale of the park land, stated that its the only park she can take her daughter and feel safe.

Maureen Fakuda: spoke in opposition of the sale of the park land, spoke regarding public officials and elected serving at the will of the people, asked for transparency in this issue.

Robin Mattos: spoke in opposition of the sale of the park land, spoke regarding staff report government code referenced, and that there was more code about the disposition of park land, stated that the Council could put it to a vote to the people. Spoke regarding the property being dedicated for park land.

Richard Haramon: asked to appear on behalf of Mr. and Mrs. Mattos and others, submitted a copy of the deed of sale, stated that he felt that the council was barred from the signing the resolution of the undivided property because public funds have been used on property, spoke regarding midigation fees, expected to see information from CIP and plan of improvements, and an accounting of fees collected in 2 mile radious around park, and more detailed expenditure list of actual expenditures on underdeveloped portion of the park, suggested the City look at California Civil Code section 526a. Also submitted a copy of the County's general plan that noted there were some endangered speices on land, suggested look at this idea in the context of the General Plan update.

Randy Shaw: spoke in opposition to the sale of the park land, made comment regarding it not being used as a regional park, but it is already a regional park.

Tammy Nichols: spoke in opposition to the sale of the park land, when purchased house they new there was going to be new development close to them, and though it took time, it has started again, and this has already increased the noise and traffic in that area, the sale of the park is going to create more hazard. Spoke about the street being lined with cars, already difficult for safety vehicles to get through on Cortner.

Jason Wix: Spoke regarding comments related to the use of the land as low income housing and what that would do to current property owner values.

Aaron Fakuda: Spoke in opposition to the sale of the park land, spoke regarding SEQUA challenges, also regarding the City of Visalia being able to use grant funds to do a joint park pond, park during a regular time, and water basin during a flood. Found grant options available, for example proposition 84.

No speakers in favor.

Closed the public comment section of the hearing.

Copies of all documents will be made available to all council member.

Made a motion to continue this item until all 5 council members be available for dicussssion and vote by:Russ Curry/Joleen Jameson. Passed. 4-0. Ayes: Curry , Jameson , Martinez , Pannett . Absent: Irwin .

7. DEFERRED BUSINESS:

- A.** Community Development: Waive the second reading and approve Ordinances 13-08, 13-09, 13-10, 13-11, 13-12, 13-14, 13-15, 13-16, and 13-17, revising the Hanford Municipal Code Chapter 15, adopting the current editions of the California Code of Regulations; parts 1, 2, 2.5, 3, 4, 5, 6, 8, 9, 10, 11 and 12 as amended and the Codes they are based on, and direct staff to publish in accordance to Government Code 36933.

Motion made to waive the second reading and approve Ordinances 13-08, 13-09, 13-10, 13-11, 13-12, 13-14, 13-15, 13-16, and 13-17, revising the Hanford Municipal Code Chapter 15, adopting the current editions of the California Code of Regulations; parts 1, 2, 2.5, 3, 4, 5, 6, 8, 9, 10, 11 and 12 as amended and the Codes they are based on, and direct staff to publish in accordance to Government Code 36933 by :Russ Curry/Joleen Jameson. Passed. 4-0. Ayes: Curry , Jameson , Martinez , Pannett . Absent: Irwin .

8. NEW BUSINESS:

- A. Hanford Fire Department: Approve the appropriation of \$44,126.30 from Fleet Replacement Reserve Funds for the purchase of one (1) Command Vehicle (\$31,626.30) and emergency equipment (\$12,500.00); and authorize the purchase of a 2014 Ford Explorer from Keller Ford of Hanford in the amount of \$31,626.30.

Motion to approve the appropriation of \$44,126.30 from Fleet Replacement Reserve Funds for the purchase of one Command Vehicle (\$31,626.30) and emergency equipment (\$12,500.00); and authorize the purchase of a 2014 Ford Explorer from Keller Ford of Hanford in the amount of \$31,626.30 by :Russ Curry/Lou Martinez. Passed. 4-0. Ayes: Curry , Jameson , Martinez , Pannett . Absent: Irwin .

ADJOURN TO CLOSED SESSION

CLOSED
SESSION

1. **CLOSED SESSION FOR DISCUSSION OF THE FOLLOWING:**

Meeting was adjourned to closed session at 9:30 PM.

No reportable action./ . 0-0.

- A.** CONFERENCE WITH LABOR NEGOTIATORS – Pursuant to Government Code 54957.6
- Agency designated representatives:
Darrel Pyle, Robert Dowd, and Mario Zamora
- Employee Organization:
Executive Management Employees Association (E.M.E.A.)
General Employees Management Association (G.E.M.A.)
- B.** CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Pursuant to Government Code §54956.9(d)(2)
- NUMBER OF POTENTIAL CASES: 3
- C.** CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Pursuant to Government Code §54956.9(d)(4)
- NUMBER OF POTENTIAL CASES: 1
- D.** CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Government Code §54956.9(d)(1):
- CASE NAME: Hanford Executive Management Employee Assoc. et al v City of Hanford, et al
CASE NUMBER: Eastern District of California No. 1:11-CV-00828
CASE NAME: Lindsay v. City of Hanford
CASE NUMBER: Kern County No. S-1500-cv-280112
CASE NAME: Gunner Ohnstad v. City of Hanford, et al.
CASE NUMBER: Kings County No. 13C0158
CASE NAME: Michael Hamburger, et al. v. City of Hanford, et al.
CASE NUMBER: Kings County No. 13C0256
CASE NAME: Miller v. Schmitz, et al.
CASE NUMBER: U.S. District Ct. (Eastern Dist.) No. 1:12-CV-137
CASE NAME: Pedro Cruz Plascencia v. Couty of Kings, et al.
CASE NUMBER: Kings County No. 13C0311
CASE NAME: Lance Tomlinson v. Scott Woodhouse, et al.
CASE NUMBER: Kings County No. 13C0285
- E.** PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Pursuant to Government Code 54957
- TITLE: CITY MANAGER

F. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Pursuant to Government Code Sec. 54956.8

Property: APNs 014-251-044, 014-251-023, 014-251-051, 014-251-050, 014-251-051, 014-251-040, 014-251-045, 014-251-046, 014-251-006, 014-251-007, 014-260-077, 014-260-078
Agency Negotiators: Darrel Pyle, and Ty Mizote.
Negotiating Party: Pinnacle Pointe, LLC, Helena, Terry Johnson, Leroy Souza, SPCA, EBC Farms, LLC, and Daljit Singh.
Under Negotiation: Terms and Price

2. CLOSED SESSION ACTION REPORT:

A. Closed Session Action Report

Nothing to report out./ . 0-0.

THE CITY COUNCIL WILL CONVENE THE OPEN SESSION OF THE REGULAR MEETING AT 7:00 p.m.

REGULAR COUNCIL MEETING - 7:00 p.m.

3. ADJOURNMENT:

The meeting was adjourned at 10:45 PM./ . 0-0.



AGENDA STAFF REPORT

MEETING DATE: 3/18/2014

AGENDA SECTION: 4. C.

SUBJECT:

City Manager: As it relates to the sale of 1.1 Acres on 7th Street to KART

1. Approve the Purchase & Sale Agreement (PSA), in the amount of \$430,747 and authorize the Mayor to sign the same; and
2. Authorize the Mayor to sign a Grant Deed and other documents required to sell the property in accordance with the terms set forth in the PSA.

RECOMMENDATION:

The City Manager recommends that the City Council, by motion:

1. Approve the attached Purchase & Sale Agreement (PSA), in the amount of \$430,747 and authorize the Mayor to sign the same; and
2. Authorize the Mayor to sign a Grant Deed and other documents required to sell the property in accordance with the terms set forth in the attached PSA.

BACKGROUND:

The Kings County Area Public Transit Agency (KART) has offered to purchase the real property on the north side of 7th Street owned by the City, which is located directly west of the railroad tracks.

KART is currently leasing the property from the City for \$1.00 per year. The lease expires on October 2, 2017.

KART desires to purchase the property in order to facilitate its receipt of grant funds that can be utilized to further improve the property.

The property was appraised by the Simon Company in November 2013. A copy of the appraisal is attached.

The appraisal identifies the property's fair market value as \$450,000.00 (\$315,000.00 for the land and \$135,000.00 for the onsite building). The land component of the purchase price equates to \$6.57 per square foot.

The purchase price has been adjusted to \$430,747 to adjust for square footage of land and building. Land is adjusted to omit the 2,506 square feet of land that is located on the east side of the existing wrought iron fence. Exhibit "B" of the PSA consists of a diagram that shows the location of the 2,506 square feet that KART is not purchasing. The building value is adjusted to reflect more square footage attributable to KART's original investment.

City staff will contact BNSF Railroad about the City transferring the 2,506 square feet of land to BNSF. BNSF

previously installed improvements on that portion of the property.

Section 13.1 of the PSA requires KART to maintain, repair, and improve the 60 existing public parking spaces. This duty will run with the land; KART's successors-in-interest (any party to whom KART may sell or transfer the property) will be bound by such requirements.

FISCAL IMPACT:

The sale will generate \$433,541.69, less the City's share of escrow costs and expenses.

ATTACHMENTS:

Description

- ❏ [Purchase and Sale Agreement](#)
- ❏ [Simon Appraisal Report](#)

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

* * * * *

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (“**Agreement**”) is made and entered into this ____ day of _____, 2014 (“**Effective Date**”), by and between THE CITY OF HANFORD, a municipal corporation (“**Seller**”), and the KINGS COUNTY AREA PUBLIC TRANSIT AGENCY, a joint powers authority (“**Buyer**”). Seller and Buyer are sometimes collectively referred to herein as the “**Parties**” and singularly as a “**Party**.” This Agreement is made with reference to the following facts:

RECITALS

- A. Seller owns that real property more particularly described in the attached Exhibits “A” and “B” which are incorporated herein by reference (“**Real Property**”).
- B. Seller currently leases the Real Property to Buyer.
- C. Buyer desires to purchase and Seller is willing to sell the Real Property to Buyer.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. **Purchase and Sale.** Subject to all of the terms, conditions and provisions of this Agreement and for the consideration set forth herein, Seller agrees to sell to Buyer and Buyer agrees to buy at the Closing, as defined in this Agreement, the Real Property. The sale and purchase of the Real Property shall be consummated by means of an escrow (“**Escrow**”) opened at the offices of STEWART TITLE COMPANY (“**Escrow Holder**”) located at 329 W. Eighth Street, Suite 105, Hanford, California. This Agreement shall constitute the instructions for the Escrow upon acceptance by Escrow Holder. The Parties shall also execute such additional escrow instructions as may be required by the Escrow Holder, but the same shall be consistent with this Agreement and not modify the terms hereof unless specifically approved by the Parties, such approval to be given or withheld in their sole discretion.

2. **Purchase Price.** The purchase price for the Real Property shall be Four Hundred Thirty Thousand, Seven Hundred Forty-Seven and 00/100 Dollars (\$430,747.00) (“**Purchase Price**”). The Purchase Price shall be paid in full on the Closing Date, as defined below in Section 23 of this Agreement.

3. **Payment of Purchase Price.** The Purchase Price shall be paid as follows:

(a) Upon execution of this Agreement hereof by both Parties, Buyer shall deposit Eight Thousand, Five Hundred and No/100 Dollars (\$8,500.00) (“**Deposit**”) with Escrow Holder.

(b) At least one (1) business day before the Closing, Buyer shall deposit the balance of the Purchase Price with Escrow Holder, in cash, by wire transfer or other immediately available funds.

4. **Liquidated Damages.**

LIQUIDATED DAMAGES UPON BUYER'S DEFAULT. IF THE ESCROW FAILS TO CLOSE BY THE SCHEDULED CLOSING DATE SET FORTH IN SECTION 23 OF THIS AGREEMENT AS A RESULT OF BUYER'S DEFAULT IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER

THIS AGREEMENT, THE DEPOSIT AND INTEREST ACCRUED THEREON SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST BUYER, AT LAW OR IN EQUITY OR OTHERWISE. RETENTION OF SUCH FUNDS BY SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT INSTEAD, IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. BECAUSE OF THE SPECIAL NATURE OF THE NEGOTIATIONS THAT PRECEDED ACCEPTANCE BY SELLER OF BUYER'S OFFER TO ACQUIRE THE REAL PROPERTY, THE PARTIES ACKNOWLEDGE THAT THE ACTUAL DAMAGE THAT WOULD RESULT TO SELLER AS A RESULT OF SUCH FAILURE WOULD BE EXTREMELY DIFFICULT TO ESTABLISH. IN ADDITION, BUYER DESIRES TO LIMIT ITS POTENTIAL LIABILITY TO SELLER IN THE EVENT THAT THIS TRANSACTION SHALL FAIL TO CLOSE. BY SEPARATELY INITIALING BELOW, THE PARTIES HEREBY ACKNOWLEDGE THEIR AGREEMENT CONCERNING LIQUIDATED DAMAGES:

Buyer Initials

Seller Initials

5. **Possession.** Seller shall deliver possession of the Real Property to Buyer at the Closing.

6. **Condition of Title to Real Property.** Seller shall convey fee title to the Real Property to Buyer, subject only to those encumbrances, contracts, agreements, rights, easements, rights of way, and mineral leases, rights and reservations as set forth in a preliminary report of title to the Real Property to be prepared by Escrow Holder ("**Title Report**") promptly after the opening of the Escrow. Upon receipt of the Title Report, and each document shown as an exception or encumbrance in the Title Report, Buyer shall have fifteen (15) calendar days within which to notify Seller and Escrow Holder in writing of any exceptions to title shown therein that Buyer disapproves ("**Objectable Exceptions**") plus any endorsements to title Buyer requires for the subject title policy. If Buyer notifies Seller and Escrow Holder of one or more Objectable Exceptions, Seller shall have fifteen (15) calendar days from receipt of such written notice to (i) remove the Objectable Exception(s), or (ii) refuse to remove the Objectable Exception(s), in which case Buyer may elect to waive its objection(s) and consummate this transaction, or terminate this Agreement and receive a refund of the Deposit and accrued interest, whereupon neither Party shall have any further obligation to sell or purchase the Real Property. Buyer's failure to provide Seller and Escrow Holder with written notice of Objectable Exceptions within said fifteen (15) calendar day period shall constitute Buyer's approval of the Title Report and all exceptions shown therein (collectively "**Permitted Exceptions**"). After Buyer's approval of the Title Report, Seller shall not allow, cause, or permit any additional exceptions to the condition of title to occur without Buyer's approval, other than ongoing real property taxes and assessments already of record.

7. **Title Insurance.** At the Closing, and as a condition to Buyer's obligation to purchase and Seller's obligation to sell the Real Property, Escrow Holder shall commit to issue its CLTA Owner's Policy of Title Insurance and Buyer's requested endorsements (provided, however, Buyer may elect to obtain ALTA extended coverage if Buyer so notifies Escrow Holder prior to the Closing and such election does not delay the close of Escrow) showing title to the Real Property vested in Buyer, subject only to the Permitted Exceptions as determined in accordance with Section 6 of this Agreement (the "**Title Policy**"). The premium for the Title Policy shall be paid as set forth in Section 22 of this Agreement, provided that if Buyer elects to obtain an extended coverage ALTA Owner's Title Policy, it shall pay the difference in premium and other costs for ALTA versus CLTA coverage.

8. Feasibility Period.

(a) During the period commencing on the Effective Date, and terminating at 5:00 p.m. on the day before the Closing Date (“**Feasibility Period**”), Buyer shall undertake, at Buyer’s expense, including (but not limited to): (i) an inspection of the Real Property; (ii) a review of the physical condition of the Real Property, including (but not limited to), inspection and examination of soils, environmental factors, hazardous substances, if any, and archeological information relating to the Real Property; and (iii) a review and investigation of the effect of any zoning, maps, permits, reports, engineering data, regulations, ordinances and law affecting the Real Property. Seller shall reasonably cooperate with Buyer and Buyer’s agents in providing documents and access to the Real Property relevant to Buyer’s inspection.

(b) If Buyer, in its sole and absolute discretion, and for any reason, approves all, or disapproves the results of any aspect of Buyer’s inspection and review, Buyer shall give, prior to 5:00 p.m. on the last day of the Feasibility Period, either (i) its notice of approval, or (ii) its notice of disapproval and termination of this Agreement. If the transaction is disapproved or deemed disapproved, all parties hereto shall be relieved of all further obligations or liabilities hereunder except as is otherwise specifically provided in this subparagraph 8(b) and in subparagraph 8(c) immediately following. If Buyer fails to notify Seller properly and timely of Buyer’s approval of this transaction as provided in this subparagraph 8(b), Buyer shall be deemed to be dissatisfied with the results of the inspection and shall be deemed to have disapproved and terminated this Agreement pursuant to this subparagraph 8(b). If Escrow terminates pursuant to this subparagraph 8(b), the Deposit will be released by Escrow Holder to Buyer, and Buyer will provide to Seller at no charge, upon cancellation of Escrow, all reports and material regarding the Real Property that Buyer generates or are generated on Buyer’s behalf.

(c) Buyer shall, prior to Closing, indemnify, defend and hold Seller and Seller’s officials, officers, employees, representatives and agents and the Real Property harmless from and against any and all loss, cost, damage, expense, claim or liability, including personal injury, loss of life and/or property damage incurred by: (i) Buyer or Buyer’s officials, officers, employees, representatives and agents as a result of the condition of the Real Property; or (ii) by any person or entity as a result of the acts or omissions of Buyer or its representatives, employees, contractors, or agents in performing any inspection and/or testing activity on or about the Real Property (provided however, the indemnity of this subsection (c)(ii) shall not apply to any pre-existing environmental condition unless the willful, intentional, or negligent act of Buyer makes the pre-existing condition worse). Buyer shall promptly pay all costs, fees and expenses incurred as a result of or associated with such inspection work done or caused to be done on the Real Property as permitted by this Section 8. Buyer shall keep the Real Property free from any and all mechanics or similar liens or charges resulting from such inspection work.

(d) Should Buyer enter the Real Property during the Feasibility Period, Buyer shall maintain at its own expense: (1) public liability insurance with liability amounts not less than Two Million Dollars (\$2,000,000.00) for the injury or death of one person and Two Million Dollars (\$2,000,000.00) for the injury and death of more than one person in any one incident; and (2) property damage insurance in the amount of Two Million Dollars (\$2,000,000.00). All such insurance shall be carried with competent and reliable insurance companies, reasonably satisfactory to Seller. Buyer’s insurance coverage shall be primary with respect to any coverage that may be maintained by Seller. Buyer shall cause its insurers to waive all rights of subrogation against Seller and its elected and appointed officers, officials, employees, agents, and volunteers and each of them. On the Effective Date, Buyer shall furnish to Seller a certificate or certificates of insurance and endorsements from said companies confirming the requirements set forth herein and stating that said insurance is in full force and effect, that the premiums have been paid thereon, and that each insurance company will give Seller at least five (5) calendar days prior written notice of any termination, cancellation or modification of the terms of said insurance. Seller and its elected and appointed officers, officials, employees, agents, and volunteers, and each of them, shall be named as additional insureds on the above mentioned policies.

9. **Condition of Property.** Except for representations made in writing by the Seller prior to the Closing Date:

(a) Buyer expressly acknowledges that Buyer is buying the Real Property in an “AS IS AND WHERE AS” condition, and that it has not relied on any warranties, promises, understandings or representations, express or implied, of Seller or any employee, agent or representative of Seller, or any document relating to the Real Property, except as are specifically set forth in this Agreement. Buyer acknowledges that any and all feasibility or market reports, environmental assessments, engineering studies and other information of any type that Buyer has received or may receive from Seller or its agents are furnished on the express condition that Buyer shall make an independent verification of the accuracy of any and all such information, all such information being furnished without any warranty whatsoever.

(b) Buyer acknowledges and agrees that neither Seller nor any employee, agent or representative of Seller has made any representation or warranty to Buyer concerning the Real Property, including, without limitation, the suitability of the Real Property for Buyer’s intended use or its compliance with any statutes, ordinances, rules or regulations. Buyer shall perform and rely solely upon its own independent investigation concerning the Real Property and the Real Property’s compliance with any applicable law. Buyer acknowledges that it is acquiring the Real Property subject to all existing laws, ordinances, rules and regulations, and that neither Seller nor any of Seller’s representatives, agents or employees have made any warranties, representations or statements regarding any laws, ordinances, rules and regulations of any governmental or quasi-governmental body, entity, district or agency having authority with respect to the use, condition or occupancy of the Real Property.

(c) Buyer shall perform and rely solely upon its own investigation concerning Buyer’s intended use of the Real Property, the Real Property’s fitness therefore, and the permissibility of such intended use under applicable statutes, ordinances, rules and regulations.

(d) Except as expressly set forth in this Agreement, from and after the Closing, Buyer will indemnify, defend, and will hold Seller harmless and hereby waives, releases, remises, acquits and forever discharges Seller, its elected and appointed officials, officers, employees, and agents, and their respective heirs, successors, personal representatives and assigns, of and from any and all suits, causes of action, legal, equitable or administrative proceedings, claims, demands, actual damages, punitive damages, losses, costs, liabilities, interest, attorneys fees and expenses of whatever kind and nature, in law or in equity, known or unknown, arising out of or in any way connected with, directly or indirectly, or based upon or arising out of the condition, status, quality, nature or environmental state of the Real Property; provided however, such duty to indemnify, defend, and hold Seller harmless shall not apply with respect to Seller’s gross negligence or intentional misconduct. It is the intention of this Agreement that, except for Seller’s gross negligence and intentional misconduct and except as otherwise expressly set forth herein, any and all responsibilities and obligations of Seller to Buyer, and any and all rights or claims of Buyer, its successors and assigns and affiliated entities, with respect to, or as against Seller arising by virtue of, the physical or environmental condition of the Real Property are by this release provision declared to be, from and after Closing, null and void and of no present or future effect as to such parties. With respect to the matters released by Buyer pursuant to this Section 9, Buyer waives the benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

10. Existing Surveys and Reports. Within ten (10) calendar days after Seller's execution of this Agreement, Seller shall furnish Buyer with copies of all existing surveys, soil reports, engineering studies, environmental audits or reports, site plans, and other information in Seller's possession pertaining to the Real Property.

11. Covenants, Warranties and Representations of Seller. Seller hereby makes the following covenants, representations and warranties:

(a) Except as otherwise disclosed herein, Seller's execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition, obligation or undertaking of Seller.

(b) Seller is not a "foreign person" as defined in Section 1445(f) of the Internal Revenue Code of 1986, as amended. At the Closing, Seller shall provide Buyer Affidavits of Non-Foreign Status made under penalty of perjury, if required by Escrow Holder.

(c) Except as otherwise disclosed herein, there are no liens on title or actions, suits, or proceedings of any kind or nature whatsoever, legal or equitable, pending or to the best of Seller's knowledge, threatened against Seller, or the Real Property, and relating to or arising out of the ownership, management, or operation of the Real Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau, agency, or other governmental instrumentality.

(d) The Real Property is not subject to any third party leases or other use rights, with the exception of those rights, if any, which may be reflected in the Title Report.

(e) Seller will not market the Real Property for sale or disposition to any other party while this Agreement is in effect.

(f) To Seller's current actual knowledge, the Real Property currently is in compliance in all respects with the rules, regulations, ordinances and laws of all governmental authorities having jurisdiction over the Real Property.

(g) Seller shall notify Buyer immediately if Seller becomes aware of any new information or material change concerning the Real Property that affects the representations and warranties of Seller under this Agreement.

12. Covenants, Warranties and Representations of Buyer. Buyer hereby makes the following covenants, representations and warranties:

(a) Buyer has the authority to enter into this Agreement, purchase the Real Property, and to otherwise perform as set forth herein. The person executing this Agreement on behalf of Buyer has the full legal authority and is duly authorized to sign this Agreement on behalf of Buyer and to bind Buyer to all of the terms and conditions of this Agreement.

(b) Buyer's execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition, obligation or undertaking of Buyer.

(c) There are no actions, suits, or proceedings of any kind or nature whatsoever, legal or equitable, pending or, to the best of Buyer's knowledge, threatened against Buyer, in any court or before or by any

federal, state, county or municipal department, commission, board, bureau, agency, or other governmental instrumentality seeking to challenge Buyer's ability to purchase the Real Property.

13.1 Public Parking.

(a) The Parties acknowledge that there are currently sixty (60) vehicle parking spaces on the Real Property that are available for public use.

(b) As a condition of Seller's sale of the Real Property to Buyer, the Parties agree that Buyer will, following the close of escrow, maintain no less than sixty (60) vehicle parking spaces on the Real Property that will be available for public use at all times; provided however, parking spaces may be temporarily taken out of service for purposes of required maintenance, repair, or improvement work.

(c) Buyer will be responsible for the maintenance, repair, and improvement of the parking spaces. Buyer will undertake all necessary maintenance, repair, and improvement work to ensure that the parking spaces remain usable by the public. Seller will have no obligation to reimburse Buyer for any costs associated with such work.

(d) The duty to maintain, repair, and improve the sixty (60) parking spaces shall run with the land and shall be an obligation of all of Buyer's successors-in-interest. The provisions of this Section 13.1 will be set forth in the Grant Deed through which Seller conveys title to the Real Property to Buyer.

13.2 Right of First Refusal.

(a) If Buyer seeks to sell any portion of the Real Property to a third party, Buyer shall notify Seller in writing. Buyer's written notice to Seller will identify the price and terms under which Buyer intends to sell the Real Property to the third party purchaser. Seller will have the right to repurchase the portion of the Real Property that Buyer intends to sell to the third party; the purchase price and terms shall match the price negotiated by Buyer and the third party purchaser, which price and terms will be identified in Buyer's written notice to Seller. If Seller intends to exercise the first right of refusal established in this section, Seller will notify Buyer in writing within thirty (30) calendar days of Seller's receipt of the written notice that Buyer is required to provide pursuant to this section.

(b) If Seller elects not to exercise its right of refusal, Buyer may sell the property to the third party purchaser on the terms set forth in the written notice that Buyer provides to Seller hereunder. If Buyer does not sell the Real Property to the third party purchaser, Seller's first right of refusal will apply when Buyer seeks to sell to other interested parties. Seller's first right of refusal will apply to each proposed sale of the Real Property (or portion thereof) in which Buyer seeks to engage.

(c) The provisions of this Section 13.2 will be set forth in the Grant Deed through which Seller conveys title to the Real Property to Buyer.

14. Survival of Warranties. The satisfaction, truth, accuracy and completeness of each of the representations, warranties and covenants of Buyer and Seller contained in this Agreement, as of the date hereof and as of the Closing, shall constitute a condition precedent to the obligations of Seller and Buyer, respectively, hereunder. All representations, warranties, covenants, obligations, responsibilities and agreements set forth herein shall survive the Closing, and Seller and Buyer each agree to indemnify, defend and hold the other harmless from any claim, demand, liability, loss or cost (including without limitation, reasonable attorneys' fees and costs) which the other may sustain arising out of any breach of and provision of this Section 14.

15. **Brokerage Commissions.** Buyer and Seller each represents and warrants to the other that it has not engaged the services of any real estate broker, salesperson, agent or finder, nor done any other act nor made any statement, promise or undertaking which would result in the imposition of liability for the payment of any real estate brokerage commission, finder's fee or otherwise in connection with the transaction described in this Agreement. In the event that any person or entity perfects a claim for a brokerage commission, finder's fee or otherwise, based upon any agreement, statement or act, the Party through whom such person or entity makes such claim shall be responsible therefor and shall defend, indemnify and hold the other Party and the Real Property harmless from and against such claim and all loss, costs and expense associated therewith, including attorneys' fees.

16. **Conditions Precedent to Seller's Obligations to Perform.** Seller's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

(a) Buyer shall have timely performed each of the acts to be performed by it hereunder.

(b) Each of Buyer's representations and warranties set forth herein shall be true at the Closing as if affirmatively made at that time.

(c) Buyer shall not have timely exercised any right set forth in this Agreement to cancel the Escrow or terminate this Agreement.

17. **Conditions Precedent to Buyer's Obligations to Perform.** Buyer's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

(a) Seller shall have timely performed each of the acts to be performed by it hereunder.

(b) Each of Seller's representations and warranties set forth herein shall be true at the Closing as if affirmatively made at that time.

(c) Seller shall not have timely exercised any right set forth in this Agreement to cancel the Escrow or terminate this Agreement.

(d) Escrow Holder is committed to issue the Title Policy as set forth above in Section 7.

(e) Seller has satisfied all legal requirements for the sale of the Real Property in order to grant clear title to Buyer, subject to those conditions and Permitted Exceptions approved by Buyer.

18. **Establishment of Escrow.** Upon execution of this Agreement by the Parties, a duplicate original of this Agreement shall be deposited with Escrow Holder. The general provisions of Escrow Holder's escrow instructions shall not impose any additional obligations or liabilities on the parties. If any of the general provisions conflict with the provisions of this Agreement, the provisions of this Agreement shall control.

19. **Deposits into Escrow.** The Parties shall make the following deposits into Escrow at or prior to the Closing:

(a) Seller shall deposit an executed and acknowledged original Grant Deed conveying good and marketable title to the Real Property, subject to all Permitted Exceptions.

(b) Buyer shall deposit all funds when and as required hereby (including without limitation the Purchase Price, all amounts necessary to pay Buyer's share of the closing costs), and such other amounts as Buyer has agreed to pay under this Agreement, or as required by Escrow Holder, and a preliminary change of ownership report for Kings County.

(c) Both Parties shall execute and deliver such additional documents as Escrow Holder reasonably may deem necessary in order to effectuate the transaction set forth in this Agreement and to close the Escrow.

20. Prorations. Escrow Holder shall prorate the following items, as of the Closing, using a 365 day year: all real and personal property taxes and all other charges or assessments relating to the Real Property using the latest tax bills. Buyer shall pay any supplemental taxes assessed pursuant to Chapter 3.5 (Section 75) of the California Revenue and Taxation Code resulting from the sale of the Real Property to Buyer. Escrow Holder is not responsible for utility or insurance costs and premiums, all of which shall be prorated outside the Escrow by the Parties.

21. Title Insurance. At the Closing, Escrow Holder shall issue, effective as of that date, the Title Policy described in Section 7 of this Agreement.

22. Costs and Expenses. Closing costs shall be borne by the Parties as follows:

(a) The Title Policy premium shall be paid by Seller, except that any increase in the Title Policy premium associated with Buyer's acquisition of an ALTA policy, if Buyer desires such policy, or endorsements requested by Buyer shall be paid by Buyer; provided, however, that any endorsements which are requested by Buyer as an accommodation and at the request of Seller shall be paid by Seller;

(b) Documentary transfer taxes and costs of preparing and recording the Grant Deeds shall be paid by Buyer; and

(c) All Escrow fees shall be shared equally between Buyer and Seller.

All other costs of closing the Escrow, including, without limitation, filing fees, other recording fees and otherwise, shall be shared by the Parties equally. Each Party shall bear its own legal fees and costs. Buyer shall deposit additional funds into Escrow in an amount equal to its share of the closing costs as determined by Escrow Holder. Escrow Holder is hereby authorized to withhold Seller's share of the closing costs from funds otherwise distributable to Seller.

23. Closing Date. Unless otherwise extended by the Parties in writing or as specified herein, the closing of Escrow for the Real Property shall occur as soon as possible on or before the forty-fifth (45th) calendar day following the Effective Date, subject to the prior satisfaction (or waiver) of the conditions precedent to the Closing identified in Sections 16 and 17 of this Agreement ("**Closing**"). The date on which Closing occurs is referred to herein as "**the Closing Date.**" If the Escrow is not in a condition to close by the Closing Date, Escrow Holder, except as otherwise provided herein, shall cancel the Escrow upon receipt of written notice from either Party of such cancellation; provided, however, that if Escrow is not in a condition to close by the Closing Date due to the failure of only one Party to perform, and such failure to perform constitutes a default under this Agreement, and the other Party has fully performed all of the obligations required of it in order to close the Escrow, only the performing Party shall be entitled to provide Escrow Holder with written notice of cancellation. In the absence of any written notice of cancellation, Escrow Holder shall proceed to close the Escrow as soon as possible.

24. Procedure for Closing. Escrow Holder shall close the Escrow by doing the following:

- (a) Pay from funds deposited by Buyer all claims, demands and liens necessary to place title to the Real Property in the condition set forth in Section 6 of this Agreement;
- (b) Pay Seller's share of the closing costs from funds otherwise distributable to Seller;
- (c) Pay from funds deposited by Buyer (other than the Purchase Price), Buyer's share of closing costs;
- (d) Prorate real and personal property taxes and all other charges or assessments as set forth in Section 20 of this Agreement;
- (e) Record Seller's Grant Deed in the Official Records of Kings County and direct the County Recorder to affix the transfer tax after recording, return the recorded Grant Deed to Buyer with a conformed copy to Seller, and file Buyer's preliminary change of ownership report in Kings County, as appropriate; and
- (f) Unless otherwise instructed by Seller, unilaterally deliver the remaining funds held in Escrow, less payments authorized hereunder, to Seller by Escrow Holder's check.

25. Failure to Close. If Escrow shall fail to close as a result of Buyer's breach of any of its obligations hereunder, then, in accordance with the provisions of Section 4 hereinabove, upon demand of Seller, Escrow Holder shall terminate the Escrow, immediately deliver the Deposit, accrued interest on the Deposit, and all documents that Seller previously deposited into Escrow (collectively "**Seller's Documents**") to Seller, deliver Buyer's preliminary change of ownership report to Buyer, and charge Buyer for any cancellation charges. If the Escrow shall fail to close as a result of Seller's breach of any of its obligations hereunder, or upon Buyer's election to terminate in accordance with the provisions of this Agreement, then upon demand of Buyer, Escrow Holder shall terminate the Escrow, immediately cause to be delivered the Deposit and accrued interest to Buyer, deliver Seller's Documents to Seller, deliver Buyer's preliminary change of ownership report to Buyer, and charge Seller for any cancellation charges. If the Escrow fails to close through no fault of either Buyer or Seller, upon the demand of either Party, Escrow Holder shall return Buyer's preliminary change of ownership report to Buyer, return Seller's Documents to Seller, return the entire Deposit and accrued interest to Buyer, and cancel the Escrow, with all cancellation charges to be borne equally by Buyer and Seller.

26. Attorneys' Fees. Subject to Section 4 of this Agreement, in the event of any action between Buyer and Seller seeking enforcement of any of the terms and conditions of this Agreement, or in connection with the Real Property, the prevailing Party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, including, but not limited to, taxable costs and reasonable attorneys' fees. Seller and Buyer agree that any such action shall be venued in Kings County, California or in the Federal District Court in Fresno, California.

27. Indemnification of Escrow Holder. Escrow Holder shall be indemnified and held harmless by Buyer and Seller against any and all costs, damages, attorneys' fees, expenses and liabilities which it incurs or sustains in connection with the Escrow, except for such items as may be caused by Escrow Holder's misconduct or negligence.

28. Notice. Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile or e-mail if receipt is acknowledged by the addressee, one (1) business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or five (5) business days after being mailed by first class mail, charges and postage prepaid, properly addressed to the party to receive such notice at the last address furnished for such purpose by the party to whom notice is directed and addressed as follows:

To Buyer: Angie Dow, Executive Director
KINGS COUNTY AREA PUBLIC TRANSIT AGENCY
629 Davis St.
Hanford, CA 93230

To Seller: Darrel Pyle, City Manager
CITY OF HANFORD
319 N. Douty Street
Hanford, CA 93230
FAX: (559) 585-2595

To Seller's Legal Counsel: Ty N. Mizote
GRISWOLD, LaSALLE, COBB,
DOWD & GIN, L.L.P.
111 East Seventh Street
Hanford, CA 93230
FAX: (559) 582-3106

29. Sole and Only Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the matters set forth herein and contains all of the covenants and agreements between the parties regarding said matters. Except as is otherwise provided herein, each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party which are not embodied in this Agreement and no other agreement, statement or promise shall be valid or binding.

30. Successors and Assigns.

(a) Buyer may assign its rights hereunder to an Affiliate of Buyer as long as such successor-in-interest confirms in writing that it shall be bound by the terms of this Agreement and Buyer guarantees in writing the Affiliate's performance hereunder.

(b) The term "**Affiliate**" means any person or entity directly or indirectly Controlling, Controlled by or under common Control with the person or entity to which such term applies. "**Control**," as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies and decision-making of such person or entity, whether through the ownership of voting interests or by contract or otherwise, including, without limitation, the possession of direct or indirect equity or beneficial interests in at least ten percent (10%) of any entity, or voting control of any entity.

(c) The covenants and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto. Subject, however, to Buyer's rights described in this Section 30, Buyer may not, without the Seller's consent, which consent shall not be unreasonably withheld, assign any duties or responsibilities to a third party as long as Buyer owns the Real Property; however, all duties and

obligations of Buyer will run with the land and Buyer shall guarantee in writing the successors' and assigns' performance hereunder.

31. **Further Action.** The Parties agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Agreement.

32. **Waiver.** A waiver of any breach of this Agreement by any Party shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision of this Agreement.

33. **Choice of Laws.** This Agreement shall be governed by the laws of the State of California and any question arising hereunder shall be construed or determined according to such law.

34. **Headings.** Headings at the beginning of each numbered Section of this Agreement are solely for the convenience of the Parties and are not a part of this Agreement.

35. **Survival.** All of the provisions of this Agreement shall survive the Closing and shall remain binding upon the Parties.

36. **Time.** Time is of the essence, it being understood that each date set forth herein, particularly the Closing, and the obligations of the Parties to be satisfied by such dates have been the subject of specific negotiations by the Parties.

37. **Counterparts.** This Agreement may be signed by the Parties in different counterparts and the signature pages combined to create a document binding on all Parties.

38. **Nondiscrimination and Non-segregation Provisions.** The Buyer herein covenants by and for itself and its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease or sublease, transfer, use, occupancy, tenure, or enjoyment of the Real Property herein conveyed, nor shall Buyer or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number or use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Real Property herein conveyed. The foregoing covenants shall run with the land and shall be included in the deed transferring title of the Real Property to Buyer.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first hereinabove written.

“SELLER”

CITY OF HANFORD, a municipal corporation

Dated: _____, 2014

By: _____
GARY PANNETT
Mayor

“BUYER”

KINGS COUNTY AREA PUBLIC TRANSIT
AGENCY

Dated: _____, 2014

By: _____
JOE NEVES
Board Chairperson

EXHIBIT "A"

LEGAL DESCRIPTION

All that portion of the Northwest Quarter of Section 36, Township 18 South, Range 21 East, Mount Diablo Base and Meridian, in the City of Hanford, County of Kings, State of California, according to Government Township Plat approved March 31, 1855, described as follows:

All of Lots 11 through 22, inclusive, together with that portion of the 20 foot wide alley that lies contiguous with the above said Lots, in Block 139 of the Official Map of the City of Hanford, as shown on map recorded in Map Book, Page 11, sheet 2 of 2, of Kings County Records.

EXCEPTING therefrom that portion of Lots 16, 17 and said alley, that lies Easterly of the following described line:

Beginning at the Southeasterly corner of said Lot 16, thence along the Easterly line of said Lot 16, North $10^{\circ}43'34''$ West, being the Basis of Bearings for this description, a distance of 17.41 feet, to the TRUE POINT OF BEGINNING;

Thence North $54^{\circ}30'25''$ West a distance of 6.72 feet;

Thence North $11^{\circ}53'02''$ West a distance of 200.69 feet;

Thence North $45^{\circ}39'00''$ West a distance of 3.99 feet;

Thence North $11^{\circ}55'30''$ West a distance of 93.87 feet to a point on the Northerly line of said Lot 17, said point bearing North $79^{\circ}10'31''$ East a distance of 12.03 feet from the Northwesterly corner of said Lot 17.

Containing 45,457 square feet, more or less.

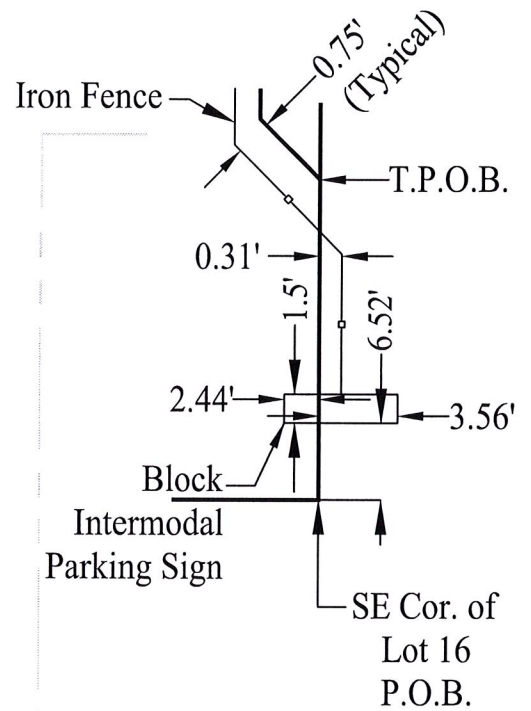
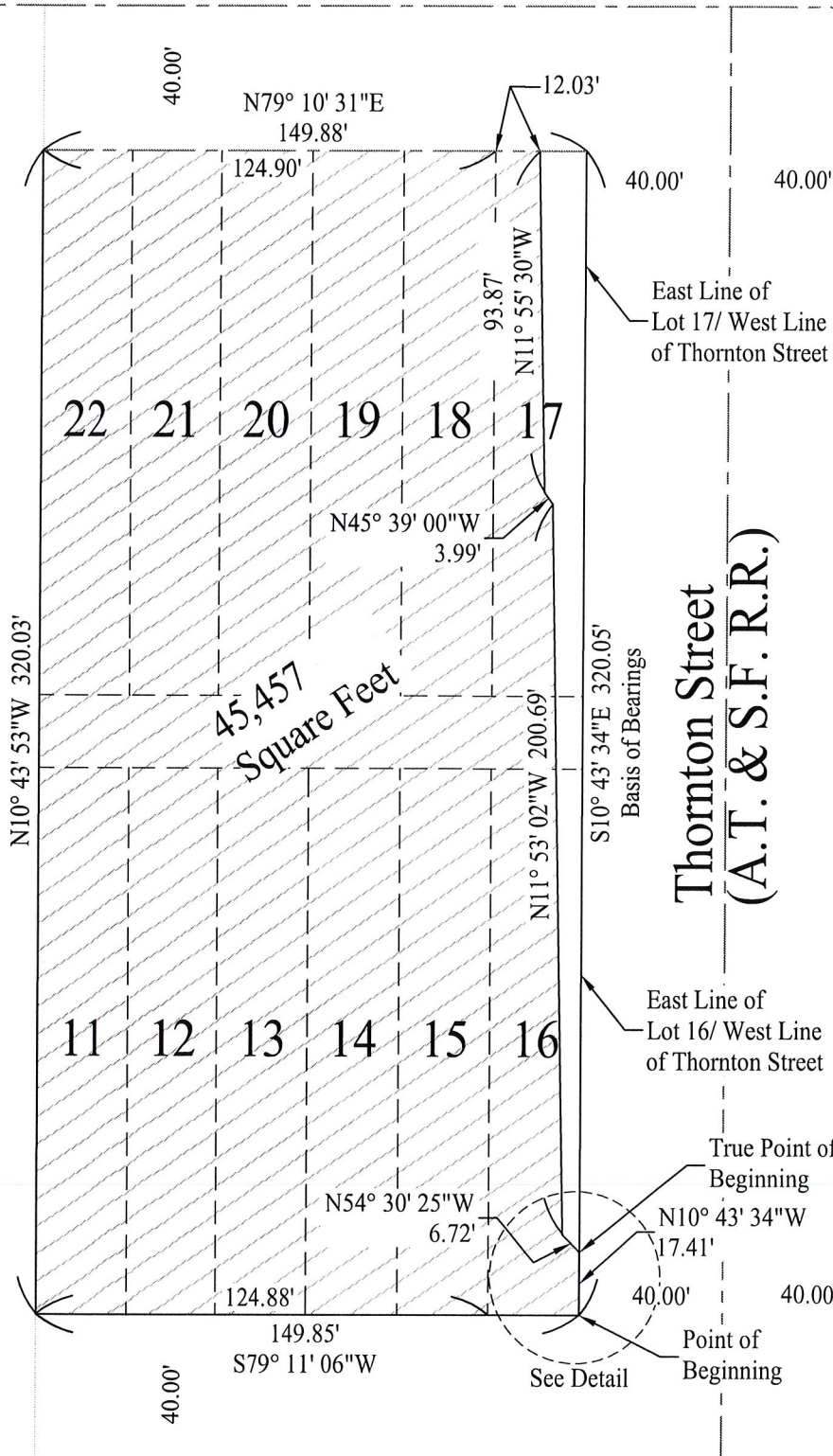
Attached hereto is a plat labeled EXHIBIT "B" and by this reference made a part thereof.



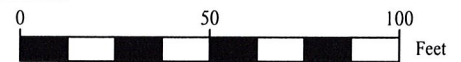
"Exhibit B"

8th Street

Detail
Not to Scale



Ron G. Roselius
2/28/2014



Scale: 1" = 50'

7th Street

APPRAISAL REPORT

HANFORD BUS TERMINAL
504 WEST 7TH STREET
HANFORD, CALIFORNIA

AS OF NOVEMBER 13, 2013



PREPARED FOR:

KINGS COUNTY AREA PUBLIC TRANSIT AGENCY

SIMON COMPANY, INC.
1306 NORTH IRWIN STREET
HANFORD, CA 93230

PHONE: (559) 582-9112
FAX: (559) 582-9114
WWW.SIMONCO.NET

SIMON COMPANY INC.

November 14, 2013

Angie Dow
Executive Director
Kings County Area Public Transit Agency
1340 North Drive
Hanford, CA 93230

RE: Hanford Bus Terminal
504 West 7th Street
Hanford, CA 93230

Dear Ms. Dow:

At your request, we have appraised a real property interest for the above captioned real estate. Our objective was to form an opinion about the fee simple market value for partial ownership interest in the building improvements and complete ownership in the underlying land component, excluding all on-site improvements. The value assumes no liens or encumbrances other than normal covenants and restrictions of record.

This valuation contains analyses, opinions, and conclusions along with market data and reasoning appropriate for the scope of work detailed later herein. It was prepared solely for the intended use and intended user explicitly identified in the attached report. The appraisal is communicated in the attached Summary report, and conforms to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date.

This letter is not an appraisal report and only serves as an introduction to the attached appraisal. If this letter is disjoined from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood. The value opinion must be placed in the context of the analysis.

In general, valuation of the subject property involves no atypical issues. The value opinion is affected by all the information, extraordinary assumptions, hypotheses, general limiting conditions, facts, descriptions, and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to and influencing value, the data and analysis thereof firmly supports the following final value opinion for the subject property as of November 13, 2013:

Fee Simple Land Value (Not Including On-Site Improvements)	\$315,000
Value Attributed to City of Hanford Office Improvements	<u>\$135,000</u>
City of Hanford's Fee Simple Interest in 504 West 7 th Street	\$450,000

Thank you for the opportunity to be of service.

A handwritten signature in black ink, appearing to read "Tim Simon", with a stylized flourish at the end.

Timothy J. Simon, MAI
Certified General Real Estate Appraiser
California License AG010007 expires 5/7/2015

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have made a personal inspection of the property that is the subject of this report.
- Jacob I. Hower provided significant real property appraisal assistance to the person signing this certification in the areas of research, inspection, and analysis.
- I have not performed any services as an appraiser or any other capacity, regarding the property that is the subject of the appraisal assignment within the three-year period immediately preceding acceptance of this assignment.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I (Timothy J. Simon) have completed the continuing education program of the Appraisal Institute.



Timothy J. Simon, MAI
Certified General Real Estate Appraiser
California License AG010007 (Expires 5/7/2015)

BASIC ASSUMPTIONS & LIMITING CONDITIONS

1. No survey was made of the property, and the dimensions are those taken from the maps in the Office of the County Assessor of the County of Kings. This appraisal is not an engineering, legal or architectural study. It is not an examination or survey of any kind. Expertise in these areas is not implied and should not be inferred by the reader.
2. No separation of land and building values may be used for any other purpose than that delineated elsewhere in this report.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to the valuation conclusion, the identity of the appraiser or firm with which it is connected, or any reference to the Appraisal Institute, or to the MAI or SRA designations.
4. No right to expert testimony is included with this report, and the fee for this appraisal does not include payment for pre-trial conferences or taking of depositions.
5. No responsibility is assumed for matters legal in nature.
6. No survey or soil tests of the land have been made by the appraiser.
7. This report and all information contained herein was prepared for the sole and exclusive benefit of the client, as specified herein, and is intended for his use only. No one except the client specified herein may rely on this report for any purpose. Any person or entity who obtained or reads this report, or a copy thereof, other than the client specified herein, expressly assumes all risk of damages to himself or third persons arising out of reliance thereon or use thereof and waives the right to bring any action based on the appraisal, directly or indirectly, and the appraiser shall have no liability to any such person or entity.
8. Possession of this report or any copy thereof does not carry with it the right of publication, nor may the same be used for any purpose by anyone except the appraiser's employer, without the previous written consent of the appraiser, and in any event, only in its entirety.
9. The information and data reported in this appraisal have been obtained from sources that are deemed to be reliable. They are believed to be correct, but cannot be guaranteed by the appraiser. This condition applies generally throughout the appraisal report and specifically to square footage calculations and descriptions of comparable properties.

10. This appraisal report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the appraiser) affecting the analyses, opinions, and conclusions contained in this report.
11. During the course of this appraisal, the appraisers did **not** detect or attempt to discover any environmental hazard on, under, above, or within the subject real estate. No overt evidence of any environmental hazard is apparent to the untrained eye. It is beyond the expertise of the appraiser to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. No responsibility is assumed by the appraisers or Simon Company, Inc. for any hazard, or for any expertise required to discover any environmentally hazardous condition. Our client is urged to retain an expert in this field, if desired.
12. The appraiser is not qualified to determine whether the subject building improvements are in compliance with the American with Disabilities Act (ADA) of 1992. Noncompliance with this act could have a negative effect upon the value of the property. An expert in this field should be retained for consultation, if desired.
13. All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised annually to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.
14. The person signing this report is licensed to appraise real property in the state the subject is located. I affirm I have the experience, knowledge, and education to value this type property. I have previously appraised similar real estate.
15. No liability is assumed, expressed, or implied by Simon Company, Inc., or the appraiser for unauthorized use of this report. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are clearly, specifically, and explicitly identified as an intended user on Page 1 may rely on, and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use, or rely on any portion of this document. Unauthorized users do so at their own risk and peril.

TABLE OF CONTENTS

Scope of Work	8
Introduction	8
Assignment Elements	8
Relevant Characteristics	9
Extent of Services Provided	10
Other Intended Use Considerations.....	10
Appraisal Development	11
Report Reliance & Use Restrictions	12
Disclosures	12
Definition of Market Value	12
Definitions of Appraised Estates	13
Hypothetical Condition	13
 Market Analysis	 14
City of Hanford Data	14
11 th Avenue and 7 th Street Sub-Market	18
 Property Data	 20
Ownership and Property History	20
Legal Description	20
Assessment Information	20
Site Data	20
Building Sketch	23
Aerial Photo.....	24
Parcel Map.....	25
Improvements Data	26
Subject Photographs	28
 Valuation.....	 29
Highest & Best Use	29
Valuation Methods	30
Land Valuation	30
Cost Approach.....	33
Sales Comparison Approach	36
Reconciliation of Value	40
Exposure Time.....	40
 Addenda	 41

Qualifications of Timothy J. Simon, MAI.....	41
Legal Description	43

SCOPE OF WORK

INTRODUCTION

The subject of this appraisal is the Hanford Bus Station. The bus station is located in central Hanford and operated by Kings Area Rural Transit. The underlying land is owned by the City of Hanford and was leased to KART on a long term agreement. KART paid to improve the vacant site with on-site improvements, including concrete and asphalt paving, canopy, bench seating etc. The building improvements consist of a remodeled historic structure that has been re-assembled at the bus station site and utilized for office, administrative, training and day to day bus station operation. A portion of the building is owned by the City of Hanford and a portion is owned by KART. This building area totals 1,814 square feet. The area allocated to the City of Hanford is 1,034 square feet; this area includes the open training area and one half of the common area bathrooms and hallway.

This valuation only includes the underlying land component in a vacant condition and value to the 1,034 square feet of building area owned by the City of Hanford. No value is given to the site improvements and no consideration is given to the long term ground lease between KART and the City of Hanford.

The Client has requested this appraisal to value the portion of building area owned by the City of Hanford and underlying land. In turn the appraised value will be utilized to negotiate a potential purchase of the land and allocated building improvements by KART who desires to consolidate ownership of the various interests in the property.

ASSIGNMENT ELEMENTS

1. The Client	Ms. Angie Dow Executive Director Kings County Area Public Transit Agency
Client's Interest In Property	Partial owner
2. Other Intended Users	City of Hanford
3. Intended Use Of Report	To aid as a value basis for purchase of a partial interest in the building improvements and underlying land.
4. Standard / Definition Of Value Used To Form Value Opinion	Market value
5. Key Dates	
Effective Value Date (point in time value applies)	November 13, 2013

Report Preparation Date (date report was prepared)	November 14, 2013
Date Property Appraised Was Observed By The Appraiser	November 13, 2013
6. Assignment Conditions	
Extraordinary Assumptions	Not applicable
Hypothetical Conditions	See page 13
Jurisdictional Exceptions	Not applicable

RELEVANT CHARACTERISTICS

Physical

Existing Property Use	Office/ bus station
Property Use Reflected In One Or More Value Opinions	Same
Sources of Information About the Property Appraised Included	Public records; personal observation; interview with owner; review of construction drawings.

Legal

Category Of Property Appraised	Real property
Estate Appraised	Fee simple
Legal Issues Considered	No atypical legal issues
Environmental Concerns	No known environmental concerns

Economic

Effect Of A Lease On Value	The property is subject to a ground lease that is given no consideration in this appraisal.
Cost Information	Not applicable

EXTENT OF SERVICES PROVIDED

Number of Final Value Opinions Developed	One
Value Opinion Reflects The Worth Of the Property Appraised	As is
Extent Of Report Preparation	Summary
Report Preparation Complies With Requirements Set Forth In USPAP Standard Rule	2-2(B)
Other Reporting Requirements	Report complies with USPAP
Level Of Data Research	Extensive
Data Sources	Local MLS; public records at government office; metro scan, real estate brokers; other appraisers
Documents Considered	Engagement letter; grant deed; construction costs
Data Verification	Direct method
Extent Of Subject Observation By One Or More Appraisers Signing Report	Exterior & interior

OTHER INTENDED USE CONSIDERATIONS

Client's Prior Engagement Of Appraisal Services	Frequent
Loan To Value Ratio	Unknown
Atypical Issues	No atypical issues
Assignment Complexity	Moderate complexity
Other Than Signatories, Name Of Person Providing Significant Real Property Assistance To The Development Of The Value Opinion	Jacob I. Hower
Extent And Type Of Real Property Assistance	Participated in the preparation of this report in the areas of research, field

inspection and analysis.

APPRAISAL DEVELOPMENT

Appraisal development is the extent of research and analyses that produce one or more credible opinions of value for one or more specifically identified intended users and an explicitly stated intended use. In this context, credible is defined as "worthy of belief". Depending upon the intended use, intended users, and agreements between the appraiser and the client, the appraisal development process may include several, but not necessarily all of the following tasks.

observation of the property appraised
research for appropriate market data
data verification
consideration of influential market area, physical, economic, and governmental factors
determination of the subject's highest and best use, if appropriate
development of one or more applicable approaches to value
reconciliation of value indications
preparation of this report

In most cases, the core valuation process begins with a highest and best use analysis. This is essential because it establishes a framework for the proper selection of comparables. Cited comparables should have the same highest and best as the property appraised.

According to USPAP, all approaches that are applicable to the interest being appraised and necessary to produce credible results must be developed. Applicable and necessary approaches were selected for development after consideration of available market data, intended use, and intended user. An approach considered not applicable was omitted because this methodology is not appropriate for the property interest being appraised, or sufficient data to properly develop the approach was not available. The type of highest and best use and the relevance of each major approach are listed below.

Highest and Best Use	Applicable and included in report
Cost Approach	Applicable and included in report
Sales Comparison	Applicable and included in report
Income Approach	Not needed for credible results

REPORT RELIANCE & USE RESTRICTIONS

No liability is assumed, expressed, or implied by Simon Company, Inc., or the appraiser for unauthorized use of this report. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are clearly, specifically, and explicitly identified as an intended user may rely on, and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use, or rely on any portion of this document. Unauthorized users do so at their own risk.

DISCLOSURES

Professional Standards: All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised annually to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared.

It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.

Competency: The person signing this report is licensed to appraise real property in the state the subject is located. I affirm I have the experience, knowledge, and education to value this type property. I have previously appraised similar real estate.

DEFINITION OF MARKET VALUE

The following definition of *market value* was taken from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. This same definition is also cited in Advisory Opinion 22 of the current version of the Uniform Standards of Professional Appraisal Practice (USPAP).

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *buyer and seller are both typically motivated;*

2. *both parties are well informed or well advised and acting in what they consider their own best interests;*
3. *a reasonable time is allowed for exposure in the open market;*
4. *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
5. *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

DEFINITIONS OF APPRAISED ESTATES

The following fee simple legal estate or interest is valued in this report. Definitions of the estate has been quoted from *The Dictionary of Real Estate Appraisal*, Fourth Edition; published by the Appraisal Institute, copyright 2002.

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

HYPOTHETICAL CONDITION

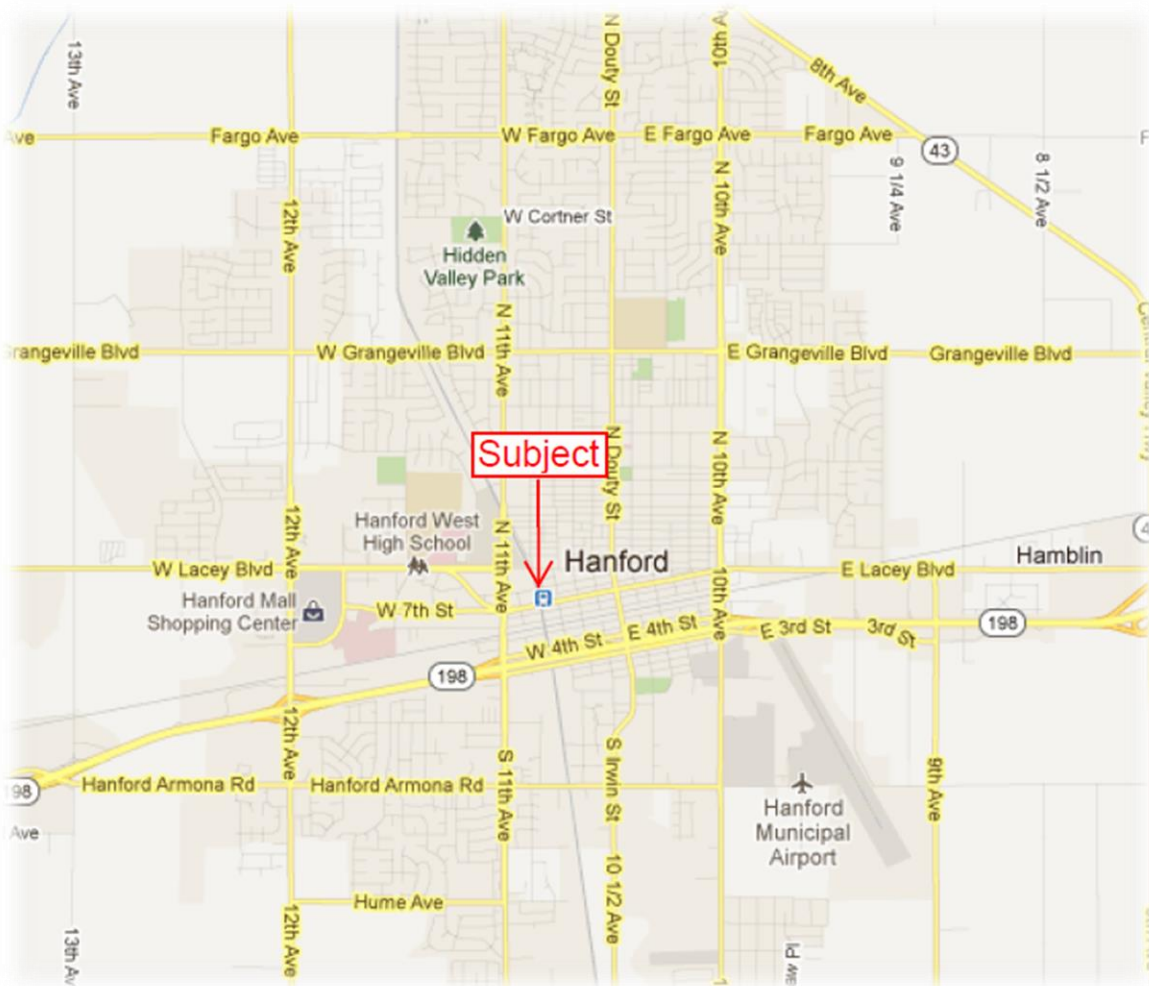
The subject of this appraisal is under a long term ground lease. Per instruction of our client, the appraiser has given no consideration to this lease and has appraised the fee simple value of a portion of the building improvements and vacant underlying land only. This invokes a hypothetical condition as there is a long-term ground lease in effect and the site is improved with on-sites.

MARKET ANALYSIS

CITY OF HANFORD DATA



Located in the northeast portion of the county, the city of Hanford is the county seat for Kings County. The city is generally bounded by State Route 43 to the east, Flint Avenue to the north, 13th Avenue to the west and Houston Avenue to the south.



The city of Hanford has experienced a steady growth rate over the last five years and is expected to continue growing at rate near the statewide average. The five year growth trend represents a 1.51% per year increase. This is near the State of California Average of 1.90% over the same timeframe. Overall projections suggest 2%-3% yearly increases in population over the next 10 years, which will increase demand for housing.

5 Year Population Trend

2007	50,459
2008	51,965
2009	52,687
2010	53,967
2011	54,284
2013 Projection	56,552
2020 Projection	70,177
5-Year Annual Growth Rate	10.21%

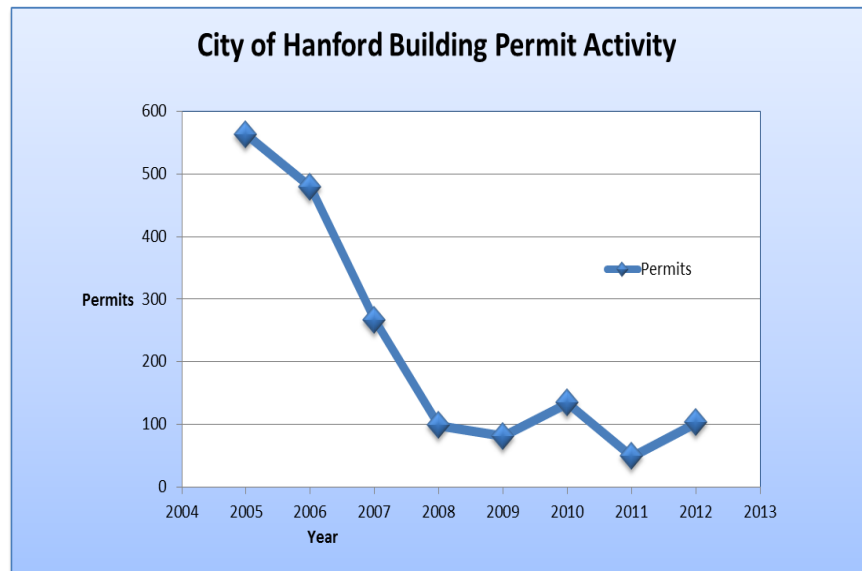
The State of California prisons in Corcoran, Coalinga and Avenal have had a strong impact on the population trends in Hanford. Hanford has attracted a large percentage of this workforce. Most of the workforce is commuters who choose to live outside the prison cities. All three are within one hour of Hanford. The same can be said for the Lemoore Naval Air Station, which is 15 miles west. Hanford attracts a number of the civilian employees and the active duty personnel.

Another large employment draw locally is the Pleasant Valley State Prison in Coalinga, which opened in 2005. The mental health and treatment hospital was

slated to include 1.2 million square feet with a total of 1,500 beds. This facility was further expanded in 2006 with the expansion slated to add 2,000 jobs. The facility has a significant presence in terms employment.

According to the Kings County Multiple Listing Service, the average sale price for a three-bedroom single-family residence in the City of Hanford for 2012 was \$155,249. Through the 3rd quarter of 2013 the residential housing market has continued its climb to an average sales price of \$170,410. In contrast the 2011 average home sales price was \$154,125. A slight gain in sales price and minimal construction should continue to support stabilized values with moderate gains over the next decade. While there is still activity in regards to construction of single family residences, activity has slowed drastically in the last five years. The number of annual permits has been hovering between 50 and 125 per year since 2008.

There are many apartment options available from subsidized rent levels to the luxury segment. A significant decline in building permits for multi-family properties has also been seen. Only 52 Units have been added to the Hanford market in the last four years. Fuller Apartments has a planned 136 unit apartment complex approved by the



city of Hanford to be built near the Lowe's on Lacey Boulevard; however construction has been stifled by economic conditions.

The median income for Hanford is \$48,655. By contrast, the average for Kings County is \$48,515, both of which are below the State of California average of \$64,878 annually. The average unemployment rate for the City of Hanford as of July 2013 was 11.0%, which has been on a relatively steady increase since 2009 but appears to be leveled out.

There are 18 manufacturing plants in the Hanford community area. Leading group classes of products are petroleum, flour, mill products, synthetic yard, fertilizers, micronutrients, and canned tomato products. The Kings Industrial Park is located on the south side of Hanford and includes the majority of Hanford's industrial base including Del Monte Foods (Contadina tomato processing), Exopack (paper manufacturing), Wal-Mart (photo-lab), Cargil (livestock feed), Calcot (cotton storage), and Marquez Brothers (cheese processing). New users to recently purchase land include Tessengerlo Kurley Inc. (mining and engineering) and Pitman Farms (poultry processing).

The Hanford area is served by the Burlington Northern and Santa Fe Railroad, the Southern Pacific Railroad, and Amtrak. Amtrak San Joaquin serves the San Joaquin Valley from Bakersfield to Sacramento with connections to the Los Angeles region and the Bay Area. Hanford has a small airport for light private aircraft. In October 2001, the city of Hanford received a grant from the FAA for \$820,000 to facilitate an expansion of the airport. The runway was extended 1,200 feet, making it 5,000 feet. Commercial airline service is available in the city of Visalia, approximately 30 miles east of Hanford, and in the city of Fresno, approximately 45 miles northeast of Hanford. The Orange Belt bus lines provide bus service to Hanford. State Highways 198 and 43 serve the city of Hanford. Over 30 motor freight carriers service Hanford with overnight deliveries to most points in California.

Community facilities include two general hospitals, ten elementary schools, three middle schools, three high schools, one continuation school, three parochial schools, one adult school, two junior colleges within 25 miles, and California State University of Fresno only 30 miles to the north. Sierra Pacific High School was recently opened and enrollment began in fall of 2010. A satellite facility for College of the Sequoias and a vocational training center was also recently completed in 2010.

Culturally there are approximately 20 churches, one public library, two newspapers, six TV channels received direct and one cable TV system, nine banks, four credit unions, one savings and loan, six parks, three athletic complexes, and a Carnegie Museum. Other recreational facilities include the Kings Country Fairgrounds including Kings Speedway, one private 18-hole country club, two 18-hole municipal golf courses in neighboring Lemoore; and boating, fishing and hunting along the Kings River.

There is a newer, \$112 million medical center at the corner of Mall Drive and West 7th Street. The project began in 2007 due to the region's growing demand for health care services. The facility includes 202,000 square feet, three-stories, and 142-beds. Services

from Adventist Health's Hanford Community Medical Center and Central Valley General Hospital in town have transferred to the new site. The 142 inpatient beds will include 120 medical/surgical beds and 22 intensive care unit beds, while the Emergency Department will hold 26 treatment stations. In addition, 32,000 square feet in additional expansion area will be shelled in on the second and third floors to house a total of 60 future additional beds when needed. Recently, the hospital was approved for a \$40 million expansion for a new Family Birth Center. The center is proposed for 49,000 square feet and will replace the former birth center along Douty Street. The project is set to break ground in October, 2013. In terms of staffing, hospital hired about 16 new physicians in 2007 and 18 for 2008. About one third of those typically work in Hanford, with the remainder being spread out in the regional area at other facilities. The hospital intends to hire about 10 new physicians per year as it continues to expand. Nursing staff should be increased by about 10%.

One of the reasons Hanford is attracting a number of workers from neighboring communities is the quality of life and availability of shopping and services. The Hanford Mall opened in April 1993 and features major retailers such as JC Penney, and Forever 21. A Sears store and auto center opened in 1999. A Ross Dress For Less store in the mall in 2000. The mall includes an additional 166,000 square feet of in-line space including an eight-screen theater. The mall was recently dealt a blow when long time tenant Mervyn's and Gottschalks closed. The Gottschalk's store has since been occupied by Forever 21 and Kohl's has occupied the former Mervyn's space.

Major discount retailers are also present including Wal-Mart and Orchard Supply Hardware, two Rite Aid Stores and a Walgreens store. Home Depot is located at the northeast corner of 12th Avenue and Lacey Boulevard. The 96,000 square foot store employs 150 to 200 people. Target has a store in the Mall area along with Michael's, Famous Footwear, Old Navy, PetsMart Cold Stone Creamery, and Jamba Juice can also be found at this location. Wal-Mart recently opened a new super center just south of the Target site. A Lowe's store opened in November 2008 northwest of Target on Lacey Boulevard. A recently completed auto mall was completed on 37 acres at the northwest quadrant of 12th Avenue and State Highway 198. A Toyota and Hyundai dealership were the first to open. Costco is also planning a new location near the intersection of Highway 43 and Lacey Boulevard in eastern Hanford.

In terms of office space, typical offices in the downtown district are for general and professional use such as lawyers, accountants, insurance, and real estate. The bulk of the medical offices are located near Hanford's two acute care hospitals. Government offices are also prominent in the downtown and surrounding area.

The majority of office space in Hanford is owner-occupied. The strong owner-user influence promotes elevated pricing when good quality properties become available. Brokers report multiple offers on quality properties; only a handful of quality office properties become available each year. There is some office vacancy present in the downtown area but the majority of the vacancies are in older commercial buildings that feature retail users on the ground levels and office users on the upper levels.

Nearly all of the new office development has moved to the Lacey Boulevard corridor west of 11th Avenue. The downtown district has seen several new developments recently. The vacant Sears building was purchased and completely renovated for office uses. It is anchored by FAST credit union with Kings County also having office there. A brand new office building was completed for the Social Security Administration near city hall. One of the centerpieces of downtown, the former Hanford Furniture building, was purchased by the law firm of Griswold, LaSalle, Cobb, Dowd and Gin. It was renovated as their new office space. As a whole the Hanford office market is strong with vacancy typically seen in older run down properties. Typical vacancy and rental rates are as follows:

Office Type	Rental Rate	Vacancy
New Class A	\$1.50 - \$1.75 NNN	> 5.0%
Mid Quality	\$1.00 - \$1.25 NNN	> 5.0%
Lower Tier	\$0.50 - \$1.00 Gross	= 5.0%

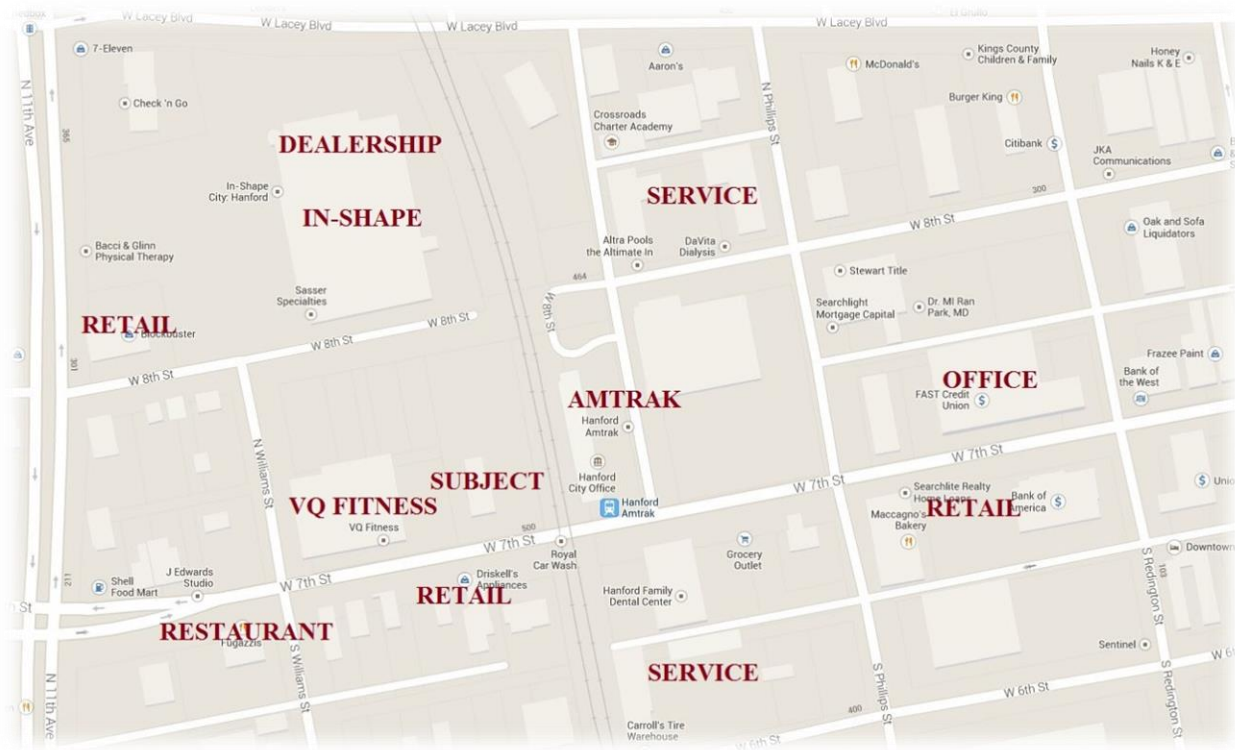
The long-term outlook for Hanford is positive. It has a diversified economy based on agriculture, manufacturing, and large public sector employers. It has become the health care provider for the region. Over the short term, Hanford and the majority of Kings County is experiencing the after-effects of the housing collapse and job market crisis. Fortunately, home prices have leveled out and are showing strong gains supported by limited supply. Critical to continued recovery will be improvements in unemployment. The effects of this should be experienced into 2014.

11TH AVENUE AND 7TH STREET SUB-MARKET

The subject is located in the central portion of the City of Hanford. More specifically, it is located between 7th Street and 8th Street, east of North Williamson Street. This area serves a wide range of uses including: offices, government offices, public buildings, retail stores, apartments, and single-family residences.

Primary arterials through the neighborhood include 11th Avenue (north-south), 7th Street and Lacey Boulevard (east-west). Access to State Highway 198 is via full interchange at 11th Avenue. State Highway 198, which bisects Hanford in an east-west direction, serves the City of Lemoore and the Lemoore Naval Air Station to the west and the City of Visalia to the east.

The general submarket is a mixed-use district. North and west of the subject are two competing gym properties occupied by VQ Fitness and In-Shape. East is the Hanford Amtrak Station and south are retail and service users. The main draw to the area is the commercialized intersection of 11th Avenue and Lacey Boulevard. The northeast corner is the Hanford Towne Center anchored by OSH Hardware, Staples and 99 Cents only. Numerous restaurant and in-line retail tenants are featured here as well. The northeast corner was formerly the site of a Ford dealership which has vacated; the improvements will be demolished and the site redeveloped to a CVS Pharmacy. The southeast corner is another car dealership and 7-11. At the southwest corner is a Rite Aid.



To summarize, the subject has a central location within Hanford. The property has adequate access to other areas in the community. The properties in this district are mature, yet well maintained and attractive. The subject property is well suited for bus services however, the design of the building and location would support office uses. The building improvements are well suited for office use and complement surrounding uses.

PROPERTY DATA

OWNERSHIP AND PROPERTY HISTORY

Official Records of the County of Kings show fee ownership is vested as follows: **City of Hanford**. The property has operated as the KART (Kings County Area Public Transit Agency) Bus Station since 2007 when the site was leased by KART and tenant improvements in the form of concrete paving and parking were installed in addition to canopy, benches etc. for the operation of the site as a bus station. These improvements were installed by the tenant at the tenant's expense and are not given consideration in this appraisal. Only the underlying land component and a portion of the building structure are valued. The building, or office portion, was formerly and historically known as the Train Depot which operated near the existing location a long time ago. Many years prior the building was moved to Fort Roosevelt then unassembled and returned to the existing location. The building holds a historical value to the City of Hanford, thus the continued attempts to preserve and restore the building improvements at several locations.

After the building was restored at the existing site in 2007, a ground lease between KART and the City of Hanford ensued for a 10 year term with annual rent at \$1.00 to remain flat over the term. Two, five year renewal options were available for extension of the original lease terms. Per instructions, the ground lease was ignored; this invokes a hypothetical condition previously described on page 13.

The site is not currently listed for sale or lease however the City of Hanford is utilizing this appraisal in agreement with KART to determine a fair market value of the underlying land value and portion of the building improvements, for a possible sale.

LEGAL DESCRIPTION

See addenda.

ASSESSMENT INFORMATION

The site is utilized by a public entity. There are no property taxes of record.

SITE DATA

Location: The subject sits between 7th Street and 8th Street east of North Williams Street, in the City of Hanford, County of Kings, State of California.

Site Address: 504 West 7th Street

Hanford, CA 93230

<i>Census Tract #:</i>	9.00
<i>Zoning:</i>	According to the City of Hanford Planning Department, the subject property is located within a Planned Community Commercial District (C-C). Allowable uses include stores, shops, offices, restaurants, auto dealerships, banks, hotels/motels, theatres, etc. The community commercial zone supports a number of retail and commercial uses. The subject is a legal and conforming use in this district.
<i>Size:</i>	The site is a single parcel containing 1.12 ± acres. Source: Kings County Assessor's Plat Map, see attached.
<i>Shape & Topography:</i>	Interior parcel that has a rectangular shape with a level topography at street grade.
<i>Utilities:</i>	The site has access to all municipal utilities such as water, sewer and storm drainage through the City of Hanford. Electricity is supplied through the Southern California Edison Company while gas is supplied by the Southern California Gas Company.
<i>Adjacent Roads:</i>	Frontage roads include West 8 th Street and West 7 th Street; they are two-lane asphalt paved roadways. The train runs along the eastern property line.
<i>Curb, Gutter & Sidewalk:</i>	The frontage roads are improved with concrete curb, gutter and sidewalk.
<i>Access & Visibility:</i>	Access to the subject is via West 8 th Street and West 7 th Street; both streets run in an east-west direction. Both streets are connector roadways carrying light-moderate levels of traffic volume. Two concrete driveway approaches along both frontages provide access to the parking lot. Overall, access and visibility are rated as average.
<i>Exceptions to Title:</i>	A preliminary title report was requested but not provided. No adverse easements or encroachments were noted upon viewing the site. An easement for access, maintenance, repair, etc. is in effect and granted to the Atchison, Topeka and Santa Fe Railway Company, which is adjacent to the subject. Review of a recently issued title report is a contingency of this appraisal.
<i>Flood Hazard:</i>	Flood Zone X. The subject property is not located in a flood zone. Flood insurance is not required. Source: FEMA Panel

Number 06031C0185C with an effective date of 6-16-09.

Earthquake Zone:

The site is not located within Seismic Zone Source: International Seismic Organization Earthquake Zone Maps dated 1981.

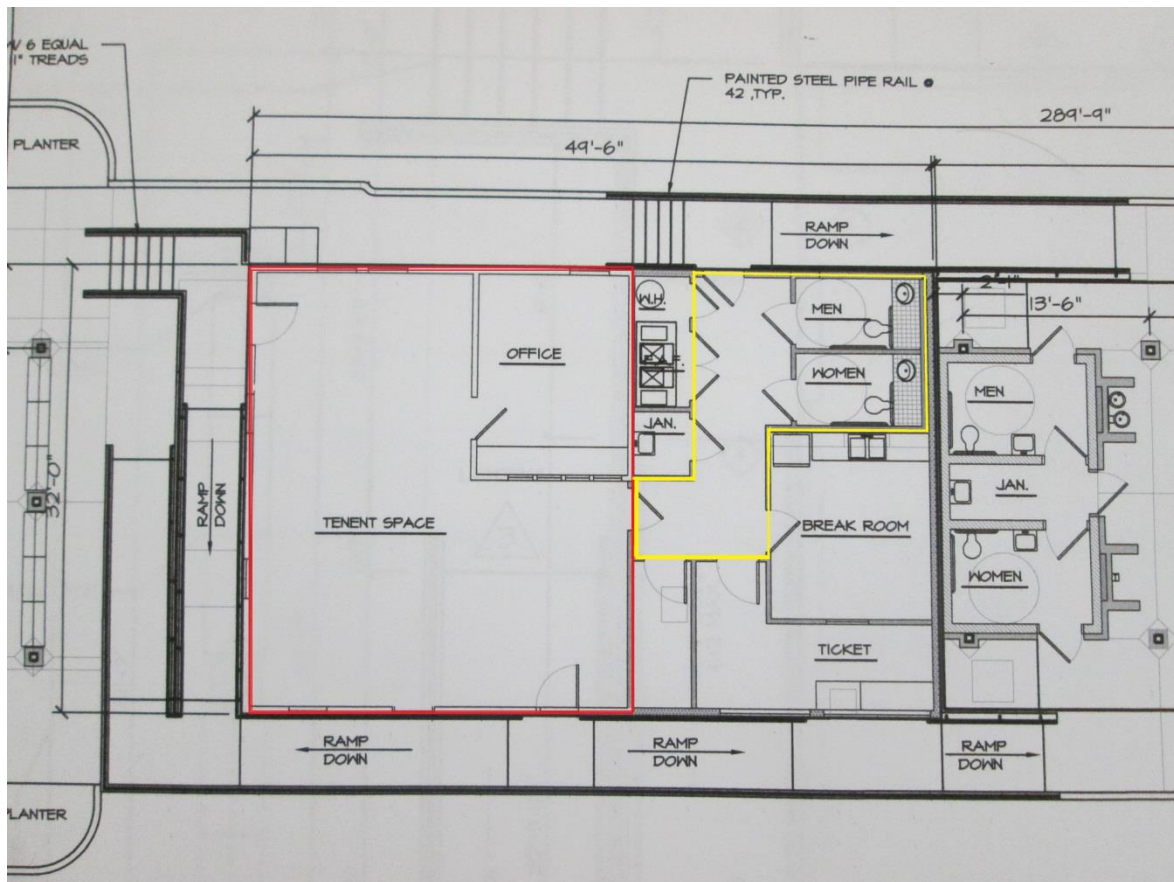
Other Considerations:

The site is not located in a land preserve, wetlands area, or other environmentally sensitive area. No hazardous waste or other adverse environmental conditions were noted. The reader is directed to the “*Basic Assumptions and Limiting Conditions*” statement at the front of the report.

Summary:

The site has adequate access, visibility, and exposure. All municipal utilities are available and off-site improvements are in place. The site has all the qualities that make it suitable for commercial development; it is functionally adequate with few limitations.

BUILDING SKETCH



The building area outlined in red is attributed to the City of Hanford. The yellow outlined portion is common area and is split in half. In total, the City of Hanford has been allocated 1,034 square feet.

AERIAL PHOTO



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KINGS COUNTY ASSESSOR'S MAP

2-148

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IMPROVEMENTS DATA

<i>Source of Information:</i>	Observation on 11-13-13	
<i>Property Type:</i>	Single-story office.	
<i>Year Built:</i>	The office is a historical structure that was originally built many years ago. It was recently remodeled and re-assembled on site in 2007.	
<i>Total Economic Life:</i>	50 Years	
<i>Effective Age:</i>	10 Years	
<i>Remaining Economic Life:</i>	40 Years	
<i>Building Size:</i>	Gross building area	1,814 Square Feet
	Area attributed to the City of Hanford	1,034 Square Feet
	The gross building area attributed to the City of Hanford includes the main training area of 896 square feet and one half of the common area hallway and restrooms (275 S.F. / 2 = 137.5; rounded to 138)	
<i>Site Coverage:</i>	6.4%	
<i>Foundation & Floor:</i>	Reinforced concrete footings, perimeter foundation and raised wood floor.	
<i>Exterior:</i>	The building is wood-frame construction with a painted board and batten siding.	
<i>Roof:</i>	The roof is gable style and constructed of wood-frame with pre-manufactured steel roof.	
<i>Climate Control:</i>	Climate control is provided by attic mounted dual pack units.	
<i>Interior Layout:</i>	The interior layout consists of an open training room, office, break room, a single men and single women's restroom, mechanical room, electrical room, janitors closet and ticket/security area. Interior partitions are wood-frame and finished with painted drywall. The majority of the ceiling is finished with painted drywall with portions in the hallway open to the roof. Lighting is via surface mount strip-	

fluorescent fixtures. Flooring varies between linoleum tiles and ceramic tiles in the restrooms. The restrooms have a sink and toilet; they are both ADA. In addition there are two exterior restrooms included in the building area. They are of concrete block construction and include a sink and toilet; they are ADA.

Site Improvements:

The site improvements are of no consequence in this valuation. The land as vacant is included in this appraisal. That being said the majority of the site is concrete and asphalt paved with covered benches and seating areas typical of a bus station. The building is completely ADA compliant and accessible via concrete ramps. Landscape is featured at the frontages.

Quality & Appeal:

The construction quality is average in terms of the construction materials and design features. It is functional space that can easily be adapted for a number of office users. The overall appeal of this property is average in terms of its location, environment, condition and quality.

Accrued Depreciation:

Exterior: Above Average; the building has been well maintained.

Roof: Reported watertight; no stains were noted on the inspection date.

Climate Control: Reported operational

Interior: Above Average. The interior shows little wear and is well maintained.

Landscaping: Well maintained

Overall Rating: Above Average

The economic life of the property is estimated at 50 years. The remaining economic life is estimated at 40 years. The property has been well maintained and shows little to no deferred maintenance. No adverse influences of external or economic obsolescence were noted. The building would suit many office users and would have average appeal in the Hanford market.

SUBJECT PHOTOGRAPHS



North and west elevation



South and east elevation



Training room



Hallway



Bathroom



Access ramps

VALUATION

HIGHEST & BEST USE

In the valuation of the subject property, consideration has been given to its highest and best use. The highest and best use analysis involved a study of the present use of the property, uses of surrounding properties, and zoning availability for the subject. Highest and best use may be defined as follows: "*The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.*" (*The Appraisal of Real Estate, Edition, p.275*)

A highest and best use analysis identifies the most probable and profitable competitive use the subject property could be used for. Since economic conditions change, a property's highest and best use changes as well. This analysis is an essential step in the determination of market value because it forms a framework for the proper selection of comparables. There are four main tests in a highest and best use study: (1) governmental requirements and limitations; (2) physical constraints; (3) financial feasibility, and (4) maximum productivity. If more than one use survives the first three tests, then the use that produces the highest positive reward with the least risk is the highest and best use.

Highest And Best Use As If Vacant

The subject site is located within a central commercial district. The zoning allows for numerous commercial and office uses. The legal permissibility was examined, as was the potential for a zoning change. We reviewed the City of Hanford General Plan, Zoning Map and ordinance, in an effort to determine the potential land uses for the subject parcel. Development trends in the immediate area were analyzed. Market conditions for commercial property in this area are steady. With these factors in mind, it is my opinion that the most probable usage of the site that is physically possible, supported by surrounding usages, and legally permissible is for professional office, retail, or public service development.

Highest And Best Use As Improved

The site is currently developed to a bus station. The property is in above average physical condition and has an extensive remaining life. In arriving at the highest and best use as improved, we have considered alternative uses that may justify removal or alteration of the existing building improvements. Removal or alterations of the existing improvements is not considered economically advisable at this time because the improvements in their present configuration still have a lengthy remaining life and no significant functional or physical problems. Presently, the existing improvements represent the highest and best use of the subject site as improved.

VALUATION METHODS

There are three traditional approaches to estimating the value of an income producing property: the cost approach, the sales comparison approach, and the income capitalization approach. Each approach views the valuation problem from different perspectives and considers data from different sources. Whenever possible, the appraiser should use all three approaches. In this report only the sales comparison approach and the income approach will be considered. Value estimates by each approach should be arrived at independently and tested against each other in order to provide a crosscheck. In some assignments, the data used in a particular approach may be more reliable, which would result in the estimate by that approach being the most logical and supportable. The strengths and weaknesses of each approach should be considered before selecting a final opinion of value for the subject. The cost approach and sales comparison approach are utilized. The income approach has been excluded.

LAND VALUATION

The sales comparison approach is most applicable for valuing land. Four land sales have been gathered from the Hanford Market for comparison. The sales are outlined in the following chart.

COMPARABLE LAND SALES					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Location	504 W. 7th Street	SEC Grangeville & 12th Ave.	601 W. Grangeville	808 Vaughn Street	901 Goleta Way
	Hanford	Hanford	Hanford	Hanford	Hanford
APN	012-062-012	Several	008-291-010	012-261-016	012-250-010; 032
Date of Sale	-----	June-2012	June-2012	Apr-2012	Jan-2012.
Doc. #	-----	12-11033	12-11448	12-6720	12-754
Buyer	-----	Nahal	Hasket	Reznichenko	Mai & Shin Inc.
Seller	-----	First Lutheran Church of Hfd.	Giannola	Park	Baker
Sale Price	-----	\$248,500	\$152,000	\$280,000	\$95,000
Price/S.F.	-----	\$3.54	\$7.75	\$7.30	\$4.45
Site Size (S.F.)	48,787	70,132	19,602	38,333	21,334
Zoning	C-C	Res to Comm.	C-C	C-C	C-C
Off-sites	C, G & SW	None	C, G & SW	None	None
Utilities	All Municipal	All Municipal	All Municipal	All Municipal	All Municipal
Adjustments:					
Time of Sale	Current	0%	0%	0%	0%
Sale Conditions	Normal	0%	0%	0%	0%
Location	Average	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjustment		0%	0%	0%	0%
Sub-total		\$3.54	\$7.75	\$7.30	\$4.45
Size (S.F.)	48,787	15%	-10%	0%	-10%
Zoning	C-C	15%	0%	0%	0%
Off-sites	C, G & SW	15%	0%	15%	15%
Utilities	All Municipal	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Total	-----	45%	-10%	15%	5%
Adj. Price/S.F.		\$5.14	\$6.98	\$8.40	\$4.68



Sale 1 is located on the northwest side of Hanford at the southeast corner of 12th Avenue and Grangeville Boulevard. This is a predominantly residential area, but the location receives fairly good traffic exposure. The property was zoned for residential uses at the time of listing. The buyer owns several gas station and convenience store properties. The sale was subject to a zoning change to commercial uses. The site, and a large majority of the southwest quadrant, is being considered for annexation into city limits; currently the corner is a county island.

Sale 2 is located just east of the 11th Avenue and Grangeville Boulevard intersection. It is situated at the northwest corner of Grangeville Boulevard and McKinley Street. At one point it was the site of a gas station, but has long since been vacant. It has all off-site improvements in place and municipal utilities available. The property had been listed for sale by owner for many years. Recently it was listed by Pearson Realty with an asking price of \$235,000. The property was purchased for \$152,000 by an adjacent property owner that plans to use it as a parking lot.

Sale 3 is located on the north side of Vaughn Street, just east of Garner Street and west of 11th Avenue. This is a mixed-use neighborhood with service commercial uses and newly

developed office properties. Most of the new development in this area has occurred on infill lots. The property was listed for sale by a local broker at \$320,000. After nearly two years on the market it sold for \$280,000. The buyer recently relisted the property at \$350,000 and it has been on the market for about one year.

Sale 4 is located in Hanford at the northwest corner of Garner Avenue and West Goleta Way. The property was purchased by a doctor who plans to build a new office at the location. The property was not improved with off-sites but does have access to municipal utilities.

Observations of market conditions indicate that adjustments were required for interest transferred, time of sale, sale conditions, location, size, zoning, orientation, utilities, and off-site improvements. The adjustments are summarized in the lower half of the sales chart. After adjustment the sales range from \$4.68 to \$8.40 per square foot with a central tendency of \$6.30 per square foot.

Sale 1 is inferior to the subject site due to the larger size and lack of off-sites and zoning. Sale 2 is a smaller lot that receives superior traffic. After adjustment Sale 2 is considered slightly superior but a good indicator. Sales 3 and 4 are closest to the sub-market area but bracket a large range. Sale 3 appears to be an upper tier outlier and given less weight. All factors considered a value between \$6.00 and \$7.00 per square foot would seem reasonable for the subject property. The land value is calculated as follows:

\$6.50 X 48,787 Square Feet =	\$317,116
Rounded =	\$315,000

Demand for commercial land is soft but stable. Despite stabilizing market conditions, land is still subject to lengthy marketing times. A review of comparable land sales indicates a likely exposure period of one to two years which is appropriate for the subject.

COST APPROACH

In the cost approach, the value is based on adding the contributing value of any improvements (after deduction for accrued depreciation) to the value of the land as if it were vacant and based upon its highest and best use.

Hard Costs: The first step in the cost approach is the estimate of cost new. Construction costs were provided by KART and total \$2,199,788 for the assembly and rehabilitation of the existing structure and all site work. The costs for the building to be unassembled, transported, re-assembled and rehabilitation is not allocated in the costs furnished to the appraiser. The restoration of the building was done as a public benefit project, not as a real estate development project with an eye toward economic viability. As an example, in very rough terms, a \$2,200,000 investment would require an income (rent) of \$154,000 per year to achieve a typical real estate return of 7.0%. This is equal to monthly rent of \$7.07 per square foot. Market rent for a building like this is closer to \$1.00 per square foot per

month. As such, the restoration cost would not lead to a reliable market value opinion as defined on page 12. Therefore, we have utilized replacement cost new as our primary indication of the building cost.

Construction costs are derived from *Marshall Valuation Service*, a national cost estimating guide. The costs are taken from the calculator section utilizing average quality, Class D criteria for office buildings.

Soft Costs: Soft costs typically include additional fees associated with architects, appraisers, building permits, environmental testing, and financing costs. Depending on the type of development these fees typically range between 8.0% and 12.0% of the hard cost estimate. For this appraisal an estimate of 10.0% of the hard costs are utilized for soft costs.

Entrepreneurial Profit: The subject is a historical structure which has been modernized and updated over many years. It has always operated as a municipal and public service building. Although the building would support numerous office users the history of the site and building support no profit expectation on the project.

Obsolescence:

The property is well located in the downtown district of Hanford. The area supports a wide range of commercial uses including office, retail and service. The improvements would be suitable for a wide range of office users with an emphasis toward municipal entities. With these factors in mind there is no functional or economic obsolescence warranted.

Accrued Depreciation: The building has recently been updated, modernized and rehabilitated in 2007. Much of the existing shell and framing of the structure dates back many years ago; however, it appears to be in good condition. The exterior and interior show little to no deferred maintenance. Based on a review of the site and building improvements the building should hold an economic life of roughly 50 years. The effective age is estimated at 10 years with a remaining economic life of 40 years. This yields a depreciation factor of 20%.

Please review the chart on the following page for the value conclusion via cost approach.

COST BREAKDOWN SUMMARY					
Replacement Cost New					Actual Construction Costs
Building Improvement Costs (City's Share)	1,034	S.F. @	\$145.00	Per S.F. =	\$ 149,930
Total					\$ 149,930
Indirect Costs	10.00%				\$ 14,993
Total Cost New					\$ 164,923
Entrepreneurial Profit	0.00%				\$ -
Sub-Total					\$ 164,923
Depreciation					
Physical	20.00%				\$ 32,985
Functional	0.00%				\$ -
Economic	0.00%				\$ -
Depreciated Value of the City's Share of Improvements					\$ 131,938
Plus Land Value					\$ 315,000
Indicated Value by the Cost Approach					\$ 446,938
Rounded					\$ 450,000

SALES COMPARISON APPROACH

Introduction: The sales comparison approach is based upon the principle of substitution. This principle contends an informed buyer would pay no more for a property than the price of acquiring an equally desirable substitute in an open, competitive market. Numerous conveyances were considered on a preliminary basis. Those cited in this appraisal report were judged most comparable.

Market Data: The Hanford Market was searched for sales of comparable properties. Four sales and one listing were utilized for this valuation. Each comparable property has been confirmed with a knowledgeable party. They are outlined in the following chart:



Sale 1 is located in the southeast quadrant of West Grangeville and North 11th Avenue in the City of Hanford. The property had been operating as a law office for many years and is currently occupied by an insurance company. The property was on the market for 25 days.



Sale 2 is located in Hanford on the north side of West Elm Street between North Douty Street and North Irwin Street. This property was recently purchased by the tenant as an alternative to lease payments. The tenant had been in place for several years and wanted to remain in the same building. The sale was motivated on the buyers end as they did not want to move and their rental rate was over market.



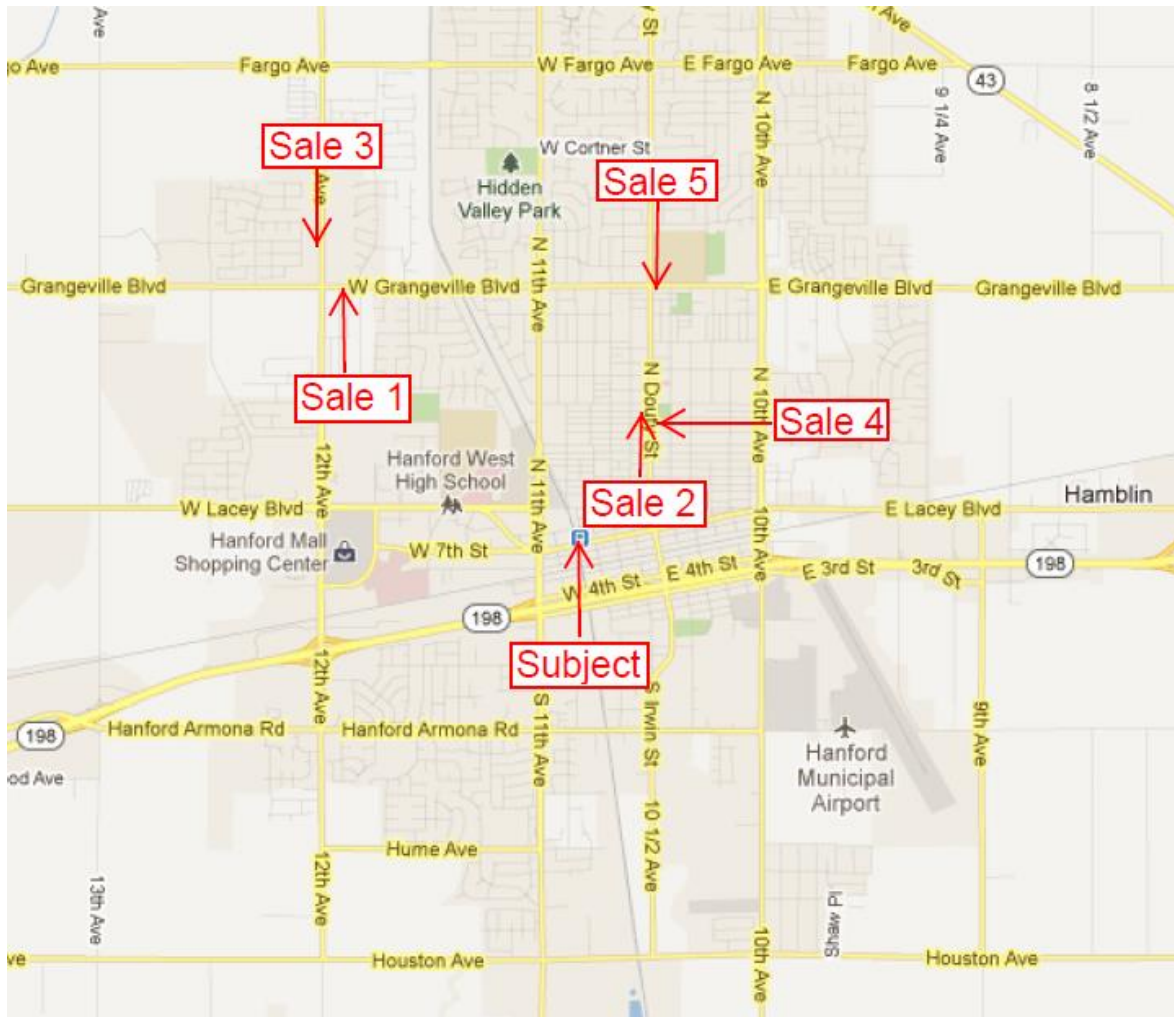
Sale 3 is located along the western line of 11th Avenue, south of West Terrace Drive. The property was listed for several months for lease without securing a tenant. The owner was convinced to sell the property and it was put on the market for \$280,000. The property went pending after 12 days and closed above asking price at 286,000. All terms are on an arm's length basis. The buyer was aware of the bathrooms need to be revamped to comply with ADA standards prior to opening a business at the location.



Sale 4 is located in the City of Hanford on the east side of North Douty Street north of East Ivy Street. The property was formerly occupied by a law firm but was vacated. The buyer converted the office back to a residence after the close of escrow.



Listing 5 is located in the City of Hanford at the southeast corner of Douty Street and Grangeville Boulevard. The property has been marketed for one year asking varying prices; it is currently marketed at \$250,000. The site includes surplus land for the future expansion of over 3,500 square feet of office space.



COMMERCIAL BUILDING SALES						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Listing 1
Location	504 W. 7th Street	623 W. Grangeville	112 W. Elm Street	1810 N. 11th Ave.	707 N. Douty Street	1635 N. Douty Street
	Hanford	Hanford	Hanford	Hanford	Hanford	Hanford
APN	012-062-012	010-011-002	010-183-008	008-450-001	010-197-018	010-031-014
Buyer	----	Farpella	Kliever	Sharp	Kurose	----
Seller	----	Swanson	Demelo	Burnette	Guiliani	----
Document #	----	10-18431	11-14943	12-12659	12-22411	----
Sales Date	----	Oct-2010	Aug-2012	Jul-2012	Nov-2012	Active
Price	----	\$170,000	\$250,000	\$286,000	\$240,000	\$275,000
Price/Sq. Ft.	----	\$90.43	\$141.24	\$112.60	\$123.71	\$125.11
Land Sq. Ft.	48,787	6,900	7,841	14,850	7,559	26,572
Bldg. Sq. Ft.	1,814	1,880	1,770	2,540	1,940	2,198
Site Covg.	4%	27%	23%	17%	26%	8%
Year Built	Reassembled in 2007	1950's est.	1903	1950	1938 Ren 85'	1936
Condition	Above Average	Average	Average	Average	Average	Average
Quality	Above Average	Average	Average	Average	Average	Average
Adjustments						
Sale Conditions	----	0%	-15%	0%	0%	0%
Time of Sale	Current	5%	0%	0%	0%	0%
Location	Average	-5%	0%	0%	0%	0%
Adjustment		0%	-15%	0%	0%	0%
Sub-total		\$90.43	\$120.06	\$112.60	\$123.71	\$125.11
Adjusted Sales Price		\$170,000	\$212,500	\$286,000	\$240,000	\$275,000
Less Land Value		\$40,000	\$35,000	\$60,000	\$35,000	\$75,000
Residual Building		\$130,000	\$177,500	\$226,000	\$205,000	\$200,000
Residual S.F.		\$69.15	\$100.28	\$88.98	\$105.67	\$90.99
Size (S.F.)	1,814	0%	0%	0%	0%	0%
Age/Condition	Above Average	20%	10%	15%	15%	10%
Quality	Average	15%	15%	15%	15%	15%
Total	----	35%	25%	30%	30%	25%
Adj. Price	----	\$93.35	\$125.35	\$115.67	\$137.37	\$113.74

Analysis & Conclusion: Adjustments were made for interest transferred conditions of sale, market conditions, size, age/condition, quality of the improvements, and amenities. The adjustments to the sales are summarized in the lower half of the sales chart. After adjustment the sales range from \$93.35 to \$137.37 per square foot with an average adjusted price of \$117.10 per square foot.

The subject sales are centrally located offices within the City of Hanford. The subject was recently renovated and remodeled to include all code compliant ADA facilities. It is an attractive structure that could be suitable for many office users. With these factors in mind a value near the upper end of the adjusted range is reasonable. All factors considered; a unit value of \$130.00 per square foot utilized. The value is calculated as follows:

City of Hanford Allocation	1,034 Sq. Ft. @ \$130.00/Sq. Ft. =	\$134,420
	Land Value =	<u>\$315,000</u>
	Total Value =	\$449,420
	Value Rounded =	\$450,000

By the sales comparison approach, it is my opinion that the “as is” market value of the subject property is \$450,000.

RECONCILIATION OF VALUE

There are three traditional approaches to estimating the value of an income producing property: the cost approach, the sales comparison approach, and the income capitalization approach. Each approach views the valuation problem from different perspectives and considers data from different sources. Value estimates by each approach should be arrived at independently and tested against each other in order to provide a crosscheck. In some assignments, the data used in a particular approach may be more reliable, which would result in the estimate by that approach being the most logical and supportable. Due to the nature of this appraisal the income approach was excluded. The cost approach and sales comparison approach were utilized as the primary value indicators. The approaches exhibit the following value range:

Cost Approach:	\$450,000
Sales Comparison Approach:	\$450,000

Both indicators are consistent. In the final analysis the value of the office improvements and underlying land value is estimated at \$450,000.

EXPOSURE TIME

We have considered the assumptions and conclusions reached in the valuation section of this report. A review was made of the actual exposure times from the comparable sales data. We examined exposure times contained in investor surveys and interviewed commercial real estate brokers. The age and condition/marketability of the subject was considered. An exposure time of nine months or less is reasonable at the appraised value.

National Marketing Time Averages in Months-PWC Investor Survey 3rd Qtr. 2013

MARKET	CURRENT	LAST QUARTER	1 YEAR AGO
National Suburban Office	8.6	8.8	8.5
National Secondary Office	6.1	6.3	6.3

ADDENDA

QUALIFICATIONS OF TIMOTHY J. SIMON, MAI

STATE OF CALIFORNIA CERTIFICATION

State of California Office of Real Estate Appraisers - Certified General Real Estate Appraiser. Certificate # AG010007, Expiration May 7, 2015.

PROFESSIONAL AFFILIATIONS

MAI - The Appraisal Institute. Member # 10,157 (October 1993)
1999 President - Central California Chapter
State of California Licensed Real Estate Broker # 01264078

EDUCATION

California State University, Fresno

Bachelor of Science, Industrial Technology - Construction, 1981

The Appraisal Institute (1986-Present)

The appraiser is currently certified under the continuing education program for the Appraisal Institute.

INSTRUCTOR

Instructor of appraisal classes at College of the Sequoias, a community college located in Visalia, CA. (1994)

PARTIAL LIST OF PROPERTY TYPES APPRAISED

Office Buildings	Industrial Properties
Shopping Centers	Residential Subdivisions
Apartment Buildings	Agricultural Properties
Eminent Domain/Right of Way	Special Purpose Properties

APPRAISAL EXPERIENCE

American Appraisal Associates Walnut Creek, CA 1981-86

Building cost analyst and real estate appraiser. Clients included numerous corporations, business firms, lending institutions and government agencies.

Wells Fargo Bank Real Estate Industries Group Walnut Creek, CA 1986-88

Staff real estate appraiser. Clientele were medium to large developers for construction lending and permanent financing of existing and proposed construction.

Real Property Analysts Fresno, CA 1988-92

Independent fee appraiser. Proposed and existing income real property. Right of way appraisals for Government agencies.

Simon Company Hanford, CA 1992-Present

Independent fee appraiser, self-employed.

COURT EXPERIENCE

Qualified as an expert witness in Kings and Tulare County Superior Court

PARTIAL LIST OF CLIENTS SERVED

Lending Institutions:

Wells Fargo Bank
Bank of America
Sanwa Bank California
Bank of the West
The California Stockmen's Bank
Imperial Thrift & Loan
Westamerica Bank
Clovis Community Bank
Bank of the Sierra
United Security Bank
Comercia Bank
Stockton Savings Bank
Sacramento State Bank
Goleta National Bank
Suncrest Bank
Heritage Bank of Commerce
California Federal Bank
Zion First National Bank
Federal Land Bank
Temucula Valley Bank
Visalia Community Bank
Valley Business Bank
Pacific Capital Bankcorp

Governmental Agencies:

Kings County
Tulare County
City of Hanford
City of Corcoran
City of Lindsay
City of Porterville
City of Huron
Visalia Redevelopment Agency
Hanford Elementary School District
Pioneer School District
Riverdale Unified School District
Central Unified School District
Island Union School District
College of the Sequoias
West Hills College
Lemoore Unified School District
Sierra Kings District Hospital
Hanford Community Medical Center
California Dept. Of Transportation
Southern California Edison Co.
Southern California Gas Co.
Kings County Water District
Tulare Lake Drainage District

Corporations:

McDonald's Corporation
Chevron USA
Principal Financial
Adventist Health Systems

Accounting Firms:

Brown, Neuman & Semas/Hanford, CA
Gilman, Harris and Travoli/Visalia, CA
M Green and Company/Hanford, Visalia
and Tulare, CA

Law Firms:

Kahn, Soares & Conway – Hanford, CA
Griswold, LaSalle, Cobb, Dowd & Gin – Hanford, CA
Maroot, Hardcastle & Hatherley – Hanford & Visalia, CA
Lazano Smith – Fresno, CA
Horsewill Mederos & Dorman – Tulare, CA

LEGAL DESCRIPTION

9500957

FOUR PARCELS OF LAND IN THE CITY OF HANFORD, COUNTY OF KINGS, STATE OF CALIFORNIA LYING IN SECTIONS 25, 26 AND 36, TOWNSHIP 18 SOUTH, RANGE 21 EAST, MOUNT DIABLO MERIDIAN DESCRIBED AS FOLLOWS:

PARCEL NO. 1

THAT PORTION OF ELEVENTH AVENUE (80 FOOT WIDE) AND THAT PORTION OF THAT CERTAIN ALLEY LYING NORTH OF AND ADJACENT TO BLOCK 3 OF BIDDLES SUBDIVISION WHICH LIE BETWEEN LINES PARALLEL WITH AND DISTANT 50.00 FEET FROM AND ON EACH SIDE OF THE CENTERLINE OF THAT CERTAIN TRACK DESIGNATED IN THE RECORDS OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY AS THE BAKERSFIELD SUBDIVISION MAIN TRACK.

PARCEL NO. 2

THAT PORTION OF LACEY BOULEVARD WHICH LIES EASTERLY OF THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF LOT 11, BLOCK 171 AND WESTERLY OF THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF SANTA FE AVENUE AS SAID BLOCK 171 AND SANTA FE AVENUE ARE SHOWN ON THE OFFICIAL MAP OF THE CITY OF HANFORD, RECORDED IN THE OFFICE OF THE KINGS COUNTY RECORDER.

ALSO, THAT PORTION OF PARK AVENUE WHICH LIES SOUTHWESTERLY OF A LINE PARALLEL WITH AND DISTANT 33.00 FEET NORTHEASTERLY OF THE CENTERLINE OF THAT CERTAIN TRACK DESIGNATED IN THE RECORDS OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY AS TRACK NO. 7 AT HANFORD STATION.

ALSO, THAT PORTION OF THORNTON STREET WHICH LIES NORTHERLY OF THE NORTHERLY LINE OF VACATED NINTH STREET AND SOUTHERLY OF THE SOUTH LINE OF LACY BOULEVARD.

PARCEL NO. 3

THAT PORTION OF THORNTON STREET WHICH LIES SOUTHERLY OF THE NORTHERLY LINE OF SEVENTH STREET AND NORTHERLY OF THE SOUTHERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 36.

ALSO, THAT PORTION OF THE EASTERLY HALF OF THORNTON STREET WHICH LIES SOUTHERLY OF THE NORTHERLY LINE OF EIGHTH STREET AND NORTHERLY OF THE NORTHERLY LINE OF SEVENTH STREET.

PARCEL NO. 4

THAT PORTION OF FOURTH STREET WHICH LIES WESTERLY OF THE WESTERLY LINE OF THORNTON STREET AND EASTERLY OF THE CENTERLINE OF WILLIAMS STREET.

ALSO, THE NORTHERLY HALF OF FOURTH STREET WHICH LIES WESTERLY OF THE CENTERLINE OF WILLIAMS STREET AND EASTERLY OF THE WEST LINE OF SAID SECTION 36.

EXHIBIT "A"

A PARCEL OF LAND IN THE CITY OF HANFORD, COUNTY OF KINGS, STATE OF CALIFORNIA, LYING IN THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 18 SOUTH, RANGE 21 EAST, MOUNT DIABLO MERIDIAN, DESCRIBED AS FOLLOWS:

THOSE CERTAIN LOTS 13 THROUGH 21, INCLUSIVE, IN BLOCK 139 OF THE OFFICIAL MAP OF THE CITY OF HANFORD, CALIFORNIA, AS SAID LOTS AND BLOCK ARE DESCRIBED IN DEED DATED DECEMBER 18, 1896 FROM THE HANFORD PARK AND TRADING COMPANY TO THE SAN FRANCISCO AND SAN JOAQUIN VALLEY RAILWAY COMPANY, (PREDECESSOR IN INTEREST TO THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY) RECORDED FEBRUARY 12, 1897 IN VOLUME 12 OF DEEDS, PAGE 14, RECORDS OF SAID COUNTY AND THOSE CERTAIN LOTS 11, 12 AND 22 IN SAID LOT 139 AS SAID LOTS AND BLOCK ARE DESCRIBED IN DEED DATED JULY 14, FROM THE HANFORD PARK AND TRADING COMPANY TO SAID SAN FRANCISCO AND SAN JOAQUIN VALLEY RAILWAY COMPANY RECORDED JULY 17, 1897 IN VOLUME 12 OF DEEDS, PAGE 52, RECORDS OF SAID COUNTY.

TOGETHER WITH ANY OF THE ATCHISON TOPEKA AND SANTA FE RAILWAY COMPANY'S RIGHT, TITLE AND INTEREST, IF ANY, IN AND TO THAT CERTAIN ALLEY IN SAID BLOCK 139 WHICH LIES CONTIGUOUS WITH THE ABOVE DESCRIBED PARCEL, THOSE PORTIONS OF SEVENTH STREET AND EIGHTH STREET WHICH LIE CONTIGUOUS WITH THE ABOVE DESCRIBED PARCEL AND THAT PORTION OF THORNTON STREET WHICH LIES WESTERLY OF A LINE PARALLEL AND/OR CONCENTRIC WITH AND DISTANT WESTERLY 50 FEET MEASURED AT RIGHT ANGLES AND/OR RADially FROM THE CENTERLINE OF THAT CERTAIN TRACK DESIGNATED IN THE RECORDS OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY AS THE BAKERSFIELD SUBDIVISION MAIN TRACK, NORTHERLY OF THE CENTERLINE OF SEVENTH STREET (80 FEET WIDE), AND SOUTHERLY OF THE SOUTHERLY LINE OF THAT CERTAIN 0.93 ACRE PARCEL OF LAND DESCRIBED IN DEED DATED AUGUST 18, 1983 FROM THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO K-MART CORPORATION RECORDED NOVEMBER 10, 1983 AS DOCUMENT NO. 15655 IN BOOK 1281, PAGE 696, RECORDS OF SAID COUNTY AND ITS EASTERLY PROLONGATION.

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Hanford, California 93230
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Simon Company, Inc. retains exclusive ownership to all information and data contained in this report including yet not limited to all exhibits, photographs, tables, and charts.

All opinions, analyses, and conclusions stated herein are intended for the exclusive use of our client and other specifically identified intended users. Only the client and other specifically identified intended users may use this report for the sole purpose and intended use stated herein.

END OF REPORT



AGENDA STAFF REPORT

MEETING DATE: 3/18/2014

AGENDA SECTION: 4. D.

SUBJECT:

City Manager: As it pertains to the Redesignation and Expansion of the Greater South San Joaquin Valley Recycling Market Development Zone (RMDZ)

1. Authorize the Mayor to sign Resolution 14-05-R, approving the expansion and redesignation of the Greater South San Joaquin Valley RMDZ; and
2. Direct the Kings County Job Training Office Director to submit the expansion and redesignation application to CalRecycle.

RECOMMENDATION:

City Manager: As it pertains to the Redesignation and Expansion of the Greater South San Joaquin Valley Recycling Market Development Zone (RMDZ)

1. Authorize the Mayor to sign Resolution 14-05-R, approving the expansion and redesignation of the Greater South San Joaquin Valley RMDZ; and
2. Direct the Kings County Job Training Office Director to submit the expansion and redesignation application to CalRecycle.

BACKGROUND:

The expansion of the RMDZ would provide businesses located within the approved zone access to low-interest capital for waste diversion or use of waste products in their manufacturing process.

CalRecycle requires resolutions of support from jurisdictions affected by the expanded RMDZ. Supporting resolutions will be collected from all jurisdictions within Tulare and Kings Counties after Council's action of the attached resolution.

Since the proposed zone is a benefit overlay and does not effect land use decisions, the City of Hanford Community Development Department has determined the project is exempt from California Environmental Quality Act (CEQA) review. The recommended resolution includes language stating that the Council finds that the redesignation is exempt from CEQA.

The current RMDZ has been jointly managed by Kings County Economic Development Corporation and Tulare County Economic Development Corporation since its inception in 1999. CalRecycle, the former California Integrated Waste Management Board, is the State agency with oversight responsibility for this incentive zone.

The purpose of the Greater South San Joaquin Valley Recycling Market Development Zone (RMDZ) is to incentivise the establishment, expansion and sustainability of recycling-based manufacturing businesses, to assist local jurisdictions in meeting the established landfill waste reduction goals, and to develop markets for

recycled materials. The current RMDZ is due to expire on March 31, 2014. In preparing the application to continue the zone, staff received tentative approval to expand the covered area to include Avenal and unincorporated west side areas. The requested action is to authorize submission of an expanded zone to serve all of Kings County, and designated portions of and Tiler Counties. Businesses located in the subject areas would qualify for low interest loans for recycling-related business activity.

FISCAL IMPACT:

None.

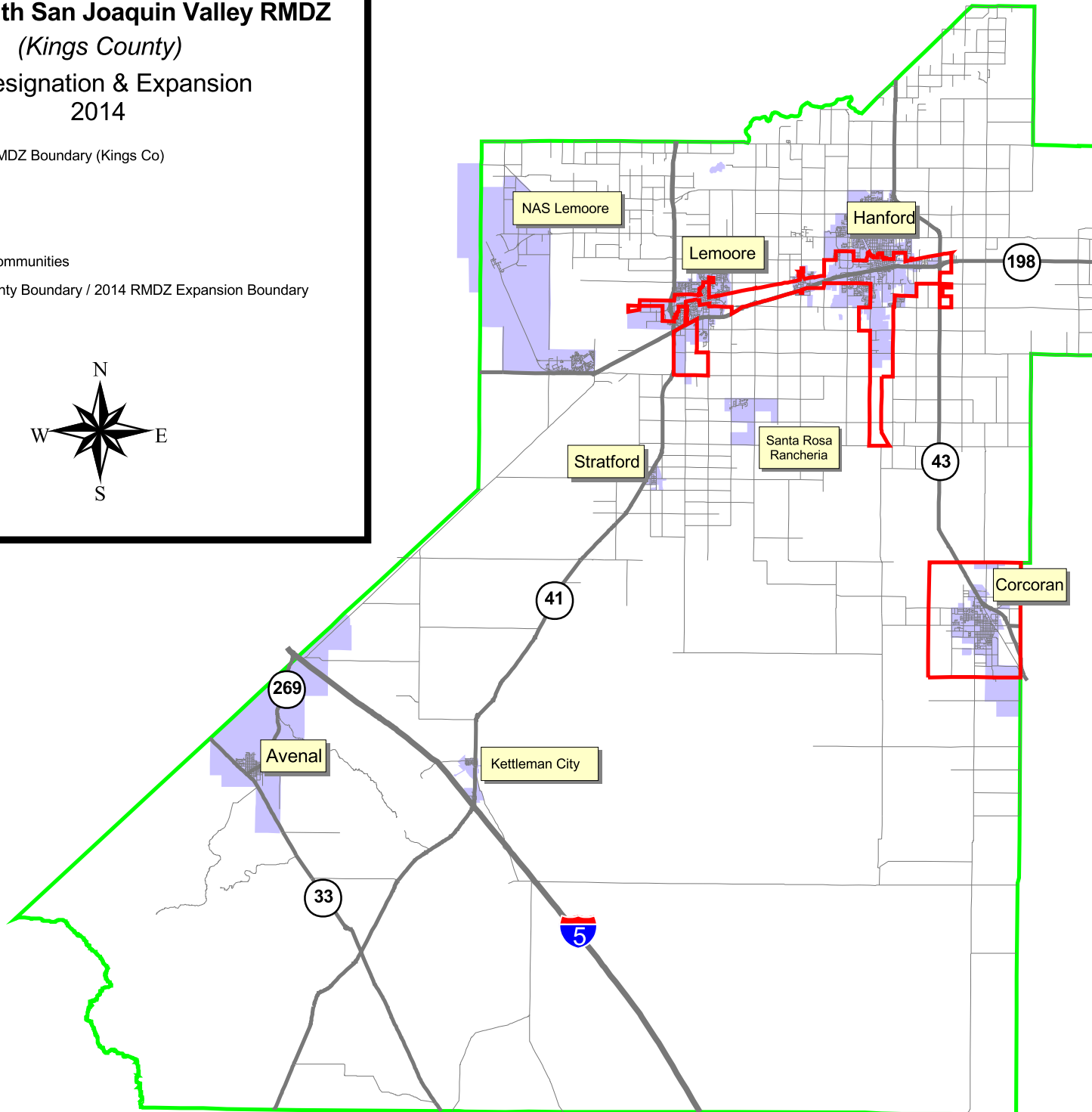
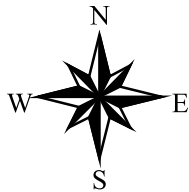
ATTACHMENTS:

Description

- ▢ [RMDZ Expansion Map-Kings Co](#)
- ▢ [14-05-R RMDZ Resolution](#)

Greater South San Joaquin Valley RMDZ
(Kings County)
Redesignation & Expansion
2014

-  Original RMDZ Boundary (Kings Co)
-  Highways
-  Interstate
-  Streets
-  Cities & Communities
-  Kings County Boundary / 2014 RMDZ Expansion Boundary



RESOLUTION NO. 14-05-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD SUPPORTING THE REDESIGNATION OF THE GREATER SOUTH SAN JOAQUIN VALLEY RECYCLING MARKET DEVELOPMENT ZONE DUE TO AN INCREASE IN BOUNDARIES

At a regular meeting of the City Council of the City of Hanford, duly called and held on the 18th day of March, 2014 on motion of Council Member _____, seconded by Council Member _____, and duly carried, the following Resolution was adopted:

WHEREAS, California Public Resources Code Section 42010, et al. provides for the establishment of the Recycling Market Development Zone (RMDZ) program throughout the State which provides incentives to stimulate development of post-consumer and secondary materials markets for recyclables; and

WHEREAS, all California jurisdictions must meet a 50% reduction in landfill waste disposal as mandated by the California Integrated Waste Management Act; and

WHEREAS, the Greater South San Joaquin Valley Recycling Market Development Zone includes designated areas in Kings and Tulare Counties; and

WHEREAS, the Greater South San Joaquin Valley Recycling Market Development Zone is dedicated to establishing, sustaining and expanding recycling-based manufacturing businesses, which is essential for market development and to assist these jurisdictions in meeting the established landfill waste reduction goals; and

WHEREAS, the unincorporated areas of Kings County and the City of Avenal desire existing and new recycling-based manufacturing businesses located within their jurisdictions to be eligible for the technical and financial incentives associated with the RMDZ program; and

WHEREAS, the Greater South San Joaquin Valley Recycling Market Development Zone is expanding to include the unincorporated areas of Kings County and the City of Avenal as reflected in the attached map; and

WHEREAS, the addition of these jurisdictions to the Greater South San Joaquin Valley Recycling Market Development Zone is necessary to facilitate local and regional planning, coordination, and support existing recycling-based manufacturing businesses, as well as attract private sector recycling investments to the RMDZ; and

WHEREAS, the continued development of local markets for recycled materials would reduce the need to transport them out of the region in the future; and

WHEREAS, the current and proposed waste management practices and conditions are favorable to the development of post-consumer and secondary waste materials markets; and

WHEREAS, the California Legislature has defined environmental justice as "the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies" [Government Code section 65040.12(e)], and has directed the California Environmental Protection Agency to conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the state [Public Resources Code section 71110(a)]; and

WHEREAS, CalRecycle has adopted a goal to continuously integrate environmental justice concerns into all of its programs and activities; and

WHEREAS, the Counties of Kings and Tulare and their respective Cities have agreed to submit an application to CalRecycle requesting the redesignation of the Greater South San Joaquin Valley Recycling Market Development Zone due to a change in boundaries; and

WHEREAS, the County of Kings has agreed to act as Lead Agency for the proposed redesignation; and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA), the Kings County Board of Supervisors hereby finds that this RMDZ redesignation is exempt pursuant to Section 15061.(b)(3) of the *Guidelines for California Environmental Quality Act (CEQA Guidelines)*; and

WHEREAS, the City of Hanford City Council finds there are no grounds for the City of Hanford to assume the Lead Agency role or to prepare an environmental document.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hanford as follows:

1. The City of Hanford, as Responsible Agency, approves the redesignation of the Greater South San Joaquin Valley Recycling Market Development Zone and directs the Director of the Kings County Job Training Office to submit an application to CalRecycle requesting redesignation of the Greater South San Joaquin Valley Recycling Market Development Zone which includes the Counties of Kings and Tulare and their respective Cities.

2. The County of Kings will administer the RMDZ program in a manner that seeks to ensure the fair treatment of people of all races, cultures and incomes, including but not limited to soliciting public participation in all communities within the RMDZ, including minority and low income populations.

Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on _____, by the following roll call vote

IRWIN JAMESON MARTINEZ CURRY PANNETT

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED

MAYOR of the City of Hanford

ATTEST:

Melonie Patrick

CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, **Melonie Patrick**, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the ____day of _____, 2014.

Date: _____

Melonie Patrick
City Clerk



AGENDA STAFF REPORT

MEETING DATE: 3/18/2014

AGENDA SECTION: 4. E.

SUBJECT:

Hanford Police Department: Approve the road closure for the 2014 Hanford Criterium road race on March 23, 2014 between the hours of 0500-1600

RECOMMENDATION:

That the City Council approve the road closure for the 2014 Hanford Criterium road race on March 23, 2014 between the hours of 0500-1600.

BACKGROUND:

Robert Leibold and The Kings County Bicyclist Club are requesting road closures to conduct the 10th Annual Hanford Criterium on March 23, 2014. The affected road closure will be Douty Street at 9th Street to Harris Street, South to 8th Street, West to Douty Street, South to 7th Street, West to Redington Street, North to 8th Street, East to Douty Street, North to 9th Street. Velo Promo promotes numerous races throughout California and has been the promoter for the last nine years in Hanford.

FISCAL IMPACT:

Velo Promo will be funding (2) police officers at a weighted fee to provide support for the event. Additional staffing will be provided by volunteers from the Hanford Explorer Program and the Citizens on Patrol. The City Street Department would be required to put out no parking signs along the route 24 hours prior to the event.



AGENDA STAFF REPORT

MEETING DATE: 3/18/2014

AGENDA SECTION: 4. F.

SUBJECT:

Public Works: Authorize staff to advertise for bids for the FY 13-14 Centerline Striping Project.

RECOMMENDATION:

That the City Council, by motion, authorize staff to advertise for bids for the FY 13-14 Centerline Striping Project.

BACKGROUND:

This program provides for the restriping of the all existing street pavement lines within City Limits on a bi-annual basis. Work includes the repainting of all striping parallel to the direction of travel including centerlines, turn lanes, bike lanes, channel lines, and edge lines. Excluded from this program is the painting of crosswalks and pavement legends which is performed by City staff.

Specifications for the FY 13-14 Centerline Striping Project are complete. With Council approval, staff will solicit bids for this project. Construction is anticipated to begin in June 2014.

FISCAL IMPACT:

The proposed FY 13-14 Streets Capital Improvement Program Budget provides \$82,500 for construction, including contingency, for this project. A copy of budget page 207 is attached for Council review.

ATTACHMENTS:

Description

▢ [Budget Page 207](#)

Street Centerline and Pavement Marking Striping

Project Background:

This project involves the painting of street centerlines, edge lines, bike lanes and pavement markings throughout the city once every two years. FY14 project includes re-striping 11th Avenue from Northstar Drive to Furlong Drive to implement a continuous left turn lane and an edge line stripe.

Existing Conditions:

The city maintains approximately 210 miles of streets of which approximately 80 miles are striped.

Project Justification:

Painting of traffic lane lines is necessary to facilitate efficient and safe transportation throughout our community.

Fiscal Implications:

Funding for this project will be allocated from gas tax reserves.

Project Budget Summary:

		5-Year Funding Allocation				
		2014	2015	2016	2017	2018
Expenditure	Program or Project	Construction		Construction		Construction
	Engineering / Inspection	5,000		3,500		3,500
	Construction	75,000		60,000		60,000
	Contingency	7,500		6,000		6,000
	Department Overhead	2,500		500		500
Total Expenditure		\$90,000	\$0	\$70,000	\$0	\$70,000
Revenue	Funding					
	041 Gas Tax (2106)	90,000		70,000		70,000
Total Funding		\$90,000	\$0	\$70,000	\$0	\$70,000



AGENDA STAFF REPORT

MEETING DATE:

AGENDA SECTION: 4. G.

SUBJECT:

Public Works: Approval of purchase and installation of a Petro Vend Fuel Management System from Banks & Company for a total price of \$12,494.00.

RECOMMENDATION:

That the City Council, by motion, approve the purchase and installation of a Petro Vend FSC3000 fuel management system from Banks & Company for a total price of \$12,494.00.

BACKGROUND:

The Fleet Management Reserve Budget provides funds to replace the fuel management system, located at the City Corporation Yard, that has been in place for over 13 years. The current system has recently had a failure due to an internal memory loss. Parts for this unit are not available. Due to its age, the system is considered obsolete.

Bids to purchase the new fuel management system were requested from three vendors with bid results summarized as follows:

Banks & Company of Fresno	\$12,494.00
Donlee Pump Company of Ceres	\$13,791.00
Franzen-Hill of Tulare	\$16,230.00

FISCAL IMPACT:

The 2013/14 Budget provided an estimate of \$16,100 for the purchase of the new fuel management system. To date, approximately \$25,855.00 has been collected through the City's Fleet Replacement Program. The total purchase price for the system is \$12,494.00, including tax.

ATTACHMENTS:

Description

- ☐ [Budget page 151](#)
- ☐ [Price quotes](#)

LINE ITEM SUMMARY

PUBLIC WORKS - FLEET REPLACEMENT RESERVE

2050

	2010-11 ACTUAL	2011-12 ACTUAL	2012-13 BUDGET	2012-13 PROJECTED	2013-14 PROPOSED
<u>FIXED ASSETS</u>					
Prior Year Fixed Assets	1,330,511	884,948	1,278,240	1,268,730	-
814035 1-Leaf Pan	-	-	-	-	6,300
814036 2-Radar Gun (PD)	-	-	-	-	1,400
814037 Fuel Management System	-	-	-	-	16,100
814038 Misc Small Equip, Parks	-	-	-	-	4,600
814302 1-Asphalt Patch Truck	-	-	-	-	180,000
814303 1-Motorcycle (PD)	-	-	-	-	32,130
814304 1-Tractor, Loader / Backhoe	-	-	-	-	120,000
814305 1-Traffic Control Lift	-	-	-	-	95,000
814306 2-Service Trucks	-	-	-	-	79,500
TOTAL FIXED ASSETS	1,330,511	884,948	1,278,240	1,268,730	535,030
<u>TRANSFERS/REIMBURSEMENTS</u>					
9100 Interfund Charges	(1,314,680)	(1,229,120)	(1,255,370)	(1,255,380)	(1,336,830)
TOTAL TRANSFERS/REIMB.	(1,314,680)	(1,229,120)	(1,255,370)	(1,255,380)	(1,336,830)
NET EXPENDITURE	16,831	(344,172)	22,870	13,350	(801,800)



PETROLEUM EQUIPMENT • SALES • INSTALLATION • SERVICE • TESTING

P.O. Box 6543, Fresno, CA 93703 • 2403 E. BELMONT AVE., FRESNO, CA 93701

559-485-3456 • FAX 485-3165 • LICENSE NO. 383550 • WWW.BANKS-AND-CO.COM

PROPOSAL

Date: 2/28/14	Phone: 559-585-2554
Name: City of Hanford	Fax: 559-583-1529
Address: 900 S. 10 th Ave.	Contact: Tommy Bettencourt
City: Hanford	E-mail: TBettencourt@ci.hanford.us

Banks & Co. will remove the existing Petrovend fuel management system, except for the PCT's, which will be re-used with the new system, and provide the following to replace it with a new Petrovend fuel management system, utilizing the existing magnetic stripe cards:

1	Petrovend 20-8057 FSC3000 Fuel Site Controller, includes the following: USB Transaction storage, standard record software, ARTware for windows configurable remote access, Built-in 10-base Ethernet port and 8 serial ports. Code for network 2076, City of Hanford.	\$ 4,446.00
1	Petrovend K800-HFIT-0 Island Card Reader, includes the following: Hybrid Fuel Island Terminal HFIT) – to be used with existing remote PCT's. Includes card reader, pedestal, mag cardreader, display and keypad. Code for network 2076, City of Hanford.	3,029.00
1	Petrovend Q451314 SmartTalk Plus Tank Gauge Polling Software	426.00
	Equipment Subtotal	7901.00
	7.50% Sales Tax	592.58
	Installation, (includes labor, material, start-up, programming and training)	4,000.42
	Grand Total	\$ 12,494.00

Payment terms: Down payment \$ 1,300.00
When Equipment Ships 7,200.00
Project complete 3,994.00

I understand and accept payment terms _____ (initial)

Please note: This quote is per the specifications provided by you on 2/27/14 – any costs for additional components and/or equipment, and associated labor, required to complete the installation, will be provided to you for your approval before performing the additional work.

Please note: This quote is valid for 30 days from date above.

Please sign below and fax to 559-485-3165, Attn: Dan, as acceptance of proposal.

Sign: _____ Date: _____

Thanks,

Dan Chamberlain • Service Manager • 559-485-3456

donlee pump company



2825 Railroad Ave.
Ceres, CA 95307
Lic.# 432089



Date: February 27, 2014

Attn: Tom Bettencourt
City of Hanford
900 S 10th Ave,
Hanford, CA 93230
Phone (559) 585-2554
tbettencourt@cityofhanfordca.com

Proposal requested: Upgrade system to Petro Vend

Description of materials and services to be provided:

- 1) Petro Vend 20-8157
 - a) Fuel site controller FSC 3000 remote with USB transaction storage, standard record software, ARTware for windows configurable remote access, built-in 10-base Ethernet port and 8 serial ports
- 2) Petro Vend K800-HFT-0
 - a) Hybrid fuel island terminal (HFIT) - to be used with existing remote PCT'S. Includes; cardreader, pedestal, mag cardreader, display and keypad. Code for network 2076, City of Hanford
- 3) Petro Vend Smarttalk Plus software
- 4) Donlee Pump labor, drive time, mileage expense and per diem (if applicable)

PROPOSED AMOUNT: \$13,791.00

(Terms: Determined by results of credit application)

Notes and Exceptions:

- Customer responsible to provide/procure any plans, permits, and/or authorizations required
- Prices quoted above good for 30 days
- Payments made for project using credit card may incur an additional finance charge.

If you need anything further, or have any questions, feel free to contact me.

Respectfully,

Don Mathey – Office Manager
Donlee Pump Company
2825 Railroad Ave.
Ceres, CA 95307
Ph: (209) 537 – 9396
Fx: (209) 537 – 9398
Email: donlee@donleepump.com

Proposal accepted by: _____ Date proposal accepted: _____

Printed name: _____ Position: _____
=====



QUOTATION

February 3, 2014

Q14-01062 page 1 of 3

Submitted to:
Tommy Bettencourt
Fleet Superintendent
City of Hanford
Phone: 559-585-2554
Fax: 559-583-1529
tbettencourt@cityofhanfordca.com

Job Location:
900 10th Ave

Franzen-Hill Corporation shall:

1. Remove the existing OPW card system
2. Supply and install a new PetroVend AFC card system
3. Supply 500 cards with programming
4. A Card Programmer is no longer available with PetroVend due to security protocol on new Phoenix Software. Legacy cards must be replaced.
5. Setup and installation with support from PetroVend

Equipment \$12,330

Installation \$3,900

— TOTAL \$16,230.00

This quote does not include or imply any equipment or quantities other than listed herein. The performance of equipment listed is based upon the accuracy of the information supplied to Franzen-Hill by the customer or customer's agent. Guarantee of performance will require approval by a licensed engineer at the customer's expense & is not included in the quotation.

Q14-01062 page 2 of 3

STANDARD GENERAL NOTES



AGENDA STAFF REPORT

MEETING DATE: 3/18/2014

AGENDA SECTION: 4. H.

SUBJECT:

Public Works: Approve the purchase of one 2015 Thermo-Lay asphalt patch truck from Northwest Manufacturing of Billings, Montana, in the amount of \$196,886.25 (tax and delivery included); approve an additional appropriation of \$24,334.25 from Fleet Replacement Reserves; and declare one 2001 PB loader asphalt patch truck as surplus and authorize the sale of this vehicle.

RECOMMENDATION:

That the City Council, by motion:

1. Approve the purchase of one 2015 Thermo-Lay asphalt patch truck from Northwest Manufacturing of Billings, Montana, in the amount of \$196,886.25 (tax and delivery included).
2. Approve an additional appropriation of \$24,334.25 from Fleet Replacement Reserves.
3. Declare one 2001 PB loader asphalt patch truck as surplus and authorize the sale of this vehicle.

BACKGROUND:

The Fleet Replacement Reserve Budget provides funds to replace one asphalt patch truck. The current hot mix asphalt patch truck has exceeded the City's established replacement criteria of ten (10) years and shows increasing signs of wear as documented by its maintenance costs.

The new patch truck uses a heated transfer oil system that will allow consistent heating of the asphalt mix and minimize the waste of material that currently occurs with the old unit. The new patching machine will include six corner strobe lighting and an LED arrow board for 360 degree visibility, thus improving traffic control and employee safety. Additional features include a roller compactor that is hydraulically lifted into position and an automatic hopper cleaning system that is built into the body of the vehicle.

FISCAL IMPACT:

The 2013/14 Fleet Reserve Budget provided an estimate of \$180,000 for the purchase of an asphalt patch truck. To date, approximately \$172,552 has been collected through the City's Fleet Replacement Program. The total purchase price for the vehicle is \$196,886.25, including tax and delivery. An additional appropriation of \$24,334.25 from Fleet Replacement Fund Reserves is necessary to fund this purchase. There are sufficient funds in the Fleet Replacement Reserve account to fund the vehicle purchase without impacting other budgeted vehicle and equipment purchases.

ATTACHMENTS:

Description

- 📎 [Budget page 151](#)
- 📎 [Budget page 14, schedule 3](#)
- 📎 [Price quote](#)

LINE ITEM SUMMARY

PUBLIC WORKS - FLEET REPLACEMENT RESERVE

2050

	2010-11 ACTUAL	2011-12 ACTUAL	2012-13 BUDGET	2012-13 PROJECTED	2013-14 PROPOSED
<u>FIXED ASSETS</u>					
Prior Year Fixed Assets	1,330,511	884,948	1,278,240	1,268,730	-
014030 1-Leaf Pan	-	-	-	-	6,300
014030 2-Radar Gun (PD)	-	-	-	-	1,400
014037 Fuel Management System	-	-	-	-	16,100
014036 Misc Small Equip, Parks	-	-	-	-	4,600
014302 1-Asphalt Patch Truck	-	-	-	-	180,000
014303 1-Motorcycle (PD)	-	-	-	-	32,130
014304 1-Tractor, Loader / Backhoe	-	-	-	-	120,000
014305 1-Traffic Control Lift	-	-	-	-	95,000
014300 2-Service Trucks	-	-	-	-	79,500
TOTAL FIXED ASSETS	1,330,511	884,948	1,278,240	1,268,730	535,030
<u>TRANSFERS/REIMBURSEMENTS</u>					
0100 Interfund Charges	(1,314,680)	(1,229,120)	(1,255,370)	(1,255,380)	(1,336,830)
TOTAL TRANSFERS/REIMB.	(1,314,680)	(1,229,120)	(1,255,370)	(1,255,380)	(1,336,830)
NET EXPENDITURE	15,831	(344,172)	22,870	13,350	(801,800)

SCHEDULE 3

SUMMARY OF FUND TRANSACTIONS

		FUNDS AVAILABLE			APPROPRIATIONS			Fund Balance 06/30/14
		Fund Balance 07/01/13	Receipts/Transfers	Total Available	Operating	Capital	Debt Service	
001	General	1,500,000	22,838,320	24,338,320	22,750,170	-	-	1,588,150
002	Economic Uncertainty Reserve	4,911,150	-	4,911,150	-	-	-	4,911,150
004	Accumulated Capital Outlay	4,877,670	(50,170)	4,827,500	-	1,260,000	-	3,567,500
005	Downtown Re-Investment Fund	282,070	6,520	288,590	-	-	-	288,590
020	Parking	71,800	8,350	80,150	-	-	-	80,150
023	Special Aviation	-	234,000	234,000	-	234,000	-	-
025	Central Parking Improvement	149,730	108,800	260,530	81,000	90,000	-	87,440
042	Gas Tax	1,324,880	2,159,530	3,484,410	-	1,614,000	-	1,870,410
051	State Transp. Imprv. Program (STIP)	-	-	-	-	-	-	-
055	CMAQ	-	862,330	862,330	-	862,330	-	-
056	Prop 1B-Transp. Bonds	-	320,000	320,000	-	320,000	-	-
057	ARRA-Stimulus Funds/Grant	-	-	-	-	-	-	-
100-001	CDBG Entitlement	47,990	813,870	861,860	715,340	-	-	146,520
101	City Housing Loan	1,093,490	2,490	1,095,980	-	-	-	1,095,980
115-101	Cal HOME Program	43,830	20	43,850	-	-	-	43,850
120-001	HOME Grants	364,740	103,760	468,500	103,760	-	-	364,740
160	9th Ave Sewer Assessment District	56,140	140	56,280	-	-	-	56,280
161	12th Ave Sewer Assessment District	594,070	34,090	628,160	-	100,000	-	528,160
180	Park Impact Fees	1,734,750	325,490	2,060,240	-	150,000	-	1,910,240
181	Transportation Impact Fees	955,110	405,350	1,360,460	-	600,000	-	760,460
182	Fire Protection Impact Fees	487,720	47,480	535,200	-	-	-	535,200
183	Police Protection Impact Fees	1,357,230	91,930	1,449,160	-	200,000	-	1,249,160
184	Storm Water Impact Fees	183,170	31,480	214,650	-	50,000	-	164,650
185	Water System Impact Fees	1,421,240	217,350	1,638,590	-	50,000	-	1,588,590
186	Wastewater System Impact Fees	378,830	265,200	644,030	-	50,000	-	594,030
187	Refuse/Recycle Impact Fees	317,740	31,960	349,700	-	-	-	349,700
240-271	Landscape Assessment Districts	773,920	344,820	1,118,740	-	-	308,510	810,230
300	Airport	202,700	214,190	416,890	172,780	26,000	-	218,110
306	Refuse	3,651,570	8,505,490	10,157,060	8,574,780	-	-	3,682,280
310	City of Hanford Public Housing Authority	-	139,080	139,080	139,080	-	-	-
320	Intermodal Facility	-	55,860	55,860	55,860	-	-	-
330	Courthouse Square	-	169,740	169,740	169,740	-	-	-
358	Storm Drainage	2,800,180	1,327,840	4,128,020	613,980	131,170	-	3,382,870
361	Wastewater Maintenance and Operation	1,219,690	2,232,730	3,452,420	3,015,260	-	-	437,160
362	WWTP Expansion Reserve	1,200,000	400,000	1,600,000	-	-	-	1,600,000
363	Wastewater Capital Improvement	4,202,780	500,000	4,702,780	-	637,500	-	4,065,280
369	1996 Sewer Refund Bond Debt Service	-	490,750	490,750	-	-	490,750	-
374	CIEDB 2002 WW Dbt Svc	-	584,150	584,150	-	-	584,150	-
375	2011 BofA Lease/Pur	-	481,000	481,000	-	-	481,000	-
375-001	2012 Rfd Swr Rev Bond	-	932,310	932,310	-	-	932,310	-
390	Water Maintenance and Operation	500,000	4,098,500	4,598,500	4,060,500	-	-	538,000
391	Water Capital Improvement	2,571,380	(302,190)	2,269,190	-	650,000	-	1,619,190
392	CSCDA 2003 Water Rev Bd Dbt Svc	-	615,320	615,320	-	-	615,320	-
394-001	07 UBOC Installment Sale Agrmt	595,800	596,440	1,192,240	-	-	596,440	595,800
394-004	Gvmt Capital Wtr Lease/Pur Agrmt	-	302,190	302,190	-	-	302,190	-
395	Prop 84 Grant Funds	-	-	-	-	-	-	-
409	Insurance	1,920,570	-	1,920,570	-	-	-	1,920,570
410	Workers' Compensation	2,000,040	-	2,000,040	-	-	-	2,000,040
414	Computer Replacement Reserve	1,439,620	-	1,439,620	49,890	-	-	1,389,730
415	Computer Maintenance	260,940	-	260,940	-	-	-	260,940
416	Building Maintenance	24,680	-	24,680	23,500	-	-	1,180
417	Building Capital/Equip. Repl. Reserve	767,420	-	767,420	(26,170)	-	-	793,590
447	Fleet Maintenance	184,700	2,500	187,200	73,790	-	-	113,410
448	Fleet Reserve	9,291,820	38,730	9,330,550	(801,800)	-	-	10,132,350
450	Fire Cap/Equip Repl Reserve	773,280	1,800	775,080	335,170	-	-	439,910
452	Aquatics Cap/Equip Repl Reserve	238,820	630	239,450	29,170	-	-	210,280
506	RDA Successor Agency Admin Funds	1,135,660	133,600	1,269,260	125,000	-	-	1,144,260
514-002	Police Mini Grants	-	-	-	-	-	-	-
524-001	Grants	-	-	-	-	-	-	-
555-562	CFD 91-1 Bond	887,190	474,730	1,361,920	-	-	491,420	870,500
605	Learn Center/Sports Complex Bond	-	-	-	-	-	-	-
		58,796,110	49,198,500	107,994,610	38,260,890	7,025,000	4,802,090	57,906,630

March 5, 2014

Mr. Tom Bettencourt
Fleet Superintendent
City of Hanford
900 S. 10th Avenue
Hanford, CA 93230

Re: Quotation on 2014 Freightliner M2 truck chassis with 2014 Thermo-Lay Asphalt Patching Machine body

Dear Tom:

Pursuant to telephone conversations with you and Russ Sterling, and following up our various emails, I enclose specifications for a 2014 Thermo-Lay Asphalt Patching Machine, configured as we discussed, mounted and installed on a new 2014 Freightliner M2 single axle chassis, configured as we discussed. The Thermo-Lay would be fully equipped with a Bomag BW55E roller/compactor on a side lift located on the passenger side of the truck, immediately behind the truck cab, as well as a Stanley 72# class hydraulic pavement breaker with 6" tamping shoe and 5" asphalt cutting spade, together with all of the features set forth in the attached specifications. The Thermo-Lay will have been fully tested, and will have all necessary fluids on board except for tack oil. With the addition of asphalt and tack oil, the Thermo-Lay will be ready to go to work.

I have enclosed two sets of Thermo-Lay specs—one is a set that is standard and which sets forth in minute detail all of the features and characteristics of the Thermo-Lay. The second set is written specifically to meet the needs you expressed on behalf of the City of Hanford. Please let me emphasize that the Thermo-Lay quoted herein includes all of the standard features enumerated in the standard spec, in addition to the special features called out in the second spec for the City of Hanford. In addition, I have attached a detailed specification for the Freightliner chassis to be provided with the Thermo-Lay. As you can see from the attached specs, there is no other asphalt patching machine that can meet the construction, performance or quality features of the Thermo-Lay.

By way of example, but by no means by way of limitation, the Thermo-Lay is the only asphalt patching machine on the market today capable of being mounted on a chassis with a 120" CA, and it is the only machine on the market that is so constructed and so balanced as to be able to meet Federal bridge weight requirements, fully loaded. We are the only manufacturer with a side mounted lift, capable of locating the roller/compactor where you want to locate it, and we are the only manufacturer to offer an in-body horizontally mounted propane tank, located out of any possible crush zone, and we are the sole provider of the Intelli-Temp asphalt heat management system, which allows you

to maintain asphalt at temperatures from ambient to 375 degrees F, automatically and without operator input, even overnight, with a temperature variation throughout the entire hopper full of asphalt of plus or minus 4 degrees. We are the only manufacturer to offer a 9Kw electric heater for overnight heating, and we are the only manufacturer to offer a hopper spray system that automatically dispenses a 25 second spray of asphalt release agent through 30 spray nozzles onto all interior surfaces of the asphalt hopper. We are also the only manufacturer to fully powder coat our asphalt patching machines instead of painting them, which we find provides a much more durable finish that continues to look good, even after years of service. We are also the only manufacturer, to my knowledge, to utilize all 304 stainless steel fasteners in machine assembly. While I have not enumerated all of the features unique to the Thermo-Lay, I hope I have at least given you a sense of the many reasons why there simply is no other patching machine on the market today that can compare to the Thermo-Lay.

In providing a quote to you, permit me to add that the Thermo-Lay comes with a one year parts and labor warranty covering defects in materials and workmanship, and that any warranty work necessary for the patching machine would be performed in Hanford. Delivery from our factory here in Billings to either the truck dealer in Fresno for vehicle PDI or to your facility in Hanford is part of the quoted price. Our price as well includes two days of training for your operations and maintenance personnel, scheduled at your convenience, at your facility in Hanford. Our price to you for the Freightliner cab and chassis with Thermo-Lay installed, all according to the specs submitted herewith, is the sum of \$183,150.00. In addition, the City will have a 7.5% sales tax applied to this transaction, in the amount of \$13,736.25 and an approximate twelve month license fee of \$1,252.00. ← EXEMPT

If I can answer any further questions, elaborate further on any aspect of this letter or the enclosed specifications, or provide any additional information, please call or email me at any time.

Sincerely Yours,

Pete Bacheller
General Manager
Northwest Manufacturing and Distribution, Inc.



AGENDA STAFF REPORT

MEETING DATE: 3/18/2014

AGENDA SECTION: 4. I.

SUBJECT:

Public Works: Approve the purchase of one 2015 Altec traffic control lift truck from Keller Motors of Hanford in the amount of \$125,618.88; approve an additional appropriation of \$24,038.88 from Fleet Replacement Reserves; and declare one 2000 Versalift traffic control truck as surplus and authorize the sale of this vehicle.

RECOMMENDATION:

That the City Council, by motion:

1. Approve the purchase of one 2015 Altec traffic control lift truck from Keller Motors of Hanford in the amount of \$125,618.88.
2. Approve an additional appropriation of \$24,038.88 from Fleet Replacement Reserves.
3. Declare one 2000 Versalift traffic control lift truck as surplus and authorize the sale of this vehicle.

BACKGROUND:

The Fleet Replacement Reserve Budget provides funds to replace one traffic control lift truck that has outlived its useful life. The lift truck is used on a daily basis by the Street Division to provide maintenance and repairs on traffic signals and street signs.

Bids to purchase the new lift truck were requested from three (3) vendors with bid results summarized as follows:

Altec Industries of Dixon	\$122,566.63
Will Tiesiera of Tulare	\$124,248.26
Keller Motors of Hanford	\$125,618.88
	(\$121,850.31 with 3% local vendor discount per City Municipal Code Section 2.48.070)

FISCAL IMPACT:

The 2013/14 Fleet Reserve Budget provided an estimate of \$95,000 for the purchase of a traffic control lift truck. To date, approximately \$101,580 has been collected through the City's Fleet Replacement Program. The total purchase price for the vehicle is \$125,618.88, including tax and delivery. An additional appropriation of \$24,038.88 from Fleet Replacement Fund Reserves is necessary to fund this purchase. There are sufficient funds in the Fleet Replacement Reserve account to fund the vehicle purchase without impacting other budgeted vehicle and equipment purchases.

ATTACHMENTS:

Description

- ❏ [Budget page 151](#)
- ❏ [Budget page 14, schedule 3](#)
- ❏ [Price quotes](#)

LINE ITEM SUMMARY

PUBLIC WORKS - FLEET REPLACEMENT RESERVE

2050

	2010-11 ACTUAL	2011-12 ACTUAL	2012-13 BUDGET	2012-13 PROJECTED	2013-14 PROPOSED
<u>FIXED ASSETS</u>					
Prior Year Fixed Assets	1,330,511	884,948	1,278,240	1,268,730	-
814035 1-Leaf Pen	-	-	-	-	6,300
814036 2-Radar Gun (PD)	-	-	-	-	1,400
814037 Fuel Management System	-	-	-	-	16,100
814038 Misc Small Equip, Parks	-	-	-	-	4,600
814302 1-Asphalt Patch Truck	-	-	-	-	180,000
814303 1-Motorcycle (PD)	-	-	-	-	32,130
814304 1-Tractor, Loader / Backhoe	-	-	-	-	120,000
→ 814305 1-Traffic Control Lift	-	-	-	-	95,000 ←
814306 2-Service Trucks	-	-	-	-	79,500
TOTAL FIXED ASSETS	1,330,511	884,948	1,278,240	1,268,730	536,030
<u>TRANSFERS/REIMBURSEMENTS</u>					
9100 Interfund Charges	(1,314,680)	(1,229,120)	(1,255,370)	(1,255,380)	(1,336,830)
TOTAL TRANSFERS/REIMB.	(1,314,680)	(1,229,120)	(1,255,370)	(1,255,380)	(1,336,830)
NET EXPENDITURE	15,831	(344,172)	22,870	13,350	(801,800)

SCHEDULE 3

SUMMARY OF FUND TRANSACTIONS

		FUNDS AVAILABLE			APPROPRIATIONS			Fund Balance
		Fund Balance 07/01/13	Receipts/Transfers	Total Available	Operating	Capital	Debt Service	06/30/14
001	General	1,500,000	22,838,320	24,338,320	22,750,170	-	-	1,588,150
002	Economic Uncertainty Reserve	4,911,150	-	4,911,150	-	-	-	4,911,150
004	Accumulated Capital Outlay	4,877,670	(50,170)	4,827,500	-	1,260,000	-	3,567,500
005	Downtown Re-Investment Fund	282,070	6,520	288,590	-	-	-	288,590
020	Parking	71,800	8,350	80,150	-	-	-	80,150
023	Special Aviation	-	234,000	234,000	-	234,000	-	-
025	Central Parking Improvement	149,730	108,800	258,530	81,090	90,000	-	87,440
042	Gas Tax	1,324,880	2,159,530	3,484,410	-	1,614,000	-	1,870,410
051	State Transp. Imprv. Program (STIP)	-	-	-	-	-	-	-
055	CMAQ	-	862,330	862,330	-	862,330	-	-
056	Prop 1B-Transp. Bonds	-	320,000	320,000	-	320,000	-	-
057	ARRA-Stimulus Funds/Grant	-	-	-	-	-	-	-
100-001	CDBG Entitlement	47,990	813,870	861,860	715,340	-	-	146,520
101	City Housing Loan	1,093,490	2,490	1,095,980	-	-	-	1,095,980
115-101	Cal HOME Program	43,830	20	43,850	-	-	-	43,850
120-001	HOME Grants	364,740	103,760	468,500	103,760	-	-	364,740
160	9th Ave Sewer Assessment District	56,140	140	56,280	-	-	-	56,280
161	12th Ave Sewer Assessment District	594,070	34,090	628,160	-	100,000	-	528,160
180	Park Impact Fees	1,734,750	325,490	2,060,240	-	150,000	-	1,910,240
181	Transportation Impact Fees	955,110	405,350	1,360,460	-	600,000	-	760,460
182	Fire Protection Impact Fees	487,720	47,480	535,200	-	-	-	535,200
183	Police Protection Impact Fees	1,357,230	91,930	1,449,160	-	200,000	-	1,249,160
184	Storm Water Impact Fees	183,170	31,480	214,650	-	50,000	-	164,650
185	Water System Impact Fees	1,421,240	217,350	1,638,590	-	50,000	-	1,588,590
186	Wastewater System Impact Fees	378,830	265,200	644,030	-	50,000	-	594,030
187	Refuse/Recycle Impact Fees	317,740	31,960	349,700	-	-	-	349,700
240-271	Landscape Assessment Districts	773,920	344,820	1,118,740	-	-	308,510	810,230
300	Airport	202,700	214,190	416,890	172,780	26,000	-	218,110
306	Refuse	3,651,570	8,505,490	12,157,060	8,574,780	-	-	3,582,280
310	City of Hanford Public Housing Authority	-	139,080	139,080	139,080	-	-	-
320	Intermodal Facility	-	55,860	55,860	55,860	-	-	-
330	Courthouse Square	-	169,740	169,740	169,740	-	-	-
358	Storm Drainage	2,800,180	1,327,840	4,128,020	613,980	131,170	-	3,382,870
361	Wastewater Maintenance and Operation	1,219,690	2,232,730	3,452,420	3,015,260	-	-	437,160
362	WWTP Expansion Reserve	1,200,000	400,000	1,600,000	-	-	-	1,600,000
363	Wastewater Capital Improvement	4,202,780	500,000	4,702,780	-	637,500	-	4,065,280
369	1996 Sewer Refund Bond Debt Service	-	490,750	490,750	-	-	490,750	-
374	CIEDB 2002 WW Dbl Svc	-	584,150	584,150	-	-	584,150	-
375	2011 BoIA Lease/Pur	-	481,000	481,000	-	-	481,000	-
375-001	2012 Rld Swr Rev Bond	-	932,310	932,310	-	-	932,310	-
390	Water Maintenance and Operation	500,000	4,098,500	4,598,500	4,060,500	-	-	538,000
391	Water Capital Improvement	2,571,380	(302,190)	2,269,190	-	650,000	-	1,619,190
392	CSCDA 2003 Water Rev Bd Dbl Svc	-	615,320	615,320	-	-	615,320	-
394-001	07 UBOC Installment Sale Agrmt	595,800	596,440	1,192,240	-	-	596,440	595,800
394-004	Gvmt Capital Wr Lease/Pur Agrmt	-	302,190	302,190	-	-	302,190	-
395	Prop 84 Grant Funds	-	-	-	-	-	-	-
409	Insurance	1,920,570	-	1,920,570	-	-	-	1,920,570
410	Workers' Compensation	2,000,040	-	2,000,040	-	-	-	2,000,040
414	Computer Replacement Reserve	1,439,620	-	1,439,620	49,890	-	-	1,389,730
415	Computer Maintenance	260,940	-	260,940	-	-	-	260,940
416	Building Maintenance	24,680	-	24,680	23,500	-	-	1,180
417	Building Capital/Equip. Repl. Reserve	767,420	-	767,420	(26,170)	-	-	793,590
447	Fleet Maintenance	184,700	2,500	187,200	73,790	-	-	113,410
448	Fleet Reserve	9,291,820	38,730	9,330,550	(801,800)	-	-	10,132,350
450	Fire Cap/Equip Repl Reserve	773,280	1,800	775,080	335,170	-	-	439,910
452	Aquatics Cap/Equip Repl Reserve	238,820	630	239,450	29,170	-	-	210,280
506	RDA Successor Agency Admin Funds	1,135,660	133,600	1,269,260	125,000	-	-	1,144,260
514-002	Police Mini Grants	-	-	-	-	-	-	-
524-001	Grants	-	-	-	-	-	-	-
555-562	CFD 91-1 Bond	887,190	474,730	1,361,920	-	-	491,420	870,500
605	Learn Center/Sports Complex Bond	-	-	-	-	-	-	-
		58,796,110	49,198,500	107,994,610	38,260,890	7,025,000	4,802,090	57,906,630

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
114.	40 Gallon Fuel Tank (Behind Rear Axle)	1	
115.	Air Conditioning	1	
116.	AM/FM Radio 587 Radio: AM/FM Stereo w/Digital Clock	1	
117.	Power Door Locks 90L Power Equipment Group	1	
118.	Power Windows 90L Power Equipment Group	1	
119.	Block Heater 41H Engine Block Heater	1	
120.	Cloth Full Bench Seat	1	
121.	Cloth Split Bench Seat	1	
122.	Additional Chassis Option 18B 6" Angular Black Molded-in-Color Running Boards	1	
123.	Additional Chassis Option 473 Snow Plow Prep Package	1	

Miscellaneous

24.	Standard Altec Warranty: One (1) year parts warranty, one (1) year labor warranty, ninety (90) days warranty for travel charges, limited lifetime structural warranty	1	
-----	---	---	--

Subtotal	113,955.00
Estimated Tax (7.5%)	8,546.63
Licensing	65.00
Total	122,566.63

Altec Industries, Inc.

BY _____

Michael Freeman

Notes:

- 1 Altec Standard Warranty:
 - One (1) year parts warranty.
 - One (1) year labor warranty.
 - Ninety (90) days warranty for travel charges.

Auto/Mate	Co# 01	SubCo 00000	F&I Deal Info	Deal# 0005618	DLENTY
Buyer CITY OF HANFORD				(Last:1st - ?)	LuxTx N
LenderCd CASH	?=HLP	Stock# 550 ALTEC	?=HLP	N/U/D/W N	TaxState CA SlsTx 7.500 %
<u>Price & Down Payment</u>					
Selling Price	33735.00		Service Contract Total	.00	
Trade Allowance	.00		Accessory Total	81755.00	
Less Payoff	.00		Fee Total	90.50	
Cash Deposit	.00		<u>Insurance</u>		
Cash on Delivery	124248.26		Insur Co CD	GAP	
Rebate Total	.00		CreditLife N (S/J/N)	GAP INSURANCE	
Deferred Pmt Total	.00		Acc&Health N (Y/N)	Amount .00	
<u>Finance Terms</u>			TAXED N (Y/N)		
Term of Loan 1	Interval 00	(?=Lst)	GAP TaxRt .000 %		
Rate/APR 0.000000	115490		<u>Deal Recap</u>		
DaysTo1st 45	SaleDate 1/30/2014		TotCash 124248.26	TotTax 8667.76	
FirstPay 3/17/2014			TotDown 124248.26	AmtFin .00	
<u>Lease</u>			CASH		
MSRP Amount .00			CA..PP:N OOS:N 93230 2011		
Residual Percent% .00			PAYMENT AMOUNT IS .00		
or Amount .00			Drive Off Amt Due 124248.26		
Save	Skip	Gross	Discl	Jump	Oth
ScAccFeeRebPy					

This is the cash price for the F550with the Altec aerial device. This is a 2015.

Thank you

Bruce Boren
Fleet Manager
Will Tiesiera Ford
2101E. Cross
Tulare Ca.
93274
Ph559- 688-7471

700 W. Cadillac Lane
Hanford, CA 93230



(559) 582-1000
www.kellerdeal.com

SELLING PRICE..... \$116,845.00
SALES TAX..... 8,763.38
TIRE FEE..... 10.50
DMV FEES EXEMPT

TOTAL..... \$ 125,618.88

*** BUYER ***

CITY OF HANFORD
315 N. DOUTY ST
HANFORD, CA.93230
(559) 585-2554

*** PURCHASE ***

STOCK# TBD
VIN# TBD
YEAR: 2015
MAKE: FORD
MODEL: F550 REG. CAB
COLOR: WHITE
TRIM: CLOTH
ODOMETER: TBD

CHRIS HILL



FLEET MANAGER



**AGENDA
STAFF REPORT**

MEETING DATE: 3/18/2014

AGENDA SECTION: 4. J.

SUBJECT:

Finance: Approve warrant register for 2-27-2014 through 3-12-2014

RECOMMENDATION:

Approve warrant register for 2-27-2014 through 3-12-2014

BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

Description

📎 [warrants 2-27-14 thru 3-12-14](#)

Check Register

City of Hanford
Department of Finance

COUNCIL MEETING: 03/18/14

	Issue Date	Check Numbers	Amount
CHECKS	02/27/14 to 03/12/14	102701 to 102893	516,148.28

516,148.28

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1511 POLICE-SUPPORT SERVICE	7320 COMMUNICATIONS	3/5/14	102701	11349	AT & T A T & T (11349)	340.64	0601679317	80008961114 CA DEPT OF JU	
						340.64			
1711 PARKS & REC-SPORTS	7320 COMMUNICATIONS	3/5/14	102702	13982	AT & T A T & T (13982)	16.91	5112635	2014-01 582-4092	
1719 PARKS & REC-YOUTH SERV	7320 COMMUNICATIONS	3/5/14		13982	AT & T A T & T (13982)	16.71	5115974	2014-01 587-1658	
						33.62			
2072 SANITARY SEWER COLLECTION	7600 SPECIAL DEPARTMENTAL EXP	3/5/14	102703	02800	ALERT-O-LITE ALERT-O-LITE	(97.20)	0419713-IN	WM LYLES INVOICE	
2081 WATER-OPERATIONS	7600 SPECIAL DEPARTMENTAL EXP	3/5/14		02800	ALERT-O-LITE ALERT-O-LITE	(97.20)	0419713-IN	WM LYLES INVOICE	
2031 REFUSE	7600 SPECIAL DEPARTMENTAL EXP	3/5/14		02800	ALERT-O-LITE ALERT-O-LITE	283.80	0423105-IN	RAIN JACKETS	
						89.40			
1110 CITY MANAGER-CITY CLERK	7320 COMMUNICATIONS	3/5/14	102704	16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	34.71	53666480-0	2014-02	
1111 PERSONNEL	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	28.90	53666480-0	2014-02	
1201 FINANCE-ACCOUNTING	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	34.68	53666480-0	2014-02	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1210 FINANCE-UTILITY BILLING	7320 COMMUNICATIONS	3/5/14	102704...	16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	34.68	53666480-0	2014-02	
1315 COMPUTER MAINTENANCE	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	23.12	53666480-0	2014-02	
1411 PLANNING	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	23.12	53666480-0	2014-02	
1412 BUILDING INSPECTION	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	63.58	53666480-0	2014-02	
1413 CITY HFD PUBLIC HSG AUTH	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	17.34	53666480-0	2014-02	
1511 POLICE-SUPPORT SERVICE	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	492.07	53666480-0	2014-02	
1610 FIRE-ADMIN/SUPPRESS ION	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	132.94	53666480-0	2014-02	
1710 PARKS & REC-ADMIN	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	23.12	53666480-0	2014-02	
1719 PARKS & REC-YOUTH SERV	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	11.56	53666480-0	2014-02	
1720 PARKS & REC-ADULT/SPCL	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	5.78	53666480-0	2014-02	
1721 PARKS & REC-COMM PROM/EVT	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	5.78	53666480-0	2014-02	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1722 PARKS & REC-PARKS	7320 COMMUNICATIONS	3/5/14	102704...	16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	11.56	53666480-0	2014-02	
2010 PW-ADMINISTRATION & ENGR	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	104.04	53666480-0	2014-02	
2011 PW-STREET MAINTENANCE	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	11.56	53666480-0	2014-02	
2031 REFUSE	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	23.12	53666480-0	2014-02	
2040 FLEET MAINTENANCE	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	11.56	53666480-0	2014-02	
2071 WASTEWATER TREATMENT PLNT	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	52.02	53666480-0	2014-02	
2072 SANITARY SEWER COLLECTION	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	11.56	53666480-0	2014-02	
2081 WATER-OPERATIONS	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	23.12	53666480-0	2014-02	
2100 BUILDING MAINTENANCE	7320 COMMUNICATIONS	3/5/14		16263	U S TELEPACIFIC CORP DBA TELEPACIFIC COMMUNICATIONS	17.34	53666480-0	2014-02	
						1,197.26			
1610 FIRE-ADMIN/SUPPRESS ION	7460 DUPLICATING EXPENSE	3/5/14	102705	15362	U S BANCORP EQUIP FINANCE, INC U S BANK	172.16	247865165	COPIER LEASE	

Warrant Register

Date: 3/12/2014

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
						172.16			
1511 POLICE-SUPPORT SERVICE	7320 COMMUNICATIONS	3/5/14	102706	15858	MCI NETWORK SERV, INC DBA VERIZON BUSINESS SERVICE	1,043.58	69201149	CLETS SYSTEM SV100362	
						1,043.58			
1412 BUILDING INSPECTION	7320 COMMUNICATIONS	3/5/14	102707	35904	VERIZON WIRELESS VERIZON WIRELESS	348.85	9718005637	2014-01 542008968	
1412 BUILDING INSPECTION	7320 COMMUNICATIONS	3/5/14		35904	VERIZON WIRELESS VERIZON WIRELESS	202.78	9719717768	2014-01 542008968	
1610 FIRE-ADMIN/SUPPRESS ION	7320 COMMUNICATIONS	3/5/14		35904	VERIZON WIRELESS VERIZON WIRELESS	76.02	9720177700	342019390 DATA PORTS	
						627.65			
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14	102708	13049	CLEARINGHOUSE, ATLAS# 000672914401 CLEARINGHOUSE, ATLAS# 000672914401	281.13		#672914401 PP05 03/14	
						281.13			
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14	102709	34622	FRANCHISE TAX BOARD FRANCHISE TAX BOARD	306.39		#1112825310 PP5 03/14	
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14		34622	FRANCHISE TAX BOARD FRANCHISE TAX BOARD	33.00		#1205691664 PP5 03/14	
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14		34622	FRANCHISE TAX BOARD FRANCHISE TAX BOARD	50.00		#1206135520 PP5 03/14	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14	102709...	34622	FRANCHISE TAX BOARD FRANCHISE TAX BOARD	60.00		#1210193243 PP5 03/14	
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14		34622	FRANCHISE TAX BOARD FRANCHISE TAX BOARD	50.00		#1213872983 PP5 03/14	
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14		34622	FRANCHISE TAX BOARD FRANCHISE TAX BOARD	25.00		CASE#3397 PP05 03/14	
						524.39			
400 CITY PAYROLL REVOLVING	2059 EMPLOYEES ASSOCNS PAYABLE	3/6/14	102710	16411	G E M A G E M A	660.00		GEMA DED PP05 03/14	
						660.00			
400 CITY PAYROLL REVOLVING	2059 EMPLOYEES ASSOCNS PAYABLE	3/6/14	102711	00001188	H M E A H M E A	27.00		HMEA DED PP05 03/14	
						27.00			
400 CITY PAYROLL REVOLVING	2059 EMPLOYEES ASSOCNS PAYABLE	3/6/14	102712	38623	H P O A H P O A	2,600.00		HPOA PP05 03/14	
						2,600.00			
400 CITY PAYROLL REVOLVING	2059 EMPLOYEES ASSOCNS PAYABLE	3/6/14	102713	00000832	I.A.F.F., LOCAL 3898 I A F F, LOCAL 3898	1,060.00		I.A.F.F. PP05 03/14	
						1,060.00			

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
400 CITY PAYROLL REVOLVING	2071 ICMA ROTH IRA PAYABLE	3/6/14	102714	45304	ICMA RETIREMENT TRUST-ROTH IRA ICMA RETIREMENT TRUST-ROTH IRA	85.00		ROTH#705196 PP05 3/14	
						85.00			
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14	102715	45466	INTERNAL REVENUE SERVICE INTERNAL REVENUE SERVICE	37.50		CASE#9349 PP05 03/14	
						37.50			
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14	102716	45464	INTERNAL REVENUE SERVICE - ASC INTERNAL REVENUE SERVICE - ASC	51.50		CASE#2667 PP5 03/14	
						51.50			
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14	102717	48800	KINGS CO SHERIFF KINGS CO SHERIFF	704.48		#09-136864 PP05 03/14	
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14		48800	KINGS CO SHERIFF KINGS CO SHERIFF	99.23		#2013000451 PP5 03/14	
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14		48800	KINGS CO SHERIFF KINGS CO SHERIFF	341.65		#2013001155 PP5 03/14	
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14		48800	KINGS CO SHERIFF KINGS CO SHERIFF	346.27		#2013001869 PP5 03/14	
						1,491.63			
400 CITY PAYROLL REVOLVING	2063 EMPLOYEES ATTACHMENT PAY	3/6/14	102718	17061	MICHAEL H MEYER MEYER, MICHAEL H	274.62		#12-18186 PP05 03/14	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
274.62									
400 CITY PAYROLL REVOLVING	2059 EMPLOYEES ASSOCNS PAYABLE	3/6/14	102719	11977	S E I U LOCAL 521 S E I U LOCAL 521	2,498.34		MISC PP05 03/14	
2,498.34									
1719 PARKS & REC-YOUTH SERV	7320 COMMUNICATIONS	3/12/14	102720	00001775	A T & T MOBILITY A T & T MOBILITY	39.53	02282014	828386769 WIRELESS	
39.53									
1310 WORKERS' COMPENSATION	7169 WORKERS' COMP INSURANCE	3/12/14	102721	15711	ACCLAMATION INSURANCE MGMT SVC-WC ACCLAMATION INSURANCE MGMT SVC	30,201.40		FY14 REPLENISH TRUST	
30,201.40									
1513 POLICE-OPERATIONS	7602 SNIPER	3/12/14	102722	01780	ADAMSON INDUSTRIES INC ADAMSON INDUSTRIES INC	1,397.50	INV130180	SAFETY HELMENTS FOR TRAIN	
1,397.50									
2071 WASTEWATER TREATMENT PLNT	7550 OTHER CONTRACTUAL SERVICE	3/12/14	102723	14819	D S WATERS OF AMERICA, INC DBA ALHAMBRA & SIERRA SPRINGS	12.43	940821120114	BLANKET PURCHASE ORDER	
12.43									
2081 WATER-OPERATIONS	7560 ADVERTISING & PUBLIC REL	3/12/14	102724	03015	ALL VALLEY PRINTING ALL VALLEY PRINTING	532.64	140104	WTR SCHEDULE MAGNETS	
532.64									

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1714 PARKS & REC-POOL/SKATE	7412 EQUIPMENT MAINTENANCE	3/12/14	102725	03021	ALTRA POOLS ALTRA POOLS	1,250.00	16099-10	2014-02	
						1,250.00			
2131 COURTHOUSE SQUARE-OPERTNG	7495 PROF AND SPEC SERVICES	3/12/14	102726	00001061	AMERICAN INCORPORATED AMERICAN INCORPORATED	185.00	7013817	HEATER REPAIR #209	
2131 COURTHOUSE SQUARE-OPERTNG	7495 PROF AND SPEC SERVICES	3/12/14		00001061	AMERICAN INCORPORATED AMERICAN INCORPORATED	245.00	7014034	REPLUMB CRTHS #209	
2131 COURTHOUSE SQUARE-OPERTNG	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00001061	AMERICAN INCORPORATED AMERICAN INCORPORATED	147.51	7014034	REPLUMB CRTHS #209	
						577.51			
1610 FIRE-ADMIN/SUPPRESS ION	7770 TRAINING/TRAVEL/MEETING	3/12/14	102727	T0000026	AMERICAN RED CROSS AMERICAN RED CROSS	108.00	10276888	CPR/AED 4 EMP REC DEPT	
						108.00			
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102728	13509	AMERICAN STEAMWAY INC AMERICAN STEAMWAY INC	403.13	24107	BLANKET PURCHASE ORDER	
						403.13			
1610 FIRE-ADMIN/SUPPRESS ION	7495 PROF AND SPEC SERVICES	3/12/14	102729	03043	AMERIPRIDE UNIFORM SERVICE AMERIPRIDE UNIFORM SERVICE	84.30	1501053966	BLANKET PURCHASE ORDER	
1511 POLICE-SUPPORT SERVICE	7580 RENTS AND LEASES-EQUIP	3/12/14		03043	AMERIPRIDE UNIFORM SERVICE AMERIPRIDE UNIFORM SERVICE	49.85	1501059344	RUGS 02/11	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1610 FIRE-ADMIN/SUPPRESS ION	7495 PROF AND SPEC SERVICES	3/12/14	102729...	03043	AMERIPRIDE UNIFORM SERVICE AMERIPRIDE UNIFORM SERVICE	91.12	1501061960	BLANKET PURCHASE ORDER	
1610 FIRE-ADMIN/SUPPRESS ION	7495 PROF AND SPEC SERVICES	3/12/14		03043	AMERIPRIDE UNIFORM SERVICE AMERIPRIDE UNIFORM SERVICE	84.30	1501063177	BLANKET PURCHASE ORDER	
1511 POLICE-SUPPORT SERVICE	7580 RENTS AND LEASES-EQUIP	3/12/14		03043	AMERIPRIDE UNIFORM SERVICE AMERIPRIDE UNIFORM SERVICE	49.85	1501068548	RUGS 02/25	
1610 FIRE-ADMIN/SUPPRESS ION	7495 PROF AND SPEC SERVICES	3/12/14		03043	AMERIPRIDE UNIFORM SERVICE AMERIPRIDE UNIFORM SERVICE	91.12	1501071760	BLANKET PURCHASE ORDER	
						450.54			
1518 POLICE-ANIMAL CONTROL	7495 PROF AND SPEC SERVICES	3/12/14	102730	16352	ANIMAL CARE EQUIP & SERVICES LLC ANIMAL CARE EQUIP & SERVICES LLC	27.52	23993	ESTIMATED SHIPPING/HANDLI	
1518 POLICE-ANIMAL CONTROL	7495 PROF AND SPEC SERVICES	3/12/14		16352	ANIMAL CARE EQUIP & SERVICES LLC ANIMAL CARE EQUIP & SERVICES LLC	136.35	23993	FOLDING CAT TRAP, HUMANIA	
1518 POLICE-ANIMAL CONTROL	7495 PROF AND SPEC SERVICES	3/12/14		16352	ANIMAL CARE EQUIP & SERVICES LLC ANIMAL CARE EQUIP & SERVICES LLC	109.60	23994	ESTIMATED SHIPPING/HANDLI	
						273.47			
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102731	00280	ARAMARK UNIFORM SERVICES, INC ARAMARK UNIFORM SERVICES, INC	55.89	503-0189493	BLANKET PURCHASE ORDER	
2081 WATER-OPERATIONS	7495 PROF AND SPEC SERVICES	3/12/14		00280	ARAMARK UNIFORM SERVICES, INC ARAMARK UNIFORM SERVICES, INC	53.34	503-0189493	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102731...	00280	ARAMARK UNIFORM SERVICES, INC ARAMARK UNIFORM SERVICES, INC	55.89	503-0204876	BLANKET PURCHASE ORDER	
2081 WATER-OPERATIONS	7495 PROF AND SPEC SERVICES	3/12/14		00280	ARAMARK UNIFORM SERVICES, INC ARAMARK UNIFORM SERVICES, INC	51.94	503-0204876	BLANKET PURCHASE ORDER	
						217.06			
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102732	10521	ASBURY ENVIRONMENTAL SERVICES ASBURY ENVIRONMENTAL SERVICES	206.94	130441862	COOLANT 50/50	
						206.94			
2011 PW-STREET MAINTENANCE	7720 STREET CONST & MAINT MTRL	3/12/14	102733	16749	RON BARKER ENTERPRISES INC DBA ASPHALT COATING & SUPPLIES	112.27	16130	ASPHALT EMULSION	
						112.27			
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14	102734	13536	HERWALOT AUTOMOTIVE GROUP INC DBA B M W OF FRESNO MOTORCYCLES	671.25	4091300	#78 6000 MILE SVC	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		13536	HERWALOT AUTOMOTIVE GROUP INC DBA B M W OF FRESNO MOTORCYCLES	726.88	4091300	#78 6000 MILE SVC	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		13536	HERWALOT AUTOMOTIVE GROUP INC DBA B M W OF FRESNO MOTORCYCLES	38.80	4091301	HARNESS,PLUG,SAE 6"	
						1,436.93			
2040 FLEET MAINTENANCE	7434 TIRES AND TUBES	3/12/14	102735	31800	BADASCI TIRE CO, INC BADASCI TIRE CO, INC	1,724.09	107267	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2040 FLEET MAINTENANCE	7434 TIRES AND TUBES	3/12/14	102735...	31800	BADASCI TIRE CO, INC BADASCI TIRE CO, INC	1,731.61	107310	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7434 TIRES AND TUBES	3/12/14		31800	BADASCI TIRE CO, INC BADASCI TIRE CO, INC	328.91	107627	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7434 TIRES AND TUBES	3/12/14		31800	BADASCI TIRE CO, INC BADASCI TIRE CO, INC	1,218.91	107795	BLANKET PURCHASE ORDER	
						5,003.52			
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102736	16437	BATTERY WORX, INC BATTERY WORX, INC	187.20	1-34771	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		16437	BATTERY WORX, INC BATTERY WORX, INC	352.21	1-34775	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		16437	BATTERY WORX, INC BATTERY WORX, INC	(6.62)	1-34785	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		16437	BATTERY WORX, INC BATTERY WORX, INC	84.03	1-35274	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		16437	BATTERY WORX, INC BATTERY WORX, INC	68.45	1-35532	BLANKET PURCHASE ORDER	
						685.27			
1411 PLANNING	7770 TRAINING/TRAVEL/MEETING	3/12/14	102737	10672	DIANA BLACK BLACK, DIANA	218.26		EXP/SACTO 2/19-21	
						218.26			

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2104 ACCUM CAPITAL OUTLAY	814605 BIRD ABATEMENT PROGRAM	3/12/14	102738	18011	ANITA J MARTELLA DBA BOB'S GUN SHOP	172.00	4730	7 1/2 SHOT/12 GAUGE	
						172.00			
1610 FIRE-ADMIN/SUPPRESS ION	7305 CALL FIREFIGHTERS	3/12/14	102739	16611	TANNER BRADY BRADY, TANNER	30.00		02/19/14	
						30.00			
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14	102740	00001728	BUTTONWILLOW WAREHOUSE CO BUTTONWILLOW WAREHOUSE CO	712.80	920432	DIREX	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001728	BUTTONWILLOW WAREHOUSE CO BUTTONWILLOW WAREHOUSE CO	1,706.40	920432	GOAL	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001728	BUTTONWILLOW WAREHOUSE CO BUTTONWILLOW WAREHOUSE CO	64.80	920432	MARKER BLUE	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001728	BUTTONWILLOW WAREHOUSE CO BUTTONWILLOW WAREHOUSE CO	936.36	920432	ROUNDUP	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001728	BUTTONWILLOW WAREHOUSE CO BUTTONWILLOW WAREHOUSE CO	47.52	920432	SPREADER	
						3,467.88			
1315 COMPUTER MAINTENANCE	7430 COMPUTER MAINTENANCE	3/12/14	102741	14934	C D W GOVERNMENT LLC C D W GOVERNMENT LLC	731.00	JR84860	PRINTER-HP LJ M601N	
1315 COMPUTER MAINTENANCE	814057 1-PRINTER (UBS)	3/12/14		14934	C D W GOVERNMENT LLC C D W GOVERNMENT LLC	1,492.77	KD45417	PRINTER-HP LJ M602X	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2,223.77									
2011 PW-STREET MAINTENANCE	7720 STREET CONST & MAINT MTRL	3/12/14	102742	13510	CALAVERAS MATERIALS INC CALAVERAS MATERIALS INC	503.42	1435134	ASPHALT (PG 64-10)	
503.42									
1611 FIRE-FIRE PREVENTION	7770 TRAINING/TRAVEL/MEETING	3/12/14	102743	16725	CALIF CONF OF ARSON INVESTIGATORS CALIF CONF OF ARSON INVESTIGATORS	325.00	TR ROSSMAN	REG/SLO 3/30-4/2	
1611 FIRE-FIRE PREVENTION	7770 TRAINING/TRAVEL/MEETING	3/12/14		16725	CALIF CONF OF ARSON INVESTIGATORS CALIF CONF OF ARSON INVESTIGATORS	325.00	TR SUMAYA1	REG/SLO 3/30-4/2	
650.00									
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102744	T0000309	CALIF CONTRACTORS SUPPLIES INC CALIF CONTRACTORS SUPPLIES INC	794.50	P13124	MARKING PAINT	
794.50									
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102745	30083	CALIF DEPT OF JUSTICE CALIF DEPT OF JUSTICE	160.00	016435	EMP FNGRPRNTS	
160.00									
2010 PW-ADMINISTRATION & ENGR	7450 PUBLICATIONS AND DUES	3/12/14	102746	16026	CALIF STORMWATER QUALITY ASSOC CALIF STORMWATER QUALITY ASSOC	1,100.00		2014 MEMBERSHIP	
1,100.00									

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2010 PW-ADMINISTRATION & ENGR	7770 TRAINING/TRAVEL/MEETING	3/12/14	102747	20119	LOU CAMARA CAMARA, LOU	152.50	TR CAMARA	ADV/SACTO 3/26-28	
2010 PW-ADMINISTRATION & ENGR	7770 TRAINING/TRAVEL/MEETING	3/12/14		20119	LOU CAMARA CAMARA, LOU	379.80	TR CAMARA	LDG/SACTO 3/26-28	
						532.30			
514 POLICE-TRST/EVDNCE/S UBPNA	3009-019 CONTRIB SAINZ	3/12/14	102748	00001206	MARK CARRILLO CARRILLO, MARK	330.00		REIM/OFCR M CARRILLO	
						330.00			
2669 REGIONAL STP EXCHANGE FDS	813617 GRGV RESURF-DOUTY TO 11TH	3/12/14	102749	17824	CEN CAL PAVING INC CEN CAL PAVING INC	27,080.21		5% RETAINAGE	
						27,080.21			
1716 PARKS & REC-FACILITIES	5016-601 FM-AUDITORIUM CNTRCT SRVC	3/12/14	102750	17936	CENTRAL CA WOMEN TLC NETWORK CENTRAL CA WOMEN TLC NETWORK	50.00	2002015	REFUND FAC HOST CIVIC	
						50.00			
1611 FIRE-FIRE PREVENTION	7770 TRAINING/TRAVEL/MEETING	3/12/14	102751	T0000229	CENTRAL VALLEY ARSON INVESTIGATORS CENTRAL VALLEY ARSON INVESTIGATOR	50.00	TR COSTA	REG/TULARE 5/10	
1611 FIRE-FIRE PREVENTION	7770 TRAINING/TRAVEL/MEETING	3/12/14		T0000229	CENTRAL VALLEY ARSON INVESTIGATORS CENTRAL VALLEY ARSON INVESTIGATOR	50.00	TR MARTINEZ	REG/TULARE 5/10	
						100.00			

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1210 FINANCE-UTILITY BILLING	7455 POSTAGE AND FREIGHT	3/12/14	102752	10010	CENTRAL VALLEY PRESORT INC CENTRAL VALLEY PRESORT INC	9.07	20163493	02/04-02/07/14	
1210 FINANCE-UTILITY BILLING	7455 POSTAGE AND FREIGHT	3/12/14		10010	CENTRAL VALLEY PRESORT INC CENTRAL VALLEY PRESORT INC	11.00	20163737	02/10-02/14/14	
1210 FINANCE-UTILITY BILLING	7455 POSTAGE AND FREIGHT	3/12/14		10010	CENTRAL VALLEY PRESORT INC CENTRAL VALLEY PRESORT INC	8.24	20163925	02-19-02/21/14	
1210 FINANCE-UTILITY BILLING	7455 POSTAGE AND FREIGHT	3/12/14		10010	CENTRAL VALLEY PRESORT INC CENTRAL VALLEY PRESORT INC	1,131.87	20164032	2014-01 FLAT	
1210 FINANCE-UTILITY BILLING	7455 POSTAGE AND FREIGHT	3/12/14		10010	CENTRAL VALLEY PRESORT INC CENTRAL VALLEY PRESORT INC	5,904.69	20164032	2014-01 METER	
1210 FINANCE-UTILITY BILLING	7470 PRINTING	3/12/14		10010	CENTRAL VALLEY PRESORT INC CENTRAL VALLEY PRESORT INC	1,680.37	20164032	2014-01 PRINTING	
1210 FINANCE-UTILITY BILLING	7455 POSTAGE AND FREIGHT	3/12/14		10010	CENTRAL VALLEY PRESORT INC CENTRAL VALLEY PRESORT INC	829.84	20164160	2014-02 DELINQ	
1210 FINANCE-UTILITY BILLING	7455 POSTAGE AND FREIGHT	3/12/14		10010	CENTRAL VALLEY PRESORT INC CENTRAL VALLEY PRESORT INC	68.08	20164160	2014-02 FINALS	
1210 FINANCE-UTILITY BILLING	7470 PRINTING	3/12/14		10010	CENTRAL VALLEY PRESORT INC CENTRAL VALLEY PRESORT INC	163.85	20164160	2014-02 PRINTING	
2081 WATER-OPERATIONS	7560 ADVERTISING & PUBLIC REL	3/12/14		10010	CENTRAL VALLEY PRESORT INC CENTRAL VALLEY PRESORT INC	983.63	20164299	CONSERVATION FLYER	
						10,790.64			

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
241 L/M AD90-2 T610 PRK MNTY	7550 OTHER CONTRACTUAL SERVICE	3/12/14	102753	17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	81.17	9659A	2014-02	
242 L/M AD90-3 T595 MANS #7&8	7550 OTHER CONTRACTUAL SERVICE	3/12/14		17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	154.58	9659A	2014-02	
250 L/M AD94-2 T708 STONECRST	7550 OTHER CONTRACTUAL SERVICE	3/12/14		17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	545.56	9659A	2014-02	
250 L/M AD94-2 T708 STONECRST	7550 OTHER CONTRACTUAL SERVICE	3/12/14		17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	545.56	9659A	2014-02 PRK FRNTAGE	
250 L/M AD94-2 T708 STONECRST	7550 OTHER CONTRACTUAL SERVICE	3/12/14		17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	545.56	9659A	2014-02 RR FRNTAGE	
251 L/M AD94-3 T696 QUAIL RUN	7550 OTHER CONTRACTUAL SERVICE	3/12/14		17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	523.24	9659A	2014-02	
251 L/M AD94-3 T696 QUAIL RUN	7550 OTHER CONTRACTUAL SERVICE	3/12/14		17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	523.24	9659A	2014-02 INTERIOR PARK	
258 L/M AD01-02 T770 CAMBR #1	7550 OTHER CONTRACTUAL SERVICE	3/12/14		17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	165.75	9659A	2014-02	
258 L/M AD01-02 T770 CAMBR #1	7550 OTHER CONTRACTUAL SERVICE	3/12/14		17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	165.75	9659A	2014-02 RR FRNTAGE	
259 L/M AD01-03 T771 POP HILL	7550 OTHER CONTRACTUAL SERVICE	3/12/14		17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	110.88	9659A	2014-02	
264 L/M AD04-02 T799 CAMBRIDG	7550 OTHER CONTRACTUAL SERVICE	3/12/14		17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	301.35	9659A	2014-02	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
264 L/M AD04-02 T799 CAMBRIDG	7550 OTHER CONTRACTUAL SERVICE	3/12/14	102753...	17279	KARRY WENDEL DBA CLEAN CUT LANDSCAPE	301.35	9659A	2014-02 INTERIOR BASN	
						3,963.99			
2100 BUILDING MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102754	00001072	CLEAN SOURCE CLEAN SOURCE	68.84	5097247-01	BLANKET PURCHASE ORDER	
2100 BUILDING MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00001072	CLEAN SOURCE CLEAN SOURCE	114.50	5097572-00	BLANKET PURCHASE ORDER	
1610 FIRE-ADMIN/SUPPRESS ION	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00001072	CLEAN SOURCE CLEAN SOURCE	173.87	5097983-00	BLANKET PURCHASE ORDER	
1610 FIRE-ADMIN/SUPPRESS ION	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00001072	CLEAN SOURCE CLEAN SOURCE	48.82	5097983-01	BLANKET PURCHASE ORDER	
2100 BUILDING MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00001072	CLEAN SOURCE CLEAN SOURCE	1,152.05	5098717-00	BLANKET PURCHASE ORDER	
2100 BUILDING MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00001072	CLEAN SOURCE CLEAN SOURCE	879.41	5099940-00	BLANKET PURCHASE ORDER	
						2,437.49			
1513 POLICE-OPERATIONS	7770 TRAINING/TRAVEL/MEETING	3/12/14	102755	24802	COLLEGE OF THE SEQUOIAS COLLEGE OF THE SEQUOIAS	66.00	3369	REG/SCANDURA 1/22-24	
1513 POLICE-OPERATIONS	7770 TRAINING/TRAVEL/MEETING	3/12/14		24802	COLLEGE OF THE SEQUOIAS COLLEGE OF THE SEQUOIAS	66.00	3369	REG/WESTLUND 1/22-24	
						132.00			

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1513 POLICE-OPERATIONS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102756	17113	COPWARE, INC COPWARE, INC	315.00	82408	2014 CALIF CODES LIC	
						315.00			
1512-1 POLICE-RECORDS	7455 POSTAGE AND FREIGHT	3/12/14	102757	26618	GEORGE R WATSON DBA COPY CONNECTION	166.89	138621	BLANKET PURCHASE ORDER	
						166.89			
1512-1 POLICE-RECORDS	4201 BURGLAR ALARM PERMITS	3/12/14	102758	18022	JOSHUA CORDERO CORDERO, JOSHUA	20.00		NOT CITY LOCATION	
						20.00			
1722 PARKS & REC-PARKS	7650 CHEMICALS	3/12/14	102759	81700	CROP PRODUCTION SERVICES INC CROP PRODUCTION SERVICES INC	1,327.20	227519	BLANKET PURCHASE ORDER	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		81700	CROP PRODUCTION SERVICES INC CROP PRODUCTION SERVICES INC	698.75	227615	COPPER SULFATE (50 LBS EA	
1722 PARKS & REC-PARKS	7650 CHEMICALS	3/12/14		81700	CROP PRODUCTION SERVICES INC CROP PRODUCTION SERVICES INC	1,741.50	227637	BLANKET PURCHASE ORDER	
						3,767.45			
1411 PLANNING	7495 PROF AND SPEC SERVICES	3/12/14	102760	17610	DARLENE R MATA DBA D R MATA CONSTULTING	2,422.50	2014-05	2014-02	
						2,422.50			

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1610 FIRE-ADMIN/SUPPRESSION	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102761	29001	DASSEL'S PETROLEUM, INC DASSEL'S PETROLEUM, INC	36.54	28812	PROPANE-COMMAND VEHICLE	
						36.54			
1411 PLANNING	7460 DUPLICATING EXPENSE	3/12/14	102762	16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.76	114876	2013-10 KM-2050	
1412 BUILDING INSPECTION	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.76	114876	2013-10 KM-2050	
1413 CITY HFD PUBLIC HSG AUTH	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.75	114876	2013-10 KM-2050	
1411 PLANNING	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.75	114985	2013-11 KM-2050	
1412 BUILDING INSPECTION	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.76	114985	2013-11 KM-2050	
1413 CITY HFD PUBLIC HSG AUTH	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.76	114985	2013-11 KM-2050	
1411 PLANNING	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	21.13	115362	2013-12 KYOCERA 3500I	
1412 BUILDING INSPECTION	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	21.13	115362	2013-12 KYOCERA 3500I	
1413 CITY HFD PUBLIC HSG AUTH	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	21.13	115362	2013-12 KYOCERA 3500I	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1411 PLANNING	7460 DUPLICATING EXPENSE	3/12/14	102762...	16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.76	118414	2014-12 KM-2050	
1412 BUILDING INSPECTION	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.75	118414	2014-12 KM-2050	
1413 CITY HFD PUBLIC HSG AUTH	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.76	118414	2014-12 KM-2050	
1411 PLANNING	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.76	118437	2014-01 KM-2050	
1412 BUILDING INSPECTION	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.76	118437	2014-01 KM-2050	
1413 CITY HFD PUBLIC HSG AUTH	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	11.75	118437	2014-01 KM-2050	
1512-1 POLICE-RECORDS	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	35.27	118593	KM2560 COPIER SERVICE	
1512-1 POLICE-RECORDS	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	75.97	118594	KM4050 COPIER SERVICE	
1512-1 POLICE-RECORDS	7460 DUPLICATING EXPENSE	3/12/14		16295	DATAFLOW BUSINESS SYTEMS, INC DATAFLOW BUSINESS SYTEMS, INC	52.26	118626	TA620 COPIER SERVICE	
						367.97			
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14	102763	00000117	DAVID WILLIAM ZANDT DBA DAVE'S UPHOLSTERY	45.00	800881	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14	102763...	00000117	DAVID WILLIAM ZANDT DBA DAVE'S UPHOLSTERY	140.00	800883	BLANKET PURCHASE ORDER	
						185.00			
1514 POLICE-TRAFFIC ENFORCEMNT	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102764	10024	JEFFREY DAVIS DAVIS, JEFFREY	125.00		SAFETY GLASSES	
						125.00			
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102765	31795	E & B BULK TRANSPORTATION INC E & B BULK TRANSPORTATION INC	900.03	0042649	TOP SOIL	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		31795	E & B BULK TRANSPORTATION INC E & B BULK TRANSPORTATION INC	360.01	0042716	TOP SOIL FILL DIRT	
2104 ACCUM CAPITAL OUTLAY	814608 YAC FIELD RESTORATION	3/12/14		31795	E & B BULK TRANSPORTATION INC E & B BULK TRANSPORTATION INC	600.02	0042761	TOP SOIL	
2104 ACCUM CAPITAL OUTLAY	814608 YAC FIELD RESTORATION	3/12/14		31795	E & B BULK TRANSPORTATION INC E & B BULK TRANSPORTATION INC	600.02	0042839	TOP SOIL	
						2,460.08			
511 MISC CASH DEPOSITS TRUST	3005-070 DISAB ACCES-BL-SB1186	3/12/14	102766	LIC00116	ED JKUSZ & SON PROP MAINT ED JKUSZ & SON PROP MAINT	7.75		LICENSE REFUND	
						7.75			
1719 PARKS & REC-YOUTH SERV	7495 PROF AND SPEC SERVICES	3/12/14	102767	32270	ELDORA MATTOS DBA ELDORA'S CATERING	959.31		DEPOSIT-DAD/DAUGHTER	

Warrant Register

Date: 3/12/2014

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1719 PARKS & REC-YOUTH SERV	7495 PROF AND SPEC SERVICES	3/12/14	102767...	32270	ELDORA MATTOS DBA ELDORA'S CATERING	610.47		DEPOSIT-MOM/SON	
						1,569.78			
511 MISC CASH DEPOSITS TRUST	3001-1 REC-AUDITORIUM DEP TRUST	3/12/14	102768	18017	EMPLOYER ADVISORY COUNCIL EMPLOYER ADVISORY COUNCIL	250.00	2002018	REFUND DEPOSIT VETS	
						250.00			
2010 PW-ADMINISTRATION & ENGR	7450 PUBLICATIONS AND DUES	3/12/14	102769	11324	ENVIRONMENTAL SYSTEMS RESEARCH INST ENVIRONMENTAL SYSTEMS RESEARCH IN	415.00	92774331	3/14-3/15 MTCE GIS LIC	
						415.00			
300 AIRPORT	2020-003 UNAPPLIED CREDITS FOR FIN	3/12/14	102770	18031	F & M MIYA, LLC - C1 #3 F & M MIYA, LLC - C1 #3	900.00	RF00000011	AIRPORT LEASE REFUND	
						900.00			
2071 WASTEWATER TREATMENT PLNT	7495 PROF AND SPEC SERVICES	3/12/14	102771	33245	FRUIT GROWERS LABORATORY, INC DBA F G L ENVIRONMENTAL	131.00	440218A	BLANKET PURCHASE ORDER	
2071 WASTEWATER TREATMENT PLNT	7495 PROF AND SPEC SERVICES	3/12/14		33245	FRUIT GROWERS LABORATORY, INC DBA F G L ENVIRONMENTAL	1,170.00	440219A	BLANKET PURCHASE ORDER	
2071 WASTEWATER TREATMENT PLNT	7495 PROF AND SPEC SERVICES	3/12/14		33245	FRUIT GROWERS LABORATORY, INC DBA F G L ENVIRONMENTAL	101.00	440226A	BLANKET PURCHASE ORDER	
2071 WASTEWATER TREATMENT PLNT	7495 PROF AND SPEC SERVICES	3/12/14		33245	FRUIT GROWERS LABORATORY, INC DBA F G L ENVIRONMENTAL	260.00	440275A	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2071 WASTEWATER TREATMENT PLNT	7495 PROF AND SPEC SERVICES	3/12/14	102771...	33245	FRUIT GROWERS LABORATORY, INC DBA F G L ENVIRONMENTAL	131.00	440336A	BLANKET PURCHASE ORDER	
2071 WASTEWATER TREATMENT PLNT	7495 PROF AND SPEC SERVICES	3/12/14		33245	FRUIT GROWERS LABORATORY, INC DBA F G L ENVIRONMENTAL	444.00	440366A	BLANKET PURCHASE ORDER	
						2,237.00			
1610 FIRE-ADMIN/SUPPRESS ION	7305 CALL FIREFIGHTERS	3/12/14	102772	16612	JONATHAN L FARR FARR, JONATHAN L	30.00		02/19/14	
						30.00			
2072 SANITARY SEWER COLLECTION	7412 EQUIPMENT MAINTENANCE	3/12/14	102773	00001841	FASTENAL INDUSTRIAL & CONST SUPP FASTENAL INDUSTRIAL & CONST SUPP	18.31	CAHAN43778	BLANKET PURCHASE ORDER	
2072 SANITARY SEWER COLLECTION	7412 EQUIPMENT MAINTENANCE	3/12/14		00001841	FASTENAL INDUSTRIAL & CONST SUPP FASTENAL INDUSTRIAL & CONST SUPP	7.76	CAHAN43870	BLANKET PURCHASE ORDER	
2072 SANITARY SEWER COLLECTION	7412 EQUIPMENT MAINTENANCE	3/12/14		00001841	FASTENAL INDUSTRIAL & CONST SUPP FASTENAL INDUSTRIAL & CONST SUPP	29.35	CAHAN43944	BLANKET PURCHASE ORDER	
						55.42			
2081 WATER-OPERATIONS	7990 MATERIALS/SUPP'S/INVENTR Y	3/12/14	102774	00001433	FERGUSON ENTERPRISES, INC FERGUSON ENTERPRISES, INC	678.76	0955973	CONCRETE LIDS	
2081 WATER-OPERATIONS	7412 EQUIPMENT MAINTENANCE	3/12/14		00001433	FERGUSON ENTERPRISES, INC FERGUSON ENTERPRISES, INC	601.53	0970497	T4 ALT VLVE LMT SWITCH	
2081 WATER-OPERATIONS	7990 MATERIALS/SUPP'S/INVENTR Y	3/12/14		00001433	FERGUSON ENTERPRISES, INC FERGUSON ENTERPRISES, INC	(149.96)	CM078720	RING GASKETS	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2081 WATER-OPERATIONS	7990 MATERIALS/SUPP'S/INVENTR Y	3/12/14	102774...	00001433	FERGUSON ENTERPRISES, INC FERGUSON ENTERPRISES, INC	(678.76)	CM078771	CONCRETE LIDS	
451.57									
1511 POLICE-SUPPORT SERVICE	7770 TRAINING/TRAVEL/MEETING	3/12/14	102775	35042	FRESNO CITY COLLEGE FRESNO CITY COLLEGE	97.00	10296295	REG/EDLUND 11/4-	
1512-2 POLICE-COMMUNICATIO NS	7770 TRAINING/TRAVEL/MEETING	3/12/14		35042	FRESNO CITY COLLEGE FRESNO CITY COLLEGE	2.00	TR FLORES	ADD REG/FRESNO 2/3-7	
1512-2 POLICE-COMMUNICATIO NS	7770 TRAINING/TRAVEL/MEETING	3/12/14		35042	FRESNO CITY COLLEGE FRESNO CITY COLLEGE	57.00	TR TEIXEIRA	REG/FRESNO 2/3-7	
156.00									
511 MISC CASH DEPOSITS TRUST	3001-1 REC-AUDITORIUM DEP TRUST	3/12/14	102776	18024	ASTSUYUKI FUKUDA FUKUDA, ASTSUYUKI	1,085.00	2002026	REFUND CIVIC DEPOSIT	
1,085.00									
1450-001 CDBG ENTITLEMENT REUSE FD	7495 PROF AND SPEC SERVICES	3/12/14	102777	00000674	G M S, INC G M S, INC	245.00	141032	02/14 LIC & WARRANTY	
1450-001 CDBG ENTITLEMENT REUSE FD	7495 PROF AND SPEC SERVICES	3/12/14		00000674	G M S, INC G M S, INC	65.00	141033	02/14 SERV & SUPPORT	
310.00									
1210 FINANCE-UTILITY BILLING	7495 PROF AND SPEC SERVICES	3/12/14	102778	06315	GARDA CL WEST INC GARDA CL WEST INC	458.90	197-781114	2014-03	

Warrant Register

Date: 3/12/2014

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
						458.90			
1711 PARKS & REC-SPORTS	5011-105 SP-PONY LEAGUE BASEBALL	3/12/14	102779	18025	YVONNE GARZA GARZA, YVONNE	40.00	2002022	REFUND PONY LEAGUE	
						40.00			
1315 COMPUTER MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14	102780	16662	GLOBAL C T I GROUP INC GLOBAL C T I GROUP INC	45.00	106460	SYS CONNECT-HP UNIT	
						45.00			
1412 BUILDING INSPECTION	7455 POSTAGE AND FREIGHT	3/12/14	102781	00000385	GOLDEN STATE OVERNIGHT GOLDEN STATE OVERNIGHT	6.29	2531507	PLAN CHECKS	
						6.29			
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102782	00000228	GRAINGER, INC GRAINGER, INC	81.14	9368146743	LIFT OFF HINGE	
						81.14			
1711 PARKS & REC-SPORTS	5011-105 SP-PONY LEAGUE BASEBALL	3/12/14	102783	18026	KRISTINA GREVES GREVES, KRISTINA	45.00	2002024	REFUND PONY LEAGUE	
						45.00			
1300 CITY ATTORNEY	7490 CONTRACTED LEGAL SERVICES	3/12/14	102784	T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	2,380.24		AGENCIES/COMM	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1300 CITY ATTORNEY	7490 CONTRACTED LEGAL SERVICES	3/12/14	102784...	T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	273.00		AIRPORT	
1300 CITY ATTORNEY	7490 CONTRACTED LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	680.40		CITY CLERK	
1300 CITY ATTORNEY	7490 CONTRACTED LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	6,374.20		CODE ENFORCEMENT	
1300 CITY ATTORNEY	7490 CONTRACTED LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	12,902.63		COMMUNITY DEVELOPMENT	
1300 CITY ATTORNEY	7490 CONTRACTED LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	3,079.20		COUNCIL ADMIN	
1300 CITY ATTORNEY	7490 CONTRACTED LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	5,253.75		MEETINGS	
1300 CITY ATTORNEY	7490 CONTRACTED LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	2,365.49		POLICE	
1300 CITY ATTORNEY	7490 CONTRACTED LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	682.30		PUBLIC WORKS	
1300 CITY ATTORNEY	7490 CONTRACTED LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	458.50		RECREATION	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	1,163.25		CITY MANAGER MATTERS	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	17,283.49		COSTCO	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14	102784...	T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	1,064.35		GENERAL PLAN UPDATE	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	69.30		HIGH SPEED RAIL	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	232.96		LABOR EXEC MGMT	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	1,234.35		LABOR GENERAL UNIT	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	280.12		LABOR MID MGMT	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	435.85		LITIG AGUILAR	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	54,147.49		LITIG EMEA	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	386.30		LITIG HAMBURGER	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	277.45		LITIG LINDSAY	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	91.00		LITIG OHNSTAD	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN GRISWOLD, LASALLE, COBB, DOWD & GIN	381.25		LITIG PTAF	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14	102784...	T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	44.20		LITIG SERPA	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	146.40		LITIG TOMLINSON	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	3,114.18		PROPERTY MGMT	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	3,081.00		RDA SUCCESSOR AGENCY	
1300 CITY ATTORNEY	7518 SPECIAL LEGAL SERVICES	3/12/14		T0000423	GRISWOLD, LASALLE, COBB, DOWD & GIN	130.65		RMA	
						118,013.30			
1111 PERSONNEL	7495 PROF AND SPEC SERVICES	3/12/14	102785	16198	JASON GUSTIN	382.00		TUIT PRE 02/10-14	
						382.00			
1711 PARKS & REC-SPORTS	7495 PROF AND SPEC SERVICES	3/12/14	102786	16793	JUSTIN HAKKER	100.00		SFTBL/VB 03/3-03/7/14	
						100.00			
260 L/M AD01-04 T769 SLVR OAK	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102787	12422	STEVEN W HALSEY DBA	5,850.00	2342	RMV/STUMP GRIND TREES	
						5,850.00			

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14	102788	38800	ALFRED GOMEZ DBA HANFORD ALIGNMENT SERVICE	59.00	45344	BLANKET PURCHASE ORDER	
59.00									
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102789	39005	HANFORD AUTO & TRUCK PARTS, INC HANFORD AUTO & TRUCK PARTS, INC	1,491.43	02282014	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7433 FUEL AND LUBE MAINTENANCE	3/12/14		39005	HANFORD AUTO & TRUCK PARTS, INC HANFORD AUTO & TRUCK PARTS, INC	342.30	939659	DIESEL EXHAUST FLUID	
1,833.73									
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102790	15619	HANFORD MOTORS, LLC DBA HANFORD CHRYSLER DODGE JEEP RAM	123.51	59914	BLANKET PURCHASE ORDER	
123.51									
1411 PLANNING	7450 PUBLICATIONS AND DUES	3/12/14	102791	42000	HANFORD SENTINEL LEGAL HANFORD SENTINEL LEGAL	81.26	153042	PUB NOTICE-TPM	
1411 PLANNING	7450 PUBLICATIONS AND DUES	3/12/14		42000	HANFORD SENTINEL LEGAL HANFORD SENTINEL LEGAL	85.75	153043	PUB NOTICE-MND	
2667 T.D.A. - TRANSPORTATION	814621 CAPE SEAL TREATMENT	3/12/14		42000	HANFORD SENTINEL LEGAL HANFORD SENTINEL LEGAL	207.30	153060	NOT/CNTRCTR CAPE SEAL	
2667 T.D.A. - TRANSPORTATION	814620 SLURRY SEAL RESIDENTL ST	3/12/14		42000	HANFORD SENTINEL LEGAL HANFORD SENTINEL LEGAL	198.15	153061	NOT/CONTRCTR-SLURRY	
1201 FINANCE-ACCOUNTING	7560 ADVERTISING & PUBLIC REL	3/12/14		42000	HANFORD SENTINEL LEGAL HANFORD SENTINEL LEGAL	90.35	153155	NTC-EXPRESS TAXI TO OPERA	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2071 WASTEWATER TREATMENT PLNT	7560 ADVERTISING & PUBLIC REL	3/12/14	102791...	42000	HANFORD SENTINEL LEGAL HANFORD SENTINEL LEGAL	72.78	153156	NONCOMPLIANT INDUSTRIES	
735.59									
511 MISC CASH DEPOSITS TRUST	3001-1 REC-AUDITORIUM DEP TRUST	3/12/14	102792	14866	HANFORD WEST BAND BACKERS HANFORD WEST BAND BACKERS	1,250.00	2002025	REFUND CIVIC DEPOSIT	
1,250.00									
511 MISC CASH DEPOSITS TRUST	3005-070 DISAB ACCES-BL-SB1186	3/12/14	102793	LIC00115	HARRIS REBAR NORTHERN CAL INC HARRIS REBAR NORTHERN CAL INC	7.75		LICENSE REFUND	
7.75									
2669 REGIONAL STP EXCHANGE FDS	806608 TRAF SIGNL COORD-12/LACY	3/12/14	102794	12018	HARTZOG & CRABILL INC HARTZOG & CRABILL INC	1,105.00	14-0094	2014-01 PROF SVCS	
1,105.00									
1719 PARKS & REC-YOUTH SERV	5017-701 TR-CONTRACTED CLASSES	3/12/14	102795	10179	NICOLE HERNANDEZ HERNANDEZ, NICOLE	35.00	2002016	REFUND WK1 CAMP 2011	
35.00									
511 MISC CASH DEPOSITS TRUST	3005-070 DISAB ACCES-BL-SB1186	3/12/14	102796	LIC00114	HERNANDEZ, RENE TIMOTHY HERNANDEZ, RENE TIMOTHY	6.50		LICENSE REFUND	
6.50									

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2104 ACCUM CAPITAL OUTLAY	814608 YAC FIELD RESTORATION	3/12/14	102797	44475	HOFMANS NURSERY HOFMANS NURSERY	1,023.40	20902	RYE SEED	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		44475	HOFMANS NURSERY HOFMANS NURSERY	16.79	20919	BLANKET PURCHASE ORDER	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		44475	HOFMANS NURSERY HOFMANS NURSERY	236.07	20928	BLANKET PURCHASE ORDER	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		44475	HOFMANS NURSERY HOFMANS NURSERY	252.84	21229	BLANKET PURCHASE ORDER	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		44475	HOFMANS NURSERY HOFMANS NURSERY	109.65	21315	BLANKET PURCHASE ORDER	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		44475	HOFMANS NURSERY HOFMANS NURSERY	126.38	21336	BLANKET PURCHASE ORDER	
						1,765.13			
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102798	45470	INTERSTATE BATTERY SYSTEMS INTERSTATE BATTERY SYSTEMS	101.00	90022881	BLANKET PURCHASE ORDER	
						101.00			
2040 FLEET MAINTENANCE	7433 FUEL AND LUBE MAINTENANCE	3/12/14	102799	51350	J C LANSLOWNE DIST INC J C LANSLOWNE DIST INC	731.00	170440	BLANKET PURCHASE ORDER	
						731.00			
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102800	00000166	JEFF'S AUTO SUPPLY JEFF'S AUTO SUPPLY	119.65	D180984	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102800...	00000166	JEFF'S AUTO SUPPLY JEFF'S AUTO SUPPLY	8.56	D181004	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00000166	JEFF'S AUTO SUPPLY JEFF'S AUTO SUPPLY	285.41	D181037	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00000166	JEFF'S AUTO SUPPLY JEFF'S AUTO SUPPLY	7.71	D181038	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00000166	JEFF'S AUTO SUPPLY JEFF'S AUTO SUPPLY	63.13	D181055	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00000166	JEFF'S AUTO SUPPLY JEFF'S AUTO SUPPLY	57.33	D181234	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00000166	JEFF'S AUTO SUPPLY JEFF'S AUTO SUPPLY	14.51	D181249	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00000166	JEFF'S AUTO SUPPLY JEFF'S AUTO SUPPLY	50.51	D181374	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00000166	JEFF'S AUTO SUPPLY JEFF'S AUTO SUPPLY	19.38	D181468	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00000166	JEFF'S AUTO SUPPLY JEFF'S AUTO SUPPLY	128.89	D181493	BLANKET PURCHASE ORDER	
						755.08			
2667 T.D.A. - TRANSPORTATION	814619 NEW SIDEWALK & ADA IMPR	3/12/14	102801	64848	JOSEPH M ROBINSON DBA JOE ROBINSON CONCRETE	1,920.00	342609	ADA RAMP @ NE COR 12TH AV	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2667 T.D.A. - TRANSPORTATION	814619 NEW SIDEWALK & ADA IMPR	3/12/14	102801...	64848	JOSEPH M ROBINSON DBA JOE ROBINSON CONCRETE	2,112.00	342609	ADA RAMP NW COR 12TH & CE	
2667 T.D.A. - TRANSPORTATION	814619 NEW SIDEWALK & ADA IMPR	3/12/14		64848	JOSEPH M ROBINSON DBA JOE ROBINSON CONCRETE	255.00	342609	CURB & GUTTER, 12TH & CEN	
2667 T.D.A. - TRANSPORTATION	814619 NEW SIDEWALK & ADA IMPR	3/12/14		64848	JOSEPH M ROBINSON DBA JOE ROBINSON CONCRETE	1,156.00	342609	SIDEWALK, NORTH 12TH & CE	
						5,443.00			
2071 WASTEWATER TREATMENT PLNT	7412 EQUIPMENT MAINTENANCE	3/12/14	102802	45872	JOHNSON'S BOILER & CONTROL, INC JOHNSON'S BOILER & CONTROL, INC	490.00	10299	SVC BOILER #2	
2071 WASTEWATER TREATMENT PLNT	7412 EQUIPMENT MAINTENANCE	3/12/14		45872	JOHNSON'S BOILER & CONTROL, INC JOHNSON'S BOILER & CONTROL, INC	4,216.75	10300	BOILER #3 PART& LABOR	
						4,706.75			
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14	102803	46300	JORGENSEN & CO INC JORGENSEN & CO	146.60	5420123	ANSUL KIT SYSTEM	
						146.60			
2040 FLEET MAINTENANCE	7411 RADIO MAINTENANCE	3/12/14	102804	00001078	J'S COMMUNICATIONS, INC J'S COMMUNICATIONS, INC	297.50	39927	TECH SVC PD DISPATCH	
						297.50			
511 MISC CASH DEPOSITS TRUST	3005-121 KC-LIBRARY IMP FEES	3/12/14	102805	T0000944	KINGS CO DEPT OF FINANCE KINGS CO DEPT OF FINANCE	644.66		2014-02 LIBRARY	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
511 MISC CASH DEPOSITS TRUST	3005-122 KC-CRIMINAL JSTC IMP FEES	3/12/14	102805...	T0000944	KINGS CO DEPT OF FINANCE KINGS CO DEPT OF FINANCE	2,406.00		2014-02 CRIM JSTC	
						3,050.66			
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14	102806	48417	KINGS CO GLASS KINGS CO GLASS	50.00	I052726	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14		48417	KINGS CO GLASS KINGS CO GLASS	50.00	I052727	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14		48417	KINGS CO GLASS KINGS CO GLASS	50.00	I052728	BLANKET PURCHASE ORDER	
						150.00			
2081 WATER-OPERATIONS	7495 PROF AND SPEC SERVICES	3/12/14	102807	48375	KINGS CO HEALTH DEPT KINGS CO HEALTH DEPT	2,180.00	IN0040850	2014-01 WATER SAMPLES	
						2,180.00			
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102808	17684	PHILLIP J GAPEN DBA KINGS CO MOBILE LOCKSMITH SVC	99.93	20040495	BLANKET PURCHASE ORDER	
1711 PARKS & REC-SPORTS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17684	PHILLIP J GAPEN DBA KINGS CO MOBILE LOCKSMITH SVC	64.50	20040501	24 KEYS	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17684	PHILLIP J GAPEN DBA KINGS CO MOBILE LOCKSMITH SVC	4.00	20040504	BLANKET PURCHASE ORDER	
2100 BUILDING MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17684	PHILLIP J GAPEN DBA KINGS CO MOBILE LOCKSMITH SVC	84.46	20040543	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2100 BUILDING MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102808...	17684	PHILLIP J GAPEN DBA KINGS CO MOBILE LOCKSMITH SVC	115.00	20040545	BLANKET PURCHASE ORDER	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17684	PHILLIP J GAPEN DBA KINGS CO MOBILE LOCKSMITH SVC	81.21	20040546	BLANKET PURCHASE ORDER	
						449.10			
511 MISC CASH DEPOSITS TRUST	3005-101 SCH DVL FEES-HANFORD ELEM	3/12/14	102809	48825	KINGS CO OFFICE OF EDUCATION KINGS CO OFFICE OF EDUCATION	11,067.53		2014-02 HESD	
511 MISC CASH DEPOSITS TRUST	3005-106 SCH DVL FEES-ARMONA ELEM	3/12/14		48825	KINGS CO OFFICE OF EDUCATION KINGS CO OFFICE OF EDUCATION	88.20		2014-02 ARMONA	
						11,155.73			
511 MISC CASH DEPOSITS TRUST	3005-200 KC-EL RANCHO DEBT SERVICE	3/12/14	102810	48448	KINGS CO PUBLIC WORKS KINGS CO PUBLIC WORKS	3,038.90		DEBT SVC COLL 02/14	
						3,038.90			
2010 PW-ADMINISTRATION & ENGR	7495 PROF AND SPEC SERVICES	3/12/14	102811	48448	KINGS CO PUBLIC WORKS KINGS CO PUBLIC WORKS	2,692.00	14-JH	ROW COST-JIM HEMAN	
						2,692.00			
1210 FINANCE-UTILITY BILLING	7495 PROF AND SPEC SERVICES	3/12/14	102812	49250	KINGS CREDIT SERVICES KINGS CREDIT SERVICES	999.73	02-175627	2014-02 COLL FIN-UB	
1201 FINANCE-ACCOUNTING	7495 PROF AND SPEC SERVICES	3/12/14		49250	KINGS CREDIT SERVICES KINGS CREDIT SERVICES	161.06	02-175677	2014-02 COLL FIN-AC	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1,160.79									
1111 PERSONNEL	7495 PROF AND SPEC SERVICES	3/12/14	102813	17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	270.00	1845-10	BARKSDALE	
1111 PERSONNEL	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	155.00	1845-10	CALDERA	
1111 PERSONNEL	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	270.00	1845-10	MARTIN	
1610 FIRE-ADMIN/SUPPRESS ION	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	27.00	1845-10	BRIONES	
1610 FIRE-ADMIN/SUPPRESS ION	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	27.00	1845-10	COSTA	
1610 FIRE-ADMIN/SUPPRESS ION	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	27.00	1845-10	HOEY	
1610 FIRE-ADMIN/SUPPRESS ION	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	27.00	1845-10	KILE	
1610 FIRE-ADMIN/SUPPRESS ION	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	27.00	1845-10	ROSSMAN	
1610 FIRE-ADMIN/SUPPRESS ION	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	27.00	1845-10	ROWE	
1610 FIRE-ADMIN/SUPPRESS ION	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	27.00	1845-10	SPRINGER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1610 FIRE-ADMIN/SUPPRESSION	7495 PROF AND SPEC SERVICES	3/12/14	102813...	17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	27.00	1845-10	SUNIA	
1722 PARKS & REC-PARKS	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	65.00	1845-10	SANCHEZ	
2011 PW-STREET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	65.00	1845-10	STERLING	
2031 REFUSE	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	65.00	1845-10	ANDRADA	
2031 REFUSE	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	65.00	1845-10	VILLAGRAN	
2032 REFUSE-STREET CLEANING	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	65.00	1845-10	JOHNSON	
2072 SANITARY SEWER COLLECTION	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	65.00	1845-10	VENTULETH	
2081 WATER-OPERATIONS	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	65.00	1845-10	CONTRERAS	
2081 WATER-OPERATIONS	7495 PROF AND SPEC SERVICES	3/12/14		17709	KINGS INDUSTRIAL OCCUP MEDICAL CTR KINGS INDUSTRIAL OCCUP MEDICAL CTR	65.00	1845-10	GONZALES	
						1,431.00			
2020 AIRPORT - OPERATING	7495 PROF AND SPEC SERVICES	3/12/14	102814	49700	KINGS REHABILITATION CENTER, INC KINGS REHABILITATION CENTER, INC	125.00	4172	2014-01	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2020 AIRPORT - OPERATING	7495 PROF AND SPEC SERVICES	3/12/14	102814...	49700	KINGS REHABILITATION CENTER, INC KINGS REHABILITATION CENTER, INC	125.00	4261	2014-02	
						250.00			
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14	102815	55445	KONE, INC KONE, INC	3,375.00	221419584	ELEV MTCE AGMT-VETS (12 M	
2131 COURTHOUSE SQUARE-OPERTNG	7495 PROF AND SPEC SERVICES	3/12/14		55445	KONE, INC KONE, INC	3,375.00	221419584	ELEV MTCE AGRMT-CRTHSE (1	
						6,750.00			
1610 FIRE-ADMIN/SUPPRESS ION	7305 CALL FIREFIGHTERS	3/12/14	102816	16616	CONNOR KURTZ KURTZ, CONNOR	30.00		02/19/14	
						30.00			
1610 FIRE-ADMIN/SUPPRESS ION	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102817	00000271	THE LAWNMOWER MAN LAWNMOWER MAN, THE	537.49	9536121	LEAF BLOWER,	
						537.49			
1719 PARKS & REC-YOUTH SERV	5017-701 TR-CONTRACTED CLASSES	3/12/14	102818	T0000102	KURT ALLEN LEAL LEAL, KURT ALLEN	217.00		2014-02 KARATE	
						217.00			
1711 PARKS & REC-SPORTS	7495 PROF AND SPEC SERVICES	3/12/14	102819	17420	WARREN LEASURE LEASURE, WARREN	90.00		SFTBALL 03/03-03/06	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
						90.00			
511 MISC CASH DEPOSITS TRUST	3005-070 DISAB ACCES-BL-SB1186	3/12/14	102820	LIC00118	LEGACY GENERAL ENGINEERING INC LEGACY GENERAL ENGINEERING INC	7.50		LICENSE REFUND	
						7.50			
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14	102821	83200	LITTLE WORLEY'S AUTO ELECTRIC LITTLE WORLEY'S AUTO ELECTRIC	43.25	38045	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14		83200	LITTLE WORLEY'S AUTO ELECTRIC LITTLE WORLEY'S AUTO ELECTRIC	35.00	38057	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14		83200	LITTLE WORLEY'S AUTO ELECTRIC LITTLE WORLEY'S AUTO ELECTRIC	35.00	38083	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14		83200	LITTLE WORLEY'S AUTO ELECTRIC LITTLE WORLEY'S AUTO ELECTRIC	35.00	38084	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		83200	LITTLE WORLEY'S AUTO ELECTRIC LITTLE WORLEY'S AUTO ELECTRIC	12.90	38094	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14		83200	LITTLE WORLEY'S AUTO ELECTRIC LITTLE WORLEY'S AUTO ELECTRIC	35.00	38126	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7495 PROF AND SPEC SERVICES	3/12/14		83200	LITTLE WORLEY'S AUTO ELECTRIC LITTLE WORLEY'S AUTO ELECTRIC	35.00	38225	BLANKET PURCHASE ORDER	
						231.15			
1511 POLICE-SUPPORT SERVICE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102822	52923	ROBERT OLIVEIRA DBA LORD'S UNIFORMS & TUXEDOS	12.79	060271	MALDONADO NAMETAGS	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1610 FIRE-ADMIN/SUPPRESS ION	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102822...	52923	ROBERT OLIVEIRA DBA LORD'S UNIFORMS & TUXEDOS	19.19	060479	NAMETAGS, SILVER	
						31.98			
1513 POLICE-OPERATIONS	7770 TRAINING/TRAVEL/MEETING	3/12/14	102823	00000509	JAMES LUTZ LUTZ, JAMES	30.00		EXP/FRESNO 2/6-7	
						30.00			
1610 FIRE-ADMIN/SUPPRESS ION	7770 TRAINING/TRAVEL/MEETING	3/12/14	102824	53359	MARY MATA MATA, MARY	213.50	TR MATA	ADV/SACTO 3/24-27	
1610 FIRE-ADMIN/SUPPRESS ION	7770 TRAINING/TRAVEL/MEETING	3/12/14		53359	MARY MATA MATA, MARY	548.85	TR MATA	LDG/SACTO 3/24-27	
						762.35			
2131 COURTHOUSE SQUARE-OPERTNG	7495 PROF AND SPEC SERVICES	3/12/14	102825	00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	178.00	1045892	2014-02 CRTHS	
2020 AIRPORT - OPERATING	7495 PROF AND SPEC SERVICES	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	30.00	1053259	2014-02 AIRPORT	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	24.50	1054155	2014-02 LONGFIELD	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	24.50	1054220	2014-02 CORP YD	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	34.50	1054238	2014-02 VETS/SR CTR	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2071 WASTEWATER TREATMENT PLNT	7495 PROF AND SPEC SERVICES	3/12/14	102825...	00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	24.50	1054539	2014-02 WWTP	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	48.00	1054544	2014-02 POLICE	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	32.50	1054652	2014-02 COE PARK	
1714 PARKS & REC-POOL/SKATE	7495 PROF AND SPEC SERVICES	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	24.50	1055245	2014-02 PLUNGE	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	30.00	1055311	2014-02 PD INVEST	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	32.50	1055338	2014-02 PD RECORDS	
2091 INTERMODAL-OPERATIN G	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	49.00	1055392	2014-02 AMTRAK	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	110.50	1055412	2014-02 CITY OFFICES	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00000041	MATSON ALARM COMPANY, INC MATSON ALARM COMPANY, INC	71.00	1055801	2014-02 CIVIC AUD	
						714.00			
2014 SPECIAL AVIATION	814646 HANGER TAXILANE REHAB	3/12/14	102826	00001632	MEAD & HUNT INC MEAD & HUNT INC	9,296.84	241398	2014-01 PROF SVC	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
9,296.84									
1513 POLICE-OPERATIONS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102827	17952	MADERA UNIFORM & ACCESSORIES LLC METRO UNIFORM	10.94	100350	ADJUST PANTS WAIST BAND-V	
1513 POLICE-OPERATIONS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17952	MADERA UNIFORM & ACCESSORIES LLC METRO UNIFORM	81.65	100350	PANTS-V MILLER/RESERVE OF	
1513 POLICE-OPERATIONS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17952	MADERA UNIFORM & ACCESSORIES LLC METRO UNIFORM	85.95	100350	SHIRT-V MILLER/ RESERVE O	
178.54									
2010 PW-ADMINISTRATION & ENGR	7495 PROF AND SPEC SERVICES	3/12/14	102828	74255	MICHAEL SUTHERLAND & ASSN MICHAEL SUTHERLAND & ASSN	195.00	142502-2	TPM 2013-07 FPM #2	
195.00									
1720 PARKS & REC-ADULT/SPCL	5012-201 CA-CONTRACTED CLASSES	3/12/14	102829	00000156	SUSAN MORELOCK MORELOCK, SUSAN	187.60		2014-02 BALLRM DANCE	
187.60									
1412 BUILDING INSPECTION	7495 PROF AND SPEC SERVICES	3/12/14	102830	00000995	NAFFA INTERNATIONAL INC NAFFA INTERNATIONAL INC	243.99	16910	FY14-0756	
1412 BUILDING INSPECTION	7495 PROF AND SPEC SERVICES	3/12/14		00000995	NAFFA INTERNATIONAL INC NAFFA INTERNATIONAL INC	6,800.00	16918	2014-01 G SCOTT	
1412 BUILDING INSPECTION	7495 PROF AND SPEC SERVICES	3/12/14		00000995	NAFFA INTERNATIONAL INC NAFFA INTERNATIONAL INC	2,430.00	16937	FY14-0592	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
9,473.99									
1611 FIRE-FIRE PREVENTION	7450 PUBLICATIONS AND DUES	3/12/14	102831	56551	NATIONAL FIRE PROTECTION ASC NATIONAL FIRE PROTECTION ASC	599.86	6053614Y	HANDBOOKS-FIRE PREVENTION	
1611 FIRE-FIRE PREVENTION	7450 PUBLICATIONS AND DUES	3/12/14		56551	NATIONAL FIRE PROTECTION ASC NATIONAL FIRE PROTECTION ASC	9.62	6053614Y	HANDLING CHARGE	
609.48									
1611 FIRE-FIRE PREVENTION	7450 PUBLICATIONS AND DUES	3/12/14	102832	56551	NATIONAL FIRE PROTECTION ASC NATIONAL FIRE PROTECTION ASC	165.00	163100 2014	03/14-03/15 IERONIMO	
165.00									
1315 COMPUTER MAINTENANCE	7430 COMPUTER MAINTENANCE	3/12/14	102833	14392	NEWEGG, INC NEWEGG, INC	42.36	1200318831	CABLE - COBOC CY-U3-AAMF-	
1315 COMPUTER MAINTENANCE	7430 COMPUTER MAINTENANCE	3/12/14		14392	NEWEGG, INC NEWEGG, INC	7.51	1200318831	CABLE - STARTECH UUSBHAUB	
1315 COMPUTER MAINTENANCE	7430 COMPUTER MAINTENANCE	3/12/14		14392	NEWEGG, INC NEWEGG, INC	4.01	1200319877	ESTIMATED SHIPPING/HANDLI	
1315 COMPUTER MAINTENANCE	7430 COMPUTER MAINTENANCE	3/12/14		14392	NEWEGG, INC NEWEGG, INC	26.86	1200319877	VELCRO - INDUSTRIAL STREN	
1315 COMPUTER MAINTENANCE	7430 COMPUTER MAINTENANCE	3/12/14		14392	NEWEGG, INC NEWEGG, INC	16.11	1200319878	CABLE - BELKIN F3U133V16-	
1315 COMPUTER MAINTENANCE	7430 COMPUTER MAINTENANCE	3/12/14		14392	NEWEGG, INC NEWEGG, INC	4.12	1200319878	ESTIMATED SHIPPING/HANDLI	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
100.97									
240 L/M AD90-1 T606 PINECASTLE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102834	21860	NICK CHAMPI ENTERPRISES INC NICK CHAMPI ENTERPRISES INC	900.00	15991	TRIM TREES-2580 PINECASTL	
250 L/M AD94-2 T708 STONECRST	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		21860	NICK CHAMPI ENTERPRISES INC NICK CHAMPI ENTERPRISES INC	1,200.00	15992	RMV PINE TREE	
2,100.00									
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14	102835	00001068	NORTH CENTRAL LABORATORIES NORTH CENTRAL LABORATORIES	131.10	334217	1413 US EC STANDARD 1L #C	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001068	NORTH CENTRAL LABORATORIES NORTH CENTRAL LABORATORIES	109.25	334217	2767 US EC STANDARD 1L #C	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001068	NORTH CENTRAL LABORATORIES NORTH CENTRAL LABORATORIES	109.25	334217	718 US EC STANDARD 1L #C-	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001068	NORTH CENTRAL LABORATORIES NORTH CENTRAL LABORATORIES	104.65	334217	BUFFER PH 4.00 STANDARDIZ	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001068	NORTH CENTRAL LABORATORIES NORTH CENTRAL LABORATORIES	104.65	334217	BUFFER PH 4.00 STANDARDIZ	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001068	NORTH CENTRAL LABORATORIES NORTH CENTRAL LABORATORIES	29.90	334217	BUFFER PH 4.00 STANDARDIZ	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001068	NORTH CENTRAL LABORATORIES NORTH CENTRAL LABORATORIES	29.90	334217	BUFFER PH 4.00 STANDARDIZ	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001068	NORTH CENTRAL LABORATORIES NORTH CENTRAL LABORATORIES	29.90	334217	BUFFER PH 4.00 STANDARIZA	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14	102835...	00001068	NORTH CENTRAL LABORATORIES NORTH CENTRAL LABORATORIES	104.65	334217	BUFFER PH 7.00 STANDARDIZ	
2071 WASTEWATER TREATMENT PLNT	7650 CHEMICALS	3/12/14		00001068	NORTH CENTRAL LABORATORIES NORTH CENTRAL LABORATORIES	207.66	334217	ESTIMATED SHIPPING/HANDLI	
						960.91			
1610 FIRE-ADMIN/SUPPRESS ION	7770 TRAINING/TRAVEL/MEETING	3/12/14	102836	00000094	NORTHERN CALIF ADMIN FIRE SVC SECT NORTHERN CALIF ADMIN FIRE SVC SECT	250.00	TR MATA	REG/SACTO 3/24-27	
						250.00			
1610 FIRE-ADMIN/SUPPRESS ION	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102837	58093	LOWE'S HOME CENTERS INC ORCHARD SUPPLY COMPANY LLC	276.47	02212014	BLANKET PURCHASE ORDER	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		58093	LOWE'S HOME CENTERS INC ORCHARD SUPPLY COMPANY LLC	233.43	02212014	BLANKET PURCHASE ORDER	
2011 PW-STREET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		58093	LOWE'S HOME CENTERS INC ORCHARD SUPPLY COMPANY LLC	69.09	02212014	BLANKET PURCHASE ORDER	
2031 REFUSE	7412 EQUIPMENT MAINTENANCE	3/12/14		58093	LOWE'S HOME CENTERS INC ORCHARD SUPPLY COMPANY LLC	4.83	02212014	BLANKET PURCHASE ORDER	
2071 WASTEWATER TREATMENT PLNT	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		58093	LOWE'S HOME CENTERS INC ORCHARD SUPPLY COMPANY LLC	223.86	02212014	BLANKET PURCHASE ORDER	
2072 SANITARY SEWER COLLECTION	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		58093	LOWE'S HOME CENTERS INC ORCHARD SUPPLY COMPANY LLC	82.35	02212014	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2081 WATER-OPERATIONS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102837...	58093	LOWE'S HOME CENTERS INC ORCHARD SUPPLY COMPANY LLC	35.95	02212014	BLANKET PURCHASE ORDER	
2100 BUILDING MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		58093	LOWE'S HOME CENTERS INC ORCHARD SUPPLY COMPANY LLC	87.63	02212014	BLANKET PURCHASE ORDER	
2131 COURTHOUSE SQUARE-OPERTNG	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		58093	LOWE'S HOME CENTERS INC ORCHARD SUPPLY COMPANY LLC	66.37	02212014	BLANKET PURCHASE ORDER	
						1,079.98			
1100 CITY COUNCIL	7770 TRAINING/TRAVEL/MEETING	3/12/14	102838	00001204	GARY PANNETT PANNETT, GARY	137.66		EXP/SACTO 1/21-24	
						137.66			
1711 PARKS & REC-SPORTS	7495 PROF AND SPEC SERVICES	3/12/14	102839	60740	KELLY PERREIRA PERREIRA, KELLY	192.00		FLD PREP 02/25-26	
1711 PARKS & REC-SPORTS	7495 PROF AND SPEC SERVICES	3/12/14		60740	KELLY PERREIRA PERREIRA, KELLY	60.00		SCHEDULING 03/01	
1711 PARKS & REC-SPORTS	7495 PROF AND SPEC SERVICES	3/12/14		60740	KELLY PERREIRA PERREIRA, KELLY	522.00		SFTBALL 03/3-03/07/14	
						774.00			
1110 CITY MANAGER-CITY CLERK	7495 PROF AND SPEC SERVICES	3/12/14	102840	12346	PERSONNEL SOLUTIONS UNLIMITED, LLC PERSONNEL SOLUTIONS UNLIMITED, LLC	404.46	33908	CONTRERAS 02/16-02/22	
1411 PLANNING	7495 PROF AND SPEC SERVICES	3/12/14		12346	PERSONNEL SOLUTIONS UNLIMITED, LLC PERSONNEL SOLUTIONS UNLIMITED, LLC	483.84	33911	M DEMEO 02/16-02/22	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1110 CITY MANAGER-CITY CLERK	7495 PROF AND SPEC SERVICES	3/12/14	102840...	12346	PERSONNEL SOLUTIONS UNLIMITED, LLC PERSONNEL SOLUTIONS UNLIMITED, LLC	374.22	33944	CONTRERAS 02/23-03/01	
1411 PLANNING	7495 PROF AND SPEC SERVICES	3/12/14		12346	PERSONNEL SOLUTIONS UNLIMITED, LLC PERSONNEL SOLUTIONS UNLIMITED, LLC	604.80	33947	M DEMEO 02/23-03/01	
						1,867.32			
1512-1 POLICE-RECORDS	7455 POSTAGE AND FREIGHT	3/12/14	102841	00001386	PITNEY BOWES / PURCHASE POWER PITNEY BOWES / PURCHASE POWER	420.99		2014-01 POSTAGE	
						420.99			
2081 WATER-OPERATIONS	814014 FIRE HYDRANTS(PARTS ONLY)	3/12/14	102842	00001104	JOSEPH G POLLARD CO. INC POLLARDWATER.COM	588.76	I374400-IN	CANVAS HOSE, 4X15 W/ CPLG	
2081 WATER-OPERATIONS	814014 FIRE HYDRANTS(PARTS ONLY)	3/12/14		00001104	JOSEPH G POLLARD CO. INC POLLARDWATER.COM	196.91	I374400-IN	ESTIMATED SHIPPING/HANDLI	
2081 WATER-OPERATIONS	814014 FIRE HYDRANTS(PARTS ONLY)	3/12/14		00001104	JOSEPH G POLLARD CO. INC POLLARDWATER.COM	379.05	I374400-IN	HITCH MOUNT BRACKET LPD	
2081 WATER-OPERATIONS	814014 FIRE HYDRANTS(PARTS ONLY)	3/12/14		00001104	JOSEPH G POLLARD CO. INC POLLARDWATER.COM	703.95	I374400-IN	HYDRANT LOCKS, PADLOCK TY	
2081 WATER-OPERATIONS	814014 FIRE HYDRANTS(PARTS ONLY)	3/12/14		00001104	JOSEPH G POLLARD CO. INC POLLARDWATER.COM	1,547.71	I374400-IN	LINE PURGE DECHLOR W/2-1/	
2081 WATER-OPERATIONS	814014 FIRE HYDRANTS(PARTS ONLY)	3/12/14		00001104	JOSEPH G POLLARD CO. INC POLLARDWATER.COM	255.99	I374400-IN	WRENCH, SPANNER ZINC PLAT	
						3,672.37			

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102843	62910	PRAXAIR DIST INC PRAXAIR DIST INC	15.90	48546082	BLANKET PURCHASE ORDER	
						15.90			
240 L/M AD90-1 T606 PINECSTLE	7550 OTHER CONTRACTUAL SERVICE	3/12/14	102844	10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	914.17	15772	2014-02	
243 L/M AD90-4 T619 HYDE PARK	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	18.02	15772	2014-02	
244 L/M AD91-1 T641 SIERA VIS	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	164.13	15772	2014-02	
245 L/M AD92-1 PORTOFINO 1&2	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	129.31	15772	2014-02	
246 L/M AD92-2 CIELO EN TIERR	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	69.28	15772	2014-02	
247 L/M AD93-1 T634 VINTGE ES	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	122.24	15772	2014-02	
248 L/M AD93-2 T673 WLNT FRST	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	153.07	15772	2014-02	
248 L/M AD93-2 T673 WLNT FRST	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	44.74	15772	2014-02 SLOUGH FRNTGE	
249 L/M AD94-1 T712 GATEWAY E	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	110.44	15772	2014-02	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
252 L/M AD97-01 T711 ROSEWOOD	7550 OTHER CONTRACTUAL SERVICE	3/12/14	102844...	10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	39.82	15772	2014-02	
253 L/M AD97-02 T742 SUMMRFLD	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	31.38	15772	2014-02	
254 L/M AD97-03 T743 CNTRY CR	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	587.15	15772	2014-02	
255 L/M AD98-01 T747 CRYST SPR	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	194.78	15772	2014-02	
256 L/M AD98-02 T759 MT VW #1	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	392.04	15772	2014-02	
257 L/M AD01-01 T680 PC GR #1	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	143.48	15772	2014-02	
260 L/M AD01-04 T769 SLVR OAK	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	1,128.20	15772	2014-02	
261 L/M AD02-01 T776 ASHTN PK	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	808.62	15772	2014-02	
262 L/M AD03-01 T789 LA PARC	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	361.61	15772	2014-02	
263 L/M AD04-01 T810 SIDONIA	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	154.80	15772	2014-02	
265 L/M AD04-03 T795 CAMBRIDG	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	915.59	15772	2014-02 PARK	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
265 L/M AD04-03 T795 CAMBRIDG	7550 OTHER CONTRACTUAL SERVICE	3/12/14	102844...	10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	235.30	15772	2014-02 RR	
265 L/M AD04-03 T795 CAMBRIDG	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	829.89	15772	2014-02 STREET	
266 L/M AD04-04 T802-3 SIERRA	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	205.60	15772	2014-02	
267 L/M AD05-01 MISSION PARK	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	66.53	15772	2014-02	
268 L/M AD05-02 T835 COPPER V	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	520.99	15772	2014-02	
270 L/M AD09-01 T877 VICTORY	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	83.56	15772	2014-02	
271 L/M AD09-02 T843 LENNAR	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	284.00	15772	2014-02	
271 L/M AD09-02 T843 LENNAR	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	167.53	15772	2014-02 #2	
271 L/M AD09-02 T843 LENNAR	7550 OTHER CONTRACTUAL SERVICE	3/12/14		10066	PRIMOW LANDSCAPE MAINTENANCE INC PRIMOW LANDSCAPE MAINTENANCE INC	260.06	15772	2014-02 PARK	
						9,136.33			
1518 POLICE-ANIMAL CONTROL	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102845	00001543	PROFORCE LAW ENFORCEMENT PROFORCE LAW ENFORCEMENT	17.15	197475	ESTIMATED SHIPPING/HANDLI	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1518 POLICE-ANIMAL CONTROL	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102845...	00001543	PROFORCE LAW ENFORCEMENT	46.22	197475	TASER CARTRIDGE, 34200	
1518 POLICE-ANIMAL CONTROL	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00001543	PROFORCE LAW ENFORCEMENT	1,840.29	197475	TASER,	
						1,903.66			
1610 FIRE-ADMIN/SUPPRESS ION	7305 CALL FIREFIGHTERS	3/12/14	102846	12669	JOSHUA M PUERNER PUERNER, JOSHUA M	30.00		02/19/14	
						30.00			
2104 ACCUM CAPITAL OUTLAY	813602 GENERAL/MASTR PLAN UPDATE	3/12/14	102847	63730	QUAD KNOFF, INC QUAD KNOFF, INC	23,064.25	74651	01/05/14-02/08/14	
						23,064.25			
1110 CITY MANAGER-CITY CLERK	7495 PROF AND SPEC SERVICES	3/12/14	102848	16598	QUALITY CODE PUBLISHING LLC QUALITY CODE PUBLISHING LLC	25.00	2014-50	CD ROM	
1110 CITY MANAGER-CITY CLERK	7495 PROF AND SPEC SERVICES	3/12/14		16598	QUALITY CODE PUBLISHING LLC QUALITY CODE PUBLISHING LLC	225.00	2014-50	CODE ALERT 6/13-2/14	
1110 CITY MANAGER-CITY CLERK	7495 PROF AND SPEC SERVICES	3/12/14		16598	QUALITY CODE PUBLISHING LLC QUALITY CODE PUBLISHING LLC	11.15	2014-50	MUNI CODE/S & H	
1110 CITY MANAGER-CITY CLERK	7495 PROF AND SPEC SERVICES	3/12/14		16598	QUALITY CODE PUBLISHING LLC QUALITY CODE PUBLISHING LLC	150.00	2014-50	ORD 13-03 TO 13-07	
1110 CITY MANAGER-CITY CLERK	7495 PROF AND SPEC SERVICES	3/12/14		16598	QUALITY CODE PUBLISHING LLC QUALITY CODE PUBLISHING LLC	374.00	2014-50	ORD 13-07/PRINTED PGS	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	inv#	Transaction Description	Void
1110 CITY MANAGER-CITY CLERK	7495 PROF AND SPEC SERVICES	3/12/14	102848...	16598	QUALITY CODE PUBLISHING LLC	360.00	2014-50	WEB MTCE & STORAGE	
1110 CITY MANAGER-CITY CLERK	7495 PROF AND SPEC SERVICES	3/12/14		16598	QUALITY CODE PUBLISHING LLC	75.00	2014-50	WEBSITE UPDATING	
						1,220.15			
1610 FIRE-ADMIN/SUPPRESSION	7495 PROF AND SPEC SERVICES	3/12/14	102849	00000961	TAYLOR BROTHERS, INC DBA R E S COM	35.00	1223496	BLANKET PURCHASE ORDER	
						35.00			
1514 POLICE-TRAFFIC ENFORCEMENT	7412 EQUIPMENT MAINTENANCE	3/12/14	102850	00001588	R H F, INC	77.00	66428	RADAR SERIAL AS002283	
1514 POLICE-TRAFFIC ENFORCEMENT	7412 EQUIPMENT MAINTENANCE	3/12/14		00001588	R H F, INC	77.00	66429	RADAR SERIAL AS002287	
1514 POLICE-TRAFFIC ENFORCEMENT	7412 EQUIPMENT MAINTENANCE	3/12/14		00001588	R H F, INC	79.90	66430	RADAR SERIAL AS004959	
1513 POLICE-OPERATIONS	7412 EQUIPMENT MAINTENANCE	3/12/14		00001588	R H F, INC	127.00	66431	RADAR SERIAL GHD08012	
1513 POLICE-OPERATIONS	7412 EQUIPMENT MAINTENANCE	3/12/14		00001588	R H F, INC	129.69	66432	RADAR SERIAL GHD12781	
						490.59			
2100 BUILDING MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102851	64847	ROBINSON'S INTERIORS, INC	10.75	48760RB	FLOOR TRIM CNCL CHMBR	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
						10.75			
1719 PARKS & REC-YOUTH SERV	5017-701 TR-CONTRACTED CLASSES	3/12/14	102852	17882	TARA RODRIGUEZ RODRIGUEZ, TARA	224.00		2014-01 KINDERMUSIK	
						224.00			
2040 FLEET MAINTENANCE	7433 FUEL AND LUBE MAINTENANCE	3/12/14	102853	65300	ROE OIL COMPANY ROE OIL COMPANY	387.40	111804CT	FUEL PD/UTILITIES	
						387.40			
1611 FIRE-FIRE PREVENTION	7770 TRAINING/TRAVEL/MEETING	3/12/14	102854	00000621	DAVID J ROSSMAN ROSSMAN, DAVID J	175.00	TR ROSSMAN7	ADV/SLO 3/30-4/2	
						175.00			
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102855	65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	42.21	64549	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	354.71	64568	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	121.75	64573	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	153.70	64577	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	346.32	64583	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102855...	65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	153.70	64592	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	116.07	64603	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	60.34	64616	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	697.27	64622	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	73.59	64651	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	96.46	64652	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	249.20	64666	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	594.29	64687	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	106.86	64688	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	(42.21)	64703	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	63.31	64705	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102855...	65950	RUCKSTELL CALIF SALES CO RUCKSTELL CALIF SALES CO	17.77	64706	BLANKET PURCHASE ORDER	
						3,205.34			
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102856	17969	S & S SHIRTS S & S SHIRTS	17.90	2060	LADIES POLO 2XL SILK TOUC	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	17.90	2060	LADIES POLO 2XL SILKTOUCH	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	35.80	2060	MENS POLO 2XL/SILK TOUCH	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	17.90	2060	MEN'S POLO 2XL SILK TOUCH	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	20.08	2060	MEN'S POLO 4XL SILK TOUCH	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	20.07	2060	MENS POLO 4XL SILKTOUCH P	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	40.00	2060	SETUP CHARGE	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	146.48	2060	SHIRT BLK 2-SM/2-MED L540	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	81.38	2060	SHIRT RED 1SM/1M/2LG/1XL)	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102856...	17969	S & S SHIRTS S & S SHIRTS	179.02	2060	SHIRTS 8LRG / 3 XL	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	113.92	2060	SHIRTS RED 5LG/2XL K540 P	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	244.12	2060	T SHIRTS/ HANES 50/50 (B	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	35.00	2060	TAPE	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	29.30	2060	T-SHIRTS 2XL HANES 50/50	
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		17969	S & S SHIRTS S & S SHIRTS	24.96	2060	T-SHIRTS 4XL HANES BEEFY	
						1,023.83			
2081 WATER-OPERATIONS	7495 PROF AND SPEC SERVICES	3/12/14	102857	67223	SAN JOAQUIN VALLEY AIR POLLUTION SAN JOAQUIN VALLEY AIR POLLUTION	479.00	C215931	C7817 PERMIT FEE	
						479.00			
1412 BUILDING INSPECTION	7770 TRAINING/TRAVEL/MEETING	3/12/14	102858	00001806	SAN JOAQUIN VALLEY CHAPTER OF ICC SAN JOAQUIN VALLEY CHAPTER OF ICC	35.00	TR ROCHA2	REG/TULARE 3/27	
1412 BUILDING INSPECTION	7770 TRAINING/TRAVEL/MEETING	3/12/14		00001806	SAN JOAQUIN VALLEY CHAPTER OF ICC SAN JOAQUIN VALLEY CHAPTER OF ICC	35.00	TR SUTTON1	REG/TULARE 3/27	
						70.00			

Warrant Register

Date: 3/12/2014

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1511 POLICE-SUPPORT SERVICE	7922-503 LLEGB EXPLORER POST MTLS	3/12/14	102859	14501	JEANETTE SASSER DBA SASSER SPECIALTIES	70.95	9230	T-SHIRTS & HATS	
						70.95			
1719 PARKS & REC-YOUTH SERV	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102860	67475	SAVE MART SUPERMARKETS SAVE MART SUPERMARKETS	69.56	042014021110	BLANKET PURCHASE ORDER	
						69.56			
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102861	69302	SEQUOIA EQUIP CO INC SEQUOIA EQUIP CO INC	137.10	1072339	BLANKET PURCHASE ORDER	
2040 FLEET MAINTENANCE	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		69302	SEQUOIA EQUIP CO INC SEQUOIA EQUIP CO INC	864.32	1072669	BLANKET PURCHASE ORDER	
						1,001.42			
2010 PW-ADMINISTRATION & ENGR	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102862	69530	SHRED-IT FRESNO INC SHRED-IT FRESNO INC	45.30	9403162446	BLANKET PURCHASE ORDER	
1512-1 POLICE-RECORDS	7495 PROF AND SPEC SERVICES	3/12/14		69530	SHRED-IT FRESNO INC SHRED-IT FRESNO INC	84.09	9403288553	DOCUMENT SHREDDING	
						129.39			
2081 WATER-OPERATIONS	7785 UTILITIES-GAS	3/12/14	102863	69578	SILVAS OIL CO INC SILVAS OIL CO INC	3,335.55	676598	DIESEL FOR TANKS 4, 5, 6	
2040 FLEET MAINTENANCE	7433 FUEL AND LUBE MAINTENANCE	3/12/14		69578	SILVAS OIL CO INC SILVAS OIL CO INC	25,311.57	829616	DIESEL	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2040 FLEET MAINTENANCE	7433 FUEL AND LUBE MAINTENANCE	3/12/14	102863...	69578	SILVAS OIL CO INC SILVAS OIL CO INC	738.11	829616	ROAD TAX	
29,385.23									
2910 WATER CAPITAL	814639 UNSC MAIN EXT/REPL	3/12/14	102864	18023	MARCO SILVEIRA SILVEIRA, MARCO	20,424.00		REIM/WATER MAIN EXT	
20,424.00									
1100 CITY COUNCIL	7700 EMPLOYEE SVC AWARD DINNER	3/12/14	102865	70200	SMART & FINAL CORP SMART & FINAL CORP	13.81	113108	LNCH MTG CTY DNR COMM	
1720 PARKS & REC-ADULT/SPCL	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		70200	SMART & FINAL CORP SMART & FINAL CORP	108.28	113567	OTM DANCES BLANKET PO	
1610 FIRE-ADMIN/SUPPRESS ION	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		70200	SMART & FINAL CORP SMART & FINAL CORP	93.92	113641	BLANKET PURCHASE ORDER	
1100 CITY COUNCIL	7770 TRAINING/TRAVEL/MEETING	3/12/14		70200	SMART & FINAL CORP SMART & FINAL CORP	38.86	115236	CREAMER, SUGAR, STIRRERS	
2071 WASTEWATER TREATMENT PLNT	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		70200	SMART & FINAL CORP SMART & FINAL CORP	225.49	118691	LAB SUPPLIES	
1713 PARKS & REC-LONGFIELD	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		70200	SMART & FINAL CORP SMART & FINAL CORP	101.34	119302	FR 7680 TO 7600	
581.70									
1610 FIRE-ADMIN/SUPPRESS ION	7770 TRAINING/TRAVEL/MEETING	3/12/14	102866	17476	STANLEY HOUSEWORTH DBA SMOKE JOINT BBQ, THE	76.88	8381	3/5 LUNCH MTG JUL 4	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
						76.88			
1412 BUILDING INSPECTION	4210 CONSTRUCTION PERMITS	3/12/14	102867	17817	SOLAR CITY INC SOLAR CITY INC	135.29	FY14-0058	INSPECTIONS FEE	
511 MISC CASH DEPOSITS TRUST	3005-003 STRONG MOTION INSTRU PROG	3/12/14		17817	SOLAR CITY INC SOLAR CITY INC	3.82	FY14-0058	SEISMIC	
511 MISC CASH DEPOSITS TRUST	3005-044 BLDG STD ADMIN REVLV FUND	3/12/14		17817	SOLAR CITY INC SOLAR CITY INC	2.00	FY14-0058	BLDG STDS FUND	
						141.11			
511 MISC CASH DEPOSITS TRUST	3001-1 REC-AUDITORIUM DEP TRUST	3/12/14	102868	49185	SOROPTIMIST INTERNATIONAL OF HFD SOROPTIMIST INTERNATIONAL OF HFD	250.00	2002027	REFUND CIVIC DEPOSIT	
						250.00			
1511 POLICE-SUPPORT SERVICE	7780 UTILITIES-ELECTRICITY	3/12/14	102870	70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	2,221.29		2014-02	
1610 FIRE-ADMIN/SUPPRESS ION	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	721.82		2014-02 #1	
1610 FIRE-ADMIN/SUPPRESS ION	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	444.16		2014-02 #2	
1711 PARKS & REC-SPORTS	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	262.53		2014-02 BABE RUTH	
1711 PARKS & REC-SPORTS	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	134.48		2014-02 BROWN	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1711 PARKS & REC-SPORTS	7780 UTILITIES-ELECTRICITY	3/12/14	102870...	70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	25.08		2014-02 CAMPUS	
1711 PARKS & REC-SPORTS	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	634.87		2014-02 GREENFIELD	
1711 PARKS & REC-SPORTS	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	26.56		2014-02 HARRIS	
1711 PARKS & REC-SPORTS	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	368.71		2014-02 LACEY	
1711 PARKS & REC-SPORTS	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	480.87		2014-02 SOFTBALL COMP	
1713 PARKS & REC-LONGFIELD	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	703.41		2014-02	
1714 PARKS & REC-POOL/SKATE	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	1,446.50		2014-02	
2071 WASTEWATER TREATMENT PLNT	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	731.69		2014-02	
2091 INTERMODAL-OPERATING	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	345.62		2014-02	
2100 BUILDING MAINTENANCE	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	4,552.72		2014-02	
2131 COURTHOUSE SQUARE-OPERTNG	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	2,798.84		2014-02	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
240 L/M AD90-1 T606 PINECSTLE	7780 UTILITIES-ELECTRICITY	3/12/14	102870...	70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	132.82		2014-02	
241 L/M AD90-2 T610 PRK MNTY	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	54.62		2014-02	
242 L/M AD90-3 T595 MANS #7&8	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	27.31		2014-02	
243 L/M AD90-4 T619 HYDE PARK	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	25.64		2014-02	
245 L/M AD92-1 PORTOFINO 1&2	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	24.67		2014-02	
246 L/M AD92-2 CIELO EN TIERR	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	27.46		2014-02	
247 L/M AD93-1 T634 VINTGE ES	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	25.64		2014-02	
248 L/M AD93-2 T673 WLNT FRST	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	51.28		2014-02	
250 L/M AD94-2 T708 STONECRST	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	200.85		2014-02	
251 L/M AD94-3 T696 QUAIL RUN	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	31.10		2014-02	
252 L/M AD97-01 T711 ROSEWOOD	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	25.64		2014-02	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
255 L/M AD98-01 T747 CRYST SPR	7780 UTILITIES-ELECTRICITY	3/12/14	102870...	70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	24.80		2014-02	
256 L/M AD98-02 T759 MT VW #1	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	51.15		2014-02	
257 L/M AD01-01 T680 PC GR #1	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	51.15		2014-02	
258 L/M AD01-02 T770 CAMBR #1	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	56.16		2014-02	
259 L/M AD01-03 T771 POP HILL	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	27.31		2014-02	
262 L/M AD03-01 T789 LA PARC	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	27.31		2014-02	
263 L/M AD04-01 T810 SIDONIA	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	25.64		2014-02	
264 L/M AD04-02 T799 CAMBRIDG	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	102.99		2014-02	
265 L/M AD04-03 T795 CAMBRIDG	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	204.40		2014-02	
268 L/M AD05-02 T835 COPPER V	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	51.28		2014-02	
270 L/M AD09-01 T877 VICTORY	7780 UTILITIES-ELECTRICITY	3/12/14		70950	SOUTHERN CALIF EDISON CO SOUTHERN CALIF EDISON CO	27.31		2014-02	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
						17,175.68			
1511 POLICE-SUPPORT SERVICE	7785 UTILITIES-GAS	3/12/14	102871	71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	206.40		2014-02 1505173000	
1511 POLICE-SUPPORT SERVICE	7785 UTILITIES-GAS	3/12/14		71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	66.69		2014-02 1847156191	
1610 FIRE-ADMIN/SUPPRESS ION	7785 UTILITIES-GAS	3/12/14		71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	151.86		2014-02 0711175100	
1713 PARKS & REC-LONGFIELD	7785 UTILITIES-GAS	3/12/14		71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	421.18		2014-02 1949155800	
1714 PARKS & REC-POOL/SKATE	7785 UTILITIES-GAS	3/12/14		71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	15.78		2014-02 1234156900	
1719 PARKS & REC-YOUTH SERV	7785 UTILITIES-GAS	3/12/14		71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	49.83		2014-02 1928155800	
2020 AIRPORT - OPERATING	7785 UTILITIES-GAS	3/12/14		71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	2,525.16		2014-02 1052157816	
2071 WASTEWATER TREATMENT PLNT	7785 UTILITIES-GAS	3/12/14		71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	5,226.92		2014-02 0732175100	
2091 INTERMODAL-OPERATIN G	7785 UTILITIES-GAS	3/12/14		71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	55.35		2014-02 1826156000	
2100 BUILDING MAINTENANCE	7785 UTILITIES-GAS	3/12/14		71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	296.27		2014-02 0961156800	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2100 BUILDING MAINTENANCE	7785 UTILITIES-GAS	3/12/14	102871...	71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	587.25		2014-02 1742156100	
2100 BUILDING MAINTENANCE	7785 UTILITIES-GAS	3/12/14		71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	1,402.10		2014-02 1805156100	
2131 COURTHOUSE SQUARE-OPERTNG	7785 UTILITIES-GAS	3/12/14		71200	SOUTHERN CALIF GAS CO SOUTHERN CALIF GAS CO	44.17		2014-02 0919156843	
						11,048.96			
1716 PARKS & REC-FACILITIES	4510 FM-FACILITIES-OTHER RENTS	3/12/14	102872	18027	SADA SOWELL SOWELL, SADA	25.00	2002029	REFUND PARK SHELTER	
						25.00			
1513 POLICE-OPERATIONS	7770 TRAINING/TRAVEL/MEETING	3/12/14	102873	12097	JASON STINGLEY STINGLEY, JASON	9.00		EXP/MORGN HLL 2/23-24	
						9.00			
1610 FIRE-ADMIN/SUPPRESS ION	7770 TRAINING/TRAVEL/MEETING	3/12/14	102874	73979	DAVID SUMAYA SUMAYA, DAVID	67.76		EXP/FRESNO 2/25-26	
1611 FIRE-FIRE PREVENTION	7770 TRAINING/TRAVEL/MEETING	3/12/14		73979	DAVID SUMAYA SUMAYA, DAVID	175.00	TR SUMAYA5	ADV/SLO 3/30-4/2	
1611 FIRE-FIRE PREVENTION	7770 TRAINING/TRAVEL/MEETING	3/12/14		73979	DAVID SUMAYA SUMAYA, DAVID	867.42	TR SUMAYA5	LDG/SLO 3/30-4/2	
						1,110.18			

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2011 PW-STREET MAINTENANCE	7720 STREET CONST & MAINT MTRL	3/12/14	102875	12233	THOMAS OCHOA DBA T & T PAVEMENT MARKINGS & PRODUCTS	25.00	2014128	ESTIMATED SHIPPING/HANDLI	
2011 PW-STREET MAINTENANCE	7720 STREET CONST & MAINT MTRL	3/12/14		12233	THOMAS OCHOA DBA T & T PAVEMENT MARKINGS & PRODUCTS	2,936.04	2014128	RED PAINT	
2011 PW-STREET MAINTENANCE	7720 STREET CONST & MAINT MTRL	3/12/14		12233	THOMAS OCHOA DBA T & T PAVEMENT MARKINGS & PRODUCTS	2,193.00	2014128	WHITE PAINT	
						5,154.04			
2910 WATER CAPITAL	812652 MINOR WTR MAIN REPLAC PRG	3/12/14	102876	74370	TECHNICON ENGINEERING SERVICE, INC TECHNICON ENGINEERING SERVICE, INC	2,640.00	531	COMPACTION TEST	
2910 WATER CAPITAL	812652 MINOR WTR MAIN REPLAC PRG	3/12/14		74370	TECHNICON ENGINEERING SERVICE, INC TECHNICON ENGINEERING SERVICE, INC	1,257.50	708	COMPACTION TEST	
						3,897.50			
2910 WATER CAPITAL	814641 SCADA SYSTEM REPL	3/12/14	102877	74472	TELSTAR INSTRUMENTS, INC TELSTAR INSTRUMENTS, INC	29,000.00	76480	SCADA SYSTEM REPLACEMENT	
2081 WATER-OPERATIONS	7412 EQUIPMENT MAINTENANCE	3/12/14		74472	TELSTAR INSTRUMENTS, INC TELSTAR INSTRUMENTS, INC	1,260.00	76867	VFD CONTACTR W4 & T5	
2081 WATER-OPERATIONS	7412 EQUIPMENT MAINTENANCE	3/12/14		74472	TELSTAR INSTRUMENTS, INC TELSTAR INSTRUMENTS, INC	494.00	76882	W-42 CONTACTOR RPR VFD DR	
						30,754.00			
2091 INTERMODAL-OPERATIN G	7550 OTHER CONTRACTUAL SERVICE	3/12/14	102878	00001400	TOTAL FILTRATION SERVICES, INC TOTAL FILTRATION SERVICES, INC	31.77	PSV1162323	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14	102878...	00001400	TOTAL FILTRATION SERVICES, INC TOTAL FILTRATION SERVICES, INC	148.63	PSV1162324	BLANKET PURCHASE ORDER	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00001400	TOTAL FILTRATION SERVICES, INC TOTAL FILTRATION SERVICES, INC	228.84	PSV1162325	BLANKET PURCHASE ORDER	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00001400	TOTAL FILTRATION SERVICES, INC TOTAL FILTRATION SERVICES, INC	98.42	PSV1162326	BLANKET PURCHASE ORDER	
2100 BUILDING MAINTENANCE	7550 OTHER CONTRACTUAL SERVICE	3/12/14		00001400	TOTAL FILTRATION SERVICES, INC TOTAL FILTRATION SERVICES, INC	135.23	PSV1162327	BLANKET PURCHASE ORDER	
						642.89			
1511 POLICE-SUPPORT SERVICE	7495 PROF AND SPEC SERVICES	3/12/14	102879	16429	TRANSUNION RISK & ALTERNATIVE DATA TRANSUNION RISK & ALTERNATIVE DATA	50.25	47911 3/14	ACCT 47911 SEARCH/RPTS/12	
						50.25			
2081 WATER-OPERATIONS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102880	00000706	TRIPLE J CONCRETE TRIPLE J CONCRETE	73.10	7134	BLANKET PURCHASE ORDER	
2072 SANITARY SEWER COLLECTION	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		00000706	TRIPLE J CONCRETE TRIPLE J CONCRETE	129.00	7162	BLANKET PURCHASE ORDER	
						202.10			
2071 WASTEWATER TREATMENT PLNT	7412 EQUIPMENT MAINTENANCE	3/12/14	102881	76460	TURNUPSEED ELECTRIC TURNUPSEED ELECTRIC	410.39	63720	BLANKET PURCHASE ORDER	
2071 WASTEWATER TREATMENT PLNT	7412 EQUIPMENT MAINTENANCE	3/12/14		76460	TURNUPSEED ELECTRIC TURNUPSEED ELECTRIC	1,803.33	63743	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2071 WASTEWATER TREATMENT PLNT	7412 EQUIPMENT MAINTENANCE	3/12/14	102881...	76460	TURNUPSEED ELECTRIC TURNUPSEED ELECTRIC	(641.04)	63846	BLANKET PURCHASE ORDER	
2071 WASTEWATER TREATMENT PLNT	7412 EQUIPMENT MAINTENANCE	3/12/14		76460	TURNUPSEED ELECTRIC TURNUPSEED ELECTRIC	205.20	63847	BLANKET PURCHASE ORDER	
2071 WASTEWATER TREATMENT PLNT	7412 EQUIPMENT MAINTENANCE	3/12/14		76460	TURNUPSEED ELECTRIC TURNUPSEED ELECTRIC	410.39	63851	BLANKET PURCHASE ORDER	
						2,188.27			
511 MISC CASH DEPOSITS TRUST	3005-070 DISAB ACCES-BL-SB1186	3/12/14	102882	LIC00117	U R NOW LLC U R NOW LLC	6.00		LICENSE REFUND	
						6.00			
1716 PARKS & REC-FACILITIES	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102883	14696	ULINE, INC ULINE, INC	377.27	57018998	FAC HOST SUPPLIES	
						377.27			
1511 POLICE-SUPPORT SERVICE	7922-503 LLEGB EXPLORER POST MTLS	3/12/14	102884	17605	UNIFORM WAREHOUSE, INC UNIFORM WAREHOUSE, INC	88.20	401565	DUTY BELT-NYLON	
1511 POLICE-SUPPORT SERVICE	7922-503 LLEGB EXPLORER POST MTLS	3/12/14		17605	UNIFORM WAREHOUSE, INC UNIFORM WAREHOUSE, INC	29.40	401565	DUTY BELT-NYLON	
1511 POLICE-SUPPORT SERVICE	7922-503 LLEGB EXPLORER POST MTLS	3/12/14		17605	UNIFORM WAREHOUSE, INC UNIFORM WAREHOUSE, INC	19.99	401565	ESTIMATED SHIPPING/HANDLI	
1511 POLICE-SUPPORT SERVICE	7922-503 LLEGB EXPLORER POST MTLS	3/12/14		17605	UNIFORM WAREHOUSE, INC UNIFORM WAREHOUSE, INC	21.78	401565	GUN HOLSTER LEFT-NYLON UN	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1511 POLICE-SUPPORT SERVICE	7922-503 LLEGB EXPLORER POST MTLS	3/12/14	102884...	17605	UNIFORM WAREHOUSE, INC UNIFORM WAREHOUSE, INC	217.90	401565	GUN HOLSTER-NYLON UNIVERS	
1511 POLICE-SUPPORT SERVICE	7922-503 LLEGB EXPLORER POST MTLS	3/12/14		17605	UNIFORM WAREHOUSE, INC UNIFORM WAREHOUSE, INC	143.75	401565	HANDCUFF HOLDER-DOUBLE	
1511 POLICE-SUPPORT SERVICE	7922-503 LLEGB EXPLORER POST MTLS	3/12/14		17605	UNIFORM WAREHOUSE, INC UNIFORM WAREHOUSE, INC	13.04	401565	KEEPERS (SET OF 4)	
1511 POLICE-SUPPORT SERVICE	7922-503 LLEGB EXPLORER POST MTLS	3/12/14		17605	UNIFORM WAREHOUSE, INC UNIFORM WAREHOUSE, INC	194.24	408906	CHAIN-LINKED HANDCUFF	
1511 POLICE-SUPPORT SERVICE	7922-503 LLEGB EXPLORER POST MTLS	3/12/14		17605	UNIFORM WAREHOUSE, INC UNIFORM WAREHOUSE, INC	19.75	408906	ESTIMATED SHIPPING/HANDLI	
1511 POLICE-SUPPORT SERVICE	7922-503 LLEGB EXPLORER POST MTLS	3/12/14		17605	UNIFORM WAREHOUSE, INC UNIFORM WAREHOUSE, INC	48.44	408906	KEEPERS	
						796.49			
1210 FINANCE-UTILITY BILLING	7455 POSTAGE AND FREIGHT	3/12/14	102885	10166	UNITED STATES POSTAL SERVICE UNITED STATES POSTAL SERVICE	59.18	702527628	ACS RTN ADR10/13-2/14	
						59.18			
3950 PROPOSITION 84 GRANT	814664 CONSOLIDATN-3 WTR SYSTEMS	3/12/14	102886	77820	PROVOST & PRITCHARD INC DBA V M S PROVOST	1,219.32	47830	2014-01 PROF SVC	
						1,219.32			
260 L/M AD01-04 T769 SLVR OAK	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102887	17949	VERBENA NURSERY VERBENA NURSERY	291.60	3200	ESTIMATED SHIPPING/HANDLI	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
260 L/M AD01-04 T769 SLVR OAK	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102887...	17949	VERBENA NURSERY VERBENA NURSERY	3,918.37	3200	TREES/CHINESE PISTACHIO K	
						4,209.97			
1511 POLICE-SUPPORT SERVICE	7495 PROF AND SPEC SERVICES	3/12/14	102888	17967	CELLCO PARTNERSHIP DBA VERIZON WIRELESS	750.00	6049403	CASE #13-7269	
						750.00			
2011 PW-STREET MAINTENANCE	7720 STREET CONST & MAINT MTRL	3/12/14	102889	11329	CALMART CO, INC DBA VULCAN MATERIALS CO, WESTERN DIV	516.65	70270967	ASPHALT, PG 64-10	
2011 PW-STREET MAINTENANCE	7720 STREET CONST & MAINT MTRL	3/12/14		11329	CALMART CO, INC DBA VULCAN MATERIALS CO, WESTERN DIV	6.73	70270967	ENVIRONMENTAL FEE	
						523.38			
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102890	81530	WEST VALLEY SUPPLY INC WEST VALLEY SUPPLY INC	51.60	71673	BLANKET PURCHASE ORDER	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		81530	WEST VALLEY SUPPLY INC WEST VALLEY SUPPLY INC	10.89	71811	BLANKET PURCHASE ORDER	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		81530	WEST VALLEY SUPPLY INC WEST VALLEY SUPPLY INC	96.64	71836	BLANKET PURCHASE ORDER	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		81530	WEST VALLEY SUPPLY INC WEST VALLEY SUPPLY INC	19.74	71929	BLANKET PURCHASE ORDER	
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		81530	WEST VALLEY SUPPLY INC WEST VALLEY SUPPLY INC	8.87	71936	BLANKET PURCHASE ORDER	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
1722 PARKS & REC-PARKS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14	102890...	81530	WEST VALLEY SUPPLY INC WEST VALLEY SUPPLY INC	15.66	71937	BLANKET PURCHASE ORDER	
1711 PARKS & REC-SPORTS	7600 SPECIAL DEPARTMENTAL EXP	3/12/14		81530	WEST VALLEY SUPPLY INC WEST VALLEY SUPPLY INC	222.22	71962	SPRINKLERS, RISERS	
						425.62			
1720 PARKS & REC-ADULT/SPCL	7495 PROF AND SPEC SERVICES	3/12/14	102891	17937	CATHERINE WUNDERLY WUNDERLY, CATHERINE	180.00		2014-02 AEROBICS	
						180.00			
1201 FINANCE-ACCOUNTING	7460 DUPLICATING EXPENSE	3/12/14	102892	83451	XEROX CORP - #710683020 XEROX CORP - #710683020	80.14	072885719	COPIES 01/21-02/21/14	
1201 FINANCE-ACCOUNTING	7460 DUPLICATING EXPENSE	3/12/14		83451	XEROX CORP - #710683020 XEROX CORP - #710683020	359.86	072885719	LEASE/FINANCE	
1110 CITY MANAGER-CITY CLERK	7460 DUPLICATING EXPENSE	3/12/14		83451	XEROX CORP - #710683020 XEROX CORP - #710683020	217.02	072885720	COPIES 01/20-02/21/14	
1110 CITY MANAGER-CITY CLERK	7460 DUPLICATING EXPENSE	3/12/14		83451	XEROX CORP - #710683020 XEROX CORP - #710683020	257.07	072885720	LEASE/CITY MGR	
1111 PERSONNEL	7460 DUPLICATING EXPENSE	3/12/14		83451	XEROX CORP - #710683020 XEROX CORP - #710683020	217.01	072885720	COPIES 01/20-02/21/14	
1111 PERSONNEL	7460 DUPLICATING EXPENSE	3/12/14		83451	XEROX CORP - #710683020 XEROX CORP - #710683020	257.07	072885720	LEASE/PERS	

Warrant Register

Division # and Name	Acct # and Name	Check Date	Check Number	Vendor Number	Vendor Name	Transaction Amt	Inv#	Transaction Description	Void
2010 PW-ADMINISTRATION & ENGR	7460 DUPLICATING EXPENSE	3/12/14	102892...	83451	XEROX CORP - #710683020 XEROX CORP - #710683020	335.48	072885721	COPIES 01/21-02/21/14	
2010 PW-ADMINISTRATION & ENGR	7460 DUPLICATING EXPENSE	3/12/14		83451	XEROX CORP - #710683020 XEROX CORP - #710683020	394.65	072885721	LEASE/PUBLIC WKS	
						2,118.30			
1309 LIABILITY INSURANCE	7330 LIABILITY INSURANCE	3/12/14	102893	16785	YORK RISK SERVICES GROUP, INC-LIAB YORK RISK SERVICES GROUP, INC	995.40	6207 2/14	2014-02 SVC FEES	
						995.40			
						516,148.28			



AGENDA STAFF REPORT

MEETING DATE: 3/4/2014

AGENDA SECTION: 5. A.

SUBJECT:

Successor Agency Attorney: Adoption of the Kings Economic Development Corporation Marketing Agreement

RECOMMENDATION:

The City Attorneys' Office recommends that the Successor Agency (SA), by motion, adopt the attached Marketing Agreement

BACKGROUND:

The SA's First Amended and Restated Long-Range Property Management Plan (Plan) indicates that the SA will utilize the Kings Economic Development Corporation (KEDC) to market the RDA's remaining real estate and that the SA and the KEDC will enter into a Marketing Agreement for such services.

Currently, there is only one parcel, which is 9.81 acres in size, that remains unsold and which is not subject to a Purchase & Sale Agreement.

Through the attached Marketing Agreement, the KEDC will market the remaining parcel. In exchange, the KEDC will receive compensation equal to 4% of the sales price if it facilitates the sale of the property.

The KEDC will assist with the marketing of other parcels in the event one of the pending sales fails to close. The KEDC will be entitled to the 4% compensation described above if it facilitates such additional sales.

FISCAL IMPACT:

ATTACHMENTS:

Description

☐ [Marketing Agreement](#)

MARKETING AGREEMENT

* * * * *

This Marketing Agreement (“**Agreement**”) is made and entered into this _____ day of _____, 20____, by and between the City of Hanford, as Successor Agency to the Community Redevelopment Agency of the City of Hanford (“**City**”), and the Kings County Economic Development Corporation, (“**Contractor**”).

RECITALS

- A. City is required to sell the remaining real property formerly owned by the Community Redevelopment Agency of the City of Hanford (“**RDA**”); and
- B. Contractor previously assisted the RDA with the marketing of the RDA’s real estate; and
- C. City desires to retain Contractor to assist with the marketing of the remainder of the RDA’s real property; and
- D. Contractor is willing to assist City with such marketing efforts.

NOW THEREFORE, in consideration of the mutual covenants set forth herein for such other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

- 1. **Retention of Contractor.** Subject to the terms and conditions set forth herein, City retains Contractor to perform the services identified in this Agreement, as an independent contractor, and Contractor hereby accepts this independent contractor appointment.
- 2. **Scope of Services.**
 - a. Contractor shall market and seek a purchaser for that 9.81 acre property identified as Kings County Assessor’s Parcel Number 018-242-067.
 - b. Other parcels of real property formerly owned by the RDA and which are currently under City’s control are currently subject to signed Purchase & Sale Agreements or are subject to negotiations. Should any such negotiations or sales fail, Contractor will market and seek purchasers for such properties.
 - c. All services provided by Contractor pursuant to this Section 2 shall collectively be referred to as “Services.”

3. **Term.** This Agreement shall be subject to review and approval by the Oversight Board (OB) that possesses legal authority over City's actions as Successor Agency to the RDA. The OB's actions are subject to review by the California Department of Finance (DOF). This Agreement shall become effective on the date immediately following the final day on which the DOF may overrule the OB's approval of this Agreement. This Agreement shall have no effect if the OB or the DOF reject the terms contained herein. This Agreement shall expire at 11:59 p.m., December 31, 2014 ("**Expiration Date**").

4. **Compensation and Reimbursement.**

a. Contractor shall be entitled to compensation equal to four percent (4%) of the sales price of each property sold by City for which Contractor causes an interested party to execute a Purchase & Sale Agreement approved by City.

b. Contractor will be entitled to reimbursement for up to Three Thousand and No/100 Dollars (\$3,000.00) in non-labor expenses incurred by Contractor in providing the services identified in Section 2 above. Contractor will invoice City for such expenses, and City will pay each invoice in full no later than thirty (30) calendar days from the City's receipt of an invoice. In the event Contractor's expenses will exceed Three Thousand and No/100 Dollars (\$3,000.00), the parties will confer about increasing the expense limit. If the parties successfully negotiate an increased expense amount, an amendment to this Agreement will be prepared and executed by Contractor and the City; provided however, any amendment to this Agreement shall be conditioned on obtaining OB approval.

5. **Method of Payment.** Real property sales generated by Contractor will be facilitated by an escrow company. Compensation to Contractor for each sale will be paid out of the corresponding escrow at closing.

6. **Equal Opportunity Employment.** Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Contractor shall also comply with all relevant provisions of City's programs or guidelines currently in effect or hereinafter enacted regarding equal opportunity employment.

7. **Insurance Requirements.**

a. Contractor, at Contractor's own cost and expense, shall procure and maintain, for the duration of this Agreement, the following insurance policies.

i. **Workers Compensation Coverage.** Contractor shall maintain Worker's Compensation Insurance and Employer's Liability Insurance for its employees in accordance with the laws of the State of California. In addition, Contractor shall require each subcontractor to similarly maintain worker's compensation insurance and employer's liability

insurance in accordance with the laws of the State of California for all of subcontractor's employees. The insurer shall agree to waive all rights of subrogation against City, its officials, officers, agents, employees and volunteers for losses arising from work performed by Contractor for City.

ii. General Liability Coverage. Contractor shall maintain commercial general liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the Services to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit identified in this paragraph.

b. Endorsements. Contractor's general liability policy shall be with insurers possessing a Best's rating of no less than A:VII and which are licensed to conduct business in California, and shall be endorsed with the following specific language:

i. The City, its elected or appointed officers, officials, employees, agents and volunteers shall be covered as additional insureds on all such policies of insurance with respect to liability arising out of Services performed by or on behalf of the Contractor, including materials, parts or equipment furnished in connection with such Services or operations.

ii. This policy of insurance shall be considered primary insurance as respects the City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the City, including any self-insured retention the City may have, shall be considered excess insurance only and shall not contribute with the policies of insurance obtained by Contractor.

iii. This policy of insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

iv. The insurer waives all rights of subrogation against the City, its elected or appointed officers, officials, employees, or volunteers.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. The insurance provided by this policy shall not be suspended, voided, canceled, modified or reduced in coverage or in limits except after thirty (30) days written notice has been received by the City.

vii. The general liability insurance coverage shall be at least as broad as Insurance Services Office commercial general liability coverage (occurrence form CG0001).

c. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At City's option, Contractor shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

d. Certificate of Insurance. Contractor shall provide a certificate of insurance with original endorsements to City as evidence of the insurance coverage required herein. The certificate of such insurance shall be filed with City on the date of execution of this Agreement by Contractor. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement.

8. **Indemnification.**

a. Contractor agrees to indemnify, defend and hold harmless City and its officials, officers, employees, agents and volunteers from and against all claims, demands, actions, injuries, liabilities, losses, costs or damages, direct or indirect, and any and all attorneys' fees and other expenses which City or its officials, officers, employees, agents or volunteers may sustain or incur as a consequence of or anyway related to Contractor, or its employees, agents and subcontractor's performance of the Services and Contractor's responsibilities and obligations to be performed under this Agreement or its failure to perform or comply with any of its obligations or responsibilities contained in this Agreement. This indemnification shall survive the termination of this Agreement.

b. City agrees to indemnify, defend and hold harmless Contractor and its officials, officers, employees, agents and volunteers from and against all claims, demands, actions, injuries, liabilities, losses, costs or damages, direct or indirect, and any and all attorneys' fees and other expenses which Contractor or its officials, officers, employees, agents or volunteers may sustain or incur as a consequence of or anyway related to City's performance of its duties and obligations to be performed under this Agreement or City's failure to perform or comply with any of its obligations or responsibilities contained in this Agreement. This indemnification shall survive the termination of this Agreement.

9. **Independent Contractor Status.** It is understood and agreed that Contractor, in the performance of the Services to be performed pursuant to this Agreement, shall act as and be an independent contractor and shall not act as an agent or employee of City. Contractor shall obtain no retirement benefits or other benefits which accrue to City's employees and Contractor hereby expressly waives any claim it may have to any such rights. Nothing in this Agreement shall create or be construed as creating a partnership, joint venture or any other relationship between City and Contractor.

10. **Contractor Deeds of Trust.** Contractor holds Deeds of Trust that are recorded against the properties that City seeks to sell. The parties hereby acknowledge that this Agreement in no way alters Contractor's security interest in the properties or the underlying debts secured by the Deeds of Trust.

11. **Assignment and Subcontracting.** The parties recognize that a substantial inducement to City for entering into this Agreement is the reputation, experience and competence of Contractor. Assignments of any or all rights, duties or obligations of the Contractor under this Agreement will be permitted only with the express consent of City, which consent may be withheld in the sole and absolute discretion of City. Contractor shall not subcontract any portion of the Services to be performed under this Agreement without the written consent of the City, which consent may be withheld in the sole and absolute discretion of City. If City consents to such subcontract, Contractor shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Agreement shall: (i) create any contractual relationship between City and subcontractor; (ii) create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor; (iii) or relieve Contractor of any of its obligations and responsibilities under this Agreement.

12. **Attorneys' Fees.** If an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other reasonable relief to which it may be entitled. With respect to any suit, action or proceeding arising out of or related to this Agreement, or the documentation related hereto, the parties hereby submit to the jurisdiction and venue of the Superior for the County of Kings, State of California for any proceeding arising hereunder.

13. **Sole and Only Agreement.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the matters set forth herein and contains all of the covenants and agreements between the parties regarding said matters. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party which are not embodied in this Agreement and no other agreement, statement or promise shall be valid or binding.

14. **Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

15. **Amendment.** No change, amendment or modification of this Agreement shall be valid unless the same be in writing and signed by the parties hereto.

16. **Waiver.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

17. **Mediation.** The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and shall divide the costs of mediation equally. If the parties are unable to agree upon a mediator, the dispute shall be submitted to JAMS or its successor in interest. JAMS shall provide the parties with the names of five qualified mediators. Each party shall have the option to strike two of the five mediators selected by JAMS and thereafter the mediator

remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

18. **Notice.** Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile or e-mail if receipt is acknowledged by the addressee, one business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or three business days after being mailed by first class mail, charges and postage prepaid, property addressed to the party to receive such notice at the last address furnished for such purpose by the party to whom notice is directed and addressed as follows:

City of Hanford
Attn: Darrel Pyle, City Manager
319 N. Douty Street
Hanford, CA 93230

Kings County Economic Development Corp.
Attn: John Lehn, President/CEO
120 N. Irwin Street
Hanford, CA 93230

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the day and in the year first set forth above.

**CITY OF HANFORD, as Successor Agency to the
Community Redevelopment Agency of the City of
Hanford**

Dated: _____, 20__

By: _____

DARREL PYLE
City Manager

**KINGS COUNTY ECONOMIC DEVELOPMENT
CORPORATION**

Dated: _____, 20__

By: _____

JOHN LEHN
President/CEO



AGENDA STAFF REPORT

MEETING DATE: 2/18/2014

AGENDA SECTION: 5. B.

SUBJECT:

Successor Agency Attorney: Approve the First Amended and Restated Long-Term Property Management Plan

RECOMMENDATION:

The City Attorneys' Office recommends that the Successor Agency adopt the attached First Amended and Restated Long-Term Property Management Plan

BACKGROUND:

Health & Safety Code Section 34191.5 requires the Successor Agency (Successor Agency) to the Community Redevelopment Agency of the City of Hanford (RDA) to prepare a Long-Range Property Management Plan (LRPMP) for the RDA's remaining real property assets. Through the LRPMP, the Successor Agency is to inventory the RDA's remaining real estate assets and set forth a plan to dispose of such assets.

The Successor Agency and Oversight Board previously reviewed and approved the LRPMP, which was submitted to the California Department of Finance (DOF) for review. The DOF reviewed the LRPMP and advised the Successor Agency that the LRPMP needs to be revised to indicate how the Successor Agency will utilize/dispose of the proceeds generated by the sale of the RDA's remaining real estate.

The LRPMP has been modified to state that any sales proceeds that are not needed to pay enforceable obligations shown on a Recognized Obligation Payment Schedule approved by the Oversight Board will be paid to the Kings County Auditor-Controller for distribution to the taxing agencies in accordance with AB 1484. Such payment to the County Auditor-Controller will occur within ten (10) business days of the Successor Agency's receipt of such money following the close of each escrow.

The LRPMP has also been revised to update the status of pending sales.

Since changes have been made to the LRPMP, the revised document is being called the First Amended and Restated Long-Range Property Management Plan.

Redline and clean drafts of the First Amended and Restated Long-Range Property Management Plan are attached. The redline draft identifies the changes that were made to the LRPMP that was previously approved by the Successor Agency.

FISCAL IMPACT:

ATTACHMENTS:

Description

- ☐ [Redline First Amended and Restated Long-Range Property Management Plan](#)
- ☐ [First Amended and Restated Long-Range Property Management Plan](#)

**SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF HANFORD**

**FIRST AMENDED AND RESTATED
LONG-TERM PROPERTY MANAGEMENT PLAN**



February __, 2014 ~~September 19, 2013~~

Prepared by:

Griswold, LaSalle, Cobb, Dowd & Gin, L.L.P.
111 E. Seventh St.
Hanford, CA 93230
Phone: (559) 584-6656

for

The Successor Agency to the Community Redevelopment Agency of the City of Hanford

Historical Background

At the time of its dissolution, the Community Redevelopment Agency of the City of Hanford (RDA) held real estate assets. The RDA's remaining real estate holdings, which are reflected on the attached spreadsheet, were acquired through a May 2000 purchase from Pirelli Tire Company (Pirelli) and a December 2009 purchase from Edward M. Hill (Hill). The land acquired from Pirelli and Hill was undeveloped. Approximately 17.99 acres of the land acquired from Pirelli remain unsold, and all 110 acres of the land purchased from Hill remain unsold. The remaining real estate is identified on the spreadsheet and map attached hereto as Exhibits "A" and "B," respectively, which are incorporated herein by reference.

The RDA improved the land acquired from Pirelli by constructing infrastructure improvements, including roads, curbs, and gutters.

The land purchased from Hill remains unimproved and is subject to a farm lease that expires on December 31, 2014.

The remaining saleable land was appraised by Simon Company, Inc. (Simon). Copies of the appraisal reports are attached to this Long-Term Property Management Plan as Exhibit "C" and are incorporated herein by reference.

Liquidation Plan

The City of Hanford, as Successor Agency (SA) to the RDA, will sell the RDA's remaining saleable real estate.

Pitman Family Farms (Pitman) has submitted a \$2,750,000.00 offer for the 110 acres of land that the RDA purchased from Hill (APNs 018-242-007, 013, and 020), which is equal to the appraised value reflected in the Simon Appraisal Report for that property. The Pitman family later decided to acquire the 110 acres through one of its other businesses, Bel's Poultry (BP). A Purchase & Sale Agreement was prepared and was approved by the Oversight Board (OB). The SA will prepare a Purchase & Sale Agreement for review and approval by the Oversight Board prior to execution by the SA. Should the Pitman transaction fail to close, the SA will market the property. BP signed the approved Purchase & Sale Agreement. The sale will move forward once this First Amended and Restated Long-Range Property Management Plan is approved by the OB and the California Department of Finance (DOF). Should the BP transaction fail to close, the SA will market the property.

APN 018-242-073 consists of 0.51 acres and is a narrow rectangular strip that is 35 feet in width. The property was originally designed to provide access between Idaho Avenue and the southeastern corner of the property currently owned by Tessengerlo Kerley, Inc. (TKI). This property is adjacent to and located east of the former GWF electrical peaker plant facility, which is currently owned by Star West. Burlington Northern Santa Fe Railroad's mainline is located directly east of this property.

The SA contacted TKI and Star West to determine whether either would be interested in purchasing the 0.51 acre property. Star West failed to respond, and TKI has offered \$3,500.00.

The SA ~~will~~ prepared a Purchase & Sale Agreement for sale of the 0.51 acre property to TKI for \$3,500.00, which the OB has approved. ; The sale will move forward once this First Amended and Restated Long-Range Property Management Plan is approved by the OB and the DOF, the document will be submitted to the Oversight Board for review and approval prior to execution by the SA. Should the TKI transaction fail to close, the SA will market the property; however, it may prove extremely difficult to locate a party willing to purchase the property due to its significant limitations associated with its small size and narrow configuration.

The Kings Mosquito Abatement District made an offer for APNs 018-242-068 and 069. The SA will present a Purchase & Sale Agreement to the OB for review and approval. The SA will market the property should the transaction with the Kings Mosquito Abatement District fail to close.

~~APN 018-242-069, a 2.56-acre parcel, has been offered to a party that seeks to purchase the property on which Cobalt Safes' facility is located (APN 018-242-070). The SA will prepare a Purchase & Sale Agreement for the OB's review and approval if the party desires to move forward with the purchase of 018-242-069. If the party is not interested in acquiring the former-RDA property, the land will be marketed.~~

~~APN 018-242-068, a 2.58-acre parcel, has been offered to a party. In addition, 2.5 acres of APN 018-242-067, a 9.81-acre parcel, have been offered to the same party since it seeks a total of approximately 5 acres. The SA will prepare a Purchase & Sale Agreement for the OB's review and approval prior to execution by the SA. If the party elects not to proceed, the property will be marketed.~~

~~The portion of APN 018-242-067 is not currently subject to negotiations and not purchased by the party referenced in the immediately preceding paragraph~~ will be marketed for sale.

The SA will utilize the Kings Economic Development Corporation (KEDC) to market the property which is not currently subject to offers or negotiations and for properties that are currently subject to negotiations which ultimately do not result in sale. KEDC is familiar with the land formerly owned by the RDA since KEDC assisted with the RDA in marketing land within the Kings Industrial Park. In exchange for its services, KEDC will, at the close of each escrow, be paid compensation equal to four percent (4%) of the sales price of each property sold as a result of KEDC's efforts. The SA will present a draft Marketing Agreement, through which KEDC will provide services and receive compensation, to the OB for review and approval. The SA will seek to hire a real estate agent to market any real property remaining unsold and which is not subject to negotiations as of December 31, 2014. The realtor's Listing Agreement will be submitted to the OB for review and approval prior to execution by the SA.

All proceeds generated by the sale of the RDA's real estate that are not needed to pay an Enforceable Obligation set forth in an OB-approved Recognized Obligation Payment Schedule will be paid to the Kings County Auditor-Controller for distribution to the taxing agencies in accordance with applicable RDA dissolution statutes. Such payment to the Kings County Auditor-Controller will occur within ten (10) business days of the SA's receipt of sales proceeds from a closed sale.

APN 018-242-071, a 2.53 acre parcel, consists of a public storm drain basin for runoff from public roads within the Kings Industrial Park. Ownership of this parcel will be transferred to the City of Hanford per Health & Safety Code Section 34181 since the parcel is used for a governmental purpose.

**SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF HANFORD**

***FIRST AMENDED AND RESTATED
LONG-TERM PROPERTY MANAGEMENT PLAN***



February __, 2014

Prepared by:

Griswold, LaSalle, Cobb, Dowd & Gin, L.L.P.
111 E. Seventh St.
Hanford, CA 93230
Phone: (559) 584-6656

for

The Successor Agency to the Community Redevelopment Agency of the City of Hanford

Historical Background

At the time of its dissolution, the Community Redevelopment Agency of the City of Hanford (RDA) held real estate assets. The RDA's remaining real estate holdings, which are reflected on the attached spreadsheet, were acquired through a May 2000 purchase from Pirelli Tire Company (Pirelli) and a December 2009 purchase from Edward M. Hill (Hill). The land acquired from Pirelli and Hill was undeveloped. Approximately 17.99 acres of the land acquired from Pirelli remain unsold, and all 110 acres of the land purchased from Hill remain unsold. The remaining real estate is identified on the spreadsheet and map attached hereto as Exhibits "A" and "B," respectively, which are incorporated herein by reference.

The RDA improved the land acquired from Pirelli by constructing infrastructure improvements, including roads, curbs, and gutters.

The land purchased from Hill remains unimproved and is subject to a farm lease that expires on December 31, 2014.

The remaining saleable land was appraised by Simon Company, Inc. (Simon). Copies of the appraisal reports are attached to this Long-Term Property Management Plan as Exhibit "C" and are incorporated herein by reference.

Liquidation Plan

The City of Hanford, as Successor Agency (SA) to the RDA, will sell the RDA's remaining saleable real estate.

Pitman Family Farms (Pitman) has submitted a \$2,750,000.00 offer for the 110 acres of land that the RDA purchased from Hill (APNs 018-242-007, 013, and 020), which is equal to the appraised value reflected in the Simon Appraisal Report for that property. The Pitman family later decided to acquire the 110 acres through one of its other businesses, Bel's Poultry (BP). A Purchase & Sale Agreement was prepared and was approved by the Oversight Board (OB). BP signed the approved Purchase & Sale Agreement. The sale will move forward once this First Amended and Restated Long-Range Property Management Plan is approved by the OB and the California Department of Finance (DOF). Should the BP transaction fail to close, the SA will market the property.

APN 018-242-073 consists of 0.51 acres and is a narrow rectangular strip that is 35 feet in width. The property was originally designed to provide access between Idaho Avenue and the southeastern corner of the property currently owned by Tessengerlo Kerley, Inc. (TKI). This property is adjacent to and located east of the former GWF electrical peaker plant facility, which is currently owned by Star West. Burlington Northern Santa Fe Railroad's mainline is located directly east of this property.

The SA contacted TKI and Star West to determine whether either would be interested in purchasing the 0.51 acre property. Star West failed to respond, and TKI has offered \$3,500.00.

The SA prepared a Purchase & Sale Agreement for sale of the 0.51 acre property to TKI for \$3,500.00, which the OB has approved. The sale will move forward once this First Amended and Restated Long-Range Property Management Plan is approved by the OB and the DOF. Should the TKI transaction fail to close, the SA will market the property; however, it may prove extremely difficult to locate a party willing to purchase the property due to its significant limitations associated with its small size and narrow configuration.

The Kings Mosquito Abatement District made an offer for APNs 018-242-068 and 069. The SA will present a Purchase & Sale Agreement to the OB for review and approval. The SA will market the property should the transaction with the Kings Mosquito Abatement District fail to close.

APN 018-242-067 is not currently subject to negotiations and will be marketed for sale.

The SA will utilize the Kings Economic Development Corporation (KEDC) to market the property which is not currently subject to offers or negotiations and for properties that are currently subject to negotiations which ultimately do not result in sale. KEDC is familiar with the land formerly owned by the RDA since KEDC assisted with the RDA in marketing land within the Kings Industrial Park. In exchange for its services, KEDC will, at the close of each escrow, be paid compensation equal to four percent (4%) of the sales price of each property sold as a result of KEDC's efforts. The SA will present a draft Marketing Agreement, through which KEDC will provide services and receive compensation, to the OB for review and approval. The SA will seek to hire a real estate agent to market any real property remaining unsold and which is not subject to negotiations as of December 31, 2014. The realtor's Listing Agreement will be submitted to the OB for review and approval prior to execution by the SA.

All proceeds generated by the sale of the RDA's real estate that are not needed to pay an Enforceable Obligation set forth in an OB-approved Recognized Obligation Payment Schedule will be paid to the Kings County Auditor-Controller for distribution to the taxing agencies in accordance with applicable RDA dissolution statutes. Such payment to the Kings County Auditor-Controller will occur within ten (10) business days of the SA's receipt of sales proceeds from a closed sale.

APN 018-242-071, a 2.53 acre parcel, consists of a public storm drain basin for runoff from public roads within the Kings Industrial Park. Ownership of this parcel will be transferred to the City of Hanford per Health & Safety Code Section 34181 since the parcel is used for a governmental purpose.

Exhibit “A”

FIRST AMENDED AND RESTATED LONG-RANGE PROPERTY MANAGEMENT PLAN

Exhibit "A"

		Kings County APN						
		018-242-067	018-242-068	018-242-069	018-242-071	018-242-072	018-242-073	018-242-007, 013, and 020
H&S Sec. 34191.5(c)(1)(A)	Date of Acquisition	5/5/2000	5/5/2000	5/5/2000	5/5/2000	5/5/2000	5/5/2000	12/16/2009
	Value at Acquisition	\$ 105,975.81	\$ 27,871.31	\$ 27,655.26	\$ 27,331.17	\$ 7,560.00	\$ 5,509.45	\$ 1,650,000.00
	Estimated Current Value	\$ 345,000.00	\$ 75,000.00	\$ 75,000.00	\$ -	Sold for \$25,200 ³	\$ 3,500.00 ⁴	\$ 2,750,000.00
H&S Sec. 34191.5(c)(1)(B)	Purpose of Acquisition	Build Infrastructure and Sell to Industrial Developer	Build Infrastructure and Sell to Industrial Developer	Build Infrastructure and Sell to Industrial Developer	Government purpose storm drain basin	Build Infrastructure and Sell to Industrial Developer	Build Infrastructure and Sell to Industrial Developer	Build Infrastructure and Sell to Industrial Developer
H&S Sec. 34191.5(c)(1)(C)	Lot Size ¹	9.81 ac.	2.58 ac.	2.56 ac.	2.53 ac.	0.84 ac.	0.51 ac.	110 ac.
	Current Zoning	Heavy Industrial (HI)	Heavy Industrial (HI)	Heavy Industrial (HI)	Heavy Industrial (HI)	Heavy Industrial (HI)	Heavy Industrial (HI)	Heavy Industrial (HI)
H&S Sec. 34191.5(c)(1)(D)	Estimated Current Value	\$ 345,000.00	\$ 75,000.00	\$ 75,000.00	\$ -	Sold for \$25,200	\$ 3,500.00 ⁴	\$ 2,750,000.00
	Appraisal Information Available	Yes, appraisal obtained 8/27/13.	Yes, appraisal obtained 8/8/13.	Yes, appraisal obtained 8/8/13.	N/A	No	Yes, appraisal obtained 8/27/13	Yes, appraisal obtained 8/8/13.
H&S Sec. 34191.5(c)(1)(E)	Estimated Revenue Generated	None	None	None	None	N/A	None	\$16,000/yr. from agricultural lease ²
	Contractual Requirements for Disposition of Funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A

FIRST AMENDED AND RESTATED LONG-RANGE PROPERTY MANAGEMENT PLAN

Exhibit "A"

		Kings County APN						
		018-242-067	018-242-068	018-242-069	018-242-071	018-242-072	018-242-073	018-242-007, 013, and 020
H&S Sec. 34191.5(c)(1)(F)	History of Environmental Contamination	None	None	None	None	None	None	Preexisting Phase I environmental report was received from prior owner during the RDA's negotiations to purchase the property. The report disclosed the existence of a 55 gallon drum and soil staining and distressed vegetation near the drum. The RDA asked the prior owner to remove the drum and stained soil prior to the RDA's acquisition of the property..
	Enviornmental Studies	Phase I and II reports prepared when property purchased	Phase I and II reports prepared when property purchased	Phase I and II reports prepared when property purchased	Phase I and II reports prepared when property purchased	Phase I and II reports prepared when property purchased	Phase I and II reports prepared when property purchased	
H&S Sec. 34191.5(c)(1)(G)	Potential for Transit-Oriented Development	None	None	None	None	None	None	None
H&S Sec. 34191.5(c)(1)(H)	History of Previous Development Proposals and Activity	No proposals; RDA constructed infrastructure improvements.	No proposals; RDA constructed infrastructure improvements.	No proposals; RDA constructed infrastructure improvements.	Government purpose storm drain basin	No proposals; RDA constructed infrastructure improvements.	No proposals; RDA constructed infrastructure improvements.	No proposals; property remains unimproved.

FIRST AMENDED AND RESTATED LONG-RANGE PROPERTY MANAGEMENT PLAN

Exhibit "A"

		Kings County APN						
		018-242-067	018-242-068	018-242-069	018-242-071	018-242-072	018-242-073	018-242-007, 013, and 020
H&S Sec. 34191.5 (c)(2)	Address Use/Disposition of Remaining Properties	2.5 ac. of the 9.81 property has been offered to the party interested in 018-242-068, with the remainder of the parcel to be marketed.	SA negotiating with interested party.	Property is being offered to an interested party.	Property is used for governmental purposes, to wit: a storm drainage basin for street runoff. The Parcel will be transferred to the City of Hanford per Health & Safety Code Section 34181.	Sold	\$3,500 offer pending.	\$2,750,000 offer pending

Footnotes

¹ APNs 017-242-067, 068, 069, 071, and 072 and 073 were purchased as part of a larger 97.1 ac. property. The purchase price for the 97.1 ac. property was \$9,000/ac.

² Agricultural lease term for APNs 018-242-007, 013, and 020 commenced on January 1, 2013 and expires on December 31, 2014.

³ APN 018-242-072 was sold on 7/31/13 on terms approved by the Successor Agency and Oversight Board.

⁴ This property consists of 0.51 acres that is 35 feet in width. The parcel was originally designed to provide access between Idaho Ave. and the southeast corner of the property currently owned by Tessenderlo Kerley, Inc. (TKI). The adjacent property directly to the west is owned by Star West, the company that purchased the electrical peaker plant originally constructed by GWF. The BNSF Railroad mainline is located directly east of the subject property. TKI and Star West were contacted regarding their potential interest in purchasing the 0.51 acre property. TKI has offered \$3,500.00 and Star West failed to respond to the Successor Agency regarding Star West's interest in the property. The appraisal prepared by Simon Company identifies an estimated value of \$15,000.00 based upon the value of surrounding properties that are zoned Heavy Industrial; however, the property's small size and narrow configuration prevent it from being used as a independent, stand-alone Heavy Industrial property, which severely limits the marketability of the parcel.

Exhibit “B”

KINGS COUNTY ASSESSOR'S MAP

SEC'S. 13 & 14-19-21

18-24

**FIRST AMENDED AND RESTATED LONG-RANGE
PROPERTY MANAGEMENT PLAN
EXHIBIT "B"**

RDA owned 007, 013, and 020.
Pitman Family Farms has
offered \$25,000/ac.
(\$2,750,000) for the 110 acres.

072 was sold to Tessenlerlo
Kerley, Inc. The sale was
approved by the Oversight
Board.

071 is owned by a Cobalt
Safes. This parcel was not
owned by the RDA at the time
of dissolution.

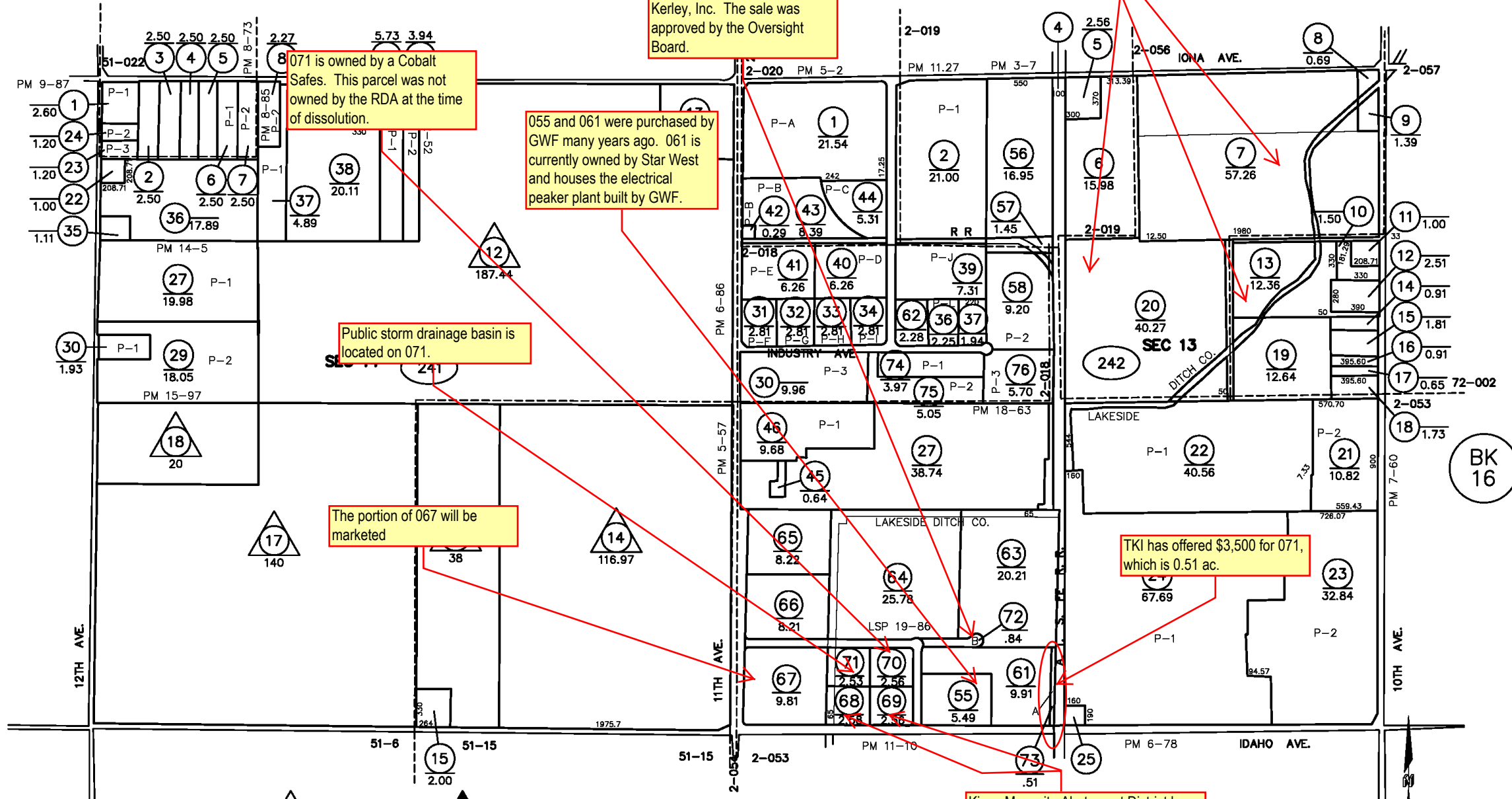
055 and 061 were purchased by
GWF many years ago. 061 is
currently owned by Star West
and houses the electrical
peaker plant built by GWF.

Public storm drainage basin is
located on 071.

The portion of 067 will be
marketed

TKI has offered \$3,500 for 071,
which is 0.51 ac.

Kings Mosquito Abatement District has
made an offer for 068 and 069 and a
Purchase & Sale Agreement will be
prepared for OB review.



LAND PRESERVE



NON-RENEWAL

BK
28

BK
16

Exhibit “C”

APPRAISAL REPORT

9.81 ACRE INDUSTRIAL LOT, HANFORD CA



AS OF AUGUST 27, 2013

PREPARED FOR:

GRISWOLD LASALLE COBB DOWD & GIN, LLP
111 EAST SEVENTH STREET
HANFORD, CA 93230

SIMON COMPANY, INC.
1306 NORTH IRWIN STREET
HANFORD, CA 93230

PHONE: (559) 582-9112
FAX: (559) 582-9114
WWW.SIMONCO.NET

APPRAISAL REPORT	
Client:	Griswold, Lasalle, Cobb, Dowd & Gin, LLP 111 East Seventh Street Hanford, CA 93230
Date of Report:	August 30, 2013
Subject Property:	9.81 Acre Industrial Lot, Hanford CA
Intended User:	Griswold, Lasalle, Cobb, Dowd & Gin, LLP & the City of Hanford
Intended Use:	To develop a market value for possible sale of the property
Objective of the Assignment:	To develop an opinion of "Market Value." The definition of <i>market value</i> was taken from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. This same definition is also cited in Advisory Opinion 22 of the current version of the Uniform Standards of Professional Appraisal Practice (USPAP).
Effective Date of Value Opinion:	August 27, 2013 (date of inspection)
Interest Valued:	Fee simple
Conditions of the Assignment:	None
Extraordinary Conditions:	None
Hypothetical Conditions:	None
Report Option:	This is a Summary Appraisal Report in accordance with Standards 2-2 (b) of the Uniform Standards of Professional Appraisal Practice.
Opinion of Value:	\$345,000

Table of Contents

Scope of Work	2
Market Analysis	3
City of Hanford	3
Kings Industrial Park Sub-Market	7
Site Description.....	10
Parcel Map	11
Valuation.....	12
Highest & Best Use.....	12
Land Valuation.....	12
Exposure Time.....	14
Addenda	15
Certification	15
Basic Assumptions & Limiting Conditions	16
Exhibits	18
Qualifications of Timothy J. Simon, MAI	19

SCOPE OF WORK

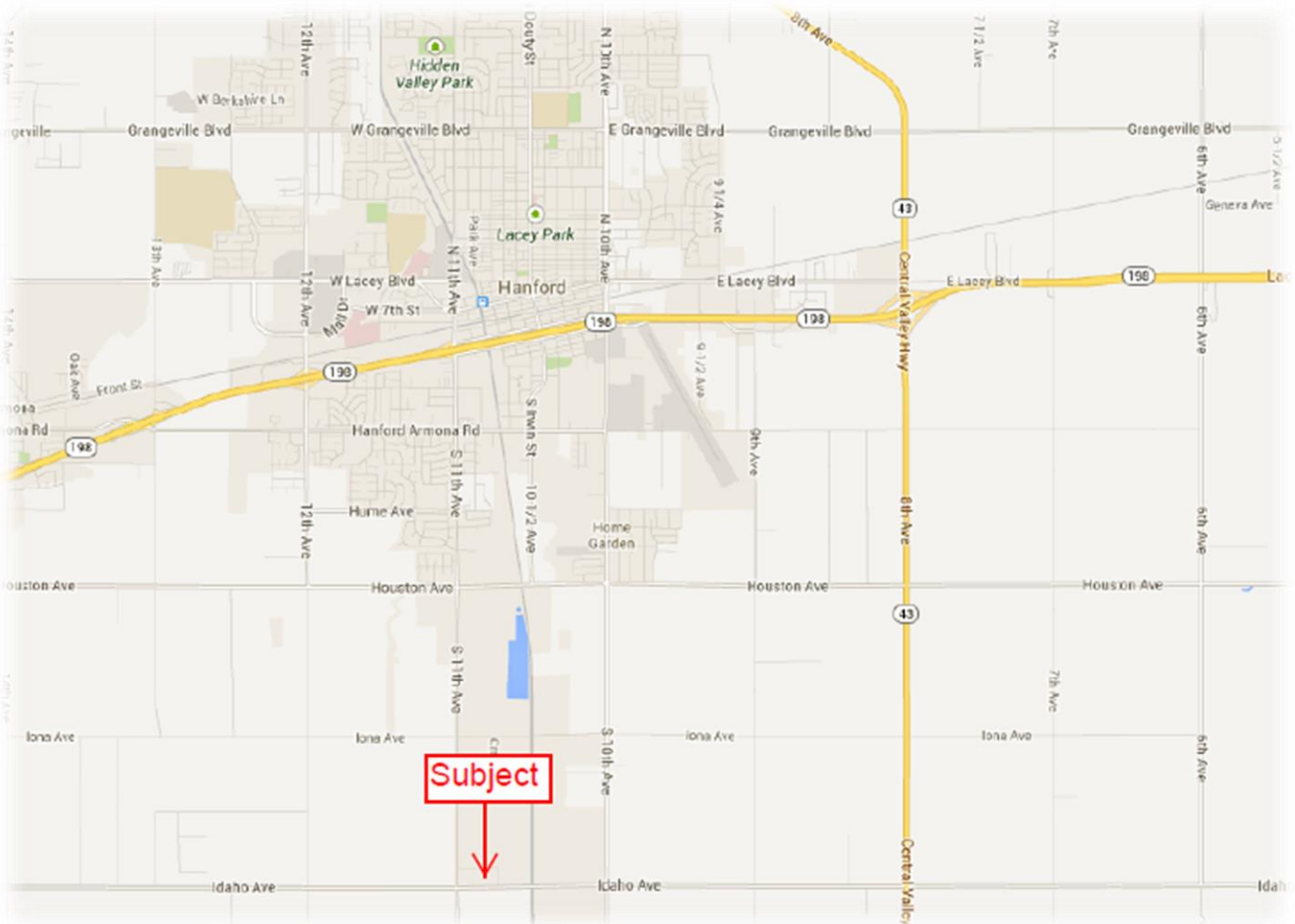
- The subject site was viewed by the appraiser.
- Gathered, analyzed and utilized comparable sales and listings; all sales were confirmed with reliable parties involved in the transactions.
- The sales comparison approach was utilized to value the subject.
- Jacob I. Hower participated in the preparation of this report in the areas of research, field inspection and analysis.

MARKET ANALYSIS

CITY OF HANFORD



Located in the northeast portion of the county, the City of Hanford is the county seat for Kings County. The city is generally bounded by State Route 43 to the east, Flint Avenue to the north, 13th Avenue to the west and Houston Avenue to the south.



The City of Hanford has experienced a steady growth rate over the last five years and is expected to continue growing at rate near the statewide average. The five year growth trend represents a 1.80% per year increase. This is near the State of California Average of 1.90% over the same timeframe. Overall projections suggest 2%-3% yearly increases in population over the next 10 years, which will increase demand for housing.

5 Year Population Trend

2006	48,744
2007	50,459
2008	51,965
2009	52,687
2010	53,967
2013 Projection	56,552
2020 Projection	70,177
5-Year Annual Growth Rate	10.21%

The State of California prisons in Corcoran, Coalinga and Avenal have had a strong impact on the population trends in Hanford. Hanford has attracted a large percentage of this workforce. Most of the workforce is commuters who choose to live outside the prison cities. All three are within one hour of Hanford. The same can be said for the Lemoore Naval Air Station, which is 15 miles west. Hanford attracts a number of the civilian employees and the active duty personnel.

Another large employment draw locally is the Pleasant Valley State Prison in Coalinga, which opened in 2005. The mental health and treatment hospital was slated to include 1.2 million square feet with a total of 1,500 beds.

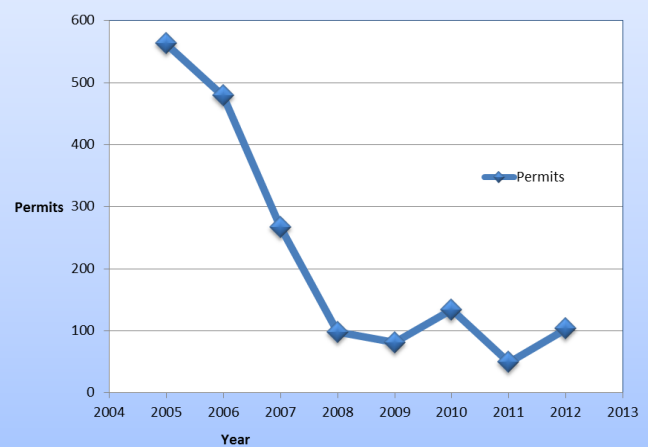
This facility was further expanded in 2006 with the expansion slated to add 2,000 jobs. The facility has a significant presence in terms employment.

According to the Kings County Multiple Listing Service, the average sale price for a three-bedroom single-family residence in the City of Hanford for 2012 was \$155,249. For the first two quarters of 2013 the residential housing market has continued its climb to an average sales price of \$162,239. In contrast the 2011 average home sales price was \$154,125. A slight gain in sales price and minimal construction should continue to support stabilized values with moderate gains over the next decade. While there is still activity in regards to construction of single family residences, activity has slowed drastically in the last five years. The number of annual permits has been hovering between 50 and 125 per year since 2008.

There are many apartment options available from subsidized rent levels to the luxury segment. A significant decline in building permits for multi-family properties has also been seen. Only 52 Units have been added to the Hanford market in the last four years. Fuller Apartments has a planned 136 unit apartment complex approved by the city of Hanford to be built near the Lowe's on Lacey Boulevard; however construction has been stifled by economic conditions.

The median income for Hanford is \$48,655. By contrast, the average for Kings County is \$48,515, both of which are below the State of California average of \$64,878 annually.

City of Hanford SFR Building Permit Activity



The average unemployment rate for the City of Hanford as of February 2013 was 13.7%, which has been on a relatively steady increase since 2009 but appears to be leveled out.

There are 18 manufacturing plants in the Hanford community area. Leading group classes of products are petroleum, flour, mill products, synthetic yard, fertilizers, micronutrients, and canned tomato products. The Kings Industrial Park is located on the south side of Hanford and includes the majority of Hanford's industrial base including Del Monte Foods (Contadina tomato processing), Exopack (paper manufacturing), Wal-Mart (photo-lab), Cargil (livestock feed), Calcot (cotton storage), and Marquez Brothers (cheese processing).

The Hanford area is served by the Burlington Northern and Santa Fe Railroad, the Southern Pacific Railroad, and Amtrak. Amtrak San Joaquin serves the San Joaquin Valley from Bakersfield to Sacramento with connections to the Los Angeles region and the Bay Area. Hanford has a small airport for light private aircraft. In October 2001, the city of Hanford received a grant from the FAA for \$820,000 to facilitate an expansion of the airport. The runway was extended 1,200 feet, making it 5,000 feet. Commercial airline service is available in the city of Visalia, approximately 30 miles east of Hanford, and in the city of Fresno, approximately 45 miles northeast of Hanford. The Orange Belt bus lines provide bus service to Hanford. State Highways 198 and 43 serve the city of Hanford. Over 30 motor freight carriers service Hanford with overnight deliveries to most points in California.

Community facilities include two general hospitals, ten elementary schools, three middle schools, three high schools, one continuation school, three parochial schools, one adult school, two junior colleges within 25 miles, and California State University of Fresno only 30 miles to the north. Sierra Pacific High School was recently opened and enrollment began in fall of 2010. A satellite facility for College of the Sequoias and a vocational training center was also recently completed in 2010.

Culturally there are approximately 20 churches, one public library, two newspapers, six TV channels received direct and one cable TV system, nine banks, four credit unions, one savings and loan, six parks, three athletic complexes, and a Carnegie Museum. Other recreational facilities include the Kings Country Fairgrounds including Kings Speedway, one private 18-hole country club, two 18-hole municipal golf courses in neighboring Lemoore; and boating, fishing and hunting along the Kings River.

There is a newer, \$112 million medical center at the corner of Mall Drive and West 7th Street. The project began in 2007 due to the region's growing demand for health care services. The facility includes 202,000 square feet, three-stories, and 142-beds. Services from Adventist Health's Hanford Community Medical Center and Central Valley General Hospital in town have transferred to the new site. The 142 inpatient beds will include 120 medical/surgical beds and 22 intensive care unit beds, while the Emergency Department will hold 26 treatment stations. In addition, 32,000 square feet in additional expansion area will be shelled in on the second and third floors to house a total of 60 future additional beds when needed. An adjacent outpatient imaging center is also planned. In terms of staffing, hospital hired about 16 new physicians in 2007 and 18 for 2008. About one third of those typically work in Hanford, with the remainder

being spread out in the regional area at other facilities. The hospital intends to hire about 10 new physicians per year as it continues to expand. Nursing staff should be increased by about 10%.

One of the reasons Hanford is attracting a number of workers from neighboring communities is the quality of life and availability of shopping and services. The Hanford Mall opened in April 1993 and features major retailers such as JC Penney, and Forever 21. A Sears store and auto center opened in 1999. A Ross Dress For Less store in the mall in 2000. The mall includes an additional 166,000 square feet of in-line space including an eight-screen theater. The mall was recently dealt a blow when long time tenant Mervyn's and Gottschalks closed. The Gottschalk's store was recently re-leased to Forever 21 and Kohl's is currently occupying the former Mervyn's space.

Major discount retailers are also present including Wal-Mart and Orchard Supply Hardware, two Rite Aid Stores and a Walgreens store. Home Depot is located at the northeast corner of 12th Avenue and Lacey Boulevard. The 96,000 square foot store employs 150 to 200 people. Target has a store in the Mall area along with Michael's, Famous Footwear, Old Navy, PetsMart Cold Stone Creamery, and Jamba Juice can also be found at this location. Wal-Mart recently opened a new super center just south of the Target site. A Lowe's store opened in November 2008 northwest of Target on Lacey Boulevard. An auto mall was completed on 37 acres at the northwest quadrant of 12th Avenue and State Highway 198. A Toyota and Hyundai dealership were the first to open. Costco is also planning a new location near the intersection of Highway 43 and Lacey Boulevard in eastern Hanford.

The majority of office space in Hanford is owned and occupied by owner-users. The strong owner-user influence promotes elevated pricing when good quality properties become available. Brokers report multiple offers to be common once a property becomes available; only a handful of quality office properties become available each year. There is some office vacancy present in the downtown area but the majority of the vacancies are in older commercial buildings that feature retail users on the ground levels and office users on the upper levels.

Nearly all of the new office development has moved to the Lacey Boulevard corridor west of 11th Avenue. The downtown district has seen several new developments recently. The vacant Sears building was purchased and completely renovated for office uses. It is anchored by FAST credit union with Kings County also having an office there. A brand new office building was completed for the Social Security Administration near city hall. One of the centerpieces of downtown, the former Hanford Furniture building, was purchased by the law firm of Griswold, LaSalle, Cobb, Dowd and Gin. It was renovated as their new office space. As a whole the Hanford office market is strong with vacancy typically seen in older run down properties.

The long-term outlook for Hanford is positive. It has a diversified economy based on agriculture, manufacturing, and large public sector employers. It has become the health care provider for the region. Over the short term, Hanford and the majority of Kings County is experiencing the after-effects of the housing collapse and job market crisis. Fortunately, home prices have leveled out and are showing strong gains supported by limited supply. The commercial sector remains slow but stable. Critical to continued recovery will be improvements in unemployment. The effects of this should be experienced into 2014.

KINGS INDUSTRIAL PARK SUB-MARKET

The subject property is located in the southern portion of the City of Hanford. More specifically, the subject is situated on the northern line of Idaho Avenue east of 11th Avenue. This location is near the southern line of the city limits. Houston Avenue and State Route 198 are Hanford's main east-west arterials through this sector. Both intersect with Highway 43 roughly two miles to the east. State Route 198 and Houston Avenue provide linkage to Highway 99 roughly 13 miles east and Highway 41 roughly 10 miles west. Major north-south arterials include 10th and 11th Avenues, which provide access to the central portion of the City of Hanford and State Route 198.

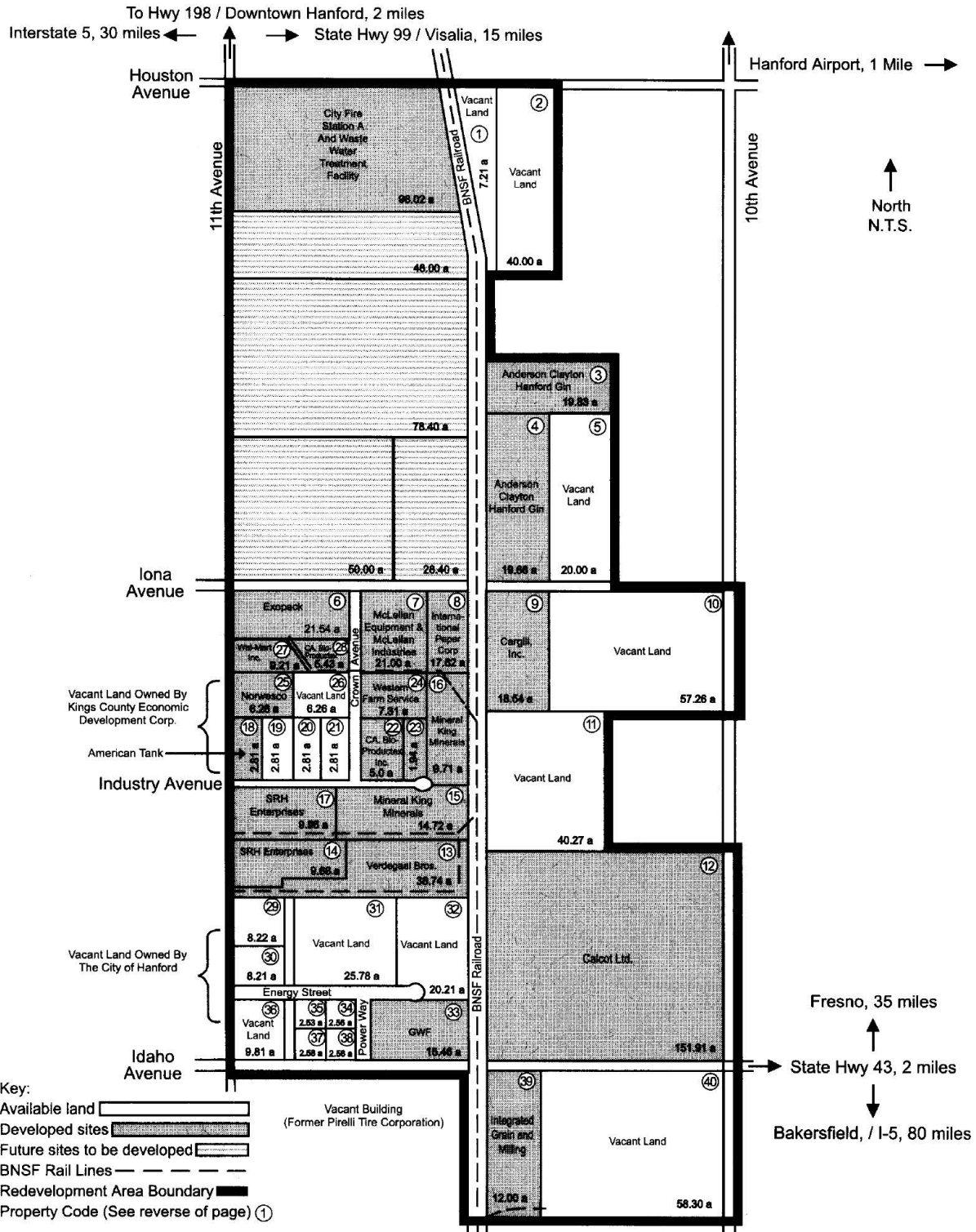
Idaho Avenue is a rural roadway with lighter traffic. It mainly services industrial and agricultural users. Flanking the subject to the west is another vacant parcel zoned for similar uses. To the north are numerous industrial and Ag related businesses. South of Idaho is a large multitenant distribution warehouse, and to the east is a power plant.

The Kings Industrial Park houses some 1,100 acres and the majority of Hanford's industrial base is located within this sector. Exopack, Cargill, Norwesco, Verdeegal Brothers, Wal-Mart and Calcot all have locations within the park. The former Pirelli Tire Plant was purchased by an investor and is offered for lease. Fry's Electronics has been leasing a building for roughly three years and only recently announced that the site would start being utilized as a large warehouse and storage area. One of the most recent developments is a land purchase by Tessengerlo-Kerley Inc., an Arizona based engineering and mining firm. The site has been laser leveled.

In a broader sense, much of the surrounding area to the east, south and west of the industrial park is used primarily for agricultural purposes. Typical crops include alfalfa, corn, cotton, sugar beets, tomatoes and wheat. Dairies are also prevalent. Permanent plantings such as almonds, pistachios and walnuts are also common, but not prominent.

In terms of competing industrial districts, the City of Lemoore ten minutes west has a small industrial district with land available. Lemoore has four large users including two Leprino Foods plants, SK Foods, Agraz USA, and GV Burrows Inc. The City of Visalia some 20 minutes to the east represents the most significant competition. It is ideally located at the intersection of State Highway 99 and State Highway 198. Rail access is also present via Union Pacific with branch lines connecting to other communities including Hanford and Lemoore.

Kings Industrial Park - Hanford



*Map provided by the City of Hanford

Visalia, in particular, has positioned itself as a major warehousing hub on the west coast. Over one million square feet of space has been built over the last five years. The primary builders of the new space in Visalia have been the Allen Group and Diversified Development. Several large manufacturing and processing concerns are also positioned in Visalia including International Paper, California Dairies, and Kawneer/Amax.

Tulare also has an active industrial district. Notable users include U.S. Cold Storage, Hagen Daz, Southern California Edison, Land O' Lakes, and the Cheese Protein International. However, the majority of Tulare's recent industrial development has been smaller owner-users.

Market conditions within the Kings Industrial Park have been middling over the past five years. In comparison to competing parks along Interstate 5 or Highway 99, the subject is second rate. Discounted land values, tax incentives and rail spur have attracted some recent business to the area; however, the distance from the two north-south arterial roadways through central California (Highway 99 and Interstate 5) is adverse. In addition, the park is located well south of Highway 198 which is also unfavorable when compared to locations on the Highway.

In summary, the subject is located in an industrial district of average character but below average location. The growth pattern in the industrial park has been fairly static over the past five years and a significant amount of vacant land remains. Slow growth for the Kings Industrial Sector is anticipated over the long-term. Competition from Visalia and Tulare is significant in terms of attracting new users. This trend is not likely to change in the near term.

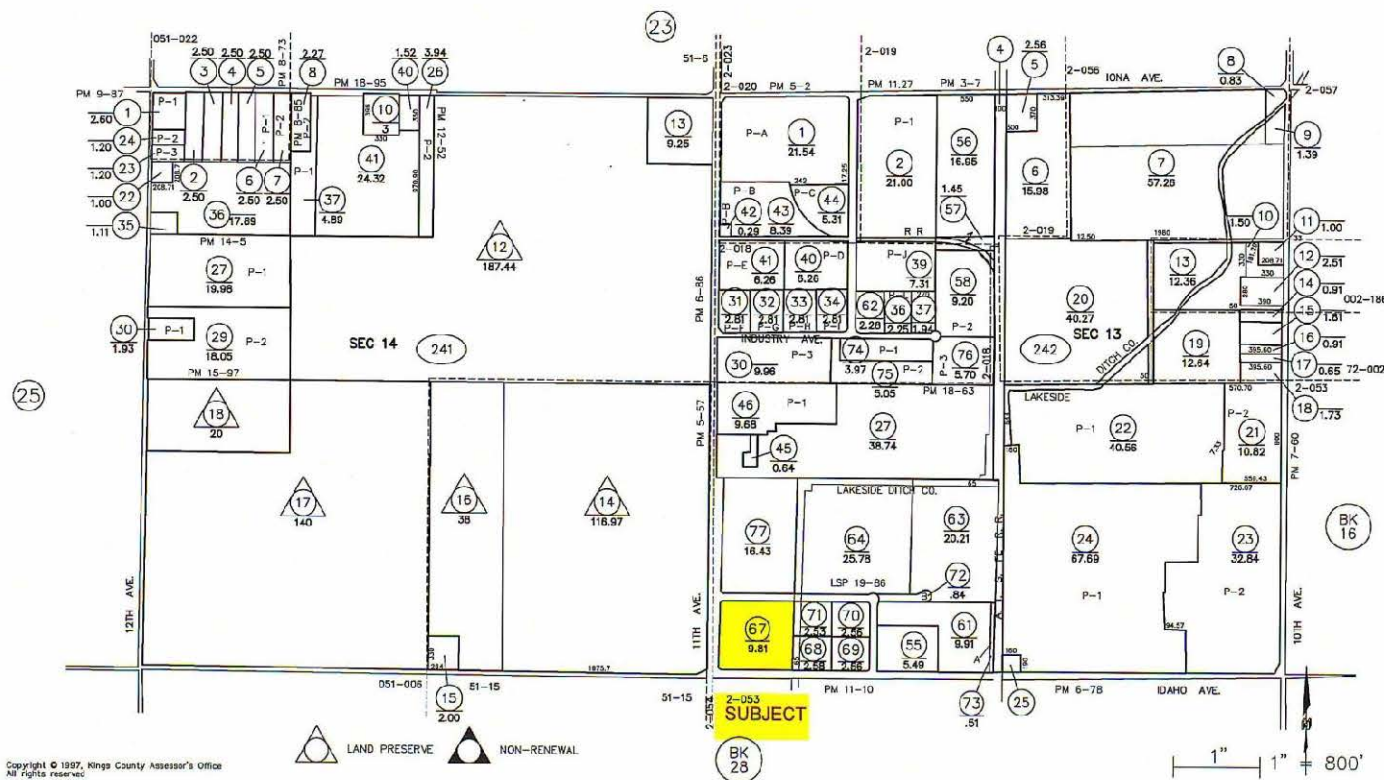
SITE DESCRIPTION

Property History:	The Kings Industrial Park was originally created in 1973 by redevelopment. The original project included 180 acres but was later expanded in 1983 to include an additional 920 acres for a total of 1,100 acres. Roughly 260 acres remain vacant. Fee title is vested as <i>The City of Hanford</i>, according to Kings County public records. There are no public records indicating a sale of the property in the prior three years. The site not currently in escrow but is listed for sale, at a price of about \$30,000-\$35,000 per acre. This property is in a redevelopment area and has numerous city supported incentives for buyers.																								
Site:	<table><tr><td>APN</td><td>018-242-067</td></tr><tr><td>Size</td><td>9.81</td></tr><tr><td>Zoning</td><td>HI</td></tr><tr><td>11th Ave. Frontage</td><td>654’ est.</td></tr><tr><td>Idaho Ave. Frontage</td><td>654’ est.</td></tr><tr><td>Energy Ave. Frontage</td><td>654’ est.</td></tr><tr><td>Rail Frontage</td><td>No</td></tr><tr><td>Off-sites</td><td>Yes</td></tr><tr><td>Plantings</td><td>None</td></tr><tr><td>Terrain</td><td>Near street grade; level topography</td></tr><tr><td>Well</td><td>None Noted</td></tr></table>			APN	018-242-067	Size	9.81	Zoning	HI	11 th Ave. Frontage	654’ est.	Idaho Ave. Frontage	654’ est.	Energy Ave. Frontage	654’ est.	Rail Frontage	No	Off-sites	Yes	Plantings	None	Terrain	Near street grade; level topography	Well	None Noted
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Access:	The parcel has frontage on Energy Avenue, 11th Avenue and Idaho Avenue. All streets are two-lane asphalt paved roadways. The site is maintained by the city and improved with concrete curb and gutter. The Lakeside Ditch runs along the eastern line of the parcel in a north-south direction. Water and sewer are provided by the City of Hanford.																								

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY
IT IS NOT TO BE CONSTRUED AS PORTRAYING
LEGAL OWNERSHIP OF DIVISIONS OF LAND FOR
PURPOSES OF ZONING OR SUBDIVISION LAW.
MAY 2012

KINGS COUNTY ASSESSOR'S MAP
SEC'S. 13 & 14-19-21

18-24



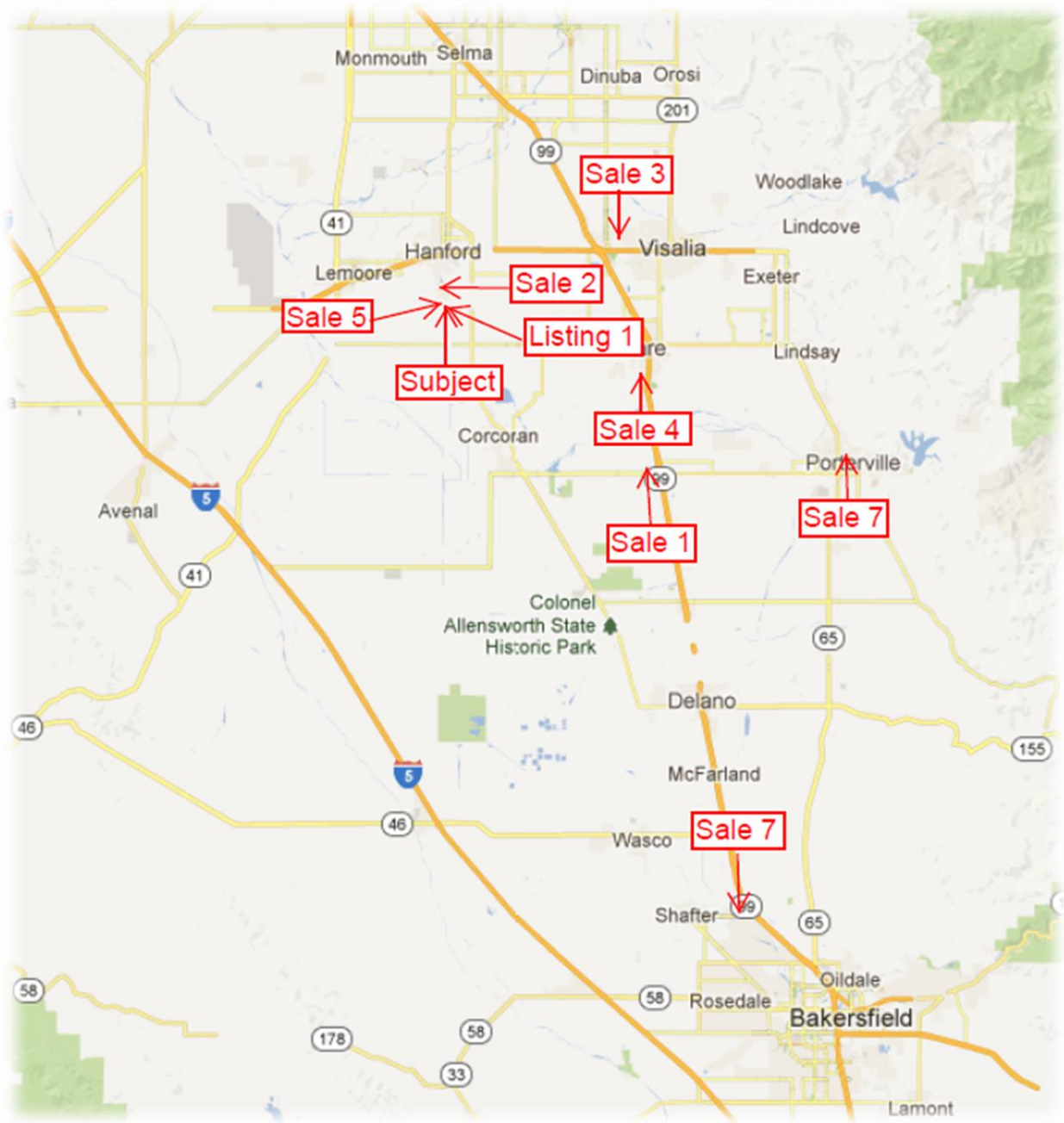
VALUATION

HIGHEST & BEST USE

The zoning allows for a wide range of heavy industrial uses. The site is located within a heavy industrial park and a zoning change is unlikely. The site is of adequate size for heavy industrial development. Consequently, the highest and best use is for heavy industrial development.

LAND VALUATION

LAND SALES									
No.	Location / APN	Sale Date	Sale Price	Price/SF	Price/Acre	Size (ac)	Zoning	Utilities	Off-Sites
1	433 North Westling Road Tipton, CA 228-180-011	Jun-2011 Buyer: Seller:	\$300,000 Garza/Lopez Alsup	\$1.07	\$46,584	6.44	M-1	No	No
2	NS of Industry Ave. E of 11th Ave. Hanford, CA 018-242-032	Jul-2011 Buyer: Seller:	\$80,000 Norwesco Community Redevelopment Agency	\$0.65	\$28,470	2.81	H-I	Yes	Yes
3	SS of Goshen Ave. W of Kelsey St. Visalia, CA 081-110-037	Apr-2012 Buyer: Seller:	\$400,000 Richard & Jamison Bean MDA Real Estate Qualified Fund LLC	\$2.07	\$90,090	4.44	I-L	Yes	Yes
4	SWC of Industrial Ave. & Blackstone St. Tulare, CA 191-330-008; 012	June-2012 Buyer: Seller:	\$300,000 Jack & Jeanette Kimm Deno Vaccher	\$2.26	\$98,619	3.04	M-2	Yes	Yes
5	N. of Idaho east of 11th Ave. Hanford, CA 018-242-064	June-2012 Buyer: Seller:	\$1,380,000 Tessenderlo Kurley Inc. Community Redevelopment Agency	\$0.69	\$30,007	45.99	H-I	Yes	Yes
6	300 Carsten Way Shafter, CA 091-171-32	Jun-2012 Buyer: Seller:	\$690,000 Antonio Citizen's Business Bank	\$1.50	\$65,465	10.54	M-1	Yes	Yes
7	SEC of Main St. & Linda Vista Porterville, CA 243-180-008	Mar-2013 Buyer: Seller:	\$505,660 Immodo California 1 LLC Tevet	\$0.53	\$23,174	21.82	M-1	Yes	No
Listing 1	Subject Property Hanford, CA 018-242-068; 069	Active Buyer: Seller:	\$76,800 ---- Kings EDC	\$0.69	\$30,000	2.56	H-I	Yes	Yes



Our observations of market conditions indicate that adjustments may be required for interest transferred, conditions of sale, market conditions, location, size, zoning, utilities, and off-site improvements. We have rated each sale in the following qualitative adjustment grid.

Sale No. – Price/Acre	Rating – Factors
Sale 1 - \$46,584	Similar – Has off-sites, better located along Hwy 99
Sale 2 - \$28,470	Similar – Similar location, smaller parcel
Sale 3 - \$90,090	Superior– Better location
Sale 4 - \$98,619	Superior– Better location
Sale 5 - \$30,007	Similar – Larger than the subject site
Sale 6 - \$65,456	Superior – Better location along Hwy 99
Sale 7 - \$23,174	Sl. Inferior – Larger but similar location
Listing 1 - \$30,000	Similar – This is the subject parcel

The Kings Industrial Park has several lots listed for sale by the City of Hanford. The properties are offered at a discount with hopes bolster the industrial park and increase employment opportunities. In addition the city offers tax incentives for businesses to re-locate to the area. While these incentives are valuable to securing new businesses to the industrial park, land is sold at a discount and affects surrounding property values.

Sales 1, 2, 5 and 6 are the most comparable sales in terms of size and location. These sales range between \$28,000 and \$65,000 per acre. Sales 2 and 5 are both located within the Kings industrial park. The subject is superior to both of these sales due to its corner orientation with frontage and access from three roadways. Sale 1 did not have any off-sites but did have a good location near Highway 99, making it a superior site. Sale 6 is similar in size but has off-sites and is located near Highway 99. With these factors in mind it would seem reasonable for the subject to be worth slightly more than Sales 2 and 5. The marketing history and asking price of \$30,000 to \$35,000 per acre is also considered. Despite the extended marketing history the lot should command an estimated \$35,000 per acre based on the site characteristics. The value is calculated as follows:

$$9.81 \text{ Acres} \times \$35,000/\text{Acre} = \$343,350 \quad \text{\textbf{\$345,000 (rounded)}}$$

EXPOSURE TIME

We have considered the assumptions and conclusions reached in the valuation section of this report. A review was made of the actual exposure times from the comparable sales data. We examined exposure times contained in investor surveys and interviewed commercial real estate brokers. The age and condition/marketability of the subject was considered. All factors considered an exposure time of six months or less is reasonable for the subject at the appraised value.

ADDENDA

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have made a personal inspection of the property that is the subject of this report.
- Jacob I. Hower provided significant real property appraisal assistance to the person signing this certification in the areas of research, inspection, and analysis. He has made a personal inspection of the subject property.
- I have not performed any services as an appraiser or any other capacity, regarding the property that is the subject of the appraisal assignment within the three-year period immediately preceding acceptance of this assignment.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I (Timothy J. Simon) have completed the continuing education program of the Appraisal Institute.



Timothy J. Simon, MAI
Certified General Real Estate Appraiser
California License AG010007 (Expires 5/7/2015)

BASIC ASSUMPTIONS & LIMITING CONDITIONS

1. No survey was made of the property, and the dimensions are those taken from the maps in the Office of the County Assessor of the County of Kings. This appraisal is not an engineering, legal or architectural study. It is not an examination or survey of any kind. Expertise in these areas is not implied and should not be inferred by the reader.
2. No separation of land and building values may be used for any other purpose than that delineated elsewhere in this report.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to the valuation conclusion, the identity of the appraiser or firm with which it is connected, or any reference to the Appraisal Institute, or to the MAI or SRA designations.
4. No right to expert testimony is included with this report, and the fee for this appraisal does not include payment for pre-trial conferences or taking of depositions.
5. No responsibility is assumed for matters legal in nature.
6. No survey or soil tests of the land have been made by the appraiser.
7. This report and all information contained herein was prepared for the sole and exclusive benefit of the client, as specified herein, and is intended for his use only. No one except the client specified herein may rely on this report for any purpose. Any person or entity who obtained or reads this report, or a copy thereof, other than the client specified herein, expressly assumes all risk of damages to himself or third persons arising out of reliance thereon or use thereof and waives the right to bring any action based on the appraisal, directly or indirectly, and the appraiser shall have no liability to any such person or entity.
8. Possession of this report or any copy thereof does not carry with it the right of publication, nor may the same be used for any purpose by anyone except the appraiser's employer, without the previous written consent of the appraiser, and in any event, only in its entirety.
9. The information and data reported in this appraisal have been obtained from sources that are deemed to be reliable. They are believed to be correct, but cannot be guaranteed by the appraiser. This condition applies generally throughout the appraisal report and specifically to square footage calculations and descriptions of comparable properties.
10. This appraisal report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the appraiser) affecting the analyses, opinions, and conclusions contained in this report.
11. During the course of this appraisal, the appraisers did **not** detect or attempt to discover any environmental hazard on, under, above, or within the subject real estate. No overt evidence of any environmental hazard is apparent to the untrained eye. It is beyond the expertise of the

appraiser to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. No responsibility is assumed by the appraisers or Simon Company, Inc. for any hazard or for any expertise required to discover any environmentally hazardous condition. Our client is urged to retain an expert in this field, if desired.

12. The appraiser is not qualified to determine whether the subject building improvements are in compliance with the American with Disabilities Act (ADA) of 1992. Noncompliance with this act could have a negative effect upon the value of the property. An expert in this field should be retained for consultation, if desired.
13. All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised annually to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.
14. The person signing this report is licensed to appraise real property in the state the subject is located. I affirm I have the experience, knowledge, and education to value this type property. I have previously appraised similar real estate.
15. No liability is assumed, expressed, or implied by Simon Company, Inc., or the appraiser for unauthorized use of this report. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are clearly, specifically, and explicitly identified as an intended user on Page 1 may rely on, and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use, or rely on any portion of this document. Unauthorized users do so at their own risk and peril.

EXHIBITS



View from Idaho Avenue



North view on 11th Avenue

QUALIFICATIONS OF TIMOTHY J. SIMON, MAI

STATE OF CALIFORNIA CERTIFICATION

State of California Office of Real Estate Appraisers - Certified General Real Estate Appraiser. Certificate # AG010007, Expiration May 7, 2015.

PROFESSIONAL AFFILIATIONS

MAI - The Appraisal Institute. Member # 10,157 (October 1993)
1999 President - Central California Chapter
State of California Licensed Real Estate Broker # 01264078

EDUCATION

California State University, Fresno
Bachelor of Science, Industrial Technology - Construction, 1981
The Appraisal Institute (1986-Present)
1A1, Real Estate Appraisal Principles
1A2, Basic Valuation Procedures
1BA, Capitalization Theory and Techniques A
1BB, Capitalization Theory and Techniques B
2-1 Case Studies in Real Estate
2-2, Report Writing and Valuation Analysis
SPP-A, B and C, Standards of Professional Practice
International Right of Way Association
Course 403 Easement Valuation
Course 214 Skills of Expert Testimony
Numerous Appraisal Seminars and Workshops

INSTRUCTOR

Instructor of appraisal classes at College of the Sequoias, a community college located in Visalia, CA. (1994)

PARTIAL LIST OF PROPERTY TYPES APPRAISED

Office Buildings	Industrial Properties	Shopping Centers
Apartment Buildings	Residential Subdivisions	Agricultural Properties
Eminent Domain/Right of Way	Special Purpose Properties	

APPRAISAL EXPERIENCE

American Appraisal Associates Walnut Creek, CA 1981-86
Building cost analyst and real estate appraiser. Clients included numerous corporations, business firms, lending institutions and government agencies.
Wells Fargo Bank Real Estate Industries Group Walnut Creek, CA 1986-88
Staff real estate appraiser. Clientele were medium to large developers for construction lending and permanent financing of existing and proposed construction.
Real Property Analysts Fresno, CA 1988-92
Independent fee appraiser. Proposed and existing income real property. Right of way appraisals for Government agencies.
Simon Company Hanford, CA 1992-Present
Independent fee appraiser, self-employed.

COURT EXPERIENCE

Qualified as an expert witness in Kings and Tulare County Superior Court

PARTIAL LIST OF CLIENTS SERVED

Lending Institutions:

Wells Fargo Bank
Bank of America
Sanwa Bank California
Bank of the West
The California Stockmen's Bank
Imperial Thrift & Loan
Westamerica Bank
Clovis Community Bank
Bank of the Sierra
United Security Bank
Comercia Bank
Stockton Savings Bank
Sacramento State Bank
Goleta National Bank
Kaweah National Bank
Heritage Bank of Commerce
California Federal Bank
Zion First National Bank
Federal Land Bank
Temucula Valley Bank
Kings River Bank
Bank of Visalia

Corporations:

McDonald's Corporation
Chevron USA
Principal Financial
Adventist Health Systems

Law Firms:

Kahn, Soares & Conway – Hanford, CA
Griswold, LaSalle, Cobb, Dowd & Gin – Hanford, CA
Maroot, Hardcastle & Hatherley – Hanford & Visalia, CA
Lazano Smith – Fresno, CA
Horsewill Mederos & Dorman – Tulare, CA

Governmental Agencies:

Kings County
Tulare County
City of Hanford
City of Corcoran
City of Lindsay
City of Porterville
City of Huron
Visalia Redevelopment Agency
Hanford Elementary School District
Pioneer School District
Riverdale Unified School District
Central Unified School District
Island Union School District
College of the Sequoias
West Hills College
Lemoore Unified School District
Sierra Kings District Hospital
Hanford Community Medical Center
California Dept. Of Transportation
Southern California Edison Co.
Southern California Gas Co.
Kings County Water District
Tulare Lake Drainage District
Resolution Trust Company

Accounting Firms:

Brown, Neuman & Semas/Hanford, CA
Gilman, Harris and Travoli/Visalia, CA
M Green and Company/Hanford, Visalia
and Tulare, CA

APPRAISAL REPORT

2.56 & 2.58 ACRE INDUSTRIAL LOTS, HANFORD CA



AS OF AUGUST 8, 2013

PREPARED FOR:

GRISWOLD LASALLE COBB DOWD & GIN, LLP
111 EAST SEVENTH STREET
HANFORD, CA 93230

SIMON COMPANY, INC.
1306 NORTH IRWIN STREET
HANFORD, CA 93230

PHONE: (559) 582-9112
FAX: (559) 582-9114
WWW.SIMONCO.NET

APPRAISAL REPORT	
Client:	Griswold, Lasalle, Cobb, Dowd & Gin, LLP 111 East Seventh Street Hanford, CA 93230
Date of Report:	August 9, 2013
Subject Property:	2.56 & 2.58 Acre Industrial Lots, Hanford CA
Intended User:	Griswold, Lasalle, Cobb, Dowd & Gin, LLP & the City of Hanford
Intended Use:	To develop a market value for possible sale of the properties
Objective of the Assignment:	To develop an opinion of "Market Value." The definition of <i>market value</i> was taken from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. This same definition is also cited in Advisory Opinion 22 of the current version of the Uniform Standards of Professional Appraisal Practice (USPAP).
Effective Date of Value Opinion:	August 8, 2013 (date of inspection)
Interest Valued:	Fee simple
Conditions of the Assignment:	None
Extraordinary Conditions:	None
Hypothetical Conditions:	None
Report Option:	This is a Summary Appraisal Report in accordance with Standards 2-2 (b) of the Uniform Standards of Professional Appraisal Practice.
Opinion of Value:	\$150,000 (\$75,000 per lot)

Table of Contents

Scope of Work	2
Market Analysis	3
City of Hanford	3
Kings Industrial Park Sub-Market	8
Site Description.....	10
Parcel Map	12
Valuation.....	13
Highest & Best Use.....	13
Land Valuation.....	13
Exposure Time.....	15
Addenda	16
Certification	16
Basic Assumptions & Limiting Conditions	17
Exhibits	19
Qualifications of Timothy J. Simon, MAI	20

SCOPE OF WORK

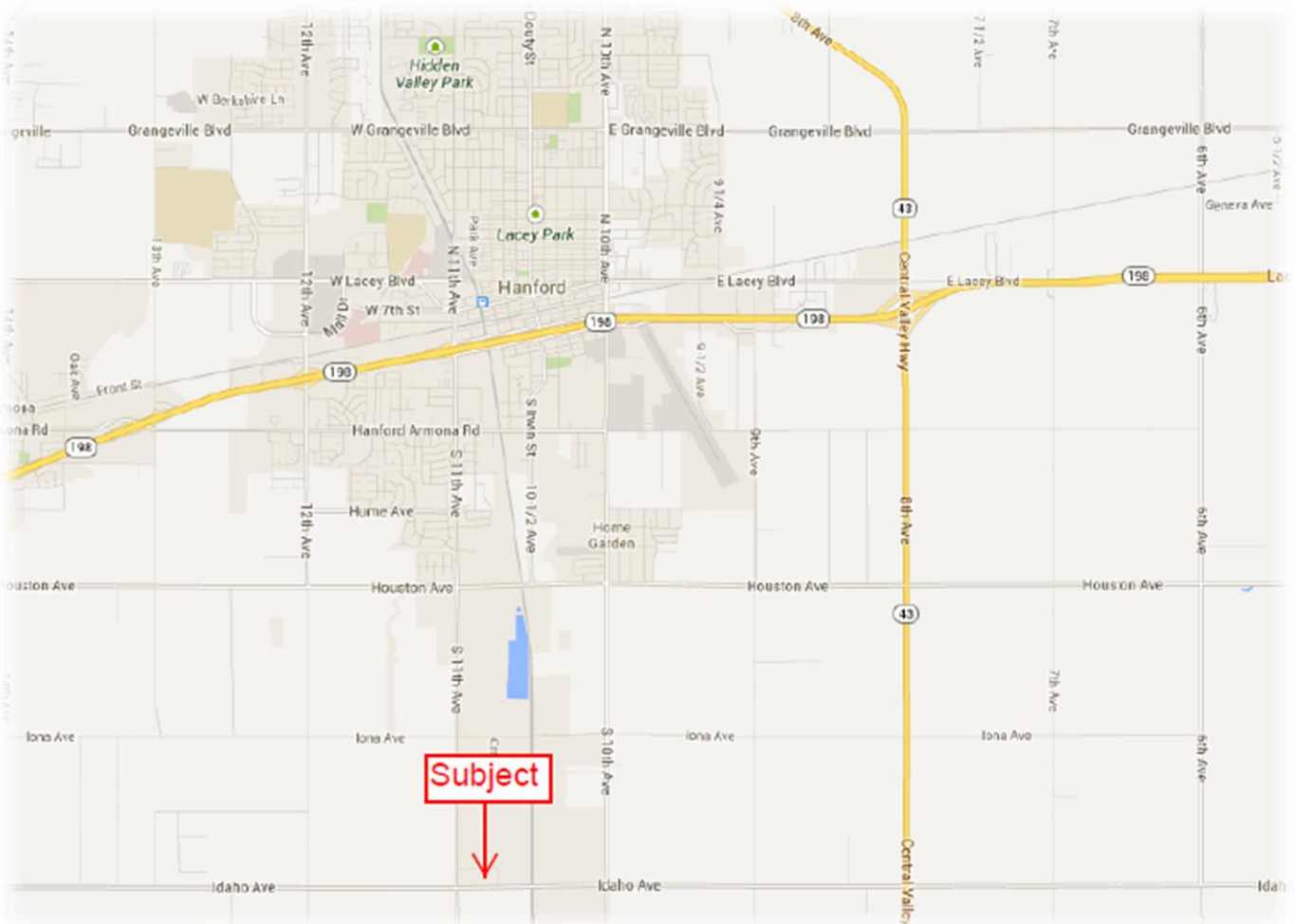
- The subject sites were viewed by the appraiser.
- Gathered, analyzed and utilized comparable sales and listings; all sales were confirmed with reliable parties involved in the transactions.
- The sales comparison approach was utilized to value all parcels.
- Jacob I. Hower participated in the preparation of this report in the areas of research, field inspection and analysis.

MARKET ANALYSIS

CITY OF HANFORD



Located in the northeast portion of the county, the City of Hanford is the county seat for Kings County. The city is generally bounded by State Route 43 to the east, Flint Avenue to the north, 13th Avenue to the west and Houston Avenue to the south.



The City of Hanford has experienced a steady growth rate over the last five years and is expected to continue growing at rate near the statewide average. The five year growth trend represents a 1.80% per year increase. This is near the State of California Average of 1.90% over the same timeframe. Overall projections suggest 2%-3% yearly increases in population over the next 10 years, which will increase demand for housing.

5 Year Population Trend

2006	48,744
2007	50,459
2008	51,965
2009	52,687
2010	53,967
2013 Projection	56,552
2020 Projection	70,177
5-Year Annual Growth Rate	10.21%

The State of California prisons in Corcoran, Coalinga and Avenal have had a strong impact on the population trends in Hanford. Hanford has attracted a large percentage of this workforce. Most of the workforce is commuters who choose to live outside the prison cities. All three are within one hour of Hanford. The same can be said for the Lemoore Naval Air Station, which is 15 miles west. Hanford attracts a number of the civilian employees and the active duty personnel.

Another large employment draw locally is the Pleasant Valley State Prison in Coalinga, which opened in 2005. The mental health and treatment hospital was slated to include 1.2 million square feet with a total of 1,500 beds.

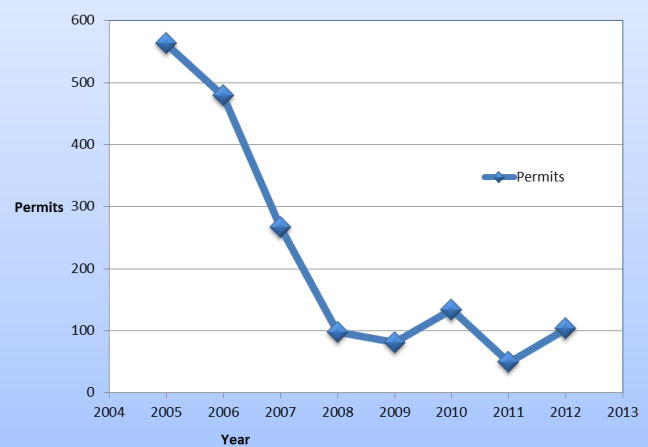
This facility was further expanded in 2006 with the expansion slated to add 2,000 jobs. The facility has a significant presence in terms employment.

According to the Kings County Multiple Listing Service, the average sale price for a three-bedroom single-family residence in the City of Hanford for 2012 was \$155,249. For the first two quarters of 2013 the residential housing market has continued its climb to an average sales price of \$162,239. In contrast the 2011 average home sales price was \$154,125. A slight gain in sales price and minimal construction should continue to support stabilized values with moderate gains over the next decade. While there is still activity in regards to construction of single family residences, activity has slowed drastically in the last five years. The number of annual permits has been hovering between 50 and 125 per year since 2008.

There are many apartment options available from subsidized rent levels to the luxury segment. A significant decline in building permits for multi-family properties has also been seen. Only 52 Units have been added to the Hanford market in the last four years. Fuller Apartments has a planned 136 unit apartment complex approved by the city of Hanford to be built near the Lowe's on Lacey Boulevard; however construction has been stifled by economic conditions.

The median income for Hanford is \$48,655. By contrast, the average for Kings County is \$48,515, both of which are below the State of California average of \$64,878 annually.

City of Hanford SFR Building Permit Activity



The average unemployment rate for the City of Hanford as of February 2013 was 13.7%, which has been on a relatively steady increase since 2009 but appears to be leveled out.

There are 18 manufacturing plants in the Hanford community area. Leading group classes of products are petroleum, flour, mill products, synthetic yard, fertilizers, micronutrients, and canned tomato products. The Kings Industrial Park is located on the south side of Hanford and includes the majority of Hanford's industrial base including Del Monte Foods (Contadina tomato processing), Exopack (paper manufacturing), Wal-Mart (photo-lab), Cargil (livestock feed), Calcot (cotton storage), and Marquez Brothers (cheese processing).

The Hanford area is served by the Burlington Northern and Santa Fe Railroad, the Southern Pacific Railroad, and Amtrak. Amtrak San Joaquin serves the San Joaquin Valley from Bakersfield to Sacramento with connections to the Los Angeles region and the Bay Area. Hanford has a small airport for light private aircraft. In October 2001, the city of Hanford received a grant from the FAA for \$820,000 to facilitate an expansion of the airport. The runway was extended 1,200 feet, making it 5,000 feet. Commercial airline service is available in the city of Visalia, approximately 30 miles east of Hanford, and in the city of Fresno, approximately 45 miles northeast of Hanford. The Orange Belt bus lines provide bus service to Hanford. State Highways 198 and 43 serve the city of Hanford. Over 30 motor freight carriers service Hanford with overnight deliveries to most points in California.

Community facilities include two general hospitals, ten elementary schools, three middle schools, three high schools, one continuation school, three parochial schools, one adult school, two junior colleges within 25 miles, and California State University of Fresno only 30 miles to the north. Sierra Pacific High School was recently opened and enrollment began in fall of 2010. A satellite facility for College of the Sequoias and a vocational training center was also recently completed in 2010.

Culturally there are approximately 20 churches, one public library, two newspapers, six TV channels received direct and one cable TV system, nine banks, four credit unions, one savings and loan, six parks, three athletic complexes, and a Carnegie Museum. Other recreational facilities include the Kings Country Fairgrounds including Kings Speedway, one private 18-hole country club, two 18-hole municipal golf courses in neighboring Lemoore; and boating, fishing and hunting along the Kings River.

There is a newer, \$112 million medical center at the corner of Mall Drive and West 7th Street. The project began in 2007 due to the region's growing demand for health care services. The facility includes 202,000 square feet, three-stories, and 142-beds. Services from Adventist Health's Hanford Community Medical Center and Central Valley General Hospital in town have transferred to the new site. The 142 inpatient beds will include 120 medical/surgical beds and 22 intensive care unit beds, while the Emergency Department will hold 26 treatment stations. In addition, 32,000 square feet in additional expansion area will be shelled in on the second and third floors to house a total of 60 future additional beds when needed. An adjacent outpatient imaging center is also planned. In terms of staffing, hospital hired about 16 new physicians in 2007 and 18 for 2008. About one third of those typically work in Hanford, with the remainder

being spread out in the regional area at other facilities. The hospital intends to hire about 10 new physicians per year as it continues to expand. Nursing staff should be increased by about 10%.

One of the reasons Hanford is attracting a number of workers from neighboring communities is the quality of life and availability of shopping and services. The Hanford Mall opened in April 1993 and features major retailers such as JC Penney, and Forever 21. A Sears store and auto center opened in 1999. A Ross Dress For Less store in the mall in 2000. The mall includes an additional 166,000 square feet of in-line space including an eight-screen theater. The mall was recently dealt a blow when long time tenant Mervyn's and Gottschalks closed. The Gottschalk's store was recently re-leased to Forever 21 and Kohl's is currently occupying the former Mervyn's space.

Major discount retailers are also present including Wal-Mart and Orchard Supply Hardware, two Rite Aid Stores and a Walgreens store. Home Depot is located at the northeast corner of 12th Avenue and Lacey Boulevard. The 96,000 square foot store employs 150 to 200 people. Target has a store in the Mall area along with Michael's, Famous Footwear, Old Navy, PetsMart Cold Stone Creamery, and Jamba Juice can also be found at this location. Wal-Mart recently opened a new super center just south of the Target site. A Lowe's store opened in November 2008 northwest of Target on Lacey Boulevard. An auto mall was completed on 37 acres at the northwest quadrant of 12th Avenue and State Highway 198. A Toyota and Hyundai dealership were the first to open. Costco is also planning a new location near the intersection of Highway 43 and Lacey Boulevard in eastern Hanford.

The majority of office space in Hanford is owned and occupied by owner-users. The strong owner-user influence promotes elevated pricing when good quality properties become available. Brokers report multiple offers to be common once a property becomes available; only a handful of quality office properties become available each year. There is some office vacancy present in the downtown area but the majority of the vacancies are in older commercial buildings that feature retail users on the ground levels and office users on the upper levels.

Nearly all of the new office development has moved to the Lacey Boulevard corridor west of 11th Avenue. The downtown district has seen several new developments recently. The vacant Sears building was purchased and completely renovated for office uses. It is anchored by FAST credit union with Kings County also having an office there. A brand new office building was completed for the Social Security Administration near city hall. One of the centerpieces of downtown, the former Hanford Furniture building, was purchased by the law firm of Griswold, LaSalle, Cobb, Dowd and Gin. It was renovated as their new office space. As a whole the Hanford office market is strong with vacancy typically seen in older run down properties.

The long-term outlook for Hanford is positive. It has a diversified economy based on agriculture, manufacturing, and large public sector employers. It has become the health care provider for the region. Over the short term, Hanford and the majority of Kings County is experiencing the after-effects of the housing collapse and job market crisis. Fortunately, home prices have leveled out and are showing strong gains supported by limited supply. The commercial sector remains slow but stable. Critical to continued recovery will be improvements in unemployment. The effects of this should be experienced into 2014.

KINGS INDUSTRIAL PARK SUB-MARKET

The subject property is located in the southern portion of the City of Hanford. More specifically, the subject is situated on the northern line of Idaho Avenue east of 11th Avenue. This location is near the southern line of the city limits. Houston Avenue and State Route 198 are Hanford's main east-west arterials through this sector. Both intersect with Highway 43 roughly two miles to the east. State Route 198 and Houston Avenue provide linkage to Highway 99 roughly 13 miles east and Highway 41 roughly 10 miles west. Major north-south arterials include 10th and 11th Avenues, which provide access to the central portion of the City of Hanford and State Route 198.

Idaho Avenue is a rural roadway with lighter traffic. It mainly services industrial and agricultural users. Flanking the subject to the west is another vacant parcel zoned for similar uses. To the north are numerous industrial and Ag related businesses. South of Idaho is a large multitenant distribution warehouse, and to the east is a power plant.

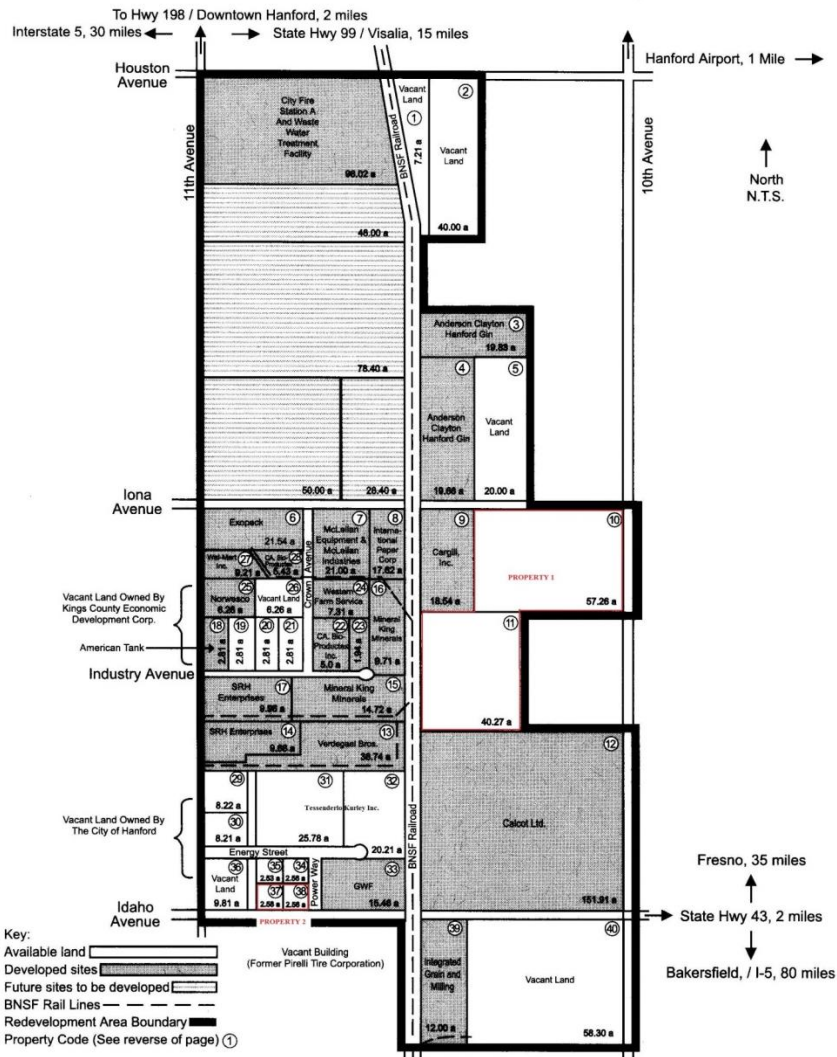


The Kings Industrial Park houses some 1,100 acres and the majority of Hanford's industrial base is located within this sector. Exopack, Cargill, Norwesco, Verdegall Brothers, Wal-Mart and Calcot all have locations within the park. The former Pirelli Tire Plant was purchased by an investor and is offered for lease. Fry's Electronics has been leasing a building for roughly three years and only recently announced that the site would start being utilized as a large warehouse and storage area. One of the most recent developments is a land purchase by Tessengerlo-Kerley Inc., an Arizona based engineering and mining firm. The site has been laser leveled.

In a broader sense, much of the surrounding area to the east, south and west of the industrial park is used primarily for agricultural purposes. Typical crops include alfalfa, corn, cotton, sugar beets, tomatoes and wheat. Dairies are also prevalent. Permanent plantings such as almonds, pistachios and walnuts are also common, but not prominent.

In terms of competing industrial districts, the City of Lemoore ten minutes west has a small industrial district with land available. Lemoore has four large users including two Leprino Foods plants, SK Foods, Agraz USA, and GV Burrows Inc. The City of Visalia some 20 minutes to the east represents the most significant competition. It is ideally located at the intersection of State Highway 99 and State Highway 198. Rail access is also present via Union Pacific with branch lines connecting to other communities including Hanford and Lemoore.

Kings Industrial Park - Hanford



*Map provided by the City of Hanford

Visalia, in particular, has positioned itself as a major warehousing hub on the west coast. Over one million square feet of space has been built over the last five years. The primary builders of the new space in Visalia have been the Allen Group and Diversified Development. Several large manufacturing and processing concerns are also positioned in Visalia including International Paper, California Dairies, and Kawneer/Amax.

Tulare also has an active industrial district. Notable users include U.S. Cold Storage, Hagen Daz, Southern California Edison, Land O' Lakes, and the Cheese Protein International. However, the majority of Tulare's recent industrial development has been smaller owner-users.

Market conditions within the Kings Industrial Park have been middling over the past five years. In comparison to competing parks along Interstate 5 or Highway 99, the subject is second rate. Discounted land values, tax incentives and rail spur have attracted some recent business to the area; however, the distance from the two north-south arterial roadways through central California (Highway 99 and Interstate 5) is adverse. In addition, the park is located well south of Highway 198 which is also unfavorable when compared to locations on the Highway.

In summary, the subject is located in an industrial district of average character but below average location. The growth pattern in the industrial park has been fairly static over the past five years and a significant amount of vacant land remains. Slow growth for the Kings Industrial Sector is anticipated over the long-term. Competition from Visalia and Tulare is significant in terms of attracting new users. This trend is not likely to change in the near term.

SITE DESCRIPTION

Property History:	The Kings Industrial Park was originally created in 1973 by redevelopment. The original project included 180 acres but was later expanded in 1983 to include an additional 920 acres for a total of 1,100 acres. Roughly 260 acres remain vacant. Fee title is vested as <i>The City of Hanford</i>, according to Kings County public records. There are no public records indicating a sale of either subject property in the prior three years. The properties are not currently in escrow but are listed for sale, at a price of about \$30,000 per acre. This property is in a redevelopment area and has numerous city supported incentives for buyers.		
Site:	APN	018-242-068	018-242-069
	Size	2.58	2.56
	Zoning	HI	HI
	Idaho Frontage	345' est.	345' est.
	Power St. Frontage	0'	320' est.
	Rail Frontage	No	No

	Off-sites	Yes	Yes	
	Plantings	None	None	
	Well	None Noted	None Noted	
Access:	The parcels have frontage on Idaho Avenue, and Power Street. Both are two-lane asphalt paved roadways that are city maintained. The Lakeside Ditch runs along the western line of parcel 018-242-068 in a north-south direction. There is a gravity gate on the same parcel at the southwest corner. Water and sewer are provided by the City of Hanford. Both frontages are improved with concrete curb and gutter.			

PARCEL MAP

Kings, CA, 2013-2014 - , Sheet: 1 of 1

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY.
IT IS NOT TO BE USED FOR ANY OTHER PURPOSE.
LEGAL OWNERSHIP OF LAND FOR
MAY 2013 OF ZONING OR SUBDIVISION LAW.

KINGS COUNTY ASSESSOR'S MAP SEC'S. 13 & 14-19-21

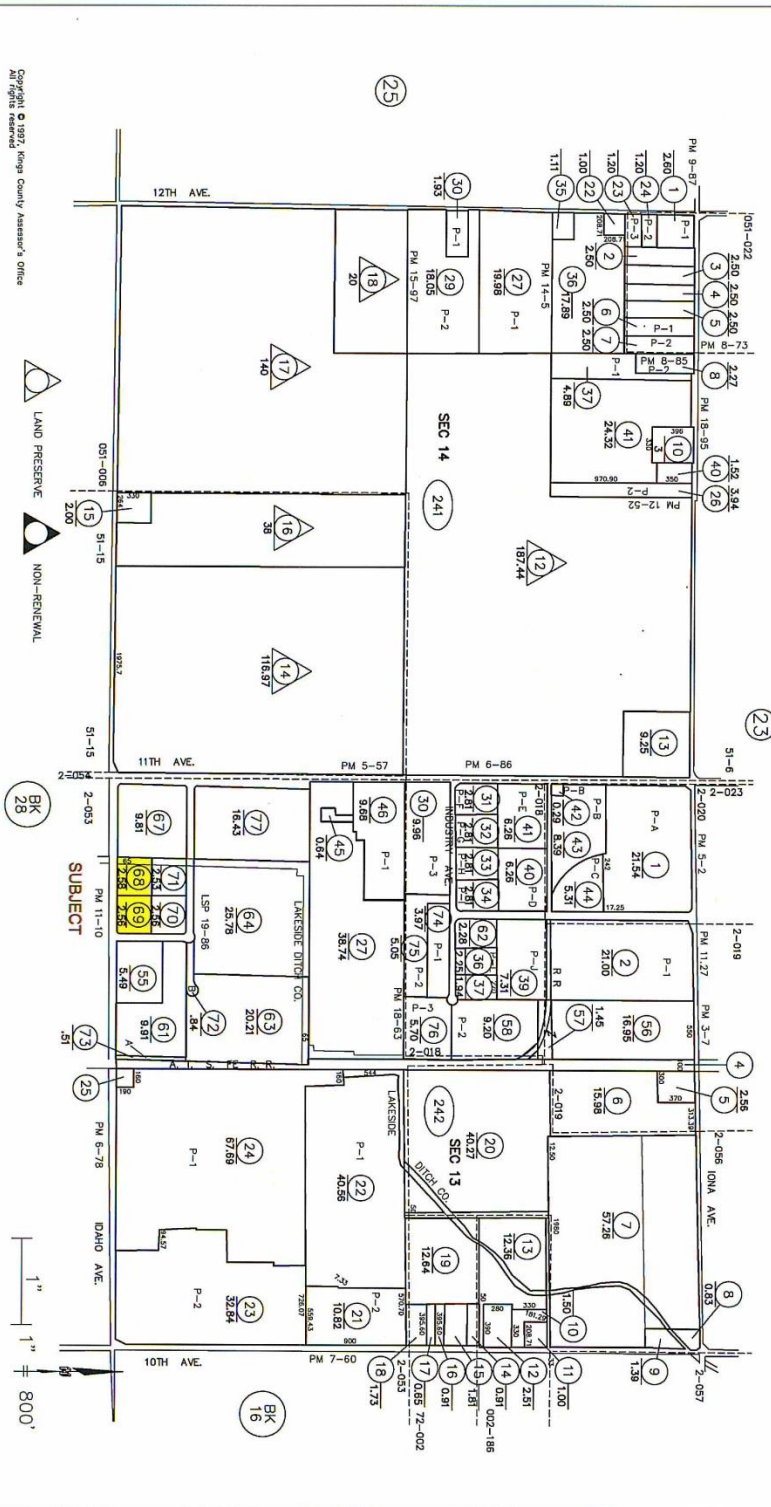
18-24

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SUBJECT

1" = 800'



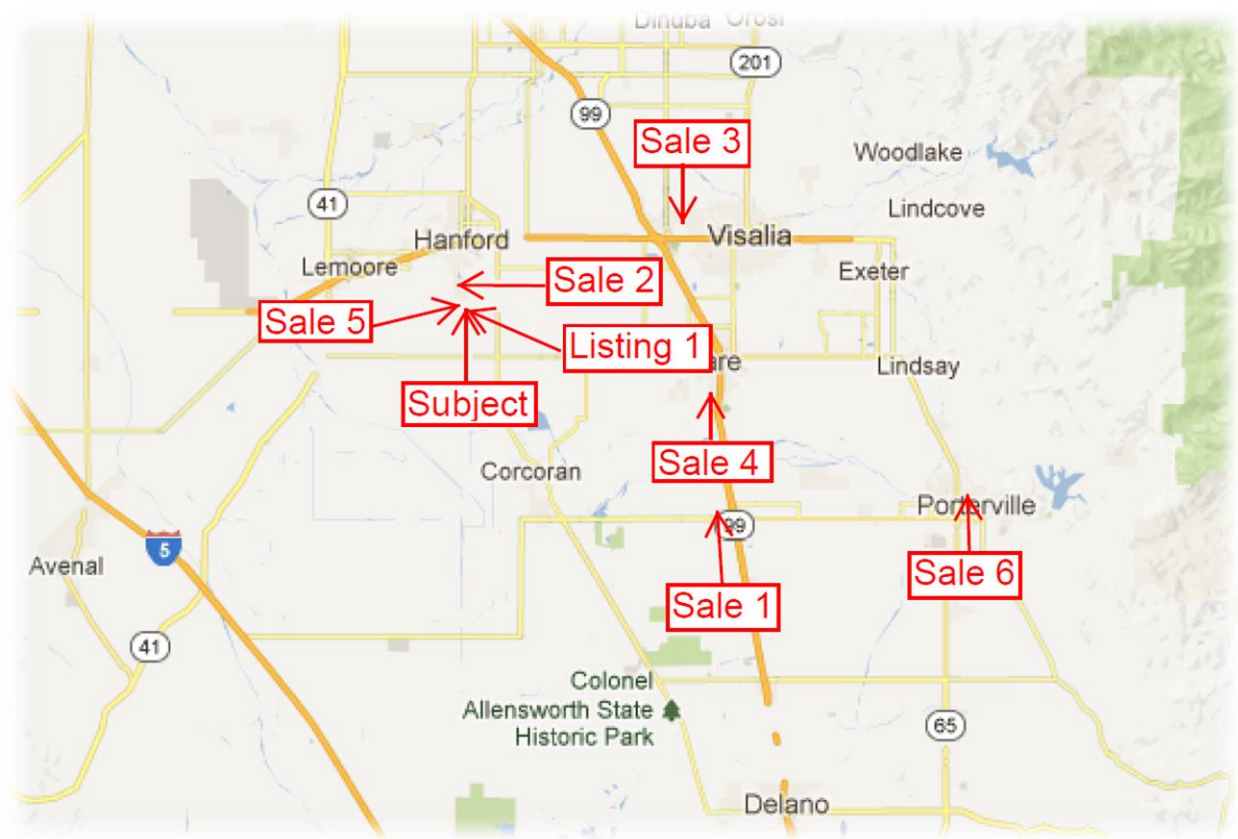
VALUATION

HIGHEST & BEST USE

The zoning allows for a wide range of heavy industrial uses. The site is located within a heavy industrial park and a zoning change is unlikely. The site is of adequate size for heavy industrial development. Consequently, the highest and best use is for heavy industrial development.

LAND VALUATION

LAND SALES									
No.	Location / APN	Sale Date	Sale Price	Price/SF	Price/Acre	Size (ac)	Zoning	Utilities	Off-Sites
1	433 North Westling Road Tipton, CA 228-180-011	Jun-2011 Buyer: Seller:	\$300,000 Garza/Lopez Alsup	\$1.07	\$46,584	6.44	M-1	No	No
2	NS of Industry Ave. E of 11th Ave. Hanford, CA 018-242-032	Jul-2011 Buyer: Seller:	\$80,000 Norwesco Community Redevelopment Agency	\$0.65	\$28,470	2.81	H-I	Yes	Yes
3	SS of Goshen Ave. W of Kelsey St. Visalia, CA 081-110-037	Apr-2012 Buyer: Seller:	\$400,000 Richard & Jamison Bean MDA Real Estate Qualified Fund LLC	\$2.07	\$90,090	4.44	I-L	Yes	Yes
4	SWC of Industrial Ave. & Blackstone St. Tulare, CA 191-330-008; 012	June-2012 Buyer: Seller:	\$300,000 Jack & Jeanette Kimm Deno Vaccher	\$2.26	\$98,619	3.04	M-2	Yes	Yes
5	N. of Idaho east of 11th Ave. Hanford, CA 018-242-064	June-2012 Buyer: Seller:	\$1,380,000 Tessenderlo Kurley Inc. Community Redevelopment Agency	\$0.69	\$30,007	45.99	H-I	Yes	Yes
6	SEC of Main St. & Linda Vista Porterville, CA 243-180-008	Mar-2013 Buyer: Seller:	\$505,660 Immodo California 1 LLC Tevet	\$0.53	\$23,174	21.82	M-1	Yes	No
Listing 1	Subject Property Hanford, CA 018-242-068; 069	Active Buyer: Seller:	\$76,800 ---- Kings EDC	\$0.69	\$30,000	2.56	H-I	Yes	Yes



Our observations of market conditions indicate that adjustments may be required for interest transferred, conditions of sale, market conditions, location, size, zoning, utilities, and off-site improvements. We have rated each sale in the following qualitative adjustment grid.

Sale No. – Price/Acre	Rating – Factors
Sale 1 - \$46,584	Similar – Has off-sites, better located along Hwy 99
Sale 2 - \$28,470	Similar – Best comparable sale
Sale 3 - \$90,090	Superior– Better location
Sale 4 - \$98,619	Superior– Better location
Sale 5 - \$30,007	Similar – Larger than the subject site
Sale 6 - \$23,174	Similar – Larger but similar location
Listing 1 - \$30,000	Similar – This is the subject parcel

The Kings Industrial Park has several lots listed for sale by the City of Hanford. The properties are offered at a discount with hopes bolster the industrial park and increase employment opportunities. In addition the city offers tax incentives for businesses to re-locate to the area. While these incentives are valuable to securing new businesses to the industrial park, land is sold at a discount and affects surrounding property values.

Sale 2 is the most comparable in size, off-sites and location within the Kings Industrial Park. Sale 5 shows there is little difference in value per acre when comparing large sites and smaller sites within the Kings Industrial Park. Minimal discount is given to the sales of larger parcels.

The subject has been simultaneously marketed for two prices by the City of Hanford. The asking price varies between \$30,000 and \$50,000 per acre. No buyers have been secured at these asking prices; however, considering the small lot sizes and finished off-sites the asking prices are reasonable and lack of interest is attributed to lesser market conditions.

Both sites have similar utility, size and location; therefore, they are allocated the same value, per acre. Despite the marketing history the lots should command \$30,000 per acre. The value is calculated as follows:

2.58 Acres X \$30,000/ Acre =	\$77,400	\$75,000 (rounded)
2.56 Acres X \$30,000/ Acre =	\$76,800	\$75,000 (rounded)
Total Value for Both Parcels		\$150,000

EXPOSURE TIME

We have considered the assumptions and conclusions reached in the valuation section of this report. A review was made of the actual exposure times from the comparable sales data. We examined exposure times contained in investor surveys and interviewed commercial real estate brokers. The age and condition/marketability of the subject was considered. All factors considered an exposure time of six months or less is reasonable for the subject at the appraised value.

ADDENDA

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have made a personal inspection of the property that is the subject of this report.
- Jacob I. Hower provided significant real property appraisal assistance to the person signing this certification in the areas of research, inspection, and analysis. He has made a personal inspection of the subject property.
- I have not performed any services as an appraiser or any other capacity, regarding the property that is the subject of the appraisal assignment within the three-year period immediately preceding acceptance of this assignment.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I (Timothy J. Simon) have completed the continuing education program of the Appraisal Institute.

Timothy J. Simon, MAI
Certified General Real Estate Appraiser
California License AG010007 (Expires 5/7/2015)

BASIC ASSUMPTIONS & LIMITING CONDITIONS

1. No survey was made of the property, and the dimensions are those taken from the maps in the Office of the County Assessor of the County of Kings. This appraisal is not an engineering, legal or architectural study. It is not an examination or survey of any kind. Expertise in these areas is not implied and should not be inferred by the reader.
2. No separation of land and building values may be used for any other purpose than that delineated elsewhere in this report.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to the valuation conclusion, the identity of the appraiser or firm with which it is connected, or any reference to the Appraisal Institute, or to the MAI or SRA designations.
4. No right to expert testimony is included with this report, and the fee for this appraisal does not include payment for pre-trial conferences or taking of depositions.
5. No responsibility is assumed for matters legal in nature.
6. No survey or soil tests of the land have been made by the appraiser.
7. This report and all information contained herein was prepared for the sole and exclusive benefit of the client, as specified herein, and is intended for his use only. No one except the client specified herein may rely on this report for any purpose. Any person or entity who obtained or reads this report, or a copy thereof, other than the client specified herein, expressly assumes all risk of damages to himself or third persons arising out of reliance thereon or use thereof and waives the right to bring any action based on the appraisal, directly or indirectly, and the appraiser shall have no liability to any such person or entity.
8. Possession of this report or any copy thereof does not carry with it the right of publication, nor may the same be used for any purpose by anyone except the appraiser's employer, without the previous written consent of the appraiser, and in any event, only in its entirety.
9. The information and data reported in this appraisal have been obtained from sources that are deemed to be reliable. They are believed to be correct, but cannot be guaranteed by the appraiser. This condition applies generally throughout the appraisal report and specifically to square footage calculations and descriptions of comparable properties.
10. This appraisal report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the appraiser) affecting the analyses, opinions, and conclusions contained in this report.
11. During the course of this appraisal, the appraisers did **not** detect or attempt to discover any environmental hazard on, under, above, or within the subject real estate. No overt evidence of

any environmental hazard is apparent to the untrained eye. It is beyond the expertise of the appraiser to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. No responsibility is assumed by the appraisers or Simon Company, Inc. for any hazard or for any expertise required to discover any environmentally hazardous condition. Our client is urged to retain an expert in this field, if desired.

12. The appraiser is not qualified to determine whether the subject building improvements are in compliance with the American with Disabilities Act (ADA) of 1992. Noncompliance with this act could have a negative effect upon the value of the property. An expert in this field should be retained for consultation, if desired.
13. All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised annually to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.
14. The person signing this report is licensed to appraise real property in the state the subject is located. I affirm I have the experience, knowledge, and education to value this type property. I have previously appraised similar real estate.
15. No liability is assumed, expressed, or implied by Simon Company, Inc., or the appraiser for unauthorized use of this report. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are clearly, specifically, and explicitly identified as an intended user on Page 1 may rely on, and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use, or rely on any portion of this document. Unauthorized users do so at their own risk and peril.

EXHIBITS



West view of parcels



East view on Idaho Avenue

QUALIFICATIONS OF TIMOTHY J. SIMON, MAI

STATE OF CALIFORNIA CERTIFICATION

State of California Office of Real Estate Appraisers - Certified General Real Estate Appraiser. Certificate # AG010007, Expiration May 7, 2015.

PROFESSIONAL AFFILIATIONS

MAI - The Appraisal Institute. Member # 10,157 (October 1993)
1999 President - Central California Chapter
State of California Licensed Real Estate Broker # 01264078

EDUCATION

California State University, Fresno
Bachelor of Science, Industrial Technology - Construction, 1981
The Appraisal Institute (1986-Present)
1A1, Real Estate Appraisal Principles
1A2, Basic Valuation Procedures
1BA, Capitalization Theory and Techniques A
1BB, Capitalization Theory and Techniques B
2-1 Case Studies in Real Estate
2-2, Report Writing and Valuation Analysis
SPP-A, B and C, Standards of Professional Practice
International Right of Way Association
Course 403 Easement Valuation
Course 214 Skills of Expert Testimony
Numerous Appraisal Seminars and Workshops

INSTRUCTOR

Instructor of appraisal classes at College of the Sequoias, a community college located in Visalia, CA. (1994)

PARTIAL LIST OF PROPERTY TYPES APPRAISED

Office Buildings	Industrial Properties	Shopping Centers
Apartment Buildings	Residential Subdivisions	Agricultural Properties
Eminent Domain/Right of Way	Special Purpose Properties	

APPRAISAL EXPERIENCE

American Appraisal Associates Walnut Creek, CA 1981-86
Building cost analyst and real estate appraiser. Clients included numerous corporations, business firms, lending institutions and government agencies.
Wells Fargo Bank Real Estate Industries Group Walnut Creek, CA 1986-88
Staff real estate appraiser. Clientele were medium to large developers for construction lending and permanent financing of existing and proposed construction.
Real Property Analysts Fresno, CA 1988-92
Independent fee appraiser. Proposed and existing income real property. Right of way appraisals for Government agencies.
Simon Company Hanford, CA 1992-Present
Independent fee appraiser, self-employed.

COURT EXPERIENCE

Qualified as an expert witness in Kings and Tulare County Superior Court

PARTIAL LIST OF CLIENTS SERVED

Lending Institutions:

Wells Fargo Bank
Bank of America
Sanwa Bank California
Bank of the West
The California Stockmen's Bank
Imperial Thrift & Loan
Westamerica Bank
Clovis Community Bank
Bank of the Sierra
United Security Bank
Comercia Bank
Stockton Savings Bank
Sacramento State Bank
Goleta National Bank
Kaweah National Bank
Heritage Bank of Commerce
California Federal Bank
Zion First National Bank
Federal Land Bank
Temucula Valley Bank
Kings River Bank
Bank of Visalia

Corporations:

McDonald's Corporation
Chevron USA
Principal Financial
Adventist Health Systems

Law Firms:

Kahn, Soares & Conway – Hanford, CA
Griswold, LaSalle, Cobb, Dowd & Gin – Hanford, CA
Maroot, Hardcastle & Hatherley – Hanford & Visalia, CA
Lazano Smith – Fresno, CA
Horsewill Mederos & Dorman – Tulare, CA

Governmental Agencies:

Kings County
Tulare County
City of Hanford
City of Corcoran
City of Lindsay
City of Porterville
City of Huron
Visalia Redevelopment Agency
Hanford Elementary School District
Pioneer School District
Riverdale Unified School District
Central Unified School District
Island Union School District
College of the Sequoias
West Hills College
Lemoore Unified School District
Sierra Kings District Hospital
Hanford Community Medical Center
California Dept. Of Transportation
Southern California Edison Co.
Southern California Gas Co.
Kings County Water District
Tulare Lake Drainage District
Resolution Trust Company

Accounting Firms:

Brown, Neuman & Semas/Hanford, CA
Gilman, Harris and Travoli/Visalia, CA
M Green and Company/Hanford, Visalia
and Tulare, CA

APPRAISAL REPORT

0.51 ACRE INDUSTRIAL LOT, HANFORD CA



AS OF AUGUST 27, 2013

PREPARED FOR:

GRISWOLD LASALLE COBB DOWD & GIN, LLP
111 EAST SEVENTH STREET
HANFORD, CA 93230

SIMON COMPANY, INC.
1306 NORTH IRWIN STREET
HANFORD, CA 93230

PHONE: (559) 582-9112
FAX: (559) 582-9114
WWW.SIMONCO.NET

APPRAISAL REPORT	
Client:	Griswold, Lasalle, Cobb, Dowd & Gin, LLP 111 East Seventh Street Hanford, CA 93230
Date of Report:	August 30, 2013
Subject Property:	0.51 Acre Industrial Lot, Hanford CA
Intended User:	Griswold, Lasalle, Cobb, Dowd & Gin, LLP & the City of Hanford
Intended Use:	Asset value
Objective of the Assignment:	To develop an opinion of "Use Value." The definition of <i>use value</i> is "the value of a property as it is currently used, not its value considering alternative uses; may be used where legislation has been enacted to preserve farmland, timberland, or other open space land on urban fringes; also known as value in use.
Effective Date of Value Opinion:	August 27, 2013 (date of inspection)
Interest Valued:	Fee simple
Conditions of the Assignment:	None
Extraordinary Conditions:	None
Hypothetical Conditions:	None
Report Option:	This is a Summary Appraisal Report in accordance with Standards 2-2 (b) of the Uniform Standards of Professional Appraisal Practice.
Opinion of Value:	\$15,000

Table of Contents

Scope of Work	2
Market Analysis	3

City of Hanford	3
Kings Industrial Park Sub-Market	7
Site Description.....	10
Parcel Map	11
Valuation.....	12
Highest & Best Use.....	12
Valuation Summary	12
Exposure Time	12
Addenda	13
Certification	13
Basic Assumptions & Limiting Conditions	14
Exhibits	16
Qualifications of Timothy J. Simon, MAI	17

SCOPE OF WORK

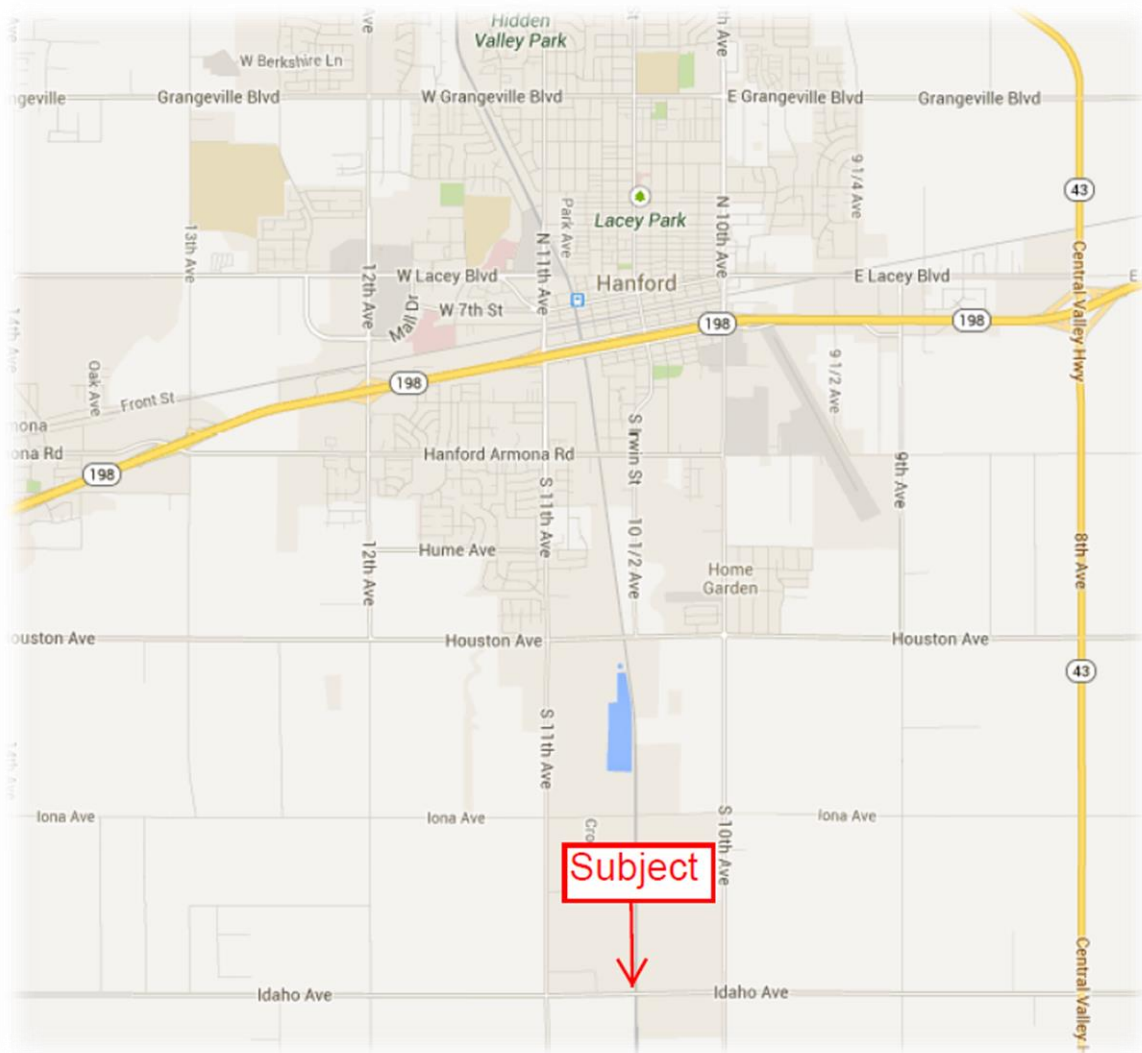
- The subject site was viewed by the appraiser.
- Gathered, analyzed and utilized comparable sales and listings; all sales were confirmed with reliable parties involved in the transactions.
- The sales comparison approach was utilized to value the subject.
- Jacob I. Hower participated in the preparation of this report in the areas of research, field inspection and analysis.

MARKET ANALYSIS

CITY OF HANFORD



Located in the northeast portion of the county, the City of Hanford is the county seat for Kings County. The city is generally bounded by State Route 43 to the east, Flint Avenue to the north, 13th Avenue to the west and Houston Avenue to the south.



The City of Hanford has experienced a steady growth rate over the last five years and is expected to continue growing at rate near the statewide average. The five year growth trend represents a 1.80% per year increase. This is near the State of California Average of 1.90% over the same timeframe. Overall projections suggest 2%-3% yearly increases in population over the next 10 years, which will increase demand for housing.

5 Year Population Trend

2006	48,744
2007	50,459
2008	51,965
2009	52,687
2010	53,967
2013 Projection	56,552
2020 Projection	70,177
5-Year Annual Growth Rate	10.21%

The State of California prisons in Corcoran, Coalinga and Avenal have had a strong impact on the population trends in Hanford. Hanford has attracted a large percentage of this workforce. Most of the workforce is commuters who choose to live outside the prison cities. All three are within one hour of Hanford. The same can be said for the Lemoore Naval Air Station, which is 15 miles west. Hanford attracts a number of the civilian employees and the active duty personnel.

Another large employment draw locally is the Pleasant Valley State Prison in Coalinga, which opened in 2005. The mental health and treatment hospital was slated to include 1.2 million square feet with a total of 1,500 beds.

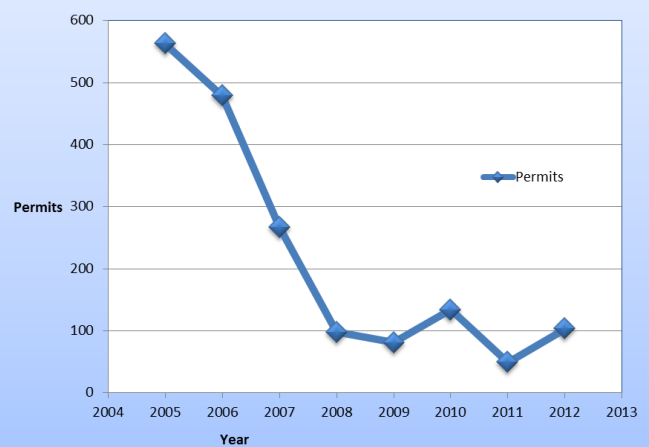
This facility was further expanded in 2006 with the expansion slated to add 2,000 jobs. The facility has a significant presence in terms employment.

According to the Kings County Multiple Listing Service, the average sale price for a three-bedroom single-family residence in the City of Hanford for 2012 was \$155,249. For the first two quarters of 2013 the residential housing market has continued its climb to an average sales price of \$162,239. In contrast the 2011 average home sales price was \$154,125. A slight gain in sales price and minimal construction should continue to support stabilized values with moderate gains over the next decade. While there is still activity in regards to construction of single family residences, activity has slowed drastically in the last five years. The number of annual permits has been hovering between 50 and 125 per year since 2008.

There are many apartment options available from subsidized rent levels to the luxury segment. A significant decline in building permits for multi-family properties has also been seen. Only 52 Units have been added to the Hanford market in the last four years. Fuller Apartments has a planned 136 unit apartment complex approved by the city of Hanford to be built near the Lowe's on Lacey Boulevard; however construction has been stifled by economic conditions.

The median income for Hanford is \$48,655.

City of Hanford SFR Building Permit Activity



By contrast, the average for Kings County is \$48,515, both of which are below the State of California average of \$64,878 annually. The average unemployment rate for the City of Hanford as of February 2013 was 13.7%, which has been on a relatively steady increase since 2009 but appears to be leveled out.

There are 18 manufacturing plants in the Hanford community area. Leading group classes of products are petroleum, flour, mill products, synthetic yard, fertilizers, micronutrients, and canned tomato products. The Kings Industrial Park is located on the south side of Hanford and includes the majority of Hanford's industrial base including Del Monte Foods (Contadina tomato processing), Exopack (paper manufacturing), Wal-Mart (photo-lab), Cargil (livestock feed), Calcot (cotton storage), and Marquez Brothers (cheese processing).

The Hanford area is served by the Burlington Northern and Santa Fe Railroad, the Southern Pacific Railroad, and Amtrak. Amtrak San Joaquin serves the San Joaquin Valley from Bakersfield to Sacramento with connections to the Los Angeles region and the Bay Area. Hanford has a small airport for light private aircraft. In October 2001, the city of Hanford received a grant from the FAA for \$820,000 to facilitate an expansion of the airport. The runway was extended 1,200 feet, making it 5,000 feet. Commercial airline service is available in the city of Visalia, approximately 30 miles east of Hanford, and in the city of Fresno, approximately 45 miles northeast of Hanford. The Orange Belt bus lines provide bus service to Hanford. State Highways 198 and 43 serve the city of Hanford. Over 30 motor freight carriers service Hanford with overnight deliveries to most points in California.

Community facilities include two general hospitals, ten elementary schools, three middle schools, three high schools, one continuation school, three parochial schools, one adult school, two junior colleges within 25 miles, and California State University of Fresno only 30 miles to the north. Sierra Pacific High School was recently opened and enrollment began in fall of 2010. A satellite facility for College of the Sequoias and a vocational training center was also recently completed in 2010.

Culturally there are approximately 20 churches, one public library, two newspapers, six TV channels received direct and one cable TV system, nine banks, four credit unions, one savings and loan, six parks, three athletic complexes, and a Carnegie Museum. Other recreational facilities include the Kings Country Fairgrounds including Kings Speedway, one private 18-hole country club, two 18-hole municipal golf courses in neighboring Lemoore; and boating, fishing and hunting along the Kings River.

There is a newer, \$112 million medical center at the corner of Mall Drive and West 7th Street. The project began in 2007 due to the region's growing demand for health care services. The facility includes 202,000 square feet, three-stories, and 142-beds. Services from Adventist Health's Hanford Community Medical Center and Central Valley General Hospital in town have transferred to the new site. The 142 inpatient beds will include 120 medical/surgical beds and 22 intensive care unit beds, while the Emergency Department will hold 26 treatment stations. In addition, 32,000 square feet in additional expansion area will be shelled in on the second and third floors to house a total of 60 future additional beds when needed. An adjacent outpatient imaging center is also planned. In terms of staffing, hospital hired about 16 new physicians in

2007 and 18 for 2008. About one third of those typically work in Hanford, with the remainder being spread out in the regional area at other facilities. The hospital intends to hire about 10 new physicians per year as it continues to expand. Nursing staff should be increased by about 10%.

One of the reasons Hanford is attracting a number of workers from neighboring communities is the quality of life and availability of shopping and services. The Hanford Mall opened in April 1993 and features major retailers such as JC Penney, and Forever 21. A Sears store and auto center opened in 1999. A Ross Dress For Less store in the mall in 2000. The mall includes an additional 166,000 square feet of in-line space including an eight-screen theater. The mall was recently dealt a blow when long time tenant Mervyn's and Gottschalks closed. The Gottschalk's store was recently re-leased to Forever 21 and Kohl's is currently occupying the former Mervyn's space.

Major discount retailers are also present including Wal-Mart and Orchard Supply Hardware, two Rite Aid Stores and a Walgreens store. Home Depot is located at the northeast corner of 12th Avenue and Lacey Boulevard. The 96,000 square foot store employs 150 to 200 people. Target has a store in the Mall area along with Michael's, Famous Footwear, Old Navy, PetsMart Cold Stone Creamery, and Jamba Juice can also be found at this location. Wal-Mart recently opened a new super center just south of the Target site. A Lowe's store opened in November 2008 northwest of Target on Lacey Boulevard. An auto mall was completed on 37 acres at the northwest quadrant of 12th Avenue and State Highway 198. A Toyota and Hyundai dealership were the first to open. Costco is also planning a new location near the intersection of Highway 43 and Lacey Boulevard in eastern Hanford.

The majority of office space in Hanford is owned and occupied by owner-users. The strong owner-user influence promotes elevated pricing when good quality properties become available. Brokers report multiple offers to be common once a property becomes available; only a handful of quality office properties become available each year. There is some office vacancy present in the downtown area but the majority of the vacancies are in older commercial buildings that feature retail users on the ground levels and office users on the upper levels.

Nearly all of the new office development has moved to the Lacey Boulevard corridor west of 11th Avenue. The downtown district has seen several new developments recently. The vacant Sears building was purchased and completely renovated for office uses. It is anchored by FAST credit union with Kings County also having an office there. A brand new office building was completed for the Social Security Administration near city hall. One of the centerpieces of downtown, the former Hanford Furniture building, was purchased by the law firm of Griswold, LaSalle, Cobb, Dowd and Gin. It was renovated as their new office space. As a whole the Hanford office market is strong with vacancy typically seen in older run down properties.

The long-term outlook for Hanford is positive. It has a diversified economy based on agriculture, manufacturing, and large public sector employers. It has become the health care provider for the region. Over the short term, Hanford and the majority of Kings County is experiencing the after-effects of the housing collapse and job market crisis. Fortunately, home prices have leveled out and are showing strong gains supported by limited supply. The

commercial sector remains slow but stable. Critical to continued recovery will be improvements in unemployment. The effects of this should be experienced into 2014.

KINGS INDUSTRIAL PARK SUB-MARKET

The subject property is located in the southern portion of the City of Hanford. More specifically, the subject is situated on the northern line of Idaho Avenue east of 11th Avenue. This location is near the southern line of the city limits. Houston Avenue and State Route 198 are Hanford's main east-west arterials through this sector. Both intersect with Highway 43 roughly two miles to the east. State Route 198 and Houston Avenue provide linkage to Highway 99 roughly 13 miles east and Highway 41 roughly 10 miles west. Major north-south arterials include 10th and 11th Avenues, which provide access to the central portion of the City of Hanford and State Route 198.

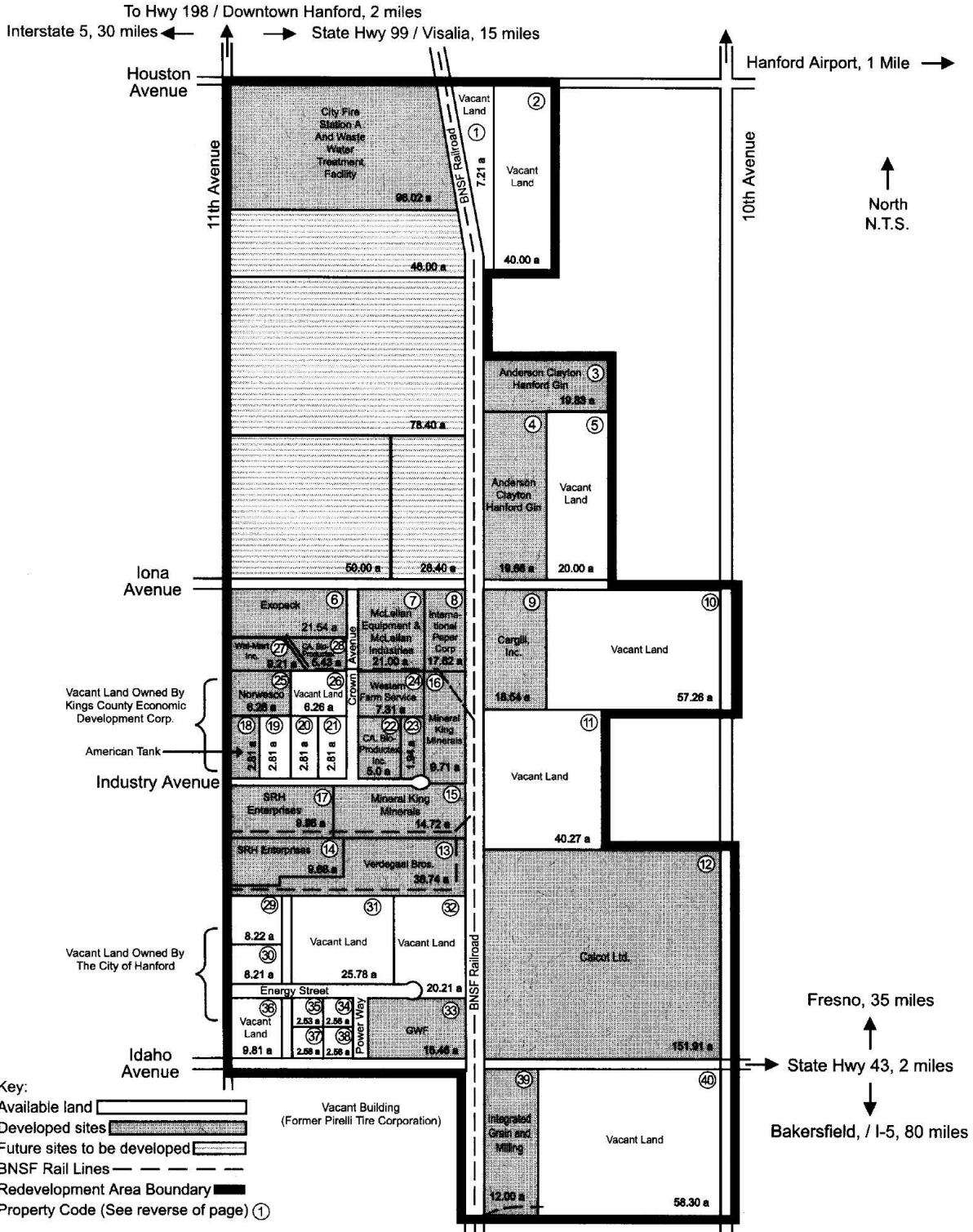
Idaho Avenue is a rural roadway with lighter traffic. It mainly services industrial and agricultural users. Flanking the subject to the west is another vacant parcel zoned for similar uses. To the north are numerous industrial and Ag related businesses. South of Idaho is a large multitenant distribution warehouse, and to the east is a power plant.

The Kings Industrial Park houses some 1,100 acres and the majority of Hanford's industrial base is located within this sector. Exopack, Cargill, Norwesco, Verdeegal Brothers, Wal-Mart and Calcot all have locations within the park. The former Pirelli Tire Plant was purchased by an investor and is offered for lease. Fry's Electronics has been leasing a building for roughly three years and only recently announced that the site would start being utilized as a large warehouse and storage area. One of the most recent developments is a land purchase by Tessenderlo-Kerley Inc., an Arizona based engineering and mining firm. The site has been laser leveled.

In a broader sense, much of the surrounding area to the east, south and west of the industrial park is used primarily for agricultural purposes. Typical crops include alfalfa, corn, cotton, sugar beets, tomatoes and wheat. Dairies are also prevalent. Permanent plantings such as almonds, pistachios and walnuts are also common, but not prominent.

In terms of competing industrial districts, the City of Lemoore ten minutes west has a small industrial district with land available. Lemoore has four large users including two Leprino Foods plants, SK Foods, Agraz USA, and GV Burrows Inc. The City of Visalia some 20 minutes to the east represents the most significant competition. It is ideally located at the intersection of State Highway 99 and State Highway 198. Rail access is also present via Union Pacific with branch lines connecting to other communities including Hanford and Lemoore.

Kings Industrial Park - Hanford



*Map provided by the City of Hanford

Visalia, in particular, has positioned itself as a major warehousing hub on the west coast. Over one million square feet of space has been built over the last five years. The primary builders of the new space in Visalia have been the Allen Group and Diversified Development. Several large manufacturing and processing concerns are also positioned in Visalia including International Paper, California Dairies, and Kawneer/Amax.

Tulare also has an active industrial district. Notable users include U.S. Cold Storage, Hagen Daz, Southern California Edison, Land O' Lakes, and the Cheese Protein International. However, the majority of Tulare's recent industrial development has been smaller owner-users.

Market conditions within the Kings Industrial Park have been middling over the past five years. In comparison to competing parks along Interstate 5 or Highway 99, the subject is second rate. Discounted land values, tax incentives and rail spur have attracted some recent business to the area; however, the distance from the two north-south arterial roadways through central California (Highway 99 and Interstate 5) is adverse. In addition, the park is located well south of Highway 198 which is also unfavorable when compared to locations on the Highway.

In summary, the subject is located in an industrial district of average character but below average location. The growth pattern in the industrial park has been fairly static over the past five years and a significant amount of vacant land remains. Slow growth for the Kings Industrial Sector is anticipated over the long-term. Competition from Visalia and Tulare is significant in terms of attracting new users. This trend is not likely to change in the near term.

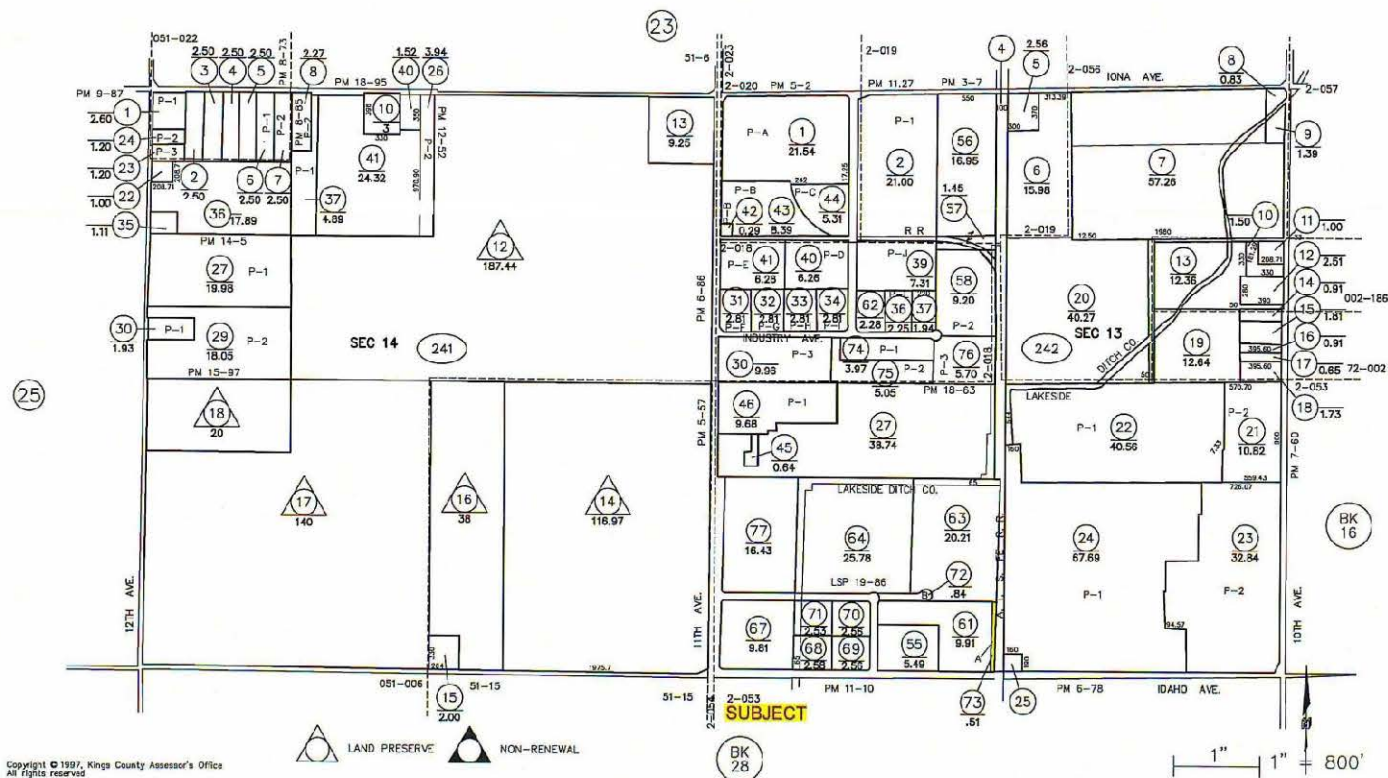
SITE DESCRIPTION

Property History:	The Kings Industrial Park was originally created in 1973 by redevelopment. The original project included 180 acres but was later expanded in 1983 to include an additional 920 acres for a total of 1,100 acres. Roughly 260 acres remain vacant. Fee title is vested as <i>The City of Hanford</i>, according to Kings County public records. There are no public records indicating a sale of the property in the prior three years. The site not currently in escrow nor is it listed for sale on the city website. The parcel is a small sliver adjacent to the railway.																				
Site:	<table><tr><td>APN</td><td>018-242-073</td></tr><tr><td>Size</td><td>0.51</td></tr><tr><td>Zoning</td><td>HI</td></tr><tr><td>Idaho Frontage</td><td>30’ est.</td></tr><tr><td>Rail Frontage</td><td>Yes</td></tr><tr><td>Off-sites</td><td>No</td></tr><tr><td>Plantings</td><td>None</td></tr><tr><td>Terrain</td><td>Near street grade; level</td></tr><tr><td>Well</td><td>None Noted</td></tr></table>	APN	018-242-073	Size	0.51	Zoning	HI	Idaho Frontage	30’ est.	Rail Frontage	Yes	Off-sites	No	Plantings	None	Terrain	Near street grade; level	Well	None Noted		
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Access:	The parcel has frontage on Idaho Avenue which is a two-lane asphalt paved roadway. The sites frontage has power lines which make access difficult but not impossible. The site is maintained by the city but is not improved with concrete curb or gutter. The BNSF Rail runs along the eastern line of the parcel in a north-south direction. Water and sewer are provided by the City of Hanford.																				

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY
IT IS NOT TO BE CONSTRUED AS PORTRAYING
LEGAL OWNERSHIP OF DIVISIONS OF LAND FOR
PURPOSES OF ZONING OR SUBDIVISION LAW.
MAY 2012

KINGS COUNTY ASSESSOR'S MAP
SEC'S. 13 & 14-19-21

18-24



VALUATION

HIGHEST & BEST USE

The zoning allows for a wide range of heavy industrial uses. The site is located within a heavy industrial park and a zoning change is unlikely. The site is not of adequate size, as a stand-alone parcel to support development but could have utility for expansion or road access/easement for adjacent users. Consequently, the highest and best use is for expansion of surrounding site, or utility as an easement/access point.

VALUATION SUMMARY

No comparable sales could be found that were beneficial to the analysis of this parcel. The shape and size limit utility. The Idaho Avenue frontage could provide for an access roadway to parcels north of the Idaho which are currently owned by Tessengerlo Kurley Inc. The site could also have utility to the railway or adjacent user to the west. In this scenario the parcel could be valued something similar to the other parcels within the park at \$30,000 per acre with some discount for the size and shape. Considering the one half acre size a value near \$15,000 per acre would be a reasonable estimation of the value in use.

EXPOSURE TIME

We have considered the assumptions and conclusions reached in the valuation section of this report. A review was made of the actual exposure times from the comparable sales data. We examined exposure times contained in investor surveys and interviewed commercial real estate brokers. The age and condition/marketability of the subject was considered. All factors considered an exposure time of six months or less is reasonable for the subject at the appraised value.

ADDENDA

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have made a personal inspection of the property that is the subject of this report.
- Jacob I. Hower provided significant real property appraisal assistance to the person signing this certification in the areas of research, inspection, and analysis. He has made a personal inspection of the subject property.
- I have not performed any services as an appraiser or any other capacity, regarding the property that is the subject of the appraisal assignment within the three-year period immediately preceding acceptance of this assignment.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I (Timothy J. Simon) have completed the continuing education program of the Appraisal Institute.



Timothy J. Simon, MAI
Certified General Real Estate Appraiser
California License AG010007 (Expires 5/7/2015)

BASIC ASSUMPTIONS & LIMITING CONDITIONS

1. No survey was made of the property, and the dimensions are those taken from the maps in the Office of the County Assessor of the County of Kings. This appraisal is not an engineering, legal or architectural study. It is not an examination or survey of any kind. Expertise in these areas is not implied and should not be inferred by the reader.
2. No separation of land and building values may be used for any other purpose than that delineated elsewhere in this report.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to the valuation conclusion, the identity of the appraiser or firm with which it is connected, or any reference to the Appraisal Institute, or to the MAI or SRA designations.
4. No right to expert testimony is included with this report, and the fee for this appraisal does not include payment for pre-trial conferences or taking of depositions.
5. No responsibility is assumed for matters legal in nature.
6. No survey or soil tests of the land have been made by the appraiser.
7. This report and all information contained herein was prepared for the sole and exclusive benefit of the client, as specified herein, and is intended for his use only. No one except the client specified herein may rely on this report for any purpose. Any person or entity who obtained or reads this report, or a copy thereof, other than the client specified herein, expressly assumes all risk of damages to himself or third persons arising out of reliance thereon or use thereof and waives the right to bring any action based on the appraisal, directly or indirectly, and the appraiser shall have no liability to any such person or entity.
8. Possession of this report or any copy thereof does not carry with it the right of publication, nor may the same be used for any purpose by anyone except the appraiser's employer, without the previous written consent of the appraiser, and in any event, only in its entirety.
9. The information and data reported in this appraisal have been obtained from sources that are deemed to be reliable. They are believed to be correct, but cannot be guaranteed by the appraiser. This condition applies generally throughout the appraisal report and specifically to square footage calculations and descriptions of comparable properties.
10. This appraisal report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the appraiser) affecting the analyses, opinions, and conclusions contained in this report.
11. During the course of this appraisal, the appraisers did **not** detect or attempt to discover any environmental hazard on, under, above, or within the subject real estate. No overt evidence of any environmental hazard is apparent to the untrained eye. It is beyond the expertise of the

appraiser to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. No responsibility is assumed by the appraisers or Simon Company, Inc. for any hazard or for any expertise required to discover any environmentally hazardous condition. Our client is urged to retain an expert in this field, if desired.

12. The appraiser is not qualified to determine whether the subject building improvements are in compliance with the American with Disabilities Act (ADA) of 1992. Noncompliance with this act could have a negative effect upon the value of the property. An expert in this field should be retained for consultation, if desired.
13. All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised annually to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.
14. The person signing this report is licensed to appraise real property in the state the subject is located. I affirm I have the experience, knowledge, and education to value this type property. I have previously appraised similar real estate.
15. No liability is assumed, expressed, or implied by Simon Company, Inc., or the appraiser for unauthorized use of this report. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are clearly, specifically, and explicitly identified as an intended user on Page 1 may rely on, and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use, or rely on any portion of this document. Unauthorized users do so at their own risk and peril.

EXHIBITS



Idaho Avenue frontage



South view from north end of parcel

QUALIFICATIONS OF TIMOTHY J. SIMON, MAI

STATE OF CALIFORNIA CERTIFICATION

State of California Office of Real Estate Appraisers - Certified General Real Estate Appraiser. Certificate # AG010007, Expiration May 7, 2015.

PROFESSIONAL AFFILIATIONS

MAI - The Appraisal Institute. Member # 10,157 (October 1993)
1999 President - Central California Chapter
State of California Licensed Real Estate Broker # 01264078

EDUCATION

California State University, Fresno
Bachelor of Science, Industrial Technology - Construction, 1981
The Appraisal Institute (1986-Present)
1A1, Real Estate Appraisal Principles
1A2, Basic Valuation Procedures
1BA, Capitalization Theory and Techniques A
1BB, Capitalization Theory and Techniques B
2-1 Case Studies in Real Estate
2-2, Report Writing and Valuation Analysis
SPP-A, B and C, Standards of Professional Practice
International Right of Way Association
Course 403 Easement Valuation
Course 214 Skills of Expert Testimony
Numerous Appraisal Seminars and Workshops

INSTRUCTOR

Instructor of appraisal classes at College of the Sequoias, a community college located in Visalia, CA. (1994)

PARTIAL LIST OF PROPERTY TYPES APPRAISED

Office Buildings	Industrial Properties	Shopping Centers
Apartment Buildings	Residential Subdivisions	Agricultural Properties
Eminent Domain/Right of Way	Special Purpose Properties	

APPRAISAL EXPERIENCE

American Appraisal Associates Walnut Creek, CA 1981-86
Building cost analyst and real estate appraiser. Clients included numerous corporations, business firms, lending institutions and government agencies.
Wells Fargo Bank Real Estate Industries Group Walnut Creek, CA 1986-88
Staff real estate appraiser. Clientele were medium to large developers for construction lending and permanent financing of existing and proposed construction.
Real Property Analysts Fresno, CA 1988-92
Independent fee appraiser. Proposed and existing income real property. Right of way appraisals for Government agencies.
Simon Company Hanford, CA 1992-Present
Independent fee appraiser, self-employed.

COURT EXPERIENCE

Qualified as an expert witness in Kings and Tulare County Superior Court

PARTIAL LIST OF CLIENTS SERVED

Lending Institutions:

Wells Fargo Bank
Bank of America
Sanwa Bank California
Bank of the West
The California Stockmen's Bank
Imperial Thrift & Loan
Westamerica Bank
Clovis Community Bank
Bank of the Sierra
United Security Bank
Comercia Bank
Stockton Savings Bank
Sacramento State Bank
Goleta National Bank
Kaweah National Bank
Heritage Bank of Commerce
California Federal Bank
Zion First National Bank
Federal Land Bank
Temucula Valley Bank
Kings River Bank
Bank of Visalia

Corporations:

McDonald's Corporation
Chevron USA
Principal Financial
Adventist Health Systems

Law Firms:

Kahn, Soares & Conway – Hanford, CA
Griswold, LaSalle, Cobb, Dowd & Gin – Hanford, CA
Maroot, Hardcastle & Hatherley – Hanford & Visalia, CA
Lazano Smith – Fresno, CA
Horsewill Mederos & Dorman – Tulare, CA

Governmental Agencies:

Kings County
Tulare County
City of Hanford
City of Corcoran
City of Lindsay
City of Porterville
City of Huron
Visalia Redevelopment Agency
Hanford Elementary School District
Pioneer School District
Riverdale Unified School District
Central Unified School District
Island Union School District
College of the Sequoias
West Hills College
Lemoore Unified School District
Sierra Kings District Hospital
Hanford Community Medical Center
California Dept. Of Transportation
Southern California Edison Co.
Southern California Gas Co.
Kings County Water District
Tulare Lake Drainage District
Resolution Trust Company

Accounting Firms:

Brown, Neuman & Semas/Hanford, CA
Gilman, Harris and Travoli/Visalia, CA
M Green and Company/Hanford, Visalia
and Tulare, CA

APPRAISAL REPORT

109.89 ACRES OF INDUSTRIAL LAND, HANFORD, CA



AS OF AUGUST 8, 2013

PREPARED FOR:

GRISWOLD LASALLE COBB DOWD & GIN, LLP
111 EAST SEVENTH STREET
HANFORD, CA 93230

SIMON COMPANY, INC.
1306 NORTH IRWIN STREET
HANFORD, CA 93230

PHONE: (559) 582-9112
FAX: (559) 582-9114
WWW.SIMONCO.NET

APPRAISAL REPORT	
Client:	Griswold, Lasalle, Cobb, Dowd & Gin, LLP 111 East Seventh Street Hanford, Ca 93230
Date of Report:	August 9, 2013
Subject Property:	109.89 acres of industrial land, Hanford, CA
Intended User:	Griswold, Lasalle, Cobb, Dowd & Gin, LLP & the City of Hanford
Intended Use:	To develop a market value for possible sale of the properties
Objective of the Assignment:	To develop an opinion of "Market Value." The definition of <i>market value</i> was taken from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. This same definition is also cited in Advisory Opinion 22 of the current version of the Uniform Standards of Professional Appraisal Practice (USPAP).
Effective Date of Value Opinion:	August 8, 2013 (date of inspection)
Interest Valued:	Fee simple
Conditions of the Assignment:	None
Extraordinary Conditions:	None
Hypothetical Conditions:	None
Report Option:	This is a Summary Appraisal Report in accordance with Standards 2-2 (b) of the Uniform Standards of Professional Appraisal Practice.
Opinion of Value:	\$2,750,000

Table of Contents

Scope of Work	3
Market Analysis	3
City of Hanford	3
Kings Industrial Park Sub-Market	7
Site Description.....	9
Parcel Map	11
Valuation.....	12
Highest & Best Use.....	12
Land Valuation.....	12
Exposure Time.....	15
Addenda	16
Certification	16
Basic Assumptions & Limiting Conditions	17
Exhibits	19
Qualifications of Timothy J. Simon, MAI	20

SCOPE OF WORK

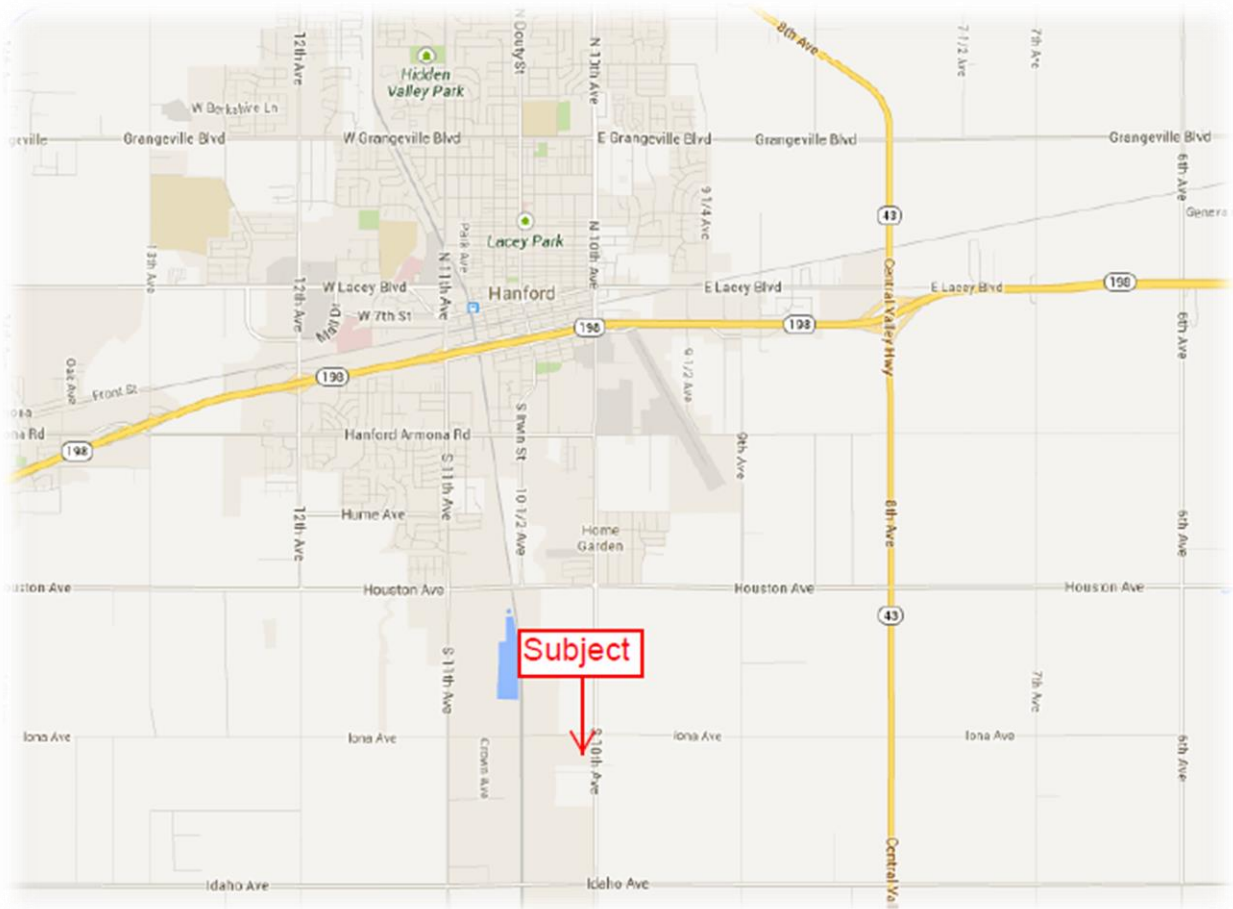
- The subject sites were viewed by the appraiser.
- Gathered, analyzed and utilized comparable sales and listings; all sales were confirmed with reliable parties involved in the transactions.
- The sales comparison approach was utilized to value all parcels.
- Jacob I. Hower participated in the preparation of this report in the areas of research, field inspection and analysis.

MARKET ANALYSIS

CITY OF HANFORD



Located in the northeast portion of the county, the City of Hanford is the county seat for Kings County. The city is generally bounded by State Route 43 to the east, Flint Avenue to the north, 13th Avenue to the west and Houston Avenue to the south.



The City of Hanford has experienced a steady growth rate over the last five years and is expected to continue growing at rate near the statewide average. The five year growth trend represents a 1.80% per year increase. This is near the State of California Average of 1.90% over the same timeframe. Overall projections suggest 2%-3% yearly increases in population over the next 10 years, which will increase demand for housing.

5 Year Population Trend

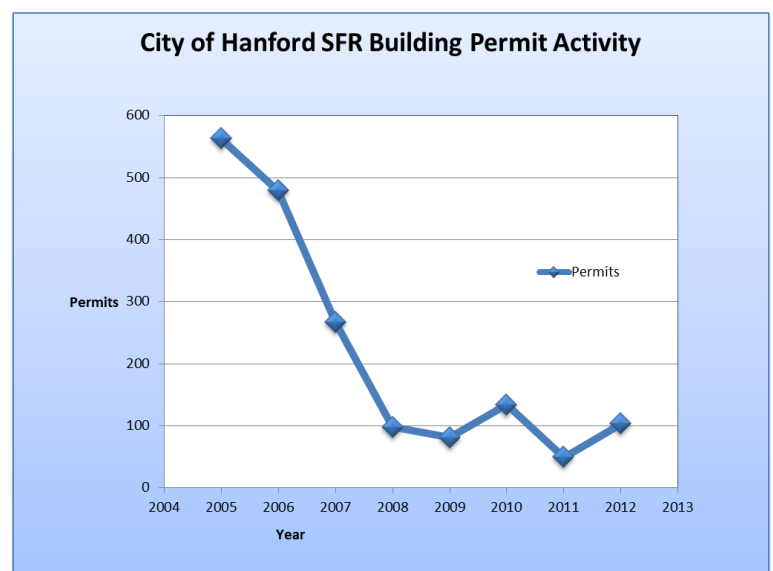
2006	48,744
2007	50,459
2008	51,965
2009	52,687
2010	53,967
2013 Projection	56,552
2020 Projection	70,177
5-Year Annual Growth Rate	10.21%

The State of California prisons in Corcoran, Coalinga and Avenal have had a strong impact on the population trends in Hanford. Hanford has attracted a large percentage of this workforce. Most of the workforce is commuters who choose to live outside the prison cities. All three are within one hour of Hanford. The same can be said for the Lemoore Naval Air Station, which is 15 miles west. Hanford attracts a number of the civilian employees and the active duty personnel.

Another large employment draw locally is the Pleasant Valley State Prison in Coalinga, which opened in 2005. The mental health and treatment hospital was slated to include 1.2 million square feet with a total of 1,500 beds.

This facility was further expanded in 2006 with the expansion slated to add 2,000 jobs. The facility has a significant presence in terms employment.

According to the Kings County Multiple Listing Service, the average sale price for a three-bedroom single-family residence in the City of Hanford for 2012 was \$155,249. For the first two quarters of 2013 the residential housing market has continued its climb to an average sales price of \$162,239. In contrast the 2011 average home sales price was \$154,125. A slight gain in sales price and minimal construction should continue to support stabilized values with moderate gains over the next decade. While there is still activity in regards to construction of single family residences, activity has slowed drastically in the last five years. The number of annual permits has been hovering between 50 and 125 per year since 2008.



There are many apartment options available from subsidized rent levels to the luxury segment. A significant decline in building permits for multi-family properties has also been seen. Only 52 Units have been added to the Hanford market in the last four years. Fuller Apartments has a planned 136 unit apartment complex approved by the city of Hanford to be built near the Lowe's on Lacey Boulevard; however construction has been stifled by economic conditions.

The median income for Hanford is \$48,655. By contrast, the average for Kings County is \$48,515, both of which are below the State of California average of \$64,878 annually. The average unemployment rate for the City of Hanford as of February 2013 was 13.7%, which has been on a relatively steady increase since 2009 but appears to be leveled out.

There are 18 manufacturing plants in the Hanford community area. Leading group classes of products are petroleum, flour, mill products, synthetic yard, fertilizers, micronutrients, and canned tomato products. The Kings Industrial Park is located on the south side of Hanford and includes the majority of Hanford's industrial base including Del Monte Foods (Contadina tomato processing), Exopack (paper manufacturing), Wal-Mart (photo-lab), Cargil (livestock feed), Calcot (cotton storage), and Marquez Brothers (cheese processing).

The Hanford area is served by the Burlington Northern and Santa Fe Railroad, the Southern Pacific Railroad, and Amtrak. Amtrak San Joaquin serves the San Joaquin Valley from Bakersfield to Sacramento with connections to the Los Angeles region and the Bay Area. Hanford has a small airport for light private aircraft. In October 2001, the city of Hanford received a grant from the FAA for \$820,000 to facilitate an expansion of the airport. The runway was extended 1,200 feet, making it 5,000 feet. Commercial airline service is available in the city of Visalia, approximately 30 miles east of Hanford, and in the city of Fresno, approximately 45 miles northeast of Hanford. The Orange Belt bus lines provide bus service to Hanford. State Highways 198 and 43 serve the city of Hanford. Over 30 motor freight carriers service Hanford with overnight deliveries to most points in California.

Community facilities include two general hospitals, ten elementary schools, three middle schools, three high schools, one continuation school, three parochial schools, one adult school, two junior colleges within 25 miles, and California State University of Fresno only 30 miles to the north. Sierra Pacific High School was recently opened and enrollment began in fall of 2010. A satellite facility for College of the Sequoias and a vocational training center was also recently completed in 2010.

Culturally there are approximately 20 churches, one public library, two newspapers, six TV channels received direct and one cable TV system, nine banks, four credit unions, one savings and loan, six parks, three athletic complexes, and a Carnegie Museum. Other recreational facilities include the Kings Country Fairgrounds including Kings Speedway, one private 18-hole country club, two 18-hole municipal golf courses in neighboring Lemoore; and boating, fishing and hunting along the Kings River.

There is a newer, \$112 million medical center at the corner of Mall Drive and West 7th Street. The project began in 2007 due to the region's growing demand for health care services. The facility includes 202,000 square feet, three-stories, and 142-beds. Services from Adventist

Health's Hanford Community Medical Center and Central Valley General Hospital in town have transferred to the new site. The 142 inpatient beds will include 120 medical/surgical beds and 22 intensive care unit beds, while the Emergency Department will hold 26 treatment stations. In addition, 32,000 square feet in additional expansion area will be shelled in on the second and third floors to house a total of 60 future additional beds when needed. An adjacent outpatient imaging center is also planned. In terms of staffing, hospital hired about 16 new physicians in 2007 and 18 for 2008. About one third of those typically work in Hanford, with the remainder being spread out in the regional area at other facilities. The hospital intends to hire about 10 new physicians per year as it continues to expand. Nursing staff should be increased by about 10%.

One of the reasons Hanford is attracting a number of workers from neighboring communities is the quality of life and availability of shopping and services. The Hanford Mall opened in April 1993 and features major retailers such as JC Penney, and Forever 21. A Sears store and auto center opened in 1999. A Ross Dress For Less store in the mall in 2000. The mall includes an additional 166,000 square feet of in-line space including an eight-screen theater. The mall was recently dealt a blow when long time tenant Mervyn's and Gottschalks closed. The Gottschalk's store was recently re-leased to Forever 21 and Kohl's is currently occupying the former Mervyn's space.

Major discount retailers are also present including Wal-Mart and Orchard Supply Hardware, two Rite Aid Stores and a Walgreens store. Home Depot is located at the northeast corner of 12th Avenue and Lacey Boulevard. The 96,000 square foot store employs 150 to 200 people. Target has a store in the Mall area along with Michael's, Famous Footwear, Old Navy, PetsMart Cold Stone Creamery, and Jamba Juice can also be found at this location. Wal-Mart recently opened a new super center just south of the Target site. A Lowe's store opened in November 2008 northwest of Target on Lacey Boulevard. An auto mall was completed on 37 acres at the northwest quadrant of 12th Avenue and State Highway 198. A Toyota and Hyundai dealership were the first to open. Costco is also planning a new location near the intersection of Highway 43 and Lacey Boulevard in eastern Hanford.

The majority of office space in Hanford is owned and occupied by owner-users. The strong owner-user influence promotes elevated pricing when good quality properties become available. Brokers report multiple offers to be common once a property becomes available; only a handful of quality office properties become available each year. There is some office vacancy present in the downtown area but the majority of the vacancies are in older commercial buildings that feature retail users on the ground levels and office users on the upper levels.

Nearly all of the new office development has moved to the Lacey Boulevard corridor west of 11th Avenue. The downtown district has seen several new developments recently. The vacant Sears building was purchased and completely renovated for office uses. It is anchored by FAST credit union with Kings County also having an office there. A brand new office building was completed for the Social Security Administration near city hall. One of the centerpieces of downtown, the former Hanford Furniture building, was purchased by the law firm of Griswold, LaSalle, Cobb, Dowd and Gin. It was renovated as their new office space. As a whole the Hanford office market is strong with vacancy typically seen in older run down properties.

The long-term outlook for Hanford is positive. It has a diversified economy based on agriculture, manufacturing, and large public sector employers. It has become the health care provider for the region. Over the short term, Hanford and the majority of Kings County is experiencing the after-effects of the housing collapse and job market crisis. Fortunately, home prices have leveled out and are showing strong gains supported by limited supply. The commercial sector remains slow but stable. Critical to continued recovery will be improvements in unemployment. The effects of this should be experienced into 2014.

KINGS INDUSTRIAL PARK SUB-MARKET

The subject property is located in the southeast quadrant of Iona Avenue and 10th Avenue in the southern portion of Hanford. Eleventh Avenue is roughly three quarters of a mile to the west while the Burlington Northern and Santa Fe Railroad line borders the western portion of the subject site. This location is part of the Kings Industrial Park. The park primarily lies south of Houston Avenue, north of Jackson Avenue, east of 11th Avenue and west of 10th Avenue.

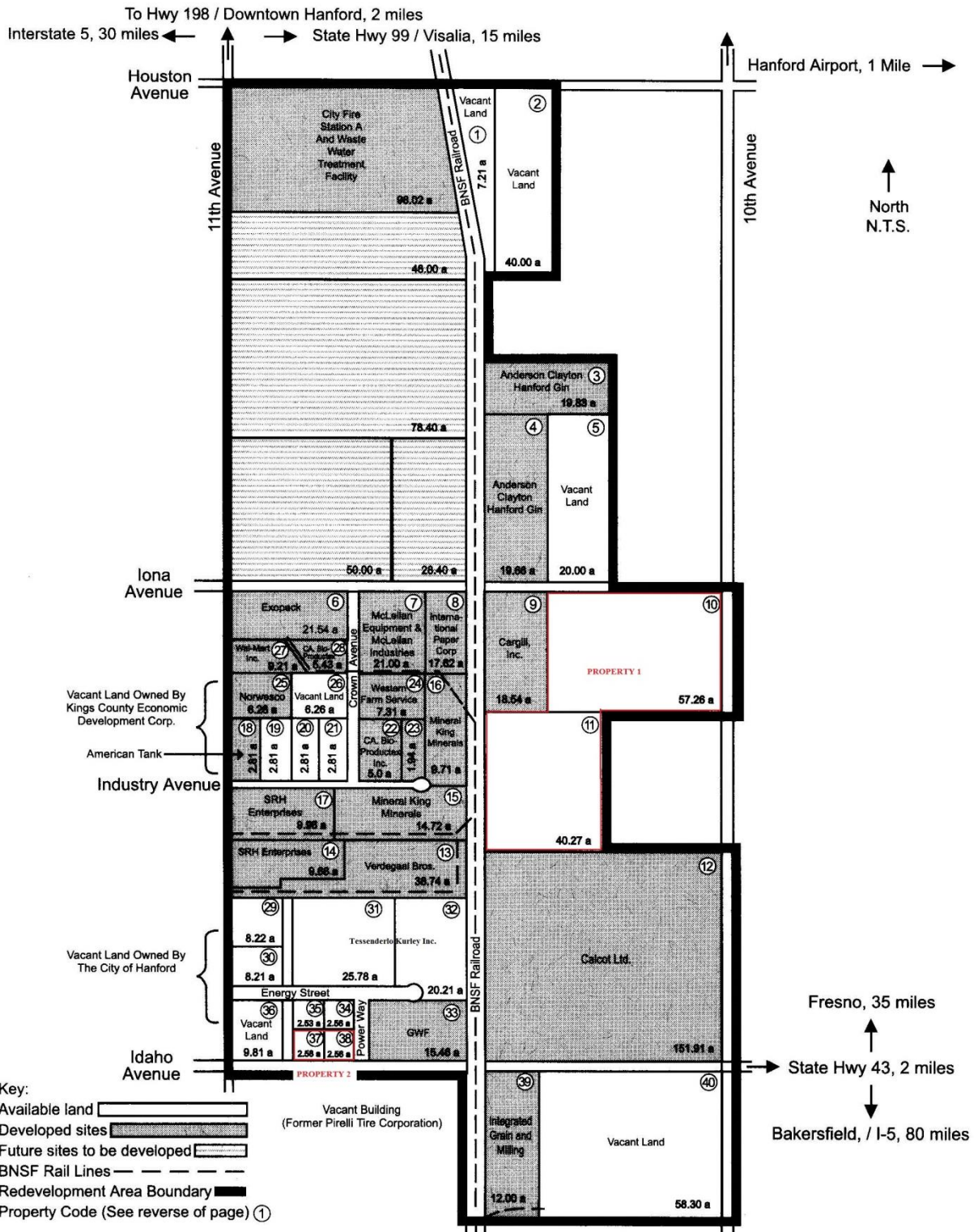
Both 10th and 11th Avenues are primary north-south arterials through Hanford. They carry moderate to heavy traffic volume. Houston and Jackson Avenues are two-lane, east-west rural roadways that carry light to moderate traffic volume. Highway access is adequate. State Highway 43 is two and one-half miles to the east and accessible by Houston, Iona, Idaho and Jackson Avenues. State Highway 198 is two and one-half miles to the north. It provides linkage to major truck routes such as State Highway 99 (20 miles east) and Interstate 5 (30 miles west). Highway 198 is accessible via both 10th and 11th Avenues.

The Kings Industrial Park houses some 1,100 acres and the majority of Hanford's industrial base is located within this sector. Exopack, Cargill, Norwesco, Verdegal Brothers, Wal-Mart and Calcot all have locations within the park. The former Pirelli Tire Plant was purchased by an investor and is offered for lease. Fry's Electronics has been leasing a building for roughly three years and only recently announced that the site would start being utilized as a large warehouse and storage area. One of the most recent developments is a land purchase by Tessengerlo-Kerley Inc., an Arizona based engineering and mining firm. The site has been laser leveled.

In a broader sense, much of the surrounding area to the east, south and west of the industrial park is used primarily for agricultural purposes. Typical crops include alfalfa, corn, cotton, sugar beets, tomatoes and wheat. Dairies are also prevalent. Permanent plantings such as almonds, pistachios and walnuts are also common, but not prominent.

In terms of competing industrial districts, the City of Lemoore ten minutes west has a small industrial district with land available. Lemoore has four large users including two Leprino Foods plants, SK Foods, Agraz USA, and GV Burrows Inc. The City of Visalia some 20 minutes to the east represents the most significant competition. It is ideally located at the intersection of State Highway 99 and State Highway 198. Rail access is also present via Union Pacific with branch lines connecting to other communities including Hanford and Lemoore.

Kings Industrial Park - Hanford



*Map provided by the City of Hanford

Visalia in particular has positioned itself as a major warehousing hub on the west coast. Over one million square feet of space has been built over the last five years. The primary builders of the new space in Visalia have been the Allen Group and Diversified Development. Several large manufacturing and processing concerns are also positioned in Visalia including International Paper, California Dairies, and Kawneer/Amax.

Tulare also has an active industrial district. Notable users include U.S. Cold Storage, Hagen Daz, Southern California Edison, Land O' Lakes, and the Cheese Protein International. However, the majority of Tulare's recent industrial development has been smaller owner-users.

Market conditions within the Kings Industrial Park have been middling over the past five years. In comparison to competing parks along Interstate 5 or Highway 99, the subject is second rate. Discounted land values, tax incentives and rail spur have attracted some recent business to the area; however, the distance from the two north-south arterial roadways through central California (Highway 99 and Interstate 5) is adverse. In addition, the park is located well south of Highway 198 which is also unfavorable when compared to locations on the Highway.

In summary, the subject is located in an industrial district of average character but below average location. The growth pattern in the industrial park has been fairly static over the past five years and a significant amount of vacant land remains. Slow growth for the Kings Industrial Sector is anticipated over the long-term. Competition from Visalia and Tulare is significant in terms of attracting new users. This trend is not likely to change in the near term.

SITE DESCRIPTION

Property History:	The Kings Industrial Park was originally created in 1973 by redevelopment. The original project included 180 acres but was later expanded in 1983 to include an additional 920 acres for a total of 1,100 acres. Roughly 260 acres remain vacant. Fee title is vested as <i>The City of Hanford</i>, according to Kings County public records. The subject site includes three parcels. An organic poultry farmer has taken an interest in the subject site, inclusive of all three parcels and aims to utilize the BNSF Rail as a means of transporting chicken feed. The property has been softly marketed for sale through the City of Hanford for several years. Pricing has not been consistent and is negotiable. The site has not sold within a three year period preceding this report.
-------------------	--

Site:	APN	018-242-007	018-242-013	018-242-020
	Size	57.26	12.36	40.27
	Zoning	HI	HI	HI
	Iona Frontage	1,715'	0'	0'
	10 th Ave. Frontage	858'	50'	0'
	Rail Frontage	No	No	Yes
	Rail Spur	No	No	No
	Off-sites	No	No	No
	Plantings	Corn	Open	Open
	Well	None Noted	None Noted	None Noted
Access:	Parcel ending in 007 has access from 10 th Avenue and Iona Avenue. Parcel ending in 013 has access via 50' (estimated) wide drive along 10 th Avenue. Parcel ending in 020 does not have direct frontage or access from a surface street. It is landlocked as a stand-alone parcel; however, it does front the BNSF Rail.			



PARCEL MAP

Kings, CA, 2013-2014 -, Sheet: 1 of 1

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY.
IT IS NOT TO BE USED FOR ANY OTHER PURPOSE.
LEGAL OWNERSHIP OF LAND FOR
MAY 2012

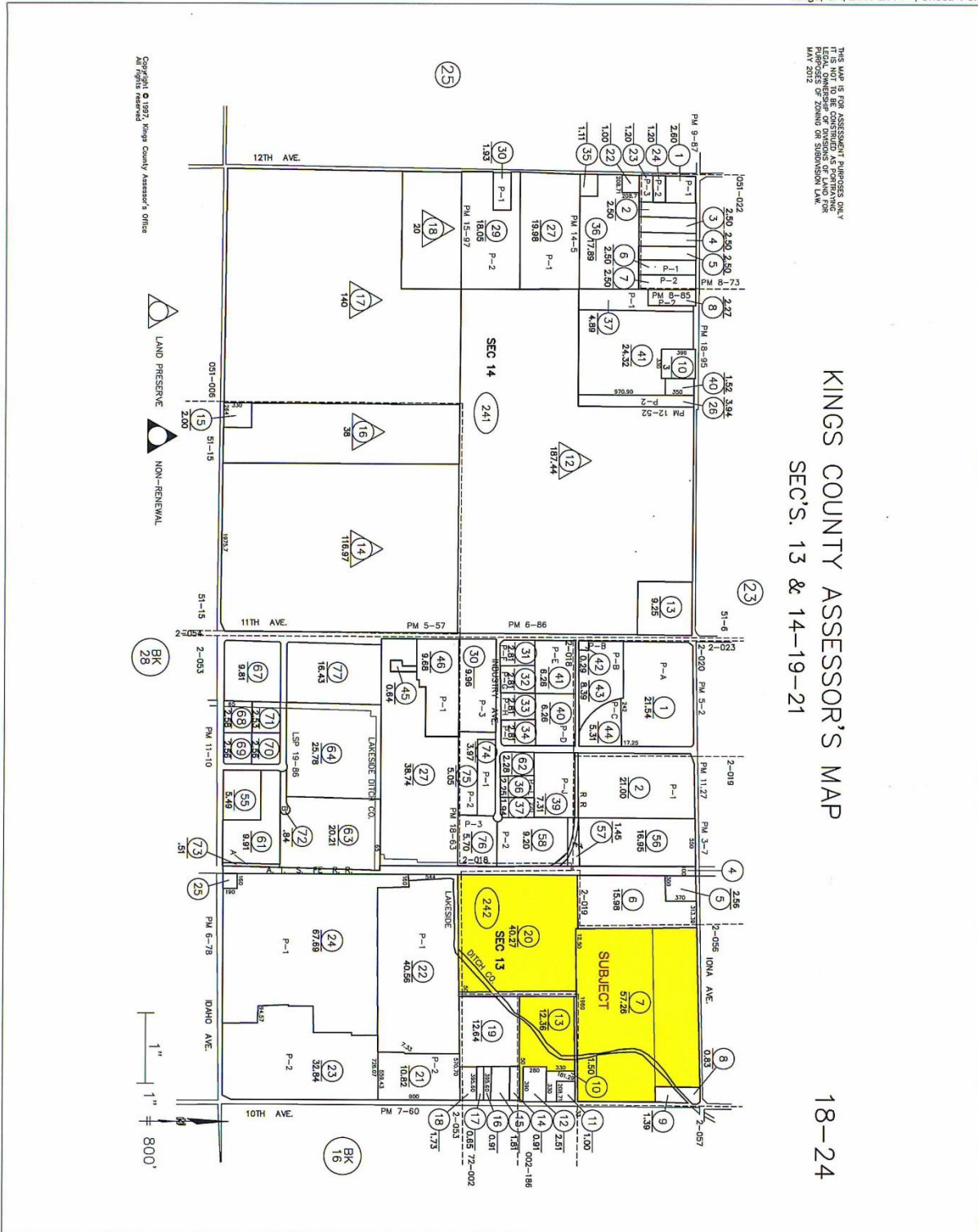
KINGS COUNTY ASSESSOR'S MAP SEC'S. 13 & 14-19-21

18-24

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All rights reserved



1" = 800'



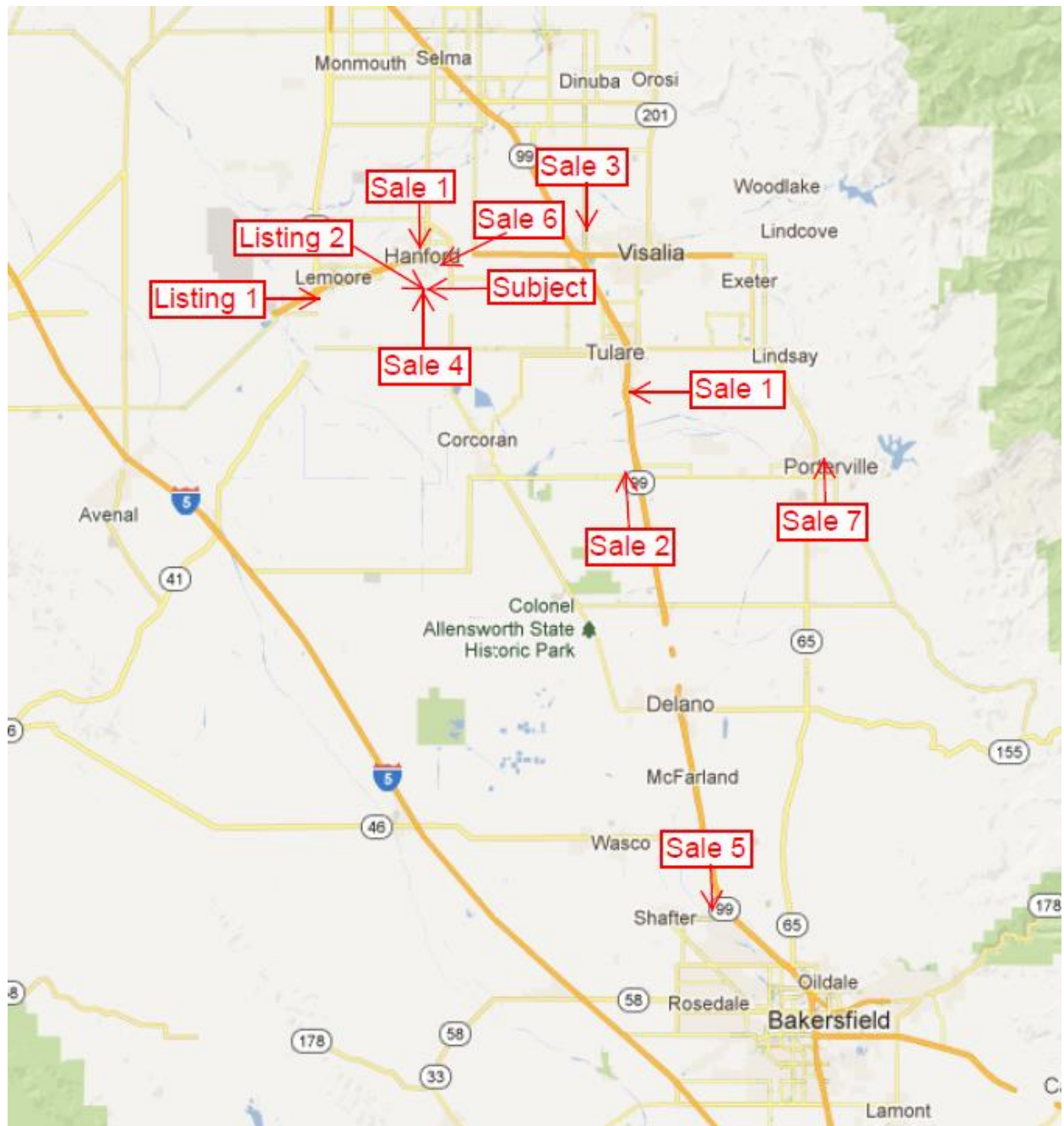
VALUATION

HIGHEST & BEST USE

The zoning allows for a wide range of heavy industrial uses. The site is located within a heavy industrial park and a zoning change is unlikely. The site is of adequate size for heavy industrial development and has potential access to the BNSF Rail. Consequently, the highest and best use is for heavy industrial development.

LAND VALUATION

LAND SALES									
No.	Location / APN	Sale Date	Sale Price	Price/SF	Price/Acre	Size (ac)	Zoning	Utilities	Off-Sites
1	Avenue 200 and Highway 99 Tulare, CA Multiple	Feb-11 Buyer: RB Brothers Seller: Crabtree	\$3,720,000	\$0.91	\$39,829	93.40	M-1	Yes	No
2	433 North Westling Road Tipton, CA 228-180-011	Jun-11 Buyer: Garza/Lopez Seller: Alsup	\$300,000	\$1.07	\$46,584	6.44	M-1	No	No
3	SEC of Plaza Dr. & Riggan Ave. Visalia, CA 077-360-028; 030	Mar-12 Buyer: Exeter 12152, LLC & Coldy Bay, LLC Seller: Chicago Title Company, Trustee on behalf of Bank of America	\$2,270,000	\$0.93	\$40,471	56.09	I-H	Yes	Yes
4	N. of Idaho east of 11th Ave. Hanford, CA 018-242-064	Jun-12 Buyer: Tessengerlo Kurley Inc. Seller: Community Redevelopment Agency	\$1,380,000	\$0.69	\$30,007	45.99	H-I	Yes	Yes
5	300 Carsen Way Shafter, CA 091-171-32	Jun-12 Buyer: Antonio Seller: Citizen's Business Bank	\$690,000	\$1.50	\$65,465	10.54	M-1	Yes	Yes
6	NS of Hanf. Arm. Rd. E of 9th Ave. Hanford, CA 016-060-012	Jul-12 Buyer: Tri West Investments Seller: Rhoden et al	\$2,000,000	\$0.57	\$25,000	80.00	AG-20 GP-UR	No	No
7	SEC of Main St. & Linda Vista Porterville, CA 243-180-008	Mar-2013 Buyer: Immodo California 1 LLC Seller: Tevet	\$505,660	\$0.53	\$23,174	21.82	M-1	Yes	No
Listings									
1	Lemoore Industrial Park Lemoore, CA Numerous	Listing Buyer: Listing Seller: Listing	Varies	\$1.00	\$43,560	1-100 Acres	M-1, M-2	Yes	Yes
2	Kings Industrial Park Hanford, CA Numerous	Listing Buyer: Listing Seller: Listing	Varies	\$0.69-\$1.15	\$30,000-\$50,000	1-100 Acres	HI	Yes	Yes



Our observations of market conditions indicate that adjustments may be required for interest transferred, conditions of sale, market conditions, location, size, zoning, utilities, and off-site improvements. We have rated each sale in the following qualitative adjustment grid.

Sale No. – Price/Acre	Rating – Factors
Sale 1 - \$39,829	Sl. Superior – Better located along Highway 99
Sale 2 - \$46,584	Superior–smaller size, location at Hwy 99
Sale 3 - \$40,471	Similar – Has off-sites, sale was under duress
Sale 4 - \$30,007	Sl. Superior – Most comparable sale, no ditch, has off-sites
Sale 5 - \$65,465	Superior – Has off-sites, smaller parcel, location at Hwy 99
Sale 6 - \$25,000	Similar – Not in city limits, motivated buyer
Sale 7 - \$23,174	Similar – Slightly inferior location, no ditch
Listing 1 - \$43,560	Similar – Heavy industrial park listing in Lemoore
Listing 2 - \$30,000 - \$50,000	Similar – Heavy industrial park listing in Hanford

The Kings Industrial Park has several lots listed for sale by the City of Hanford. The properties are offered at a discount with hopes bolster the industrial park and increase employment opportunities. In addition the city offers tax incentives for businesses to re-locate to the area. While these incentives are valuable to securing new businesses to the industrial park, land is sold at a discount and affects surrounding property values.

Sale 4 is the most similar to the subject property. It is located within the Kings Industrial Park and has off-sites. Sale 6 is located within Kings County but within the City of Hanford sphere of influence. The site is zoned for agriculture but planned urban reserve. The adjacent industrial user purchased the site for future expansion and paid the full asking price. Sale 7 is the most recent sale and includes two separate transactions of adjacent properties. The average sales price amounts to \$23,174 per acre and the buyer is installing solar panels.

The subject site lacks off-sites, is larger than all of the comparable sales and is bisected by a ditch. The ditch creates access issues and limits the utility of the subject site. As a whole, the three parcel assemblage is valued at the low end of the range due to these conditions. Sales 4, 6 and 7 are the most similarly ranked. The value conclusion is bracketed by these sales. All factors considered a value of \$25,000 per acre is reasonable for the three parcel assemblage. The value is calculated as follows:

109.89 Acres X \$25,000/ Acre =	\$2,747,250
Rounded =	\$2,750,000

EXPOSURE TIME

We have considered the assumptions and conclusions reached in the valuation section of this report. A review was made of the actual exposure times from the comparable sales data. We examined exposure times contained in investor surveys and interviewed commercial real estate brokers. The age and condition/marketability of the subject was considered. All factors considered an exposure time of six months or less is reasonable for the subject at the appraised value.

ADDENDA

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have made a personal inspection of the property that is the subject of this report.
- Jacob I. Hower provided significant real property appraisal assistance to the person signing this certification in the areas of research, inspection, and analysis. He has made a personal inspection of the subject property.
- I have not performed any services as an appraiser or any other capacity, regarding the property that is the subject of the appraisal assignment within the three-year period immediately preceding acceptance of this assignment.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I (Timothy J. Simon) have completed the continuing education program of the Appraisal Institute.

Timothy J. Simon, MAI
Certified General Real Estate Appraiser
California License AG010007 (Expires 5/7/2015)

BASIC ASSUMPTIONS & LIMITING CONDITIONS

1. No survey was made of the property, and the dimensions are those taken from the maps in the Office of the County Assessor of the County of Kings. This appraisal is not an engineering, legal or architectural study. It is not an examination or survey of any kind. Expertise in these areas is not implied and should not be inferred by the reader.
2. No separation of land and building values may be used for any other purpose than that delineated elsewhere in this report.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to the valuation conclusion, the identity of the appraiser or firm with which it is connected, or any reference to the Appraisal Institute, or to the MAI or SRA designations.
4. No right to expert testimony is included with this report, and the fee for this appraisal does not include payment for pre-trial conferences or taking of depositions.
5. No responsibility is assumed for matters legal in nature.
6. No survey or soil tests of the land have been made by the appraiser.
7. This report and all information contained herein was prepared for the sole and exclusive benefit of the client, as specified herein, and is intended for his use only. No one except the client specified herein may rely on this report for any purpose. Any person or entity who obtained or reads this report, or a copy thereof, other than the client specified herein, expressly assumes all risk of damages to himself or third persons arising out of reliance thereon or use thereof and waives the right to bring any action based on the appraisal, directly or indirectly, and the appraiser shall have no liability to any such person or entity.
8. Possession of this report or any copy thereof does not carry with it the right of publication, nor may the same be used for any purpose by anyone except the appraiser's employer, without the previous written consent of the appraiser, and in any event, only in its entirety.
9. The information and data reported in this appraisal have been obtained from sources that are deemed to be reliable. They are believed to be correct, but cannot be guaranteed by the appraiser. This condition applies generally throughout the appraisal report and specifically to square footage calculations and descriptions of comparable properties.
10. This appraisal report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the appraiser) affecting the analyses, opinions, and conclusions contained in this report.
11. During the course of this appraisal, the appraisers did **not** detect or attempt to discover any environmental hazard on, under, above, or within the subject real estate. No overt evidence of

any environmental hazard is apparent to the untrained eye. It is beyond the expertise of the appraiser to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. No responsibility is assumed by the appraisers or Simon Company, Inc. for any hazard or for any expertise required to discover any environmentally hazardous condition. Our client is urged to retain an expert in this field, if desired.

12. The appraiser is not qualified to determine whether the subject building improvements are in compliance with the American with Disabilities Act (ADA) of 1992. Noncompliance with this act could have a negative effect upon the value of the property. An expert in this field should be retained for consultation, if desired.
13. All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised annually to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.
14. The person signing this report is licensed to appraise real property in the state the subject is located. I affirm I have the experience, knowledge, and education to value this type property. I have previously appraised similar real estate.
15. No liability is assumed, expressed, or implied by Simon Company, Inc., or the appraiser for unauthorized use of this report. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are clearly, specifically, and explicitly identified as an intended user on Page 1 may rely on, and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use, or rely on any portion of this document. Unauthorized users do so at their own risk and peril.

EXHIBITS



North view on 10th Avenue



East view across property



North view of rail road



West view of canal

QUALIFICATIONS OF TIMOTHY J. SIMON, MAI

STATE OF CALIFORNIA CERTIFICATION

State of California Office of Real Estate Appraisers - Certified General Real Estate Appraiser. Certificate # AG010007, Expiration May 7, 2015.

PROFESSIONAL AFFILIATIONS

MAI - The Appraisal Institute. Member # 10,157 (October 1993)
1999 President - Central California Chapter
State of California Licensed Real Estate Broker # 01264078

EDUCATION

California State University, Fresno
Bachelor of Science, Industrial Technology - Construction, 1981
The Appraisal Institute (1986-Present)
1A1, Real Estate Appraisal Principles
1A2, Basic Valuation Procedures
1BA, Capitalization Theory and Techniques A
1BB, Capitalization Theory and Techniques B
2-1 Case Studies in Real Estate
2-2, Report Writing and Valuation Analysis
SPP-A, B and C, Standards of Professional Practice
International Right of Way Association
Course 403 Easement Valuation
Course 214 Skills of Expert Testimony
Numerous Appraisal Seminars and Workshops

INSTRUCTOR

Instructor of appraisal classes at College of the Sequoias, a community college located in Visalia, CA. (1994)

PARTIAL LIST OF PROPERTY TYPES APPRAISED

Office Buildings	Industrial Properties	Shopping Centers
Apartment Buildings	Residential Subdivisions	Agricultural Properties
Eminent Domain/Right of Way	Special Purpose Properties	

APPRAISAL EXPERIENCE

American Appraisal Associates Walnut Creek, CA 1981-86
Building cost analyst and real estate appraiser. Clients included numerous corporations, business firms, lending institutions and government agencies.
Wells Fargo Bank Real Estate Industries Group Walnut Creek, CA 1986-88
Staff real estate appraiser. Clientele were medium to large developers for construction lending and permanent financing of existing and proposed construction.
Real Property Analysts Fresno, CA 1988-92
Independent fee appraiser. Proposed and existing income real property. Right of way appraisals for Government agencies.
Simon Company Hanford, CA 1992-Present
Independent fee appraiser, self-employed.

COURT EXPERIENCE

Qualified as an expert witness in Kings and Tulare County Superior Court

PARTIAL LIST OF CLIENTS SERVED

Lending Institutions:

Wells Fargo Bank
Bank of America
Sanwa Bank California
Bank of the West
The California Stockmen's Bank
Imperial Thrift & Loan
Westamerica Bank
Clovis Community Bank
Bank of the Sierra
United Security Bank
Comercia Bank
Stockton Savings Bank
Sacramento State Bank
Goleta National Bank
Kaweah National Bank
Heritage Bank of Commerce
California Federal Bank
Zion First National Bank
Federal Land Bank
Temucula Valley Bank
Kings River Bank
Bank of Visalia

Corporations:

McDonald's Corporation
Chevron USA
Principal Financial
Adventist Health Systems

Law Firms:

Kahn, Soares & Conway – Hanford, CA
Griswold, LaSalle, Cobb, Dowd & Gin – Hanford, CA
Maroot, Hardcastle & Hatherley – Hanford & Visalia, CA
Lazano Smith – Fresno, CA
Horsewill Mederos & Dorman – Tulare, CA

Governmental Agencies:

Kings County
Tulare County
City of Hanford
City of Corcoran
City of Lindsay
City of Porterville
City of Huron
Visalia Redevelopment Agency
Hanford Elementary School District
Pioneer School District
Riverdale Unified School District
Central Unified School District
Island Union School District
College of the Sequoias
West Hills College
Lemoore Unified School District
Sierra Kings District Hospital
Hanford Community Medical Center
California Dept. Of Transportation
Southern California Edison Co.
Southern California Gas Co.
Kings County Water District
Tulare Lake Drainage District
Resolution Trust Company

Accounting Firms:

Brown, Neuman & Semas/Hanford, CA
Gilman, Harris and Travoli/Visalia, CA
M Green and Company/Hanford, Visalia
and Tulare, CA



**AGENDA
STAFF REPORT**

MEETING DATE: 3/4/2014

AGENDA SECTION: 5. C.

SUBJECT:

City Clerk: Approve the minutes from the October 15, 2013 Successor Agency Meeting.

RECOMMENDATION:

BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

Description

📎 [10-15-13 SA Action Summary Minutes](#)



**SUCCESSOR AGENCY
ACTION SUMMARY MINUTES
October 15 2013**

**COUNCIL CHAMBERS, CIVIC AUDITORIUM
400 N DOUTY ST**

Successor Agency - 6:30 PM

ROLL CALL BY THE CITY CLERK:

The Successor Agency meeting was postponed until after the regular city Council meeting, prior to the closed session of the City Council Meeting.

Meeting called to order by Mayor Lou Martinez at 7:52PM.

Present: Russ Curry (RC), Joleen Jameson (JJ), Lou Martinez (LM), Gary Pannett (GP)

Absent: Jim Irwin (JI)

PUBLIC COMMENT:

None.

Any person may directly address the Council at this time on any item on the agenda, or on any item that is within the subject matter jurisdiction of the Council. A maximum of five minutes is allowed for each speaker.

Written Correspondence:

1. CONSENT CALENDAR:

All items listed under the Consent Calendar are considered routine and will be enacted by one motion (**ROLL CALL VOTE required**). For discussion of an item on the Consent Calendar, it will be removed at the request of any member of the Council or any person in the audience and made a part of the regular agenda.

A. City Clerk: Approve Meeting Minutes for October 1, 2013

Motion to approve meeting minutes for October 1, 2013 by JJ/RC.

Motion Passed, unanimously. (Ayes: RC, JJ, GP, LM, Noes: None, Absent: JI)

2. NEW BUSINESS:

Item 2C was taken out of order and taken up as the first item under New Business.

A. Adopt the resolution authorizing the execution of the Bel's Poultry, LLC Purchase and Sale Agreement and Escrow Instructions

Motion to adopt the resolution regarding Bel's Poultry as presented by RC/JJ.

Motion Passed, unanimously. (Ayes: RC, JJ, GP, LM, Noes: None, Absent: JI)

B. Adopt the resolution authorizing the execution of the Tessenderlo Kerley, Inc., Purchase and Sale Agreement

and Escrow Instructions

Motion to adopt the resolution regarding Tessengerlo Kerley, Inc. as presented by JJ/GP.

Motion Passed, unanimously. (Ayes: RC, JJ, GP, LM, Noes: None, Absent: JI)

C. Adopt the Long-Range Property Management Plan

Item 2C taken out of order, done first under new business.

Motion to adopt the Long-Range Property Management Plan by RC/JJ.

Motion Passed, unanimously. (Ayes: RC, JJ, GP, LM, Noes: None, Absent: JI)

D. Authorize the Mayor to sign the Grant Deed through which a 2.53 acre parcel, which houses a storm drainage basin, will be transferred to the City of Hanford.

Motion to authorize the Mayor to sign the grant deed as presented by RC/JJ

Motion Passed, unanimously. (Ayes: RC, JJ, GP, LM, Noes: None, Absent: JI)

ADJOURNMENT:

The Successor Agency Meeting was adjourned to the City Council Closed Session at 8:10 PM .

Respectfully Submitted,

Melonie Patrick,
City Clerk



AGENDA STAFF REPORT

MEETING DATE: 2/18/2014

AGENDA SECTION: 5. D.

SUBJECT:

Finance Department: Review and Approval of Administrative Budget for the period July 1, 2014 to December 31, 2014.

RECOMMENDATION:

That the Successor Agency to the Community Redevelopment Agency of the City of Hanford, by motion, approve the Administrative Budget for the period July 1, 2014 to December 31, 2014.

BACKGROUND:

AB 1X 26 dissolved redevelopment agencies. The City of Hanford Successor Agency assumed the wind down responsibilities of the RDA. AB 1434 provides that budgets of the Successor Agency must prepare an administrative budget every six months and submit it to the Oversight Board for its approval. The attached budget has been prepared to cover the period of July 1, 2014 to December 31, 2014. It includes the following:

- City of Hanford Staff Services
- Advertising (Land Sale)
- Attorney Fees (City)
- Attorney Fees (Oversight Board)
- Audit Fees, and
- Land Sales Costs such as appraisals, escrow fees, reconveyance fees, and legal fees

Staff has prepared the proposed budget for the 6 month period based on the number of land sales that may occur and the related marketing, preparation of staff reports and agendas, and attorney fees related to land sales.

FISCAL IMPACT:

Actual cost under the six month budget will be paid from the RPPTF Administrative Cost Allowance Funds.

ATTACHMENTS:

Description

- 📎 [RDA Successor Agency Budget](#)

CITY OF HANFORD RDA SUCCESSOR AGENCY
BUDGET
JULY 1, 2014 TO DECEMBER 31, 2014

City of Hanford Staff Services	5,570
Advertising (Sale Land)	7,500
Attorney Fees - City	25,000
Attorney Fees - Oversight Board	25,000
Audit Fees	5,000
Land Sale Costs	
Appraisals, Escrow, Reconveyance	27,000
Legal Fees - Agreements	<u>29,930</u>
	<u>125,000</u>
Proposed Source of Funding - RPTTF Admin Allowance	<u>125,000</u>

CITY OF HANFORD RDA SUCCESSOR AGENCY
BUDGET LINE ITEM DETAIL
JULY 1, 2014 TO DECEMBER 31, 2014

Staff Services	<u>Hours</u>	<u>Hourly Rate</u>		
- City Clerk	8.00	73.66	=	589
- Property Manager	8.00	52.20	=	418
- City Manager	8.00	143.99	=	1,152
- Finance Director	20.00	106.81	=	2,136
- Accounting Technician	4.00	40.07	=	160
				<u>4,455</u>
	25% Overhead			<u>1,115</u>
				<u>5,570</u>
Advertising				
- Realtor, Trade Journals, Local Media				7,500
Attorney Fees				
- City Attorney				25,000
- Oversight Board				25,000
Audit Fees				
- Outside Audit Firm				5,000
Cost of Land Sales				
- Appraisals, Escrow, Reconveyance				27,000
- Legal Fees to Prepare/Negotiate Agreements				29,930
				<u>125,000</u>



AGENDA STAFF REPORT

MEETING DATE: 2/18/2014

AGENDA SECTION: 5. E.

SUBJECT:

Finance Department: Review and approval of the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2014 to December 31, 2014.

RECOMMENDATION:

That the Successor Agency, by motion, approve the ROPS for the period July 1, 2014 – December 31, 2014 as required under AB 1484.

BACKGROUND:

AB 1484 requires Redevelopment Agency Successor Agencies to prepare a Recognized Obligation Payment Schedule (ROPS) each six months and submit the ROPS to the State Department of Finance (DOF). The Successor Agency Oversight Board must approve the ROPS prior to submittal to DOF.

The sixth month ROPS is a list of obligations or payments that are or may be due within the six month period. The attached ROPS is for the period of July 1, 2014 to December 31, 2014. The Agency owes Kings EDC \$893,470 on loans for purchase of land in the Kings Industrial Park. \$125,000 is for proposed administrative expenses of the Successor Agency to wind down the activities of the former Redevelopment Agency. The Agency owes the City of Hanford \$7,679,886 from loans (funds advanced) to the Agency for capital improvement projects and operation expenses incurred from the inception of each of the two project areas to dissolution of The Redevelopment Agency. Pursuant to AB 1484 guidelines, the city could not place the unpaid loan balances on the ROPS Schedule until the due diligence reviews were complete, approved by the Oversight Board, approved by the Department of Finance (DOF), and the DOF issued a "Finding of Completion" (FOC). The due diligence reviews have been completed and approved by the DOF and the DOF has issued a FOC to the city effective July 16, 2013. The AB 1484 guidelines also provide that a defined repayment schedule must be developed and that the maximum annual repayment amount is limited to one-half of the increase between the residual amount distributed to the taxing entries in that fiscal year and the residual amount distributed in the 2012-13 base year. The first request for funding may begin with ROPS 14-15A (July 1, 2014 – December 31, 2014).

Staff is requesting the Successor Agency approve the ROPS for the period July 1, 2014 – December 31, 2014, which must be submitted to the State Department of Finance and the Kings County Auditor-Controller by March 3, 2014.

FISCAL IMPACT:

None.

ATTACHMENTS:

Description

☐ [ROPS 14-15A](#)

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Hanford
Name of County: Kings

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A Sources (B+C+D):		\$ 893,470
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		893,470
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 125,000
F Non-Administrative Costs (ROPS Detail)		-
G Administrative Costs (ROPS Detail)		125,000
H Current Period Enforceable Obligations (A+E):		\$ 1,018,470
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I Enforceable Obligations funded with RPTTF (E):		125,000
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)		(111,193)
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 13,807
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L Enforceable Obligations funded with RPTTF (E):		125,000
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)		-
N Adjusted Current Period RPTTF Requested Funding (L-M)		125,000

Certification of Oversight Board Chairman:
Pursuant to Section 34177(m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

John Lehn	Chairman
Name	Title
/s/	
Signature	Date

(Report Amounts in Whole Dollars)

[illegible]

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance	Prior ROPS RPTTF distributed as reserve for next bond payment	Other	RPTTF	
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained		Rent, Grants, Interest, Etc.	Non-Admin and Admin	
		Comments						
Cash Balance Information by ROPS Period								
ROPS 13-14A Actuals (07/01/13 - 12/31/13)								
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)			1,643,157			187,717	
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013					25,799	29,390	
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of DDAs			1,643,157		25,799	13,807	Column E is DDR payment per DOF Letter dated 1/28/13
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A							
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs	No entry required						111,193
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,107	
ROPS 13-14B Estimate (01/01/14 - 06/30/14)								
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,300	
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014					10,000	27,805	
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)					10,000	115,000	
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B							
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,105	

(Report Amounts in Whole Dollars)

county auditor-controller (CAC) and life state controller

[illegible]

July 1, 2014 through December 31, 2014

[illegible]



AGENDA STAFF REPORT

MEETING DATE: 3/4/2014

AGENDA SECTION: 5. F.

SUBJECT:

Successor Agency Attorney: Approve the Purchase and Sale Agreement and Escrow Instructions for 5.14 Acres of RDA property located in the Kings Industrial park to Kings Mosquito Abatement District

RECOMMENDATION:

The City Attorneys' Office recommends that the Successor Agency (SA), by motion, approve the Purchase and Sale Agreement and Escrow Instructions (PSA) with Kings Mosquito Abatement District ("KMAD") for KMAD's purchase of 5.14 acres of RDA property located in the Kings Industrial Park.

BACKGROUND:

KMAD submitted an offer to the SA for two parcels within the Kings Industrial Park that total 5.14 acres. The location of the subject property is identified on the attached plat map. The attached PSA was prepared based upon negotiations between KMAD and the SA.

The following is a summary of the key deal points of the PSA:

- Acres: 5.14 acres of unimproved land.
- Purchase Price: \$140,300.00.
- Initial Deposit: \$3,000.00 upon signature of the PSA.
- Close of Escrow: Closing to occur on or before the 270th day following the parties' signature of the PSA.

The SA had the subject property appraised as part of the SA's preparation of its Long-Range Property Management Plan. A copy of the appraisal prepared by Simon Company Inc., is attached hereto. The appraisal identifies the property's value as \$150,000.00. The SA has not received any other offers for the subject property and is not currently in discussions with any other party that may be interested in purchasing the 5.14 acres.

If the proposed sale to KMAD closes, a partial payment on a Shared Appreciation Secured Promissory Note (KEDC Note) held by the Kings Economic Development Corporation (KEDC) will occur. The KEDC Note is secured by a Deed of Trust (KEDC Deed of Trust). KMAD will want to acquire the subject property free and clear of the KEDC Deed of Trust. KEDC will partially reconvey the KEDC Deed of Trust (thereby removing it from the subject property's chain of title) in exchange for \$9,280.52/acre (\$3,095.00/acre (principal) plus \$6,185.52/acre (shared appreciation)) payment per the terms of its Note. The total payment to KEDC will be \$47,701.87. Payment will occur directly out of escrow at closing, which is consistent with standard industry practice for any lender holding a security interest in real property.

FISCAL IMPACT:

The portion of the sales proceeds not used by the Successor Agency to pay the RDA's enforceable obligations will be paid to Kings County for distribution to the taxing agencies.

ATTACHMENTS:

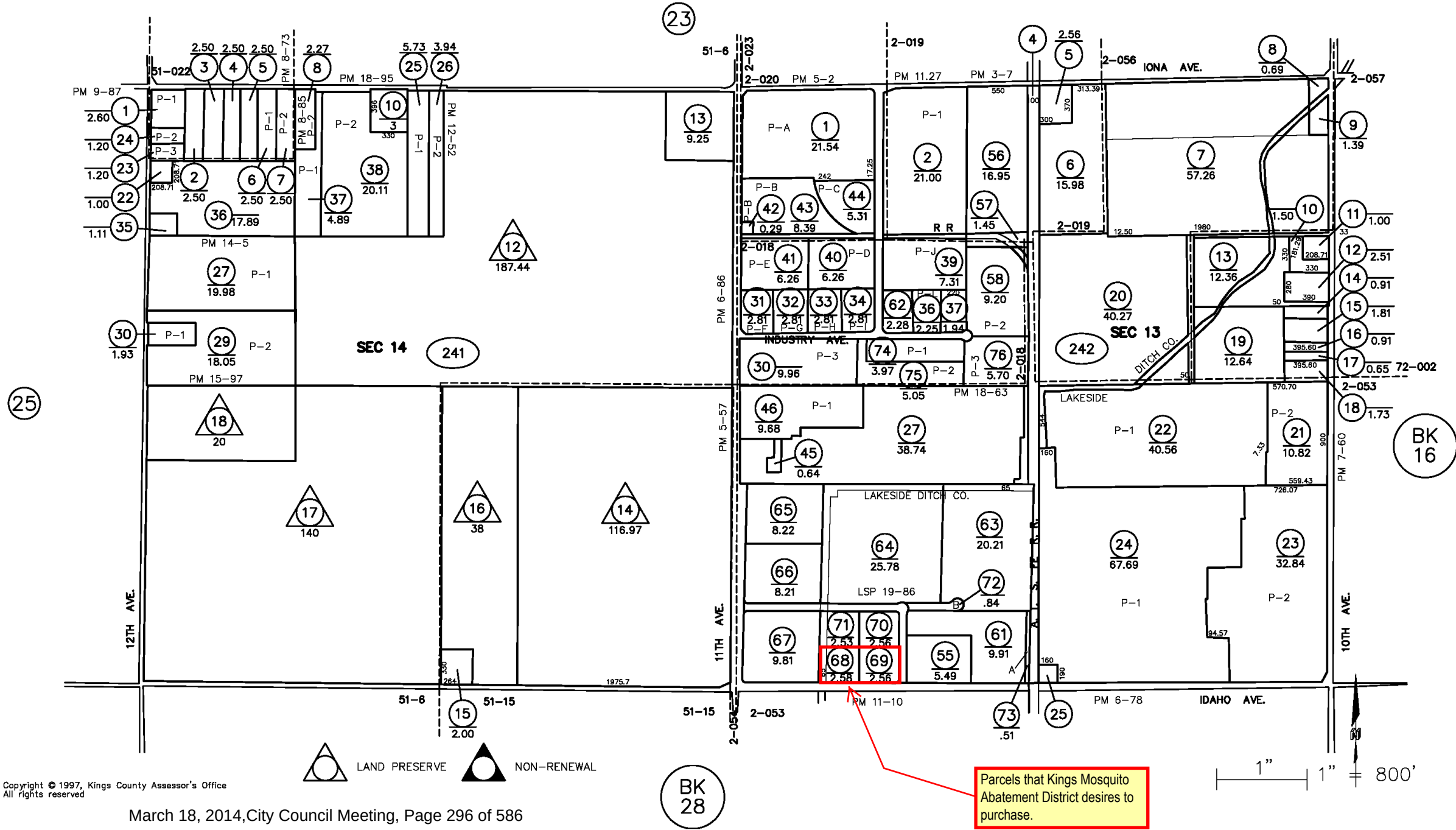
Description

-  [Assessor's Map](#)
-  [Purchase and Sale Agreement](#)
-  [Appraisal Report](#)

KINGS COUNTY ASSESSOR'S MAP
SEC'S. 13 & 14-19-21

18-24

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY
IT IS NOT TO BE CONSTRUED AS PORTRAYING
LEGAL OWNERSHIP OF DIVISIONS OF LAND FOR
PURPOSES OF ZONING OR SUBDIVISION LAW.
DECEMBER 2007



PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (“**Agreement**”) is made and entered into this ____ day of _____, 2013 (“**Effective Date**”), by and between THE CITY OF HANFORD, as Successor Agency to the Community Redevelopment Agency of the City of Hanford (“**Seller**”), and KINGS MOSQUITO ABATEMENT DISTRICT (“**Buyer**”). Seller and Buyer are sometimes collectively referred to herein as the “**Parties**” and singularly as a “**Party**.” This Agreement is made with reference to the following facts:

RECITALS

A. Seller possesses the authority to sell that certain real property located in Hanford, Kings County, California, consisting of approximately 5.14 acres, and more particularly described on Exhibit “A,” which is attached hereto and made a part hereof, together with all rights, privileges, easements and appurtenances thereto (collectively “**Real Property**”).

B. Seller wishes to sell and Buyer wishes to purchase the Real Property from Seller, in accordance with the provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. **Purchase and Sale.** Subject to all of the terms, conditions and provisions of this Agreement and for the consideration set forth herein, Seller agrees to sell to Buyer and Buyer agrees to buy at the Closing, as defined in this Agreement, the Real Property. The sale and purchase of the Real Property shall be consummated by means of an escrow (“**Escrow**”) opened at the offices of STEWART TITLE COMPANY (“**Escrow Holder**”) located at 329 W. Eighth Street, Suite 105, Hanford, California. This Agreement shall constitute the instructions for the Escrow upon acceptance by Escrow Holder. The Parties shall also execute such additional escrow instructions as may be required by the Escrow Holder, but the same shall be consistent with this Agreement and not modify the terms hereof unless specifically approved by the Parties, such approval to be given or withheld in their sole discretion.

2. **Purchase Price.** The purchase price for the Real Property shall be One Hundred Forty Thousand, Three Hundred and No/100 Dollars (\$140,300.00) (“**Purchase Price**”). The Purchase Price shall be paid in full on the Closing Date, as defined below in Section 23 of this Agreement.

3. **Payment of Purchase Price.** The Purchase Price shall be paid as follows:

(a) Upon execution of this Agreement hereof by both Parties, Buyer shall deposit Three Thousand and No/100 Dollars (\$3,000.00) (“**Deposit**”) with Escrow Holder.

(b) At least one (1) business day before the Closing, Buyer shall deposit the balance of the Purchase Price with Escrow Holder, in cash, by wire transfer or other immediately available funds.

4. **Liquidated Damages.**

LIQUIDATED DAMAGES UPON BUYER'S DEFAULT. IF THE ESCROW FAILS TO CLOSE BY THE SCHEDULED CLOSING DATE SET FORTH IN SECTION 23 OF THIS AGREEMENT AS A RESULT OF BUYER'S DEFAULT IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER

THIS AGREEMENT, THE DEPOSIT AND INTEREST ACCRUED THEREON SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST BUYER, AT LAW OR IN EQUITY OR OTHERWISE. RETENTION OF SUCH FUNDS BY SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT INSTEAD, IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. BECAUSE OF THE SPECIAL NATURE OF THE NEGOTIATIONS THAT PRECEDED ACCEPTANCE BY SELLER OF BUYER'S OFFER TO ACQUIRE THE REAL PROPERTY, THE PARTIES ACKNOWLEDGE THAT THE ACTUAL DAMAGE THAT WOULD RESULT TO SELLER AS A RESULT OF SUCH FAILURE WOULD BE EXTREMELY DIFFICULT TO ESTABLISH. IN ADDITION, BUYER DESIRES TO LIMIT ITS POTENTIAL LIABILITY TO SELLER IN THE EVENT THAT THIS TRANSACTION SHALL FAIL TO CLOSE. BY SEPARATELY INITIALING BELOW, THE PARTIES HEREBY ACKNOWLEDGE THEIR AGREEMENT CONCERNING LIQUIDATED DAMAGES:

Buyer Initials

Seller Initials

5. **Possession.** Seller shall deliver possession of the Real Property to Buyer at the Closing.

6. **Condition of Title to Real Property.** Seller shall convey fee title to the Real Property to Buyer, subject only to those encumbrances, contracts, agreements, rights, easements, rights of way, and mineral leases, rights and reservations as set forth in a preliminary report of title to the Real Property to be prepared by Escrow Holder ("**Title Report**") promptly after the opening of the Escrow. Upon receipt of the Title Report, and each document shown as an exception or encumbrance in the Title Report, Buyer shall have fifteen (15) calendar days within which to notify Seller and Escrow Holder in writing of any exceptions to title shown therein that Buyer disapproves ("**Objectable Exceptions**") plus any endorsements to title Buyer requires for the subject title policy. If Buyer notifies Seller and Escrow Holder of one or more Objectable Exceptions, Seller shall have fifteen (15) calendar days from receipt of such written notice to (i) remove the Objectable Exception(s), or (ii) refuse to remove the Objectable Exception(s), in which case Buyer may elect to waive its objection(s) and consummate this transaction, or terminate this Agreement and receive a refund of the Deposit and accrued interest, whereupon neither Party shall have any further obligation to sell or purchase the Real Property. Buyer's failure to provide Seller and Escrow Holder with written notice of Objectable Exceptions within said fifteen (15) calendar day period shall constitute Buyer's approval of the Title Report and all exceptions shown therein (collectively "**Permitted Exceptions**"). After Buyer's approval of the Title Report, Seller shall not allow, cause, or permit any additional exceptions to the condition of title to occur without Buyer's approval, other than ongoing real property taxes and assessments already of record.

7. **Title Insurance.** At the Closing, and as a condition to Buyer's obligation to purchase and Seller's obligation to sell the Real Property, Escrow Holder shall commit to issue its CLTA Owner's Policy of Title Insurance and Buyer's requested endorsements (provided, however, Buyer may elect to obtain ALTA extended coverage if Buyer so notifies Escrow Holder prior to the Closing and such election does not delay the close of Escrow) showing title to the Real Property vested in Buyer, subject only to the Permitted Exceptions as determined in accordance with Section 6 of this Agreement (the "**Title Policy**"). The premium for the Title Policy shall be paid as set forth in Section 22 of this Agreement, provided that if Buyer elects to obtain an extended coverage ALTA Owner's Title Policy, it shall pay the difference in premium and other costs for ALTA versus CLTA coverage.

8. **Feasibility Period.**

(a) During the period commencing on the Effective Date, and terminating at 5:00 p.m. on the day before the Closing Date (“**Feasibility Period**”), Buyer shall undertake, at Buyer’s expense, including (but not limited to): (i) an inspection of the Real Property; (ii) a review of the physical condition of the Real Property, including (but not limited to), inspection and examination of soils, environmental factors, Hazardous Substances, if any, and archeological information relating to the Real Property; and (iii) a review and investigation of the effect of any zoning, maps, permits, reports, engineering data, regulations, ordinances and law affecting the Real Property. Seller shall reasonably cooperate with Buyer and Buyer’s agents in providing documents and access to the Real Property relevant to Buyer’s inspection.

(b) If Buyer, in its sole and absolute discretion, and for any reason, approves all, or disapproves the results of any aspect of Buyer’s inspection and review, Buyer shall give, prior to 5:00 p.m. on the last day of the Feasibility Period, either (i) its notice of approval, or (ii) its notice of disapproval and termination of this Agreement. If the transaction is disapproved or deemed disapproved, all parties hereto shall be relieved of all further obligations or liabilities hereunder except as is otherwise specifically provided in this subparagraph 8(b) and in subparagraph 8(c) immediately following. If Buyer fails to notify Seller properly and timely of Buyer’s approval of this transaction as provided in this subparagraph 8(b), Buyer shall be deemed to be dissatisfied with the results of the inspection and shall be deemed to have disapproved and terminated this Agreement pursuant to this subparagraph 8(b). If Escrow terminates pursuant to this subparagraph 8(b), the Deposit will be released by Escrow Holder to Buyer, and Buyer will provide to Seller at no charge, upon cancellation of Escrow, all reports and material regarding the Real Property that Buyer generates or are generated on Buyer’s behalf.

(c) Buyer shall, prior to Closing, indemnify, defend and hold Seller and Seller’s officials, officers, employees, representatives and agents and the Real Property harmless from and against any and all loss, cost, damage, expense, claim or liability, including personal injury, loss of life and/or property damage incurred by: (i) Buyer or Buyer’s officials, officers, employees, representatives and agents as a result of the condition of the Real Property; or (ii) by any person or entity as a result of the acts or omissions of Buyer or its representatives, employees, contractors, or agents in performing any inspection and/or testing activity on or about the Real Property (provided however, the indemnity of this subsection (c)(ii) shall not apply to any pre-existing environmental condition unless the willful, intentional, or negligent act of Buyer makes the pre-existing condition worse). Buyer shall promptly pay all costs, fees and expenses incurred as a result of or associated with such inspection work done or caused to be done on the Real Property as permitted by this Section 8. Buyer shall keep the Real Property free from any and all mechanics or similar liens or charges resulting from such inspection work.

(d) Should Buyer enter the Real Property during the Feasibility Period, Buyer shall maintain at its own expense: (1) public liability insurance with liability amounts not less than One Million Dollars (\$1,000,000.00) for the injury or death of one person and One Million Dollars (\$1,000,000.00) for the injury and death of more than one person in any one incident; and (2) property damage insurance in the amount of One Million Dollars (\$1,000,000.00). All such insurance shall be carried with competent and reliable insurance companies, reasonably satisfactory to Seller. Buyer’s insurance coverage shall be primary with respect to any coverage that may be maintained by Seller. Buyer shall cause its insurers to waive all rights of subrogation against Seller and its elected and appointed officers, officials, employees, agents, and volunteers and each of them. On the Effective Date, Buyer shall furnish to Seller a certificate or certificates of insurance and endorsements from said companies confirming the requirements set forth herein and stating that said insurance is in full force and effect, that the premiums have been paid thereon, and that each insurance company will give Seller at least five (5) calendar days prior written notice of any termination, cancellation or modification of the terms of said insurance. Seller and its elected and appointed officers, officials, employees, agents, and volunteers, and each of them, shall be named as additional insureds on the above mentioned policies.

9. **Condition of Property.** Except for representations made in writing by the Seller prior to the Closing

Date:

(a) Buyer expressly acknowledges that Buyer is buying the Real Property in an “AS IS AND WHERE AS” condition, and that it has not relied on any warranties, promises, understandings or representations, express or implied, of Seller or any employee, agent or representative of Seller, or any document relating to the Real Property, except as are specifically set forth in this Agreement. Buyer acknowledges that any and all feasibility or market reports, environmental assessments, engineering studies and other information of any type that Buyer has received or may receive from Seller or its agents are furnished on the express condition that Buyer shall make an independent verification of the accuracy of any and all such information, all such information being furnished without any warranty whatsoever.

(b) Buyer acknowledges and agrees that neither Seller nor any employee, agent or representative of Seller has made any representation or warranty to Buyer concerning the Real Property, including, without limitation, the suitability of the Real Property for Buyer’s intended use or its compliance with any statutes, ordinances, rules or regulations. Buyer shall perform and rely solely upon its own independent investigation concerning the Real Property and the Real Property’s compliance with any applicable law. Buyer acknowledges that it is acquiring the Real Property subject to all existing laws, ordinances, rules and regulations, and that neither Seller nor any of Seller’s representatives, agents or employees have made any warranties, representations or statements regarding any laws, ordinances, rules and regulations of any governmental or quasi-governmental body, entity, district or agency having authority with respect to the use, condition or occupancy of the Real Property.

(c) Buyer shall perform and rely solely upon its own investigation concerning Buyer’s intended use of the Real Property, the Real Property’s fitness therefore, and the permissibility of such intended use under applicable statutes, ordinances, rules and regulations.

(d) Except as expressly set forth in this Agreement, from and after the Closing, Buyer will indemnify, defend, and will hold Seller harmless and hereby waives, releases, remises, acquits and forever discharges Seller, its elected and appointed officials, officers, employees, and agents, and their respective heirs, successors, personal representatives and assigns, of and from any and all suits, causes of action, legal, equitable or administrative proceedings, claims, demands, actual damages, punitive damages, losses, costs, liabilities, interest, attorneys fees and expenses of whatever kind and nature, in law or in equity, known or unknown, arising out of or in any way connected with, directly or indirectly, or based upon or arising out of the condition, status, quality, nature or environmental state of the Real Property; provided however, such duty to indemnify, defend, and hold Seller harmless shall not apply with respect to Seller’s gross negligence or intentional misconduct. It is the intention of this Agreement that, except for Seller’s gross negligence and intentional misconduct and except as otherwise expressly set forth herein, any and all responsibilities and obligations of Seller to Buyer, and any and all rights or claims of Buyer, its successors and assigns and affiliated entities, with respect to, or as against Seller arising by virtue of, the physical or environmental condition of the Real Property are by this release provision declared to be, from and after Closing, null and void and of no present or future effect as to such parties. With respect to the matters released by Buyer pursuant to this Section 9, Buyer waives the benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

10. Existing Surveys and Reports. Within ten (10) calendar days after Seller's execution of this Agreement, Seller shall furnish Buyer with copies of all existing surveys, soil reports, engineering studies, environmental audits or reports, site plans, and other information in Seller's possession pertaining to the Real

Property.

11. Covenants, Warranties and Representations of Seller. Seller hereby makes the following covenants, representations and warranties:

(a) Except as otherwise disclosed herein, Seller's execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition, obligation or undertaking of Seller.

(b) Seller is not a "foreign person" as defined in Section 1445(f) of the Internal Revenue Code of 1986, as amended. At the Closing, Seller shall provide Buyer Affidavits of Non-Foreign Status made under penalty of perjury, if required by Escrow Holder.

(c) Except as otherwise disclosed herein, there are no liens on title or actions, suits, or proceedings of any kind or nature whatsoever, legal or equitable, pending or to the best of Seller's knowledge, threatened against Seller, or the Real Property, and relating to or arising out of the ownership, management, or operation of the Real Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau, agency, or other governmental instrumentality.

(d) The Real Property is not subject to any third party leases or other use rights, with the exception of those rights, if any, which may be reflected in the Title Report.

(e) Seller will not market the Real Property for sale or disposition to any other party while this Agreement is in effect.

(f) To Seller's current actual knowledge, the Real Property currently is in compliance in all respects with the rules, regulations, ordinances and laws of all governmental authorities having jurisdiction over the Real Property.

(g) Seller shall notify Buyer immediately if Seller becomes aware of any new information or material change concerning the Real Property that affects the representations and warranties of Seller under this Agreement.

(h) At Closing, Seller shall record a release of all easement, access or other similar rights in and to the Real Property that are controlled by Seller.

(i) The Real Property was owned by the Community Redevelopment Agency of the City of Hanford ("**RDA**"). Seller, as Successor Agency to the RDA, acquired control over the Real Property as a result of the RDA's dissolution pursuant to AB 1X 26. Per AB 1484, which served as clean-up legislation to AB 1X 26, Seller's disposal of the RDA's assets, including the Real Property, is subject to review and approval of the Oversight Board to the RDA's Successor Agency ("**OB**"), with the OB's approval subject to review and possible veto by the State Department of Finance ("**DOF**"). Seller will, at its sole cost, pursue the OB's and DOF's approval of this Agreement.

12. Covenants, Warranties and Representations of Buyer. Buyer hereby makes the following covenants, representations and warranties:

(a) Buyer has the authority to enter into this Agreement, purchase the Real Property, and to otherwise perform as set forth herein. The person executing this Agreement on behalf of Buyer has the full legal

authority and is duly authorized to sign this Agreement on behalf of Buyer and to bind Buyer to all of the terms and conditions of this Agreement.

(b) Buyer's execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition, obligation or undertaking of Buyer.

(c) There are no actions, suits, or proceedings of any kind or nature whatsoever, legal or equitable, pending or, to the best of Buyer's knowledge, threatened against Buyer, in any court or before or by any federal, state, county or municipal department, commission, board, bureau, agency, or other governmental instrumentality seeking to challenge Buyer's ability to purchase the Real Property.

13. [Reserved]

14. Survival of Warranties. The satisfaction, truth, accuracy and completeness of each of the representations, warranties and covenants of Buyer and Seller contained in this Agreement, as of the date hereof and as of the Closing, shall constitute a condition precedent to the obligations of Seller and Buyer, respectively, hereunder. All representations, warranties, covenants, obligations, responsibilities and agreements set forth herein shall survive the Closing, and Seller and Buyer each agree to indemnify, defend and hold the other harmless from any claim, demand, liability, loss or cost (including without limitation, reasonable attorneys' fees and costs) which the other may sustain arising out of any breach of and provision of this Section 14.

15. Brokerage Commissions. Buyer and Seller each represents and warrants to the other that it has not engaged the services of any real estate broker, salesperson, agent or finder, nor done any other act nor made any statement, promise or undertaking which would result in the imposition of liability for the payment of any real estate brokerage commission, finder's fee or otherwise in connection with the transaction described in this Agreement. In the event that any person or entity perfects a claim for a brokerage commission, finder's fee or otherwise, based upon any agreement, statement or act, the Party through whom such person or entity makes such claim shall be responsible therefor and shall defend, indemnify and hold the other Party and the Real Property harmless from and against such claim and all loss, costs and expense associated therewith, including attorneys' fees.

16. Conditions Precedent to Seller's Obligations to Perform. Seller's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

(a) Buyer shall have timely performed each of the acts to be performed by it hereunder.

(b) Each of Buyer's representations and warranties set forth herein shall be true at the Closing as if affirmatively made at that time.

(c) Buyer shall not have timely exercised any right set forth in this Agreement to cancel the Escrow or terminate this Agreement.

(d) Approval of this Agreement by the OB and no veto of such approval by the State Department of Finance.

17. Conditions Precedent to Buyer's Obligations to Perform. Buyer's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

(a) Seller shall have timely performed each of the acts to be performed by it hereunder.

(b) Each of Seller's representations and warranties set forth herein shall be true at the Closing as if affirmatively made at that time.

(c) Seller shall not have timely exercised any right set forth in this Agreement to cancel the Escrow or terminate this Agreement.

(d) Escrow Holder is committed to issue the Title Policy as set forth above in Section 7.

(e) Seller has satisfied all legal requirements for the sale of the Real Property in order to grant clear title to Buyer, subject to those conditions and Permitted Exceptions approved by Buyer.

(f) Buyer secures all necessary environmental clearances for its operation of a mosquito abatement facility and office at the Real Property.

(g) Buyer obtains all necessary land use approvals and entitlements for its operation of a mosquito abatement facility and office at the Real Property. Buyer acknowledges that the Real Property is undeveloped and that Buyer will be required to pay development impact fees as a condition of constructing a new facility and office on the Real Property.

18. Establishment of Escrow. Upon execution of this Agreement by the Parties, a duplicate original of this Agreement shall be deposited with Escrow Holder. The general provisions of Escrow Holder's escrow instructions shall not impose any additional obligations or liabilities on the parties. If any of the general provisions conflict with the provisions of this Agreement, the provisions of this Agreement shall control.

19. Deposits into Escrow. The Parties shall make the following deposits into Escrow at or prior to the Closing:

(a) Seller shall deposit an executed and acknowledged original grant deed conveying good and marketable title to the Real Property, subject to all Permitted Exceptions.

(b) Buyer shall deposit all funds when and as required hereby (including without limitation the Purchase Price, all amounts necessary to pay Buyer's share of the closing costs), and such other amounts as Buyer has agreed to pay under this Agreement, or as required by Escrow Holder, and a preliminary change of ownership report for Kings County.

(c) Both Parties shall execute and deliver such additional documents as Escrow Holder reasonably may deem necessary in order to effectuate the transaction set forth in this Agreement and to close the Escrow.

20. Prorations. Escrow Holder shall prorate the following items, as of the Closing, using a 365 day year: all real and personal property taxes and all other charges or assessments relating to the Real Property using the latest tax bills. Buyer shall pay any supplemental taxes assessed pursuant to Chapter 3.5 (Section 75) of the California Revenue and Taxation Code resulting from the sale of the Real Property to Buyer. Escrow Holder is not responsible for utility or insurance costs and premiums, all of which shall be prorated outside the Escrow by the Parties.

21. Title Insurance. At the Closing, Escrow Holder shall issue, effective as of that date, the Title Policy described in Section 6 of this Agreement.

22. Costs and Expenses. Closing costs shall be borne by the Parties as follows:

- (a) The Title Policy premium shall be paid by Seller, except that any increase in the Title Policy premium associated with Buyer's acquisition of an ALTA policy or endorsements requested by Buyer shall be paid by Buyer; provided, however, that any endorsements which are requested by Buyer as an accommodation and at the request of Seller shall be paid by Seller;
- (b) Documentary transfer taxes and costs of preparing and recording the Grant Deeds shall be paid by Buyer; and
- (c) All Escrow fees shall be shared equally between Buyer and Seller.

All other costs of closing the Escrow, including, without limitation, filing fees, other recording fees and otherwise, shall be shared by the Parties equally. Each Party shall bear its own legal fees and costs. Buyer shall deposit additional funds into Escrow in an amount equal to its share of the closing costs as determined by Escrow Holder. Escrow Holder is hereby authorized to withhold Seller's share of the closing costs from funds otherwise distributable to Seller.

23. Closing Date. Unless otherwise extended by the Parties in writing or as specified herein, the closing of Escrow for the Real Property shall occur as soon as possible on or before the two hundred seventieth (270th) calendar day following the Effective Date, subject to the prior satisfaction (or waiver) of the conditions precedent to the Closing identified in Sections 16 and 17 of this Agreement (“**Closing**”). The date on which Closing occurs is referred to herein as “**the Closing Date.**” If the Escrow is not in a condition to close by the Closing Date, Escrow Holder, except as otherwise provided herein, shall cancel the Escrow upon receipt of written notice from either Party of such cancellation; provided, however, that if Escrow is not in a condition to close by the Closing Date due to the failure of only one Party to perform, and such failure to perform constitutes a default under this Agreement, and the other Party has fully performed all of the obligations required of it in order to close the Escrow, only the performing Party shall be entitled to provide Escrow Holder with written notice of cancellation. In the absence of any written notice of cancellation, Escrow Holder shall proceed to close the Escrow as soon as possible.

24. Procedure for Closing. Escrow Holder shall close the Escrow by doing the following:

- (a) Pay from funds deposited by Buyer all claims, demands and liens necessary to place title to the Real Property in the condition set forth in Section 6 of this Agreement;
- (b) Pay Seller's share of the closing costs from funds otherwise distributable to Seller;
- (c) Pay from funds deposited by Buyer (other than the Purchase Price), Buyer's share of closing costs;
- (d) Prorate real and personal property taxes and all other charges or assessments as set forth in Section 20 of this Agreement;
- (e) Record Seller's Grant Deed in the Official Records of Kings County and direct the County Recorder to affix the transfer tax after recording, return the recorded Grant Deed to Buyer with a conformed copy to Seller, and file Buyer's preliminary change of ownership report in Kings County, as appropriate; and
- (f) Unless otherwise instructed by Seller, unilaterally deliver the remaining funds held in Escrow, less payments authorized hereunder to Seller by Escrow Holder's check.

25. **Failure to Close.** If Escrow shall fail to close as a result of Buyer's breach of any of its obligations hereunder, then, in accordance with the provisions of Section 4 hereinabove, upon demand of Seller, Escrow Holder shall terminate the Escrow, immediately deliver the Deposit, accrued interest on the Deposit, and all documents that Seller previously deposited into Escrow (collectively "**Seller's Documents**") to Seller, deliver Buyer's preliminary change of ownership report to Buyer, and charge Buyer for any cancellation charges. If the Escrow shall fail to close as a result of Seller's breach of any of its obligations hereunder, or upon Buyer's election to terminate in accordance with the provisions of this Agreement, then upon demand of Buyer, Escrow Holder shall terminate the Escrow, immediately cause to be delivered the Deposit and accrued interest to Buyer, deliver Seller's Documents to Seller, deliver Buyer's preliminary change of ownership report to Buyer, and charge Seller for any cancellation charges. If the Escrow fails to close through no fault of either Buyer or Seller, upon the demand of either Party, Escrow Holder shall return Buyer's preliminary change of ownership report to Buyer, return Seller's Documents to Seller, return the entire Deposit and accrued interest to Buyer, and cancel the Escrow, with all cancellation charges to be borne equally by Buyer and Seller.

26. **Attorneys' Fees.** Subject to Section 4 of this Agreement, in the event of any action between Buyer and Seller seeking enforcement of any of the terms and conditions of this Agreement, or in connection with the Real Property, the prevailing Party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, including, but not limited to, taxable costs and reasonable attorneys' fees. Seller and Buyer agree that any such action shall be venued in Kings County, California or in the Federal District Court in Fresno, California.

27. **Indemnification of Escrow Holder.** Escrow Holder shall be indemnified and held harmless by Buyer and Seller against any and all costs, damages, attorneys' fees, expenses and liabilities which it incurs or sustains in connection with the Escrow, except for such items as may be caused by Escrow Holder's misconduct or negligence.

28. **Notice.** Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile or e-mail if receipt is acknowledged by the addressee, one (1) business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or five (5) business days after being mailed by first class mail, charges and postage prepaid, properly addressed to the party to receive such notice at the last address furnished for such purpose by the party to whom notice is directed and addressed as follows:

To Buyer: Michael Cavanagh, District Manager
KINGS MOSQUITO ABATEMENT DISTRICT
10871 Bonney View Lane
Hanford, CA 93230
P.O. Box 907
Hanford, CA 93232
FAX: (559) 584-3310

To Buyer's Legal Counsel: Dale E. Bacigalupi
LOZANO SMITH
7404 North Spalding Ave Fresno
Fresno, CA 93720
FAX: (559) 261-9366

To Seller: Darrel Pyle, City Manager
CITY OF HANFORD
319 N. Douty Street
Hanford, CA 93230
FAX: (559) 585-2595

To Seller's Legal Counsel: Ty N. Mizote
GRISWOLD, LaSALLE, COBB,
DOWD & GIN, L.L.P.
111 East Seventh Street
Hanford, CA 93230
FAX: (559) 582-3106

29. Sole and Only Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the matters set forth herein and contains all of the covenants and agreements between the parties regarding said matters. Except as is otherwise provided herein, each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party which are not embodied in this Agreement and no other agreement, statement or promise shall be valid or binding.

30. Successors and Assigns.

(a) Buyer may assign its rights hereunder to an Affiliate of Buyer as long as such successor-in-interest confirms in writing that it shall be bound by the terms of this Agreement and Buyer guarantees in writing the Affiliate's performance hereunder.

(b) The term "**Affiliate**" means any person or entity directly or indirectly Controlling, Controlled by or under common Control with the person or entity to which such term applies. "**Control**," as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies and decision-making of such person or entity, whether through the ownership of voting interests or by contract or otherwise, including, without limitation, the possession of direct or indirect equity or beneficial interests in at least ten percent (10%) of any entity, or voting control of any entity.

(c) The covenants and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto. Subject, however, to Buyer's rights described in this Section 30, Buyer may not, without the Seller's consent, which consent shall not be unreasonably withheld, assign any duties or responsibilities to a third party as long as Buyer owns the Real Property; however, all duties and obligations of Buyer will run with the land and Buyer shall guarantee in writing the successors' and assigns' performance hereunder.

31. Further Action. The Parties agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Agreement.

32. Waiver. A waiver of any breach of this Agreement by any Party shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision of this Agreement.

33. Choice of Laws. This Agreement shall be governed by the laws of the State of California and any question arising hereunder shall be construed or determined according to such law.

34. **Headings.** Headings at the beginning of each numbered Section of this Agreement are solely for the convenience of the Parties and are not a part of this Agreement.

35. **Survival.** All of the provisions of this Agreement shall survive the Closing and shall remain binding upon the Parties.

36. **Time.** Time is of the essence, it being understood that each date set forth herein, particularly the Closing, and the obligations of the Parties to be satisfied by such dates have been the subject of specific negotiations by the Parties.

37. **Counterparts.** This Agreement may be signed by the Parties in different counterparts and the signature pages combined to create a document binding on all Parties.

38. **Nondiscrimination and Non-segregation Provisions.** The Buyer herein covenants by and for itself and its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease or sublease, transfer, use, occupancy, tenure, or enjoyment of the Real Property herein conveyed, nor shall Buyer or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number or use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Real Property herein conveyed. The foregoing covenants shall run with the land and shall be included in the deed transferring title of the Real Property to Buyer.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first hereinabove written.

“SELLER”

CITY OF HANFORD, as Successor Agency to
the Community Redevelopment Agency of the
City of Hanford

Dated: _____, 2013

By: _____

DARREL PYLE
City Manager

“BUYER”

KINGS MOSQUITO ABATEMENT DISTRICT

Dated: _____, 2013

By: _____

MICHAEL CAVANAGH
District Manager

EXHIBIT “A”

LEGAL DESCRIPTION

PARCEL 1:

That portion of the Southwest quarter of Section 13, Township 19 South, Range 21 East, Mount Diablo Base and Meridian, in the City of Hanford, County of Kings, State of California, described as follows:

Commencing at the Southwest corner of said Southwest quarter of Section 13;

Thence, North 01°28'20" East, along the West line of said Southwest quarter, 71.77 feet;

Thence, at right angles, South 88°31'40" East, 50.00 feet, to a point on the East right of way line of 11th Avenue;

Thence, North 01°28'20" East, along said East right of way line, 572.14 feet, to the beginning of a tangent curve, concave Southeasterly, having a radius of 30.00 feet;

Thence, Northeasterly, along said 30.00 feet radius curve, through a central angle of 88°44'35", an arc distance of 46.47 feet;

Thence, South 89°47'05" East, parallel with the South line of said Southwest quarter, 993.06 feet;

Thence, at right angles, South 00°12'55" West, 316.00 feet, to the TRUE POINT OF BEGINNING;

Thence, continuing South 00°12'55" West, 316.00 feet, to a point on the North right of way line of Idaho Avenue;

Thence, South 89°47'05" East, along said North right of way line, 322.83 feet, to the beginning of a tangent curve, concave Northwesterly, having a radius of 30.00 feet;

Thence, Northeasterly, along said 30.00 foot radius curve, through a central angle of 90°00'00", an arc distance of 47.12 feet;

Thence, North 00°12'55" East, 286.00 feet;

Thence, at right angles, North 89°47'05" West, parallel with the South line of said Southwest quarter, 352.83 feet, to the TRUE POINT OF BEGINNING.

APN: 018-242-069 (containing 2.56 acres)

PARCEL 2:

That portion of the Southwest quarter of Section 13, Township 19 South, Range 21 East, Mount Diablo Base and Meridian, in the City of Hanford, County of Kings, State of California, described as follows:

Commencing at the Southwest corner of said Southwest quarter of Section 13;

Thence, North 01°28'20" East, along the West line of said Southwest quarter, 71.77 feet;

Thence, at right angles, South 88°31'40" East, 50.00 feet, to a point on the East right of way line of 11th Avenue;

Thence, North 01°28'20" East, along said East right of way line, 572.14 feet, to the beginning of a tangent curve, concave Southeasterly, having a radius of 30.00 feet;

Thence, Northeasterly, along said 30.00 foot radius curve, through a central angle of 88°44'35", an arc distance of 46.47 feet;

Thence, South 89°47'05" East, parallel with the South line of said Southwest quarter, 647.16 feet;

Thence, South 01°28'20" West, parallel with the West line of said Southwest quarter, 316.08 feet, to the TRUE POINT OF BEGINNING;

Thence, continuing South 01°28'20" West, parallel with said West line, 316.08 feet, to a point on the North right of way line of Idaho Avenue;

Thence, South 89°47'05" East, along said North right of way line, 359.76 feet;

Thence, at right angles, North 00°12'55" East, 316.00 feet;

Thence, at right angles, North 89°47'05" West, parallel with the South line of said Southwest quarter, 352.83 feet, to the TRUE POINT OF BEGINNING.

APN: 018-242-068 (containing 2.58 acres)

APPRAISAL REPORT

2.56 & 2.58 ACRE INDUSTRIAL LOTS, HANFORD CA



AS OF AUGUST 8, 2013

PREPARED FOR:

GRISWOLD LASALLE COBB DOWD & GIN, LLP
111 EAST SEVENTH STREET
HANFORD, CA 93230

SIMON COMPANY, INC.
1306 NORTH IRWIN STREET
HANFORD, CA 93230

PHONE: (559) 582-9112
FAX: (559) 582-9114
WWW.SIMONCO.NET

APPRAISAL REPORT	
Client:	Griswold, Lasalle, Cobb, Dowd & Gin, LLP 111 East Seventh Street Hanford, CA 93230
Date of Report:	August 9, 2013
Subject Property:	2.56 & 2.58 Acre Industrial Lots, Hanford CA
Intended User:	Griswold, Lasalle, Cobb, Dowd & Gin, LLP & the City of Hanford
Intended Use:	To develop a market value for possible sale of the properties
Objective of the Assignment:	To develop an opinion of "Market Value." The definition of <i>market value</i> was taken from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. This same definition is also cited in Advisory Opinion 22 of the current version of the Uniform Standards of Professional Appraisal Practice (USPAP).
Effective Date of Value Opinion:	August 8, 2013 (date of inspection)
Interest Valued:	Fee simple
Conditions of the Assignment:	None
Extraordinary Conditions:	None
Hypothetical Conditions:	None
Report Option:	This is a Summary Appraisal Report in accordance with Standards 2-2 (b) of the Uniform Standards of Professional Appraisal Practice.
Opinion of Value:	\$150,000 (\$75,000 per lot)

Table of Contents

Scope of Work	2
Market Analysis	3
City of Hanford	3
Kings Industrial Park Sub-Market	8
Site Description.....	10
Parcel Map	12
Valuation.....	13
Highest & Best Use.....	13
Land Valuation.....	13
Exposure Time.....	15
Addenda	16
Certification	16
Basic Assumptions & Limiting Conditions	17
Exhibits	19
Qualifications of Timothy J. Simon, MAI	20

SCOPE OF WORK

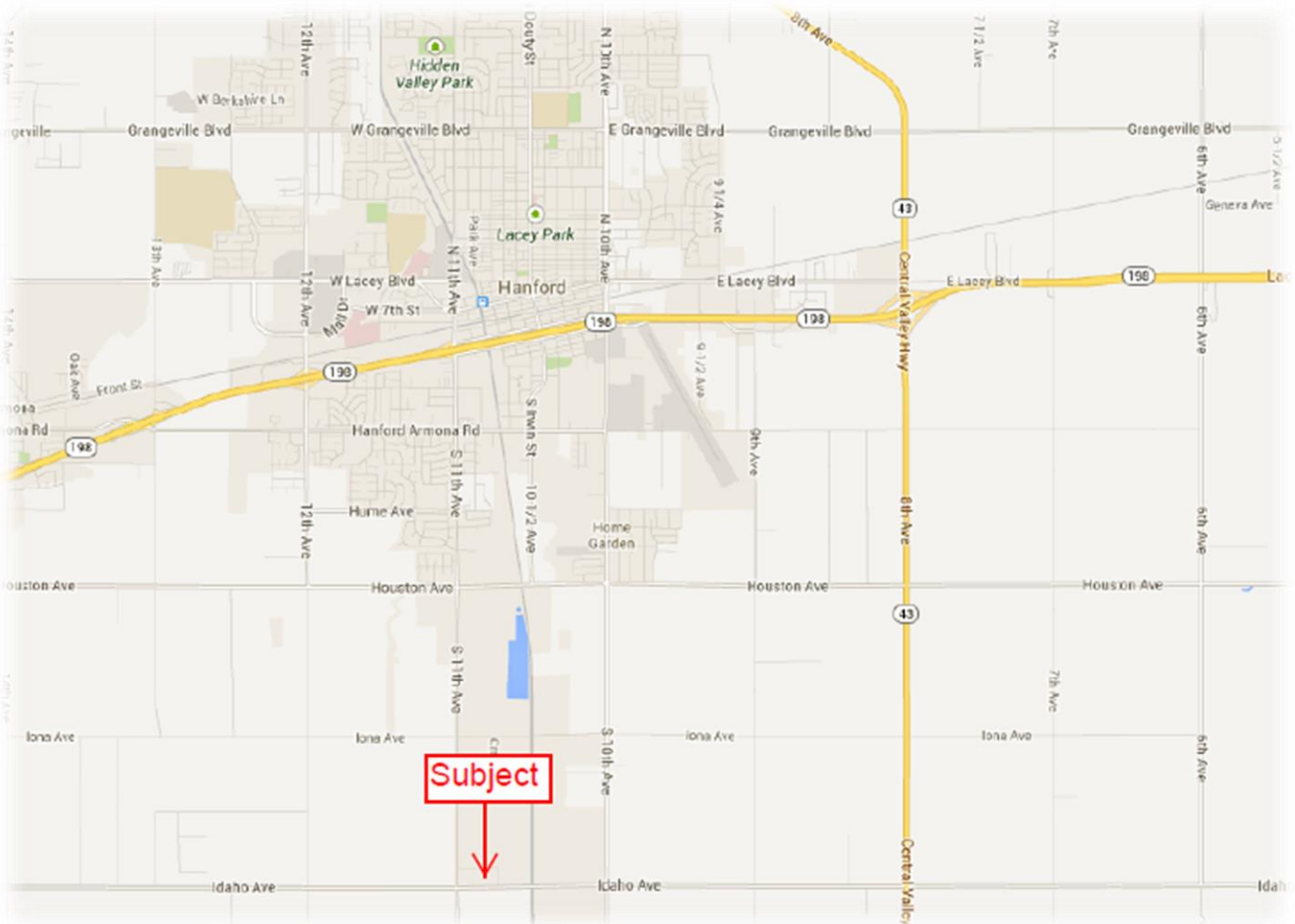
- The subject sites were viewed by the appraiser.
- Gathered, analyzed and utilized comparable sales and listings; all sales were confirmed with reliable parties involved in the transactions.
- The sales comparison approach was utilized to value all parcels.
- Jacob I. Hower participated in the preparation of this report in the areas of research, field inspection and analysis.

MARKET ANALYSIS

CITY OF HANFORD



Located in the northeast portion of the county, the City of Hanford is the county seat for Kings County. The city is generally bounded by State Route 43 to the east, Flint Avenue to the north, 13th Avenue to the west and Houston Avenue to the south.



The City of Hanford has experienced a steady growth rate over the last five years and is expected to continue growing at rate near the statewide average. The five year growth trend represents a 1.80% per year increase. This is near the State of California Average of 1.90% over the same timeframe. Overall projections suggest 2%-3% yearly increases in population over the next 10 years, which will increase demand for housing.

5 Year Population Trend

2006	48,744
2007	50,459
2008	51,965
2009	52,687
2010	53,967
2013 Projection	56,552
2020 Projection	70,177
5-Year Annual Growth Rate	10.21%

The State of California prisons in Corcoran, Coalinga and Avenal have had a strong impact on the population trends in Hanford. Hanford has attracted a large percentage of this workforce. Most of the workforce is commuters who choose to live outside the prison cities. All three are within one hour of Hanford. The same can be said for the Lemoore Naval Air Station, which is 15 miles west. Hanford attracts a number of the civilian employees and the active duty personnel.

Another large employment draw locally is the Pleasant Valley State Prison in Coalinga, which opened in 2005. The mental health and treatment hospital was slated to include 1.2 million square feet with a total of 1,500 beds.

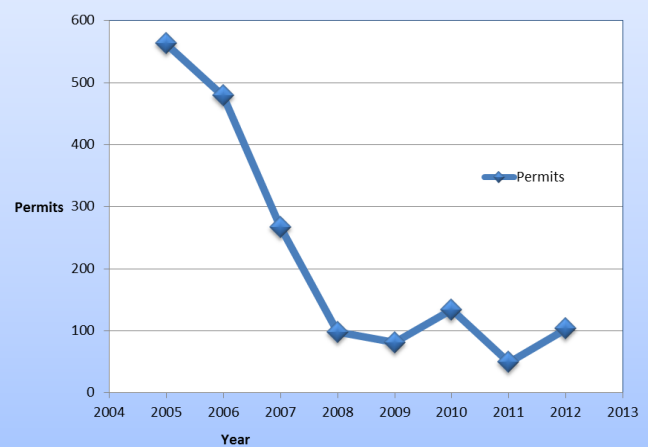
This facility was further expanded in 2006 with the expansion slated to add 2,000 jobs. The facility has a significant presence in terms employment.

According to the Kings County Multiple Listing Service, the average sale price for a three-bedroom single-family residence in the City of Hanford for 2012 was \$155,249. For the first two quarters of 2013 the residential housing market has continued its climb to an average sales price of \$162,239. In contrast the 2011 average home sales price was \$154,125. A slight gain in sales price and minimal construction should continue to support stabilized values with moderate gains over the next decade. While there is still activity in regards to construction of single family residences, activity has slowed drastically in the last five years. The number of annual permits has been hovering between 50 and 125 per year since 2008.

There are many apartment options available from subsidized rent levels to the luxury segment. A significant decline in building permits for multi-family properties has also been seen. Only 52 Units have been added to the Hanford market in the last four years. Fuller Apartments has a planned 136 unit apartment complex approved by the city of Hanford to be built near the Lowe's on Lacey Boulevard; however construction has been stifled by economic conditions.

The median income for Hanford is \$48,655. By contrast, the average for Kings County is \$48,515, both of which are below the State of California average of \$64,878 annually.

City of Hanford SFR Building Permit Activity



The average unemployment rate for the City of Hanford as of February 2013 was 13.7%, which has been on a relatively steady increase since 2009 but appears to be leveled out.

There are 18 manufacturing plants in the Hanford community area. Leading group classes of products are petroleum, flour, mill products, synthetic yard, fertilizers, micronutrients, and canned tomato products. The Kings Industrial Park is located on the south side of Hanford and includes the majority of Hanford's industrial base including Del Monte Foods (Contadina tomato processing), Exopack (paper manufacturing), Wal-Mart (photo-lab), Cargil (livestock feed), Calcot (cotton storage), and Marquez Brothers (cheese processing).

The Hanford area is served by the Burlington Northern and Santa Fe Railroad, the Southern Pacific Railroad, and Amtrak. Amtrak San Joaquin serves the San Joaquin Valley from Bakersfield to Sacramento with connections to the Los Angeles region and the Bay Area. Hanford has a small airport for light private aircraft. In October 2001, the city of Hanford received a grant from the FAA for \$820,000 to facilitate an expansion of the airport. The runway was extended 1,200 feet, making it 5,000 feet. Commercial airline service is available in the city of Visalia, approximately 30 miles east of Hanford, and in the city of Fresno, approximately 45 miles northeast of Hanford. The Orange Belt bus lines provide bus service to Hanford. State Highways 198 and 43 serve the city of Hanford. Over 30 motor freight carriers service Hanford with overnight deliveries to most points in California.

Community facilities include two general hospitals, ten elementary schools, three middle schools, three high schools, one continuation school, three parochial schools, one adult school, two junior colleges within 25 miles, and California State University of Fresno only 30 miles to the north. Sierra Pacific High School was recently opened and enrollment began in fall of 2010. A satellite facility for College of the Sequoias and a vocational training center was also recently completed in 2010.

Culturally there are approximately 20 churches, one public library, two newspapers, six TV channels received direct and one cable TV system, nine banks, four credit unions, one savings and loan, six parks, three athletic complexes, and a Carnegie Museum. Other recreational facilities include the Kings Country Fairgrounds including Kings Speedway, one private 18-hole country club, two 18-hole municipal golf courses in neighboring Lemoore; and boating, fishing and hunting along the Kings River.

There is a newer, \$112 million medical center at the corner of Mall Drive and West 7th Street. The project began in 2007 due to the region's growing demand for health care services. The facility includes 202,000 square feet, three-stories, and 142-beds. Services from Adventist Health's Hanford Community Medical Center and Central Valley General Hospital in town have transferred to the new site. The 142 inpatient beds will include 120 medical/surgical beds and 22 intensive care unit beds, while the Emergency Department will hold 26 treatment stations. In addition, 32,000 square feet in additional expansion area will be shelled in on the second and third floors to house a total of 60 future additional beds when needed. An adjacent outpatient imaging center is also planned. In terms of staffing, hospital hired about 16 new physicians in 2007 and 18 for 2008. About one third of those typically work in Hanford, with the remainder

being spread out in the regional area at other facilities. The hospital intends to hire about 10 new physicians per year as it continues to expand. Nursing staff should be increased by about 10%.

One of the reasons Hanford is attracting a number of workers from neighboring communities is the quality of life and availability of shopping and services. The Hanford Mall opened in April 1993 and features major retailers such as JC Penney, and Forever 21. A Sears store and auto center opened in 1999. A Ross Dress For Less store in the mall in 2000. The mall includes an additional 166,000 square feet of in-line space including an eight-screen theater. The mall was recently dealt a blow when long time tenant Mervyn's and Gottschalks closed. The Gottschalk's store was recently re-leased to Forever 21 and Kohl's is currently occupying the former Mervyn's space.

Major discount retailers are also present including Wal-Mart and Orchard Supply Hardware, two Rite Aid Stores and a Walgreens store. Home Depot is located at the northeast corner of 12th Avenue and Lacey Boulevard. The 96,000 square foot store employs 150 to 200 people. Target has a store in the Mall area along with Michael's, Famous Footwear, Old Navy, PetsMart Cold Stone Creamery, and Jamba Juice can also be found at this location. Wal-Mart recently opened a new super center just south of the Target site. A Lowe's store opened in November 2008 northwest of Target on Lacey Boulevard. An auto mall was completed on 37 acres at the northwest quadrant of 12th Avenue and State Highway 198. A Toyota and Hyundai dealership were the first to open. Costco is also planning a new location near the intersection of Highway 43 and Lacey Boulevard in eastern Hanford.

The majority of office space in Hanford is owned and occupied by owner-users. The strong owner-user influence promotes elevated pricing when good quality properties become available. Brokers report multiple offers to be common once a property becomes available; only a handful of quality office properties become available each year. There is some office vacancy present in the downtown area but the majority of the vacancies are in older commercial buildings that feature retail users on the ground levels and office users on the upper levels.

Nearly all of the new office development has moved to the Lacey Boulevard corridor west of 11th Avenue. The downtown district has seen several new developments recently. The vacant Sears building was purchased and completely renovated for office uses. It is anchored by FAST credit union with Kings County also having an office there. A brand new office building was completed for the Social Security Administration near city hall. One of the centerpieces of downtown, the former Hanford Furniture building, was purchased by the law firm of Griswold, LaSalle, Cobb, Dowd and Gin. It was renovated as their new office space. As a whole the Hanford office market is strong with vacancy typically seen in older run down properties.

The long-term outlook for Hanford is positive. It has a diversified economy based on agriculture, manufacturing, and large public sector employers. It has become the health care provider for the region. Over the short term, Hanford and the majority of Kings County is experiencing the after-effects of the housing collapse and job market crisis. Fortunately, home prices have leveled out and are showing strong gains supported by limited supply. The commercial sector remains slow but stable. Critical to continued recovery will be improvements in unemployment. The effects of this should be experienced into 2014.

KINGS INDUSTRIAL PARK SUB-MARKET

The subject property is located in the southern portion of the City of Hanford. More specifically, the subject is situated on the northern line of Idaho Avenue east of 11th Avenue. This location is near the southern line of the city limits. Houston Avenue and State Route 198 are Hanford's main east-west arterials through this sector. Both intersect with Highway 43 roughly two miles to the east. State Route 198 and Houston Avenue provide linkage to Highway 99 roughly 13 miles east and Highway 41 roughly 10 miles west. Major north-south arterials include 10th and 11th Avenues, which provide access to the central portion of the City of Hanford and State Route 198.

Idaho Avenue is a rural roadway with lighter traffic. It mainly services industrial and agricultural users. Flanking the subject to the west is another vacant parcel zoned for similar uses. To the north are numerous industrial and Ag related businesses. South of Idaho is a large multitenant distribution warehouse, and to the east is a power plant.

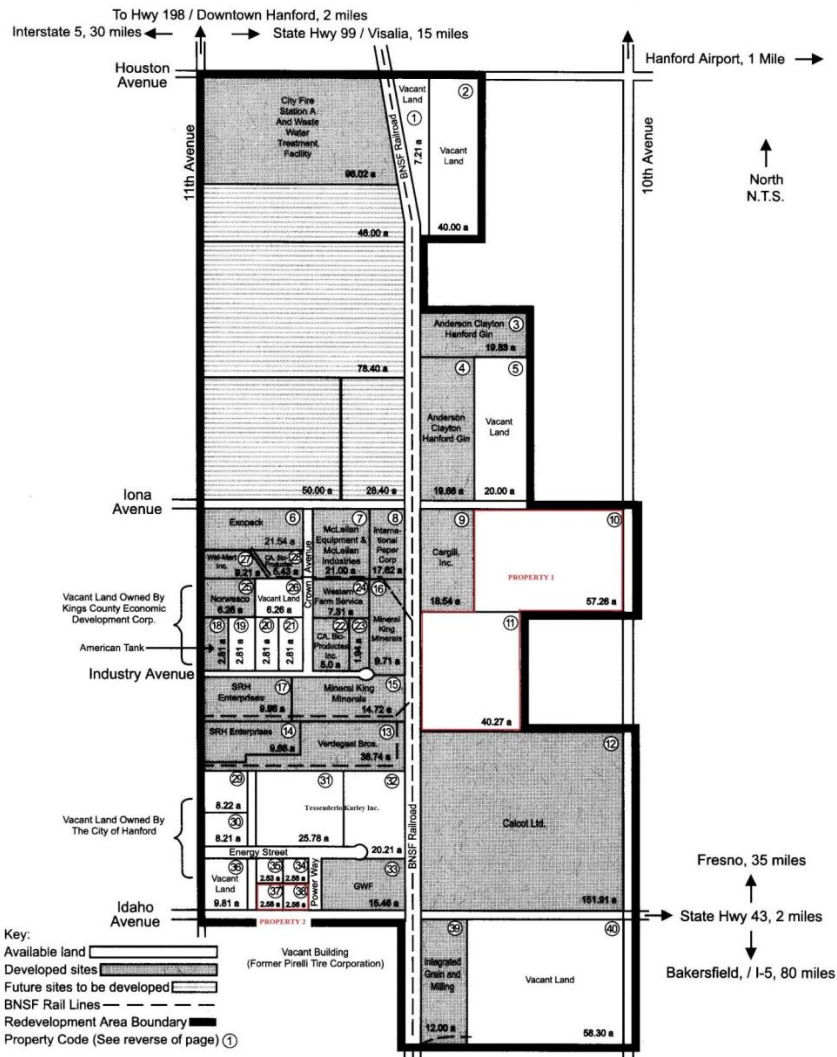


The Kings Industrial Park houses some 1,100 acres and the majority of Hanford's industrial base is located within this sector. Exopack, Cargill, Norwesco, Verdegal Brothers, Wal-Mart and Calcot all have locations within the park. The former Pirelli Tire Plant was purchased by an investor and is offered for lease. Fry's Electronics has been leasing a building for roughly three years and only recently announced that the site would start being utilized as a large warehouse and storage area. One of the most recent developments is a land purchase by Tessengerlo-Kerley Inc., an Arizona based engineering and mining firm. The site has been laser leveled.

In a broader sense, much of the surrounding area to the east, south and west of the industrial park is used primarily for agricultural purposes. Typical crops include alfalfa, corn, cotton, sugar beets, tomatoes and wheat. Dairies are also prevalent. Permanent plantings such as almonds, pistachios and walnuts are also common, but not prominent.

In terms of competing industrial districts, the City of Lemoore ten minutes west has a small industrial district with land available. Lemoore has four large users including two Leprino Foods plants, SK Foods, Agraz USA, and GV Burrows Inc. The City of Visalia some 20 minutes to the east represents the most significant competition. It is ideally located at the intersection of State Highway 99 and State Highway 198. Rail access is also present via Union Pacific with branch lines connecting to other communities including Hanford and Lemoore.

Kings Industrial Park - Hanford



*Map provided by the City of Hanford

Visalia, in particular, has positioned itself as a major warehousing hub on the west coast. Over one million square feet of space has been built over the last five years. The primary builders of the new space in Visalia have been the Allen Group and Diversified Development. Several large manufacturing and processing concerns are also positioned in Visalia including International Paper, California Dairies, and Kawneer/Amax.

Tulare also has an active industrial district. Notable users include U.S. Cold Storage, Hagen Daz, Southern California Edison, Land O' Lakes, and the Cheese Protein International. However, the majority of Tulare's recent industrial development has been smaller owner-users.

Market conditions within the Kings Industrial Park have been middling over the past five years. In comparison to competing parks along Interstate 5 or Highway 99, the subject is second rate. Discounted land values, tax incentives and rail spur have attracted some recent business to the area; however, the distance from the two north-south arterial roadways through central California (Highway 99 and Interstate 5) is adverse. In addition, the park is located well south of Highway 198 which is also unfavorable when compared to locations on the Highway.

In summary, the subject is located in an industrial district of average character but below average location. The growth pattern in the industrial park has been fairly static over the past five years and a significant amount of vacant land remains. Slow growth for the Kings Industrial Sector is anticipated over the long-term. Competition from Visalia and Tulare is significant in terms of attracting new users. This trend is not likely to change in the near term.

SITE DESCRIPTION

Property History:	The Kings Industrial Park was originally created in 1973 by redevelopment. The original project included 180 acres but was later expanded in 1983 to include an additional 920 acres for a total of 1,100 acres. Roughly 260 acres remain vacant. Fee title is vested as <i>The City of Hanford</i>, according to Kings County public records. There are no public records indicating a sale of either subject property in the prior three years. The properties are not currently in escrow but are listed for sale, at a price of about \$30,000 per acre. This property is in a redevelopment area and has numerous city supported incentives for buyers.		
Site:	APN	018-242-068	018-242-069
	Size	2.58	2.56
	Zoning	HI	HI
	Idaho Frontage	345' est.	345' est.
	Power St. Frontage	0'	320' est.
	Rail Frontage	No	No

	Off-sites	Yes	Yes	
	Plantings	None	None	
	Well	None Noted	None Noted	
Access:	The parcels have frontage on Idaho Avenue, and Power Street. Both are two-lane asphalt paved roadways that are city maintained. The Lakeside Ditch runs along the western line of parcel 018-242-068 in a north-south direction. There is a gravity gate on the same parcel at the southwest corner. Water and sewer are provided by the City of Hanford. Both frontages are improved with concrete curb and gutter.			

PARCEL MAP

Kings, CA, 2013-2014 - , Sheet: 1 of 1

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY.
IT IS NOT TO BE USED FOR ANY OTHER PURPOSE.
LEGAL OWNERSHIP OF LAND FOR
MAY 2013 OF ZONING OR SUBDIVISION LAW.

KINGS COUNTY ASSESSOR'S MAP SEC'S. 13 & 14-19-21

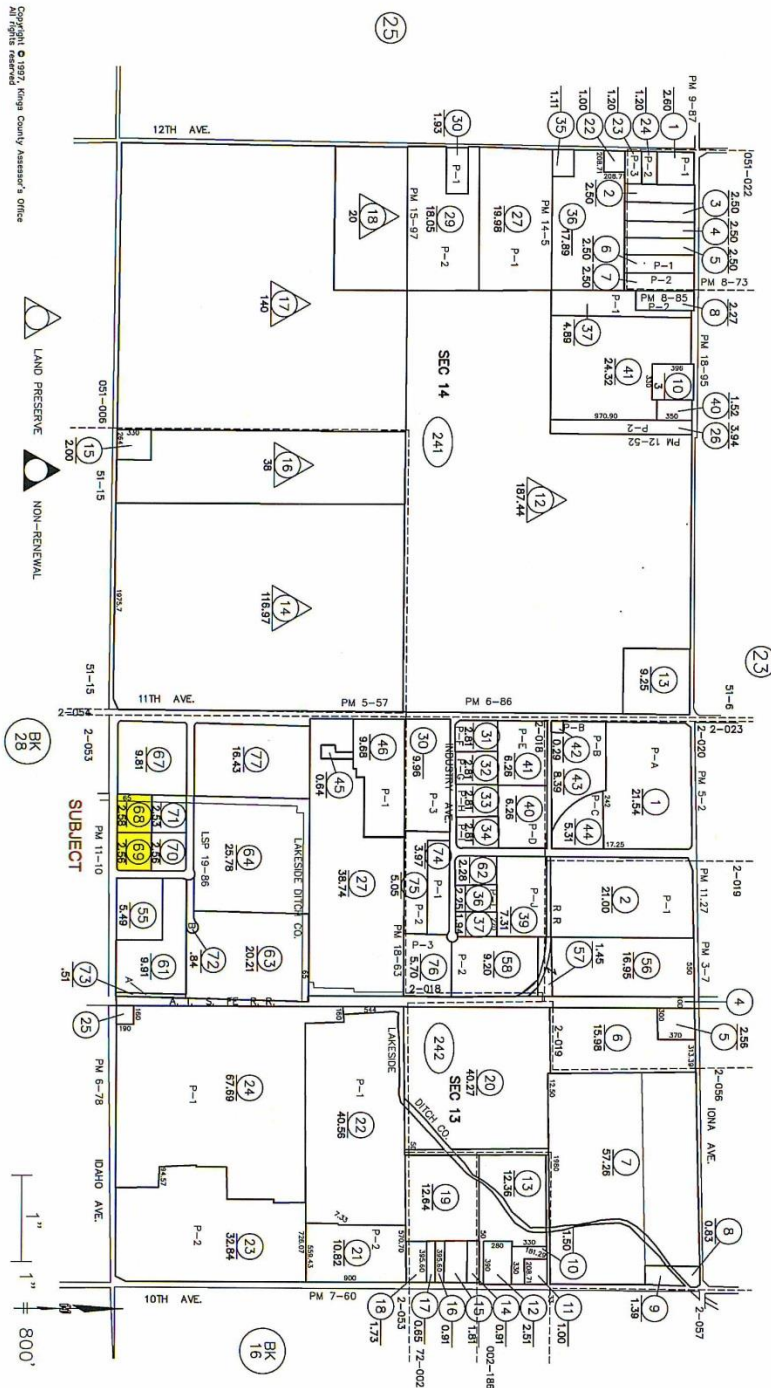
18-24

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SUBJECT

1" = 800'



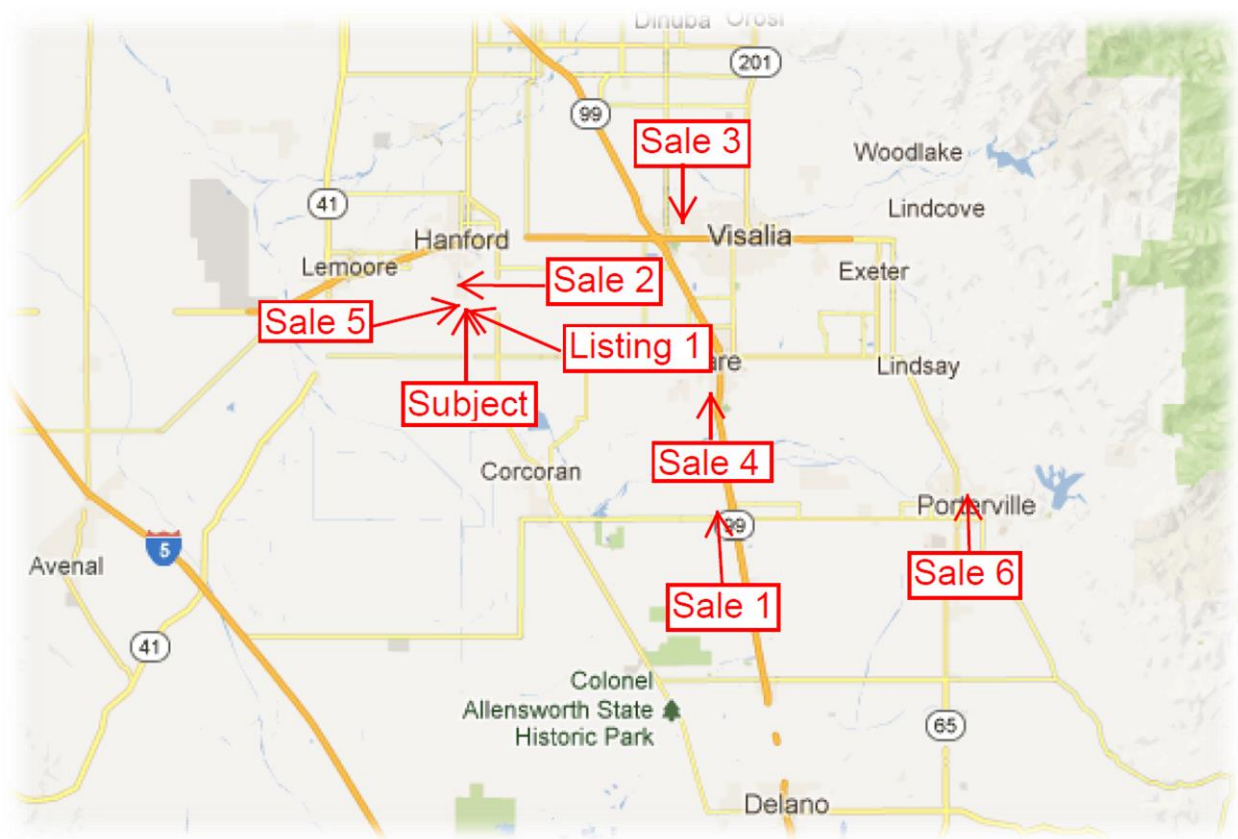
VALUATION

HIGHEST & BEST USE

The zoning allows for a wide range of heavy industrial uses. The site is located within a heavy industrial park and a zoning change is unlikely. The site is of adequate size for heavy industrial development. Consequently, the highest and best use is for heavy industrial development.

LAND VALUATION

LAND SALES									
No.	Location / APN	Sale Date	Sale Price	Price/SF	Price/Acre	Size (ac)	Zoning	Utilities	Off-Sites
1	433 North Westling Road Tipton, CA 228-180-011	Jun-2011 Buyer: Seller:	\$300,000 Garza/Lopez Alsup	\$1.07	\$46,584	6.44	M-1	No	No
2	NS of Industry Ave. E of 11th Ave. Hanford, CA 018-242-032	Jul-2011 Buyer: Seller:	\$80,000 Norwesco Community Redevelopment Agency	\$0.65	\$28,470	2.81	H-I	Yes	Yes
3	SS of Goshen Ave. W of Kelsey St. Visalia, CA 081-110-037	Apr-2012 Buyer: Seller:	\$400,000 Richard & Jamison Bean MDA Real Estate Qualified Fund LLC	\$2.07	\$90,090	4.44	I-L	Yes	Yes
4	SWC of Industrial Ave. & Blackstone St. Tulare, CA 191-330-008; 012	June-2012 Buyer: Seller:	\$300,000 Jack & Jeanette Kimm Deno Vaccher	\$2.26	\$98,619	3.04	M-2	Yes	Yes
5	N. of Idaho east of 11th Ave. Hanford, CA 018-242-064	June-2012 Buyer: Seller:	\$1,380,000 Tessenderlo Kurley Inc. Community Redevelopment Agency	\$0.69	\$30,007	45.99	H-I	Yes	Yes
6	SEC of Main St. & Linda Vista Porterville, CA 243-180-008	Mar-2013 Buyer: Seller:	\$505,660 Immodo California 1 LLC Tevet	\$0.53	\$23,174	21.82	M-1	Yes	No
Listing 1	Subject Property Hanford, CA 018-242-068; 069	Active Buyer: Seller:	\$76,800 ---- Kings EDC	\$0.69	\$30,000	2.56	H-I	Yes	Yes



Our observations of market conditions indicate that adjustments may be required for interest transferred, conditions of sale, market conditions, location, size, zoning, utilities, and off-site improvements. We have rated each sale in the following qualitative adjustment grid.

Sale No. – Price/Acre	Rating – Factors
Sale 1 - \$46,584	Similar – Has off-sites, better located along Hwy 99
Sale 2 - \$28,470	Similar – Best comparable sale
Sale 3 - \$90,090	Superior– Better location
Sale 4 - \$98,619	Superior– Better location
Sale 5 - \$30,007	Similar – Larger than the subject site
Sale 6 - \$23,174	Similar – Larger but similar location
Listing 1 - \$30,000	Similar – This is the subject parcel

The Kings Industrial Park has several lots listed for sale by the City of Hanford. The properties are offered at a discount with hopes bolster the industrial park and increase employment opportunities. In addition the city offers tax incentives for businesses to re-locate to the area. While these incentives are valuable to securing new businesses to the industrial park, land is sold at a discount and affects surrounding property values.

Sale 2 is the most comparable in size, off-sites and location within the Kings Industrial Park. Sale 5 shows there is little difference in value per acre when comparing large sites and smaller sites within the Kings Industrial Park. Minimal discount is given to the sales of larger parcels.

The subject has been simultaneously marketed for two prices by the City of Hanford. The asking price varies between \$30,000 and \$50,000 per acre. No buyers have been secured at these asking prices; however, considering the small lot sizes and finished off-sites the asking prices are reasonable and lack of interest is attributed to lesser market conditions.

Both sites have similar utility, size and location; therefore, they are allocated the same value, per acre. Despite the marketing history the lots should command \$30,000 per acre. The value is calculated as follows:

2.58 Acres X \$30,000/ Acre =	\$77,400	\$75,000 (rounded)
2.56 Acres X \$30,000/ Acre =	\$76,800	\$75,000 (rounded)
Total Value for Both Parcels		\$150,000

EXPOSURE TIME

We have considered the assumptions and conclusions reached in the valuation section of this report. A review was made of the actual exposure times from the comparable sales data. We examined exposure times contained in investor surveys and interviewed commercial real estate brokers. The age and condition/marketability of the subject was considered. All factors considered an exposure time of six months or less is reasonable for the subject at the appraised value.

ADDENDA

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have made a personal inspection of the property that is the subject of this report.
- Jacob I. Hower provided significant real property appraisal assistance to the person signing this certification in the areas of research, inspection, and analysis. He has made a personal inspection of the subject property.
- I have not performed any services as an appraiser or any other capacity, regarding the property that is the subject of the appraisal assignment within the three-year period immediately preceding acceptance of this assignment.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I (Timothy J. Simon) have completed the continuing education program of the Appraisal Institute.

Timothy J. Simon, MAI
Certified General Real Estate Appraiser
California License AG010007 (Expires 5/7/2015)

BASIC ASSUMPTIONS & LIMITING CONDITIONS

1. No survey was made of the property, and the dimensions are those taken from the maps in the Office of the County Assessor of the County of Kings. This appraisal is not an engineering, legal or architectural study. It is not an examination or survey of any kind. Expertise in these areas is not implied and should not be inferred by the reader.
2. No separation of land and building values may be used for any other purpose than that delineated elsewhere in this report.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to the valuation conclusion, the identity of the appraiser or firm with which it is connected, or any reference to the Appraisal Institute, or to the MAI or SRA designations.
4. No right to expert testimony is included with this report, and the fee for this appraisal does not include payment for pre-trial conferences or taking of depositions.
5. No responsibility is assumed for matters legal in nature.
6. No survey or soil tests of the land have been made by the appraiser.
7. This report and all information contained herein was prepared for the sole and exclusive benefit of the client, as specified herein, and is intended for his use only. No one except the client specified herein may rely on this report for any purpose. Any person or entity who obtained or reads this report, or a copy thereof, other than the client specified herein, expressly assumes all risk of damages to himself or third persons arising out of reliance thereon or use thereof and waives the right to bring any action based on the appraisal, directly or indirectly, and the appraiser shall have no liability to any such person or entity.
8. Possession of this report or any copy thereof does not carry with it the right of publication, nor may the same be used for any purpose by anyone except the appraiser's employer, without the previous written consent of the appraiser, and in any event, only in its entirety.
9. The information and data reported in this appraisal have been obtained from sources that are deemed to be reliable. They are believed to be correct, but cannot be guaranteed by the appraiser. This condition applies generally throughout the appraisal report and specifically to square footage calculations and descriptions of comparable properties.
10. This appraisal report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the appraiser) affecting the analyses, opinions, and conclusions contained in this report.
11. During the course of this appraisal, the appraisers did **not** detect or attempt to discover any environmental hazard on, under, above, or within the subject real estate. No overt evidence of

any environmental hazard is apparent to the untrained eye. It is beyond the expertise of the appraiser to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. No responsibility is assumed by the appraisers or Simon Company, Inc. for any hazard or for any expertise required to discover any environmentally hazardous condition. Our client is urged to retain an expert in this field, if desired.

12. The appraiser is not qualified to determine whether the subject building improvements are in compliance with the American with Disabilities Act (ADA) of 1992. Noncompliance with this act could have a negative effect upon the value of the property. An expert in this field should be retained for consultation, if desired.
13. All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised annually to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.
14. The person signing this report is licensed to appraise real property in the state the subject is located. I affirm I have the experience, knowledge, and education to value this type property. I have previously appraised similar real estate.
15. No liability is assumed, expressed, or implied by Simon Company, Inc., or the appraiser for unauthorized use of this report. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are clearly, specifically, and explicitly identified as an intended user on Page 1 may rely on, and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use, or rely on any portion of this document. Unauthorized users do so at their own risk and peril.

EXHIBITS



West view of parcels



East view on Idaho Avenue

QUALIFICATIONS OF TIMOTHY J. SIMON, MAI

STATE OF CALIFORNIA CERTIFICATION

State of California Office of Real Estate Appraisers - Certified General Real Estate Appraiser. Certificate # AG010007, Expiration May 7, 2015.

PROFESSIONAL AFFILIATIONS

MAI - The Appraisal Institute. Member # 10,157 (October 1993)
1999 President - Central California Chapter
State of California Licensed Real Estate Broker # 01264078

EDUCATION

California State University, Fresno
Bachelor of Science, Industrial Technology - Construction, 1981
The Appraisal Institute (1986-Present)
1A1, Real Estate Appraisal Principles
1A2, Basic Valuation Procedures
1BA, Capitalization Theory and Techniques A
1BB, Capitalization Theory and Techniques B
2-1 Case Studies in Real Estate
2-2, Report Writing and Valuation Analysis
SPP-A, B and C, Standards of Professional Practice
International Right of Way Association
Course 403 Easement Valuation
Course 214 Skills of Expert Testimony
Numerous Appraisal Seminars and Workshops

INSTRUCTOR

Instructor of appraisal classes at College of the Sequoias, a community college located in Visalia, CA. (1994)

PARTIAL LIST OF PROPERTY TYPES APPRAISED

Office Buildings	Industrial Properties	Shopping Centers
Apartment Buildings	Residential Subdivisions	Agricultural Properties
Eminent Domain/Right of Way	Special Purpose Properties	

APPRAISAL EXPERIENCE

American Appraisal Associates Walnut Creek, CA 1981-86
Building cost analyst and real estate appraiser. Clients included numerous corporations, business firms, lending institutions and government agencies.
Wells Fargo Bank Real Estate Industries Group Walnut Creek, CA 1986-88
Staff real estate appraiser. Clientele were medium to large developers for construction lending and permanent financing of existing and proposed construction.
Real Property Analysts Fresno, CA 1988-92
Independent fee appraiser. Proposed and existing income real property. Right of way appraisals for Government agencies.
Simon Company Hanford, CA 1992-Present
Independent fee appraiser, self-employed.

COURT EXPERIENCE

Qualified as an expert witness in Kings and Tulare County Superior Court

PARTIAL LIST OF CLIENTS SERVED

Lending Institutions:

Wells Fargo Bank
Bank of America
Sanwa Bank California
Bank of the West
The California Stockmen's Bank
Imperial Thrift & Loan
Westamerica Bank
Clovis Community Bank
Bank of the Sierra
United Security Bank
Comercia Bank
Stockton Savings Bank
Sacramento State Bank
Goleta National Bank
Kaweah National Bank
Heritage Bank of Commerce
California Federal Bank
Zion First National Bank
Federal Land Bank
Temucula Valley Bank
Kings River Bank
Bank of Visalia

Corporations:

McDonald's Corporation
Chevron USA
Principal Financial
Adventist Health Systems

Law Firms:

Kahn, Soares & Conway – Hanford, CA
Griswold, LaSalle, Cobb, Dowd & Gin – Hanford, CA
Maroot, Hardcastle & Hatherley – Hanford & Visalia, CA
Lazano Smith – Fresno, CA
Horsewill Mederos & Dorman – Tulare, CA

Governmental Agencies:

Kings County
Tulare County
City of Hanford
City of Corcoran
City of Lindsay
City of Porterville
City of Huron
Visalia Redevelopment Agency
Hanford Elementary School District
Pioneer School District
Riverdale Unified School District
Central Unified School District
Island Union School District
College of the Sequoias
West Hills College
Lemoore Unified School District
Sierra Kings District Hospital
Hanford Community Medical Center
California Dept. Of Transportation
Southern California Edison Co.
Southern California Gas Co.
Kings County Water District
Tulare Lake Drainage District
Resolution Trust Company

Accounting Firms:

Brown, Neuman & Semas/Hanford, CA
Gilman, Harris and Travoli/Visalia, CA
M Green and Company/Hanford, Visalia
and Tulare, CA



AGENDA STAFF REPORT

MEETING DATE: 3/18/2014

AGENDA SECTION: 6. A.

SUBJECT:

Public Works: Hold a Public Hearing to take testimony regarding the proposed Citywide Energy Savings Project Phase II, adopt a Resolution 14-06-R, approving the energy service contract with Chevron Energy Solutions in the amount of \$9,995,139.00, and adopt Resolution 14-07-R, approving a financing contract with Bank of America, N.A in an amount not to exceed \$8,495,139.00.

RECOMMENDATION:

That the City Council conduct a Public Hearing to take testimony regarding the proposed Citywide Energy Savings Project Phase II, and by motion:

1. Adopt the attached resolution approving the energy service contract with Chevron Energy Solutions for the purchase and installation of equipment for the Citywide Energy Savings Project Phase II in the amount of \$9,995,139.00.
2. Adopt the attached Resolution authorizing the City Manager to execute and deliver a lease/purchase agreement with Bank of America, N.A., for the purchase and financing of the Citywide Energy Savings Project Phase II in an amount not to exceed \$8,495,139.00.

BACKGROUND:

At the direction of the City Council, staff has been evaluating the potential for additional energy savings citywide with the installation of a 2.3 megawatt solar project. The installation of this project will promote the City as a leader in renewable energy technology, offset greenhouse gases, provide energy conservation, and provide substantial cost savings to multiple City department's operation budgets. This agreement includes all equipment to ensure a turnkey installation and necessary connections to Southern California Edison for monitoring energy output to the grid. Chevron Energy Solutions ("CES") has worked with a number of local agencies and has received high recommendations for professionalism and fairness in implementing solar and energy efficiency projects. The attached contract has been reviewed by the City Attorney with regards to document form and content. The project construction time frame will be approximately seven months.

In addition,. CES requested proposals to finance the project through a lease/purchase agreement that will allow for the purchase and installation of the equipment through savings achieved with the solar project.

Staff is recommending selection of Bank of America, N.A. for this agreement. The lease purchase agreement would be for \$8,495,139.00 at an interest rate of 3.54% for a fifteen year term. The projected savings over a twenty five year period is estimated to be approximately \$15.6 million.

FISCAL IMPACT:

This project was not part of the FY14 Capital Budget. The total construction cost is \$9,995,139.00 and will be paid for in accordance with the lease/purchase agreement with Bank of America of \$8,495,139.00 and a City Investment Pool loan of \$1,500,000.00. The projects lease/purchase costs will be paid for out of the project savings and therefore is not an impact to the Water, Wastewater, Airport, or General Fund budgets. The City has obtained California Solar Initiative incentives totaling \$100,000.00 which will be applied towards the construction cost of this project.

The projected net annual savings for the fifteen year term of this agreement is approximately \$48,000. The projected net annual savings for years fifteen through twenty five are between \$1,200,000 and \$1,800,000 per year.

The City will invest \$1,500,000 from its' investment pool to buy down the loan term to fifteen years to achieve the best interest rate possible. The project will pay back the City the initial investment plus 3% interest over the 25 year life of the project. The City will generate approximately \$690,000 in interest over the life of the project.

ATTACHMENTS:

Description

- ❏ [Chevron Contract](#)
- ❏ [14-06-R Chevron Phase II Contract Resolution](#)
- ❏ [Bank of America Lease/Purchase](#)
- ❏ [14-07-R Bank of America Corp Phase II Resolution](#)



ENERGY SERVICES CONTRACT

This **ENERGY SERVICES CONTRACT** (this "Contract") is made and entered into as of the 18th day of March 2014 (the "Contract Effective Date"), by and between **Chevron Energy Solutions Company, a Division of Chevron U.S.A. Inc.**, a Pennsylvania corporation ("Chevron ES"), and City of Hanford (the "Customer" and together with Chevron ES the "Parties" and each of Customer and Chevron ES a "Party").

CONTRACT RECITALS

WHEREAS, Customer owns and/or operates certain public facilities specifically described in Attachment C (the "Facilities") and Customer wishes to reduce the Facilities' energy consumption and costs and improve the Facilities' energy quality and reliability; and

WHEREAS, Chevron ES is a full-service energy services company with the technical capabilities to provide services to the Customer including, but not limited to, the engineering, procurement, construction management, installation, construction and training for a solar generation project and identifying supply-side and/or demand-side energy conservation measures ("ECMs"); and

WHEREAS, in compliance with California Government Code §§4217.10 through 4217.18, the City Council, by adoption of a resolution at its meeting of 18 March 2014, approved this Contract by and between Chevron ES and the Customer and authorized the City Manager to execute this Contract on behalf of the Customer.

NOW, THEREFORE, the Customer and Chevron ES hereby agree as follows:

ARTICLE 1. DEFINITIONS

For purposes of this Contract and its Attachments, the defined terms herein shall have the meaning set forth as follows:

"**AAA**" is defined in Section 21.01.

"**Abnormally Severe Weather Conditions**" means typhoons, hurricanes, tornadoes, lightning storms and other climatic and weather conditions that are abnormally severe for the period of time when, and the area where, such storms or conditions occur, in each case occurring at a property, the access roads to a property, or any other location where Work is then being performed. For the avoidance of doubt, the term "Abnormally Severe Weather Conditions" specifically includes rain, snow or sleet in excess of one hundred fifty percent (150%) of the median level over the preceding ten (10) year period for the local geographic area and time of year in which such rain, snow or sleet accumulates.

"**Accumulated Savings**" means, as of any date of determination, the cumulative total of Excess Savings.

"**Act**" is defined in ARTICLE 16.

"**Actual Energy Rate**" means, for any Measurement Period, utility rates calculated by Chevron ES using actual utility billing information supplied by the Customer for that Measurement Period.

"**Affiliate**" means any Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified. For purposes of this definition, control of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise, and ownership of fifty percent (50%) or more of the voting securities of another Person shall create a rebuttable presumption that such Person controls such other Person..

"**Annual M&V Fee**" means a fee payable annually in advance by the Customer to Chevron ES, in consideration of the performance of up to five (5) years of M&V Services. The Annual M&V Fee for the first Measurement Period shall be \$18,154. The Annual M&V Fee shall be increased annually thereafter at the rate of four percent (4%) per annum, each increase to be effective on the first day of the corresponding Measurement Period.

"**Annual Maintenance Fee**" means a fee payable annually in advance by the Customer to Chevron ES, in consideration of the performance of up to ten (10) years of Maintenance Services. The Annual Maintenance Fee

for the first Measurement Period shall be \$27,625. The Annual Maintenance Fee shall be increased annually thereafter at the rate of three percent (3%) per annum, each increase to be effective on the first day of the corresponding Measurement Period.

"Applicable Law" means any statute, law, treaty, building codes, rule, regulation, ordinance, code, enactment, injunction, writ, order, decision, authorization, judgment, decree, protocol, procedure or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, as may be in effect at the time the Work is undertaken.

"Applicable Permits" means all permits, waivers, authorizations, or licenses issued or required to be issued by any Governmental Authority in connection with the Work.

"ARRA" is defined in ARTICLE 15.

"Assessment Work" means work required to assess the effect on EC Savings for any significant changes to the Facilities (including, but not limited to, building additions, new buildings, and new or changed HVAC equipment).

"Attachment" means the following attachments to this Contract, each of which is an "Attachment:"

Attachment A	Form of Performance Bond
Attachment B	Form of Payment Bond
Attachment C	Customer's Facilities
Attachment D	Scope of Work
Attachment E	Project Schedule
Attachment F	Progress Payment Schedule
Attachment G	Not Applicable
Attachment H	Energy Savings Measurement & Verification Plan
Attachment I	List of Incentives
Attachment J	Monitoring Installation Scope of Work
Attachment K	Preventive Maintenance Services
Attachment L	Lighting Scope of Work

"Average Energy Unit Savings" means, with respect to any number of consecutive Measurement Periods, the arithmetic mean of the Energy Unit Savings determined in the manner set forth in Attachment H, for such number of Measurement Periods.

"Base Energy Rate" means the dollars per energy unit for each building and/or each ECM, set forth in the Savings Measurement and Verification Plan and used by Chevron ES to calculate the EC Savings.

"Baseline" means the energy use established by Chevron ES from time to time for each building in the Facilities, taking into consideration Energy Use Factors for such buildings.

"Beneficial Use" means when major new equipment and systems included in the Scope of Work are properly installed, inspected, operational, and are being used for their intended purpose. Criteria for Beneficial Use of equipment / systems shall be established as defined in Attachment D.

"Business Day" means any calendar day other than a Saturday, a Sunday or a calendar day on which banking institutions in San Francisco, California, are authorized or obligated by law or executive order to be closed.

"CEQA" means the California Environmental Quality Act, codified at California Public Resource Code § 21000 et seq., and the applicable state and local guidelines promulgated thereunder.

"Certificate of Beneficial Use" means the certificate, issued by Chevron ES to the Customer and subcontractor(s), which identifies when the Customer took Beneficial Use of the Work or any portion thereof. A Certificate of Beneficial Use may be executed for an individual subcontract, a specific building, a portion of the Work, or the entire Work.

"Certificate of Final Completion" means the certificate issued by Chevron ES to the Customer, in accordance with Section 6.02. A Certificate of Final Completion may be executed for an individual subcontract, a specific building, a portion of the Work, or the entire Work.

"Certificate of Substantial Completion" means the certificate issued by Chevron ES to the Customer, in accordance with Section 6.01. A Certificate of Substantial Completion may be executed for an individual subcontract, a specific building, a portion of the Work, or the entire Work.

"Change" means any addition to, deletion from, suspension of, or other modification to the quality, function, or intent of the Work, including without limitation any such addition, deletion, suspension, or other modification that effects a change in the Scope of Work.

"Change in Law" means any of the following events or circumstances occurring after the Contract Effective Date: (i) an amendment, modification, interpretation, construction, enforcement standard, supplement or other change in or repeal of an existing Applicable Law; or (ii) an enactment or making of a new Applicable Law (excluding a change in any income or franchise tax law, worker's compensation, payroll or withholding tax law).

"Change Order" means a written document, signed by both Chevron ES and the Customer, authorizing Chevron ES to perform a Change. The Change Order shall modify the Scope of Work and shall identify: (i) the applicable Change; (ii) any additional compensation to be paid to Chevron ES to perform such Change; and (iii) any extensions of time to the Project Schedule.

"Chevron ES" is defined in the Preamble.

"Chevron ES Warranty" is defined in ARTICLE 9.

"Claims" means any and all actions, claims, losses, damages, expenses, or liabilities of either Party arising from or as a result of this Contract, any addenda to this Contract, and/or Change Orders.

"Construction" means any Work to be performed that involves any and all construction, alteration, repair, installation or removal of equipment, addition to, subtraction from, improving, moving, wrecking or demolishing any building, parking facility, excavation, or other structure or improvement, or any part thereof.

"Construction Documents" means the final designs, drawings, and specifications that are used for Construction, and any Change Orders affecting those documents, that describe the technical requirements for the installation of all the materials and equipment pursuant to this Contract and its Attachments.

"Construction Period" means the period beginning with the first day of the month in which equipment is first installed at the Facilities and continuing until the M&V Commencement Date.

"Contract" is defined in the Preamble, and includes all Attachments hereto (all of which are incorporated herein), as well as all amendments, restatements, supplements and other modifications hereto.

"Contract Amount" means Nine Million Nine Hundred Ninety-Five Thousand One Hundred Thirty-Nine Dollars (\$9,995,139), exclusive of the Annual M&V Fee and Annual Maintenance Fee.

"Contract Bonds" is defined in Section 11.04.

"Contract Effective Date" is defined in the Preamble.

"CSI" is defined in Section 5.02(g)(xiv).

"Customer" is defined in the Preamble.

"DAS" is defined in Section 5.02(g)(xii).

"Delay" means any circumstances involving delay, disruption, hindrance or interference affecting the time of performance of the Work.

"Dispute" is defined in Section 21.01.

"EC Savings" means the savings in units of dollars (\$) calculated by Chevron ES in the manner set forth in the Savings Measurement and Verification Plan, achieved through the reduction in consumption or demand through implementation of the Work.

"ECM" is defined in the Recitals.

"Energy Delivery Point" means, for each Generating Facility, the point at which Utility meter energy is being delivered, as designated in the Interconnection Agreement.

"Energy Rate Factors" means factors identified by Chevron ES which may affect utility rates from the local utility companies.

"Energy Savings Report" is defined in Section 20.04.

"Energy Savings Term" means the period beginning on the first day of the Construction Period and ending on the earlier of: (i) the day immediately preceding the fifteenth (15th) anniversary of the M&V Commencement Date; (ii) the termination of this Contract; (iii) the termination by the Customer of the Savings Guarantee in accordance with Section 20.07; or (iv) the failure by the Customer to pay the Annual M&V Fee in accordance with Section 20.08(a).

"Energy Unit Savings" means the savings in units of energy, power, water, etc., calculated by Chevron ES in the manner set forth in the Savings Measurement and Verification Plan, achieved through the reduction in consumption or demand through implementation of the Work.

"Energy Use Factors" means factors identified by Chevron ES which may affect the Baselines or energy use for the Facilities, including but not limited to: hours and levels of occupancy; adjustments in labor force; building use and operational procedures; temperature, humidification, and ventilation levels; installed lighting and scheduled use; building construction and size; general level of repair and efficiency of heating and air conditioning equipment and other energy-using equipment; and amount of heating and air conditioning and other energy-using equipment.

"Energy Use Savings" means, for any Measurement Period, those savings, having units of dollars (\$), achieved for such Measurement Period through reductions in energy use, energy demand, water use, and the use of other commodities.

"Event of Default" is defined in ARTICLE 12.

"Excess Savings" means the excess of EC Savings over Guaranteed Savings, calculated in the manner set forth in Section 20.09(d).

"Excusable Delay" means (i) any act or failure to act of, or other Delay caused by, or negligence of, Customer or its agents, employees subcontractors or other Persons for whom Customer is responsible (expressly excluding, however, Chevron ES when acting as agent or subcontractor under this Contract, whether in its individual capacity or as contractor); (ii) the failure to obtain, or delay in obtaining, any Interconnection Agreement, Applicable Permit, or approval of a Governmental Authority (including due to failure to make timely inspection), or Delays caused by Changes and/or modifications to the Scope of Work required by any Governmental Authority, other than a failure caused by the action or inaction of the Chevron ES; (iii) changes in the design, scope or schedule of the Work required by any Governmental Authority or Customer; (iv) suspension of Work in whole or in part by Customer; (v) unforeseen site conditions, including discovery or existence of Hazardous Substances; (vi) the occurrence of an event of Force Majeure; (vii) any breach of this Contract by Customer or any breach of any Interconnection Agreement; (viii) damage to any equipment or other item of Work caused by the act or omission of Customer, any of its agents or employees, or any other Person for whom Customer is responsible; (ix) information provided to Chevron ES by Customer or Utility is later found to be inaccurate or incomplete; (x) any Change in Law; (xi) Delay caused by pending arbitration; or (xii) any other cause outside Chevron ES's control.

"Facilities" is defined in the Recitals

"Final Completion" means when 100% of the engineering and construction Work as identified in the Scope of Work has been completed, including completion of all required training, and delivery to the Customer of the final documentation (as-built drawings, O&M Manuals, and warranty documentation).

"Force Majeure" means acts or events that are beyond the reasonable control of the affected Party and not caused by the negligence or fault of the Party affecting, including but not limited to any of the following: (i) acts of God; (ii) acts of the public enemy or terrorist acts; (iii) relocation or construction of transmission facilities or the shutdown of such facilities for the purpose of necessary repairs; (iv) work by local Utility; (v) flood, earthquake, tornado, storm, fire, explosions, lightning, landslide or similar cataclysmic occurrence; (vi) sabotage, vandalism, riots or civil disobedience; (vii) labor disputes or strikes; (viii) labor or material shortages, delay in manufacturing and deliveries of equipment (if such delay is caused by an event that would otherwise constitute Force Majeure); (ix) restraint by court order or public authority (whether valid or invalid); (x) inability to obtain or keep in force any Applicable Permit; (xi) Abnormally Severe Weather Conditions; (xii) an annual level of direct beam solar resource availability that is less than or equal to 90% of historical averages as measured by long-term weather data (minimum 5 years) collected at the applicable Facility and/or other reliable calibrated and appropriate weather station representative of such Facility; (xiii) requirement by Utility that any Generating Facility discontinue operation for any reason; (xiv) appropriation or diversion of electricity by sale or order of any Governmental Authority; (xv) any other action by any Governmental Authority which prevents or inhibits the Parties from carrying out their respective obligations under this Contract (including an unstayed order of a court or administrative agency having the effect of subjecting the sales of energy output to federal or state regulation of prices and/or services); or (xvi) any Utility power outage at any Facility.

"Generating Facility" means the photovoltaic, solar powered generating facilities located at the sites listed in Attachment D, and includes all associated photovoltaic panels, mounting assemblies, inverters, converters, metering, lighting fixtures, transformers, ballasts, disconnects, combiners, switches, wires and other equipment that may be necessary to connect such solar power plant to the applicable Energy Delivery Point.

"Governmental Authority" means any federal, state, regional, town, county, city, municipal or local government agency, department or regulatory body having jurisdiction under Applicable Law over the matter in question.

"Guarantee Payment" means, for any Measurement Period, either: (i) a cash payment by Chevron ES to the Customer in an amount equal to the Guarantee Shortfall for that Measurement Period pursuant to Section 20.01(b); or (ii) additional energy services or energy saving retrofits requested by the Customer with an agreed value equal to the Guarantee Shortfall for that Measurement Period pursuant to Section 20.01(c).

"Guarantee Shortfall" means an amount calculated in accordance with Section 20.09(e).

"Guaranteed Savings" means, for any Measurement Period, the dollar amount set forth below for such Measurement Period, as the same may be adjusted from time to time by Chevron ES for changes in Energy Rate Factors, Energy Use Factors and consequential revisions to the relevant Baseline:

Measurement Period	Guaranteed Savings
1	\$529,883
2	\$553,596
3	\$578,369
4	\$604,251
5	\$631,291
6	\$659,542
7	\$689,056
8	\$719,891
9	\$752,107
10	\$785,763
11	\$820,926
12	\$857,663
13	\$896,043
14	\$936,141
15	\$978,033

"Hazardous Substances" means (i) any hazardous, toxic, or dangerous wastes, substances, chemicals, constituents, contaminants, pollutants, and materials and any other carcinogenic, liquids, corrosive, ignitable, radioactive, reactive, toxic, or otherwise hazardous substances or mixtures (whether solids, liquids, gases) now or at any time subject to regulation, control, remediation, or otherwise addressed under Applicable Laws; (ii) any "hazardous substance" as defined by the Resource, Conservation and Recovery Act of 1976 (42 U.S.C. §6901 *et seq.*), as amended, and regulations promulgated thereunder; (iii) any "hazardous, toxic or dangerous waste, substance or material" specifically defined as such in 42 U.S.C. §9601 *et seq.*), as amended and regulations promulgated thereunder; and (iv) any hazardous, toxic or dangerous waste, substance, or material as defined in any so-called "superfund" or "superlien" law.

"Incentive Funds" is defined in Section 8.07.

"Installation" means the setting up, construction, and placement of any equipment or materials in the manner it will be operated, in accordance with the Scope of Work and in accordance with all Applicable Laws.

"Interconnection Agreement" means the Interconnection Agreement to be entered into between the Customer and the Utility with respect to the Generating Facilities.

"Interconnection Facilities" is defined in Section 19.02.

"Interest" means interest calculated at the lesser of (i) the prime rate plus two percent (2%) or (ii) the maximum rate permitted by Applicable Law. The "prime rate" shall be "Prime Rate" of interest per annum for domestic banks as published in The Wall Street Journal in the "Money Rates" section, or if such rate ceases to be published in The Wall Street Journal or The Wall Street Journal ceases publication, such other rate as agreed by the Parties.

"IPMVP" means the International Performance Measurement and Verification Protocol prepared by Efficiency Valuation Organization.

"Losses" is defined in Section 11.01.

"M&V Commencement Date" means the first day of the month immediately following the later of (i) Chevron ES's receipt of the fully signed Certificate of Final Completion, and (ii) Chevron ES's receipt of the full Contract Amount.

"M&V Services" means the Savings Guarantee and the measurement and verification services described in Attachment H and ARTICLE 20.

"Maintenance Services" is defined in Attachment K.

"Material Changed Condition" means any of the following conditions that impact the Project Schedule and/or the Contract Amount: (i) delays in the Project Schedule caused by parties outside the control of Chevron ES; (ii) the discovery of differing and unexpected site conditions not previously disclosed by Customer that could not have been readily discoverable by Chevron ES prior to the start of Work; (iii) the discovery of Hazardous Substances not previously disclosed by Customer; (iv) Abnormally Severe Weather Conditions; and (v) delay in equipment and material deliveries outside Chevron ES's control.

"Measurement Period" means each one-year period following the M&V Commencement Date.

"NEC" means the National Electric Code.

"Notice to Proceed" is defined in Section 2.04.

"Party" and **"Parties"** are defined in the Preamble.

"Person" means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, other business organization, trust, union, association or Governmental Authority.

"Project" means the entirety of Work to be performed by Chevron ES pursuant to the Scope of Work, and any Change Orders.

"Project Location" means that area or areas where the Project materials and equipment and any other energy related equipment as described in the Scope of Work shall be performed and/or installed.

"Project Schedule" is defined in Section 2.04.

"Projected Energy Savings" means those Energy Unit Savings which Chevron ES anticipates will be realized from the installation and continued operation of the Work, as set forth in the Savings Measurement and Verification Plan.

"Punch List" means, with respect to any portion of the Work, a list of minor corrective items which need to be completed or corrected in order to complete such portion of the Work, but do not impair the Customer's ability to beneficially operate and utilize such portion of the Work.

"Report" is defined in the Recitals.

"Request for Payment" means a monthly progress payment as described in Section 8.01 or an invoice for materials stored off-site as described in Section 8.02.

"Retainage" is defined in Section 8.03.

"Retained Items" is defined in Section 10.02.

"Savings Guarantee" is defined in Section 20.01(a).

"Savings Measurement and Verification Plan" means the methodologies and calculations set forth in Attachment H, which provides for the quantification of Energy Unit Savings.

"Scope of Work" means the Work set forth in Attachments D, J and L, as modified by any Change Order.

"Substantial Completion" means the stage in the progress of the Work or portion of the Work, where the Work or portion of the Work is sufficiently complete in accordance with this Contract so that Customer can utilize and take beneficial use of the Work for its intended use or purpose.

"Surety" means the surety supplying the Contract Bonds, which shall be an "admitted surety insurer," as defined by California Code of Civil Procedure §995.120, authorized to do business in the State of California, and reasonably satisfactory to Customer.

"Time" means the time period within which Chevron ES shall complete the Work in accordance with the Project Schedule.

"Utility" is defined in Section 19.02.

“Work” means the Work to be done by Chevron ES pursuant to the Scope of Work, subject to any Change Orders.

ARTICLE 2. TERM; PERFORMANCE OF THE WORK

Section 2.01 Contract Term. The term of this Contract shall commence on the date hereof and end on the last day of the Energy Savings Term, unless terminated early as provided in this Contract.

Section 2.02 Performance of Work. All the Work to be performed hereunder will be provided in accordance with the terms of this Contract.

Section 2.03 Scope of Work. The Scope of Work shall not exceed that set forth in Attachment D except pursuant to a Change Order.

Section 2.04 Project Schedule / Notice to Proceed. The preliminary project schedule is presented in Attachment E (“Project Schedule”). Within ten (10) calendar days after the Customer has secured financing as set forth in Section 2.07, Customer will issue to Chevron ES a written Notice to Proceed (“Notice to Proceed”). If the Customer fails to issue the Notice to Proceed within ten (10) calendar days after financing is secured or such additional time as mutually agreed to in writing pursuant to Section 2.07, the Parties agree that the Notice to Proceed shall be deemed to have been issued on the tenth (10th) calendar day after financing is secured. Chevron ES shall begin Work within thirty (30) calendar days of Chevron ES's receipt of the Notice to Proceed.

Section 2.05 Customer's Energy and Operational Records and Data. Within ten (10) Business Days after the date hereof, Customer shall provide Chevron ES with its Energy Usage Data (as defined below) for the twelve (12) months preceding the date hereof, and shall make commercially reasonable efforts to provide the Energy Usage Data for the thirty-six (36) months preceding the date hereof. Energy Usage Data means all of the Customer's records and complete data requested by Chevron ES concerning, without limitation, energy usage, energy-related maintenance, and other related costs for the Facilities, and including without limitation utility records; occupancy information; descriptions of any changes in the building structure or its heating, cooling, lighting or other systems or energy requirements; descriptions of all energy consuming or saving equipment used in the Facilities; applicable building drawings, specifications, existing AutoCAD files, O&M manuals, and as-builts; bills and records relating to operation and maintenance of systems and equipment within the Facilities, and a description of operation and management procedures presently utilized. Customer agrees that Chevron ES may rely on the foregoing data as being accurate in all respects. If requested, Customer shall also provide any prior energy audits of the Facilities, and copies of Customer's financial statements and records related to energy usage and operational costs for said time period at the Facilities, and shall authorize its agents and employees to provide and freely discuss such records and to make themselves available for consultations and discussions with authorized representatives, employees, subcontractors, and agents of Chevron ES.

Section 2.06 Additional Work. Customer shall reasonably cooperate in obtaining any necessary approvals in accordance with California Government Code §§4217.10 through 4217.18. If Chevron ES determines that a Change Order is subject to the requirements of California Government Code §4217, Customer shall reasonably cooperate in obtaining any necessary approvals in accordance with California Government Code §§4217.10 through 4217.18.

Section 2.07 Finance Contingency. It is hereby agreed by Chevron ES and the Customer that this Contract, and any obligations of the Customer hereunder, are expressly contingent upon the ability of the Customer to secure financing for the payments to be made by Customer hereunder, including payments for the cost of the Work to be performed by Chevron ES, upon terms acceptable to the Customer. Upon execution of this Contract, and determination of such payments and costs, the Customer shall have thirty (30) calendar days to obtain such financing. If financing is not secured by the Customer within such period, for any reason, this Contract shall be null and void unless the Parties mutually agree in writing to extend such financing period. It is acknowledged and agreed that Chevron ES will not commence performance of the Work unless and until financing has been secured.

ARTICLE 3. PROJECT IMPLEMENTATION - GENERAL

Section 3.01 Permits and Approvals. Customer will cooperate fully with and assist Chevron ES in obtaining all Applicable Permits required under this Contract. Chevron ES is responsible for obtaining permits and approvals, required for the building, installation, and start-up of the Work hereunder which are required as of the Contract Effective Date. The Customer shall be responsible for obtaining any other permits or approvals that may be required, including annual operating permits and any approvals or exemptions required by CEQA, as applicable.

Section 3.02 Coordination During Installation. Customer and Chevron ES shall make commercially reasonable efforts to coordinate the activities of Chevron ES and Chevron ES's subcontractors and suppliers with those of Customer, its employees, and agents.

Section 3.03 Project Meetings/Status Updates. During the Design and Construction Phases of the Project, Chevron ES will meet with Customer to review equipment, scope of work, and installation plans that relate to the design and construction of the Project. Also during the course of the Work, Chevron ES will periodically provide reports to the Customer of the general status and progress of the Work. Chevron ES may (but is not required to) make inexpensive food and beverage items available to the Customer and Customer's employees and agents at such meetings, which if offered will be deemed part of the Scope of Work and included in the Contract Amount.

Section 3.04 Project Location Access. Customer hereby grants to Chevron ES, without cost to Chevron ES, all rights of ingress and egress at the Project Location identified in the Scope of Work, necessary for Chevron ES to perform all Work and provide all services contemplated by this Contract and the Scope of Work. Chevron ES shall provide twenty-four-hour advance notice to Customer for access to any Customer Facilities. Chevron ES may (but is not required to) make transportation available to the Customer and Customer's employees and agents between and within Project Locations, which if offered will be deemed part of the Scope of Work and included in the Contract Amount.

Section 3.05 Project Schedule. The Project Schedule, attached hereto as Attachment E, is a preliminary, estimated Project Schedule. During the course of Project implementation, both the Customer and Chevron ES shall perform their respective obligations in an expeditious manner that is consistent with reasonable skill and care for the type of Project described in the Scope of Work and in keeping with the orderly progress of the Work pursuant to the Scope of Work. The estimated Project Schedule will be finalized during the completion of the Construction Documents, *provided* that such final Project Schedule will be subject to amendment and revision to take into account any Excusable Delays. Subject to any such Excusable Delays, Chevron ES and its subcontractors shall work diligently to implement the Project in accordance with the Project Schedule and Chevron ES shall notify Customer regarding any and all revisions to the Project Schedule necessitated by such Delay.

Section 3.06 Consents; Cooperation. Whenever a Party's consent, approval, satisfaction, or determination shall be required or permitted under this Contract, and this Contract does not expressly state that the Party may act in its sole discretion, such consent, approval, satisfaction, or determination shall not be unreasonably withheld, qualified, conditioned, or delayed, whether or not such a "reasonableness" standard is expressly stated in this Contract. Whenever a Party's cooperation is required for the other Party to carry out its obligations hereunder, each Party agrees that it shall act in good faith and reasonably in so cooperating with the other Party or its designated representatives or assignees or subcontractors. Each Party shall furnish decisions, information, and approvals required by this Contract in a timely manner so as not to delay the other Party's performance under this Contract.

Section 3.07 Independent Contractor. The Parties hereto agree that Chevron ES, and any agents and employees of Chevron ES, its subcontractors and/or consultants, in the performance of this Contract is acting in an independent capacity and not as a public official, officer, employee, consultant, or agent of the Customer for purposes of conflict of interest laws or any other Applicable Law.

ARTICLE 4. FINAL DESIGN PHASE – CONSTRUCTION DOCUMENTS / EQUIPMENT PROCUREMENT

Section 4.01 General Provisions.

- (a) As soon as possible after the Contract Effective Date, Chevron ES will proceed with the preparation of any necessary designs, drawings, and specifications related to the Scope of Work.
- (b) Upon the issuance of the Notice to Proceed and upon completion of the design phase, Chevron ES shall order the equipment identified in the Scope of Work, and any other necessary materials and supplies in order to meet the Project Schedule.
- (c) Customer shall designate a single-point representative with whom Chevron ES shall consult on a reasonable, regular basis and who is authorized to act on Customer's behalf with respect to the Project design. Customer's representative shall render decisions in a timely manner with regard to any documents submitted by Chevron ES and to other requests made by Chevron ES in order to avoid unreasonable delay in the orderly and sequential progress of Chevron ES's design services.
- (d) Within ten (10) Business Days of Chevron ES's request, Customer shall:
 - (i) furnish all surveys or other information in Customer's possession that describe the physical characteristics, legal limitations, and utility locations in and around the Project Location;
 - (ii) disclose any prior environmental review documentation and all known information in its possession concerning subsurface conditions, including without limitation the existence of any known Hazardous Substances, in or around the general

area of the Project Location where the Work will be performed pursuant to the Scope of Work;

- (iii) supply Chevron ES with all relevant information in Customer's possession, including any as-built drawings and photographs, of prior construction undertaken in the general area where the Work will be performed pursuant to the Scope of Work; and
 - (iv) obtain any and all easements, zoning variances, planning approvals, including any resolution of any environmental impact issues, and any other legal authorization regarding utilization of the Project Location site essential to the execution of the Work.
- (e) All information furnished pursuant to this Section 4.01 shall be supplied at Customer's expense, and Chevron ES is entitled to rely upon the accuracy and completeness of all information provided. Customer acknowledges that any failure to provide the information specified in Section 4.01(d) to Chevron ES may result in an Excusable Delay as defined herein.
- (f) In the event that any information is disclosed under this Section 4.01 that constitutes a Change to the Work and/or is a Material Changed Condition, Chevron ES will provide notice to Customer within ten (10) Business Days after receipt of this information, and the Parties will meet and confer with respect to those Changes. If Customer authorizes a Change Order, Chevron ES shall be compensated, and receive an extension of Time for performance, if necessary, to perform the additional Work. If the Parties are unable to agree on whether Customer's disclosed information constitutes a Change to the Work or a Material Changed Condition, those disputes shall be resolved in accordance with ARTICLE 21.
- (g) Chevron ES contemplates that it will not encounter any Hazardous Substances at the Project Location, except as has been disclosed as a Pre-Existing Condition by the Customer prior to the execution of this Contract. However, any disclosure of Hazardous Substances that will affect the performance of the Work after the execution of this Contract shall constitute a valid basis for a Change Order.

Section 4.02 Review of Construction Documents. Chevron ES will prepare and submit all designs, drawings, and specifications to the Customer for review. Customer shall review the documents and provide any comments in writing to Chevron ES within ten (10) Business Days after receipt of documents. Chevron ES will incorporate appropriate Customer comments into the final designs, drawings, and specifications, as applicable. The terms and conditions of any permit approvals required for the Project will be provided. Chevron ES reserves the right to issue the designs, drawings, and specifications in phases to allow the construction to be performed in phases. If Customer fails to provide written comments within the ten (10) Business Day period, Customer shall be deemed to have no comments regarding the documents.

Section 4.03 Permits and Approvals. The respective obligations of the Parties in obtaining permits and approvals are as specified in Section 3.01. Customer shall agree to any nonmaterial changes to the designs, drawings, and specifications required by any governmental authority having jurisdiction over the Work. The Contract Amount provided for in the Scope of Work shall be increased by any additional cost incurred by Chevron ES due to a change required by a governmental authority and the time required to complete the Work pursuant to the Project Schedule will be increased by the number of additional days required to complete the Work because of a governmentally imposed change in the Project.

Section 4.04 Changes During Final Design Phase. If during the design phase Customer requests changes and/or modifications to the Work identified in the Scope of Work and/or there are Material Changed Conditions, Customer shall be responsible for payment of the extra costs caused by such modifications and/or changes. Valid bases for additional compensation and/or Time extension include, but are not limited to: (i) Customer requests changes and/or modifications to the Project Scope of Work during the Project Design Phase; (ii) Customer caused delays during Chevron ES's design work; (iii) the discovery of subsurface or other site conditions that were not reasonably anticipated or disclosed as of the Contract Effective Date; (iv) the discovery of Hazardous Substances at or impacting the Project Location; (v) changes to the Scope of Work required to obtain certain permits; (vi) damage to any equipment or other Work installed by Chevron ES caused by the act or omission of Customer, its agents or employees; (vii) changes and/or modifications to Scope of Work ordered by any governmental authority having jurisdiction over the Project; and (viii) any other condition that would not reasonably have been anticipated by Chevron ES that modifies and/or changes the Scope of Work that increases the agreed upon Contract Amount or increases in the Time needed to complete the Work identified in the Scope of Work.

ARTICLE 5. CONSTRUCTION PHASE

Section 5.01 General Provisions. Upon securing necessary permits, pursuant to Section 3.01, and completion of final Construction Documents by Customer, Chevron ES will commence the construction of the Project

in accordance with the final Construction Documents. The construction will be performed by Chevron ES and/or one or more licensed subcontractors qualified to perform the Work. The construction will be performed in accordance with all Applicable Laws and Applicable Permits.

Section 5.02 Chevron ES's Responsibilities During Construction Phase.

- (a) As an independent contractor to Customer, Chevron ES will be responsible for providing, or causing to be provided by Chevron ES's subcontractor(s), all labor, materials, equipment, tools, transportation, and other facilities and services necessary for the proper execution, construction, and completion of the Work as defined in the Scope of Work and any Change Orders. Chevron ES is hereby required to purchase in advance all necessary materials and supplies for the construction of the Project in order to assure the prompt and timely delivery of the completed Work pursuant to the Project Schedule. Chevron ES will also be responsible for all means, methods, techniques, sequences, and procedures employed for the construction required by the final Construction Documents.
- (b) Chevron ES will make commercially reasonable efforts to coordinate construction activities and perform the Work to minimize disruption to Customer's operations at the Project Location. Chevron ES will provide at least thirty (30) calendar days written notice to Customer of any planned power outages that will be necessary for the construction. Chevron ES will cooperate with Customer in scheduling such outages, and Customer agrees to provide its reasonable approval of any scheduled outage.
- (c) Chevron ES will be responsible for initiating and maintaining safety precautions and programs in connection with its construction of the Project. Chevron ES will take reasonable precautions for the safety of, and shall provide reasonable protection to prevent damage, injury, or loss to: (1) employees of Chevron ES and subcontractors performing Work under this Contract; (2) Chevron ES's property and other materials to be incorporated for the Project, under the care, custody, and control of Chevron ES or its subcontractors; and (3) other property at or adjacent to the Project Location not designated for removal, relocation, or replacement during the course of construction. Chevron ES will not be responsible for Customer's employees' safety unless Chevron ES's negligence in the performance of its Work is the proximate cause of the employee's injury.
- (d) Based on the final Construction Documents, Chevron ES will obtain required building permits for Project Construction. Customer will cooperate with Chevron ES in securing such permits.
- (e) Chevron ES will maintain in good order at the Project Location copies of the Scope of Work, all Change Orders, this Contract (with all Attachments), one record copy of all drawings, specifications, product data, samples, manufacturer's operation & maintenance manuals, and other pertinent construction-related documents.
- (f) Chevron ES shall provide notice to Customer of any scheduled test(s) of installed equipment, and Customer and/or its designees shall have the right to be present at any or all such tests conducted by Chevron ES, any subcontractor, and/or manufacturers of the equipment. Chevron ES shall be responsible for correcting and/or adjusting all deficiencies in systems and equipment operations that Chevron ES provided and installed that may be observed during equipment commissioning procedures.
- (g) The following duties shall be performed by Chevron ES:
 - (i) Organize and conduct a pre-construction meeting with the Customer and each subcontractor.
 - (ii) Organize and conduct regularly scheduled progress meetings throughout the installation period.
 - (iii) Schedule and manage all subcontractors and related work.
 - (iv) Provide the Customer a single point of contact and responsibility for all Work related to the Project.
 - (v) Investigate and resolve design, construction, and field issues as they arise during the Project
 - (vi) Coordinate on-site Work, and schedule accordingly with Customer.
 - (vii) Perform progress inspections throughout the installation period. Provide the Customer and subcontractor with results of findings.
 - (viii) Identify any existing Customer equipment that is found during implementation of the Work not to be functioning properly, and notify in writing to Customer.

- (ix) Provide regular status reports to the Customer.
- (x) When appropriate, initiate a thorough inspection of the Work with the Customer and subcontractor to obtain Substantial Completion.
- (xi) Check, test, and start-up each item of equipment.
- (xii) Perform a circuit by circuit commissioning of the Chevron ES installed solar PV project including the data acquisition system ("DAS"). Identify any system items that are not functioning properly, and include on the punch list.
- (xiii) Identify any existing Customer equipment that is found during the system commissioning process not to be functioning properly, and notify in writing to Customer.
- (xiv) Perform a complete software/programming commissioning of the DAS to comply with the California Solar Incentive ("CSI") program. Identify any DAS items that are not programmed per specification, and include on the punch list.
- (xv) With the Customer and subcontractor, perform final inspection of the Work.
- (xvi) Review subcontractor invoices and authorize payment as appropriate.
- (xvii) Obtain/prepare final as-built documentation for the Project, and deliver to the Customer. Documentation shall include O&M manuals as appropriate, warranty information, and as-built drawings and related information.

Section 5.03 Customer's Responsibilities During Construction Phase.

- (a) Customer shall designate a single-point representative authorized to act on Customer's behalf with respect to Project construction and/or equipment installation. Customer may from time to time change the designated representative and shall provide notice to Chevron ES of such change. Any independent review of the construction shall be undertaken at Customer's sole expense, and it shall be performed in a timely manner so as to not unreasonably delay the orderly progress of Chevron ES's Work. Any independent review of the construction by Customer shall not relieve Chevron ES of any of its obligations or responsibilities hereunder.
- (b) Customer shall provide a temporary staging area for Chevron ES, or its subcontractors, to use during the construction phase to store and assemble equipment for completion of the Work, if needed. Customer will provide sufficient space at the Facilities for the performance of the Work and the installation, storage, and operation of any equipment and materials and will take reasonable steps to protect any such equipment and materials from harm, theft and misuse. Customer shall provide access to the Facilities, including parking permits and identification tags, for Chevron ES and subcontractors to perform the Work hereunder during regular business hours, or such other reasonable hours as may be requested by Chevron ES and acceptable to Customer. The Customer shall also either provide a set or sets of keys to Chevron ES and its subcontractors (signed out per Customer policy) or provide a readily available security escort to unlock and lock doors. Customer shall not unreasonably restrict Chevron ES's access to Facilities to make emergency repairs or corrections as it may determine are needed.
- (c) Customer shall remain responsible for the maintenance of the portion of the Project Location that is not directly affected by Chevron ES's Work. Customer shall keep the designated Project Location and staging area for the Project free of obstructions, waste, and materials within the control of Customer.
- (d) Customer shall be solely responsible for obtaining any required environmental clearance from and any special permits required by any federal, state, and local jurisdictions, including but not limited to any clearances required under CEQA, prior to scheduled construction start date.
- (e) Customer shall be responsible for the preparation of the designated Project Location site for construction, including, but not limited to, clearance of all above and below ground obstructions, such as vegetation, buildings, appurtenances, and utilities. Subsurface conditions and obstacles (buried pipe, utilities, etc.) that are not otherwise previously and accurately documented by Customer and such documentation made available to Chevron ES are the responsibility of the Customer. If Chevron ES encounters such unforeseen conditions in the performance of the Work, Chevron ES will be entitled to a Change Order providing for additional compensation, an extension of Time and a revision of the Project Schedule.
- (f) Customer shall be solely responsible for the removal of any Hazardous Substances either known to Customer prior to the commencement of the Work or encountered by Chevron ES during the construction of the Project, if necessary in order for the Work to progress safely, that was not knowingly released or brought

to the site by Chevron ES. Chevron ES will respond to the discovery of Hazardous Substances at or around the Project Location during the course of Chevron ES's construction in accordance with Section 5.06.

- (g) Customer shall coordinate the Work to be performed by Chevron ES with its own operations and with any other construction project that is ongoing at or around the Project Location, with the exception that Chevron ES will coordinate the Interconnection Facilities work, if any, that will be performed by the local utility.
- (h) Customer shall allow Chevron ES and its subcontractors access to and reasonable use of necessary quantities of Customer's water and other utilities, including electrical power, as needed for the construction of the Work, at no extra cost to Chevron ES.
- (i) Customer will provide Chevron ES and/or its subcontractors with reasonable access to the Project Location to perform the Work, including without limitation and at no extra cost to Chevron ES, access to perform Work on Saturdays, Sundays, legal holidays, and non-regular working hours.
- (j) The Customer shall also do the following:
 - (i) Attend the regularly scheduled progress meetings. Participate as needed regarding scheduling of the Work.
 - (ii) When appropriate, participate in the job inspection walk-through with Chevron ES and the subcontractor to determine Substantial Completion or beneficial use of major equipment. Sign the Certificate of Substantial Completion, as appropriate.
 - (iii) Perform a final walk-through of the Project. Upon receipt of the O&M Manuals and as-built drawings, sign the certificate of Final Completion for the related Work.
 - (iv) Provide knowledgeable staff to participate in the training programs, which will be scheduled in advance for proper coordination.
 - (v) Upon the completion of the entire Scope of Work listed in Attachment D, including training, and submission of close-out documents, sign a certificate of Final Completion for the entire Project.

Section 5.04 Changes During Construction.

- (a) Change Orders Generally. Changes and/or modifications to the Scope of Work shall be authorized by a written Change Order signed by both Customer and Chevron ES. The Change Order shall state the change and/or modification to the Scope of Work, any additional compensation to be paid, or extension of Time, if needed, to Chevron ES to perform such change and/or modification. Chevron ES may, at its election, suspend performance of that portion of the Work affected by any proposed Change Order until an agreement has been reached with the Customer regarding the Change Order. Chevron ES will use its reasonable efforts to continue other portions of the Work not affected or impacted by such proposed Change Order until such time as the Change Order is resolved. In addition, if Customer requests a proposal from Chevron ES for a change to the Scope of Work and Customer subsequently elects to not proceed with such change, Customer agrees that a Change Order shall be issued to reimburse Chevron ES for any costs reasonably incurred for estimating services, design services, and/or preparation of the proposal requested by the Customer.
- (b) Change Orders Requiring Additional Compensation. If during construction Customer requests changes and/or modifications to the Work identified in the Scope of Work, there are Excusable Delays, and/or there are Material Changed Conditions, Customer shall be responsible for payment of the extra costs caused by such modifications and/or changes and Chevron ES shall be entitled to additional compensation for the following reasons, that include, but are not limited to: (1) Customer requests changes and/or modifications to the Scope of Work during the construction phase of the Project; (2) Customer caused delays during Chevron ES's construction work; (3) discovery of subsurface or other site conditions that were not reasonably anticipated or disclosed prior to the commencement of the Work; (4) discovery of Hazardous Substances at or impacting the Project Location; (5) changes and/or modifications to the Scope of Work required to obtain required permits and approvals as required by any governmental authority having jurisdiction over the Project; (6) damage to any equipment or other Work installed by Chevron ES caused by the act or omission of Customer, its agents or employees; (7) changes and/or modifications to Scope of Work ordered by any Governmental Authority having jurisdiction over the Project; and (8) any other condition that would not reasonably have been anticipated by Chevron ES, that modifies and/or changes the Scope of Work or the Contract Amount.
- (c) Change Orders Requiring Additional Time / Excusable Delays. If during construction Customer requests changes and/or modifications to the Work identified in the Scope of Work and/or there are Material Changed

Conditions, the Parties agree that a reasonable extension of Time to the Project Schedule may be necessary to perform such modifications and/or changes. In addition, if Chevron ES is delayed at any time in the progress of the Work for any reason beyond its control, including, but not limited to, any Excusable Delay, then the targeted dates set forth in the Project Schedule shall be reasonably extended by a Change Order. Prior to the extension of such dates, Chevron ES will use reasonable efforts to make up such delays, including authorizing overtime payments; *provided* that Customer has issued a Change Order authorizing any such overtime payment and has specifically agreed to pay all costs, including administrative charges and expenses, associated therewith.

- (d) Material Changed Conditions/ Conditions Beyond Chevron ES's Control. Chevron ES will provide written notice to Customer of any Material Changed Condition and or any event of Force Majeure, within ten (10) Business Days of Chevron ES's first discovery of such Material Changed Condition or event of Force Majeure. In the event that Chevron ES's notice concerns unanticipated subsurface conditions, including soil conditions, or Hazardous Substances, Chevron ES will not disturb the condition until said notice has been given to Customer, and Customer has had a reasonable opportunity to investigate the condition. If there is a disagreement between Customer and Chevron ES as to whether a Change Order should be issued and executed because of the Material Changed Condition and/or condition beyond Chevron ES's control, those disputes shall be resolved in accordance with the provisions of ARTICLE 21. Pending the resolution of any dispute between Chevron ES and Customer concerning a Material Changed Condition and/or change beyond Chevron ES's control, Chevron ES reserves the right to suspend Work pending the resolution of the dispute.
- (e) Change Order – Savings Effect. Chevron ES shall calculate the energy impact of any Customer change orders. As applicable, the energy impact may change the projected savings level and the Guaranteed Energy Savings amount.

Section 5.05 Minor Changes to Scope of Work. Chevron ES shall have authority to make minor changes that do not change the total Contract Amount and are consistent with the intent of the final Construction Documents, as amended by Change Order, without prior notice to Customer. Chevron ES will either promptly inform Customer, in writing, of any minor changes made during the implementation of the Project, or make available to Customer at the site a set of as-built drawings that will be kept current to show those minor changes.

Section 5.06 Hazardous Substances.

- (a) Chevron ES will promptly provide written notice to Customer if Chevron ES observes any Hazardous Substance, as defined herein, at or around the Facilities during the course of construction or installation of any equipment which have not been addressed as part of the Scope of Work. Chevron ES shall have no obligation to investigate the Facilities for the presence of Hazardous Substances prior to commencement of the Work unless otherwise specified in the Scope of Work. Customer shall be solely responsible for investigating Hazardous Substances and determining the appropriate removal and remediation measures with respect to the Hazardous Substances. Customer shall be responsible for complying with all Applicable Laws with respect to the identification, removal and proper disposal of any Hazardous Substances known or discovered at or around the Facilities, and in such connection shall execute all generator manifests with respect thereto. Chevron ES shall comply with all Applicable Laws in connection with the use, handling, and disposal of any Hazardous Substances in the performance of its Work. In connection with the foregoing, Customer shall provide Chevron ES, within ten (10) Business Days of the execution of this Contract, a written statement that represents and warrants (i) whether or not, to its knowledge, there are Hazardous Substances either on or within the walls, ceiling or other structural components, or otherwise located in the Work area, including, but not limited to, asbestos-containing materials; (ii) whether or not, to its knowledge, conditions or situations exist at the Facilities which are subject to special precautions or equipment required by federal, state, or local health or safety regulations; and (iii) whether or not, to its knowledge, there are unsafe working conditions at the Facilities.
- (b) Customer shall indemnify, defend, and hold Chevron ES harmless from and against any and all Losses that in any way result from or arise under from such Customer owned or generated Hazardous Substances, except for liabilities due to the negligence or willful misconduct of Chevron ES, or its subcontractors, agents or representatives, in the handling, disturbance or release of Hazardous Substances. This indemnification shall survive any termination of this Contract.

Section 5.07 Pre-Existing Conditions. Certain pre-existing conditions may be present within the Customer's facilities that (i) are non-compliant with applicable codes, (ii) may become non-compliant with applicable codes upon completion of Chevron ES's Work, (iii) may cause Chevron ES's completed Work to be non-compliant with applicable codes, (iv) may prevent the Customer from realizing the full benefits of Chevron ES's Work, (v) may present a safety or equipment hazard, or (vi) are otherwise outside the scope of Chevron ES's Work. Regardless of whether or not such conditions may have been readily identifiable prior to the commencement of Work, Chevron ES

shall not be responsible for repairing such pre-existing conditions unless such is expressly provided for in the Scope of Work or an approved change thereto. Chevron ES, in its sole discretion, may determine whether it will bring said pre-existing conditions into compliance by agreeing to execute a change order with the Customer for additional compensation and, if appropriate, an extension of time. Examples of pre-existing conditions include, but are not limited to, the following:

- (a) With respect to Chevron ES Projects with new equipment connecting to the facility's existing electrical distribution system, Chevron ES shall not be responsible for the electrical integrity of the existing electrical system, e.g., the condition and proper termination of current-carrying, grounded, and grounding conductors, bus taps, protective elements, the proper protection of existing wire through knockouts, or missing components. The Customer is responsible for providing and maintaining the facility's electrical distribution system that meets the latest NEC and guidelines.
- (b) Chevron ES shall not be responsible for existing damaged pipes, valves, and related parts and components due to a lack of water treatment.
- (c) Existing pneumatic control systems that remain in place shall be properly maintained (use of air dryer, clean filter, etc.) by the Customer such that oil or moisture does not reach the control and operating devices.
- (d) Unless specifically included in the Scope of Work, existing valves, dampers, linkages, and piping specialties to which new controls/building automation system are being connected are to be in proper functioning condition. If existing device is found to be improperly functioning, Customer may repair or compensate Chevron ES for repair / replacement of the device.

ARTICLE 6. PROJECT COMPLETION

Section 6.01 Substantial Completion / Reduction of Retainage. At the time the Work, or any portion thereof, is Substantially Complete in conformance with the Scope of Work and Construction Documents, Chevron ES will supply to Customer a written Certificate of Substantial Completion with respect to such portion of the Work. Customer shall within ten (10) Business Days of receipt of the Certificate of Substantial Completion, review such portion of the the Work for the sole purpose of determining that it is substantially complete and in substantial conformance with the Scope of Work, final Construction Documents and any Change Orders, and sign and return the Certificate of Substantial Completion to Chevron ES acknowledging and agreeing: (i) that such portion of the Work is substantially complete in accordance with the Scope of Work so Customer can occupy or utilize the Work for its intended use; (ii) the date of such Substantial Completion; (iii) that from the date of Substantial Completion Customer will assume responsibility for the security of, insurance coverage for, maintenance, utilities for, and damage to or destruction of such portion of the Work. Customer agrees that approval of the Certificate of Substantial Completion shall not be unreasonably withheld, delayed or conditioned. Title to any and all of the materials and equipment installed shall pass from Chevron ES to Customer upon the date of Substantial Completion, and Customer shall promptly thereafter record a notice of completion or notice of acceptance in the office of the county recorder in accordance with California Civil Code §9204. At such time, the value of the Contract Bonds shall be reduced to the amount of Retainage in accordance with Section 11.04.

Section 6.02 Final Completion. When Chevron ES considers the entirety of the Work to be fully complete in accordance with the Scope of Work, Chevron ES will notify the Customer that the Work is fully complete and ready for final inspection. The Customer shall inspect the Work to verify the status of Final Completion within ten (10) Business Days after its receipt of Chevron ES's certification that the Work is complete. If Customer does not verify the Final Completion of the Work within this period, the Work shall be deemed fully completed. If Customer determines that any Work is incomplete and/or defective, the Customer shall promptly notify Chevron ES in writing of such incomplete and/or defective Work, itemizing and describing such remaining items with reasonable particularity. Chevron ES will, in a reasonable amount of time, complete any incomplete items or remedy defective items after which Chevron ES shall provide written notice to the Customer that the Work is fully complete. Customer shall re-inspect all Work completed or remedied by Chevron ES within ten (10) Business Days of Chevron ES's notice that the Work is complete. If the Customer does not re-inspect the Work within the ten (10) Business Day period, the Work shall be deemed fully complete. When the Customer agrees that the Work is fully completed in accordance with the Scope of Work, Customer shall give Chevron ES written notice of acceptance of the Work and Final Completion and will issue a Certificate of Final Completion to Chevron ES. At that time, Customer shall pay Chevron ES any remaining Contract Amount due and any outstanding Retainage being withheld by the Customer. Customer agrees that issuance of the Certificate of Final Completion shall not be unreasonably withheld, delayed or conditioned.

ARTICLE 7. SUBCONTRACTORS

Section 7.01 Authority to Subcontract. Chevron ES may delegate its duties and performance under this Contract, and shall have the right to enter into agreements with any subcontractors and other service or material

providers as Chevron ES shall select in its discretion to perform the Work hereunder. Chevron ES shall not be required to enter into any subcontracts with parties whom Chevron ES has not selected or subcontractors whom Chevron ES has objection to using.

Section 7.02 Prompt Payment of Subcontractors. Chevron ES shall promptly pay, when due, all amounts payable for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of the law from arising against any Customer property, against Chevron ES's rights to payments hereunder, or against Customer.

Section 7.03 Responsibility. Chevron ES shall, at all times, be responsible for the negligent acts, errors and/or omissions of its subcontractors and agents. Nothing in this Contract shall constitute any contractual relationship between any others and the Customer or any obligation on the part of the Customer to pay, or to be responsible for the payment of, any sums to any Chevron ES subcontractors.

Section 7.04 Prevailing Wages. All employees of Chevron ES and Chevron ES's subcontractors performing Work for this Project shall be paid the per diem prevailing wages for the employee's job classification in the locality in which the Work is performed, in accordance with the requirements of California Labor Code §1771.

ARTICLE 8. PAYMENTS

As full compensation for the performance of the Work and all of Chevron ES's obligations hereunder, Customer shall pay the Contract Amount to Chevron ES.

Section 8.01 Monthly Progress Payments. On the Contract Effective Date, Chevron ES shall invoice the Customer for a design, engineering, and mobilization fee, as detailed on Attachment E. In addition, Chevron ES shall submit to the Customer for approval its request, in a form reasonably acceptable to Customer, for a monthly progress payment per the Estimated Payment Schedule in Attachment F.

Section 8.02 Materials Stored Off-Site. Chevron ES may invoice the Customer for materials purchased in advance and not stored at the Project Location. Each such invoice shall be accompanied by proof of off-site material purchases, evidence that the materials have been delivered to a warehouse reasonably acceptable to the Customer and evidence of appropriate insurance coverage. Chevron ES shall furnish to the Customer written consent from the Surety approving the advance payment for materials stored off site. The Customer shall pre-pay one hundred percent (100%) of Chevron ES's invoice for the materials delivered, less Retainage as indicated in Section 8.03. Chevron ES shall protect stored materials from damage. Damaged materials, even though paid for, shall not be incorporated into the Work.

Section 8.03 Retainage. The Customer, or their designee, shall approve and pay each Request for Payment, less a retainage amount ("Retainage") of five percent (5%), within thirty (30) calendar days after its receipt thereof. A failure to timely approve and pay a Request for Payment hereunder shall be a material default by Customer under this Contract. The Customer may reduce the Retainage to two percent (2%), and/or make progress payments in full without Retainage, at any time after fifty percent (50%) of the Work has been completed, as permitted pursuant to California Public Contract Code §9203. Customer shall pay Chevron ES the remaining Retainage upon achieving Final Completion.

Section 8.04 Final Payment. The final Request for Payment may be made after Final Completion. Final Payment amount shall also include payment to Chevron ES for any remaining Retainage withheld by Customer.

Section 8.05 Disputed Invoices/Late Payments. Customer may in good faith dispute any Request for Payment, or part thereof, within thirty (30) calendar days after the date the Request for Payment was rendered. In the event that Customer disputes all or a portion of any Request for Payment, Customer shall pay the undisputed portion when due and provide Chevron ES a written notice and explanation of the basis for the dispute and the amount of the Request for Payment being withheld related to the dispute. Customer shall be deemed to have waived and released any dispute known to it with respect to a bill if such notice and written explanation is not provided within thirty (30) calendar days after the date the Request for Payment was rendered. If any amount disputed by Customer is finally determined to be due to Chevron ES, either by agreement between the Parties or as a result of dispute resolution pursuant to ARTICLE 21 below, it shall be paid to Chevron ES within ten (10) Business Days after such final determination, plus Interest, from the date billed or claimed until such amount is paid.

Section 8.06 Waiver of Liens. Upon request from Customer, Chevron ES shall provide Customer with progress payment waivers and releases for Work for which Customer has paid up to that date. Upon receipt by Chevron ES of final payment for the Work (including payment of all Retainage), Chevron ES will provide Customer with a final, unconditional waiver and release.

Section 8.07 Rebate Programs. To the extent included in the Scope of Work, Chevron ES shall assist Customer in the preparation and submission to the applicable agencies of all applications and documentation necessary for the energy efficiency rebate, incentive, and/or loan program(s) ("Incentive Funds") shown on

Attachment I. Chevron ES cannot guarantee that Customer will receive the Incentive Funds or any portion thereof; Chevron ES expressly disclaims any liability for Customer's failure to receive any portion of the Incentive Funds, and Customer acknowledges and agrees that Chevron ES shall have no liability for any failure to receive all or any portion of the Incentive Funds. Procurement, or lack thereof, of the Incentive Funds will not alter the Contract Amount of this Contract or the payment timeline associated with payment of the Contract Amount.

ARTICLE 9. WARRANTY/LIMITATION OF LIABILITY

Chevron ES warrants to Customer that material and equipment furnished under this Contract will be of good quality and new, unless otherwise specifically required or permitted by this Contract. Chevron ES further warrants that its workmanship provided hereunder, including its subcontractors' workmanship, shall be free of material defects for a period of one (1) year from the date of Substantial Completion as indicated on the executed Certificate of Substantial Completion, or the date of Beneficial Use as indicated on the executed Certificate of Beneficial Use ("Chevron ES Warranty"). All warranties hereunder, including without limitation those for defects, whether latent or patent, in design, engineering, or construction, shall terminate one (1) year from the date of Substantial Completion or Beneficial Use; and thereafter, Chevron ES will have no liability for breach of any warranty or for any latent or patent defect of any kind pursuant to California Code of Civil Procedure §§337.15 and 338. Equipment and material warranties that exceed the one (1) year warranty period shall be provided directly by the equipment and/or material manufacturers and such warranties shall be assigned directly to the Customer, after the one (1) year period. During the one (1) year Chevron ES warranty period, Chevron ES shall be the Customer's agent in working with the equipment and material manufacturers in resolving any equipment or material warranty issues. Other than for lamps and ballasts, any material defects that are discovered within the one (1) year Chevron ES warranty period, Chevron ES, or Chevron ES's subcontractors, will correct its defects, and/or Chevron ES will work with the equipment or material manufacturer as the Customer's agent to facilitate the manufacturer's correction of the equipment or material defect. For typical industry standard lamp and ballast failures during the one (1) year Chevron ES warranty period, the Customer will replace such failed lamps/ballasts with replacement stock provided by Chevron ES, *provided, however*, that Customer shall return the failed lamps/ballasts to the manufacturer in order to ensure that sufficient quantities of replacement stock are available during the one year warranty period. Such warranty services shall be performed in a timely manner and at the reasonable convenience of the Customer. This warranty expressly excludes any remedy for damage or defect caused by improper use, improper or inadequate maintenance, operations of the installed equipment by users other than Chevron ES or its subcontractors, corrosion, erosion, deterioration, abuse, modifications or repairs not performed by an authorized Chevron ES subcontractor, improper operation, or normal wear and tear under normal usage. If a warranty issue arises on any equipment or material installed after the one (1) year Chevron ES warranty period, and the equipment or material has a warranty period that exceeds one (1) year, the Customer shall contact the manufacturer directly to resolve such warranty issues and Customer acknowledges that the manufacturer shall have sole responsibility for such issues.

EXCEPT FOR THE WARRANTY PROVIDED HEREIN, CUSTOMER EXPRESSLY AGREES THAT CHEVRON ES MAKES NO OTHER WARRANTIES AND ASSUMES NO OTHER LIABILITIES, WHETHER IN CONTRACT OR IN TORT (INCLUDING NEGLIGENCE), IN CONNECTION WITH THE WORK PROVIDED HEREUNDER, WHETHER EXPRESS OR IMPLIED, IN LAW OR IN COMMUNICATION BETWEEN CHEVRON ES AND CUSTOMER. CHEVRON ES SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY IMPLIED WARRANTIES AGAINST INTELLECTUAL PROPERTY INFRINGEMENT. CUSTOMER SHALL HAVE NO REMEDIES AGAINST EITHER CHEVRON ES OR ANY CHEVRON ES SUBCONTRACTOR OR VENDOR FOR ANY DEFECTIVE WORK INSTALLED EXCEPT FOR THE REPAIR OR REPLACEMENT OF SUCH EQUIPMENT IN ACCORDANCE WITH THE WARRANTY INDICATED ABOVE. SPECIFICALLY, NEITHER CHEVRON ES, NOR CHEVRON ES'S SUBCONTRACTORS OR VENDORS, SHALL BE LIABLE TO CUSTOMER FOR LOSS OF PROFITS OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY.

ARTICLE 10. OWNERSHIP OF CERTAIN PROPERTY AND EXISTING EQUIPMENT

Section 10.01 Ownership of Certain Proprietary Property Rights.

- (a) Ownership: Except as expressly provided herein, Customer shall not, by virtue of this Contract, acquire any rights or interest in any formulas, patterns, devices, software, inventions or processes, copyrights, patents, trade secrets, other intellectual property rights, or similar items of property which are or may be used in connection with the Work. Chevron ES shall own all inventions, improvements, technical data, models, processes, methods, and information and all other work products developed or used in connection with the Work under this Contract, including all intellectual property rights therein.
- (b) License: Solely in connection with the Facilities, Chevron ES grants to Customer a limited, perpetual, royalty-free, non-transferrable license for any Chevron ES intellectual property rights necessary for Customer to operate, maintain, and repair any modifications or additions to Facilities, or equipment delivered, as a result of the Work.

- (c) Ownership and Use of Deliverables. All data, reports, proposals, plans, specifications, flow sheets, drawings, and other products of the Work furnished directly or indirectly, in writing or otherwise, to Customer by Chevron ES under this Contract shall remain Chevron ES's property and shall be used only in connection with the Work.
- (d) Confidentiality. Customer may not duplicate or disclose to third parties any data, reports, proposals, plans, specifications, flow sheets, drawings, and other products of the Work, unless such third parties have entered into an appropriate agreement with Chevron ES, or with Chevron ES's written permission.

Section 10.02 Ownership of any Existing Equipment. Ownership of any equipment and materials presently existing at the Facilities at the time of execution of this Contract shall remain the property of the Customer even if it is replaced or its operation made unnecessary by work performed by Chevron ES pursuant to this Contract. If applicable, Chevron ES shall advise Customer in writing of all equipment and materials that will be replaced at the Facilities and Customer shall, within five (5) Business Days of Chevron ES's notice, designate in writing to Chevron ES which replaced equipment and materials should not be disposed of off-site by Chevron ES (the "Retained Items"). Customer shall be responsible for and designate the location and storage for the Retained Items. Chevron ES shall be responsible for the disposal of replaced equipment and materials, except for the Retained Items. Chevron ES shall use commercially reasonable efforts to remove the Retained Items in such a manner as to avoid damage thereto, or if it is unreasonable to avoid damage altogether, to minimize the damage done. Chevron ES shall not be responsible for the removal and/or disposal of any Hazardous Substances except as required by the Scope of Work.

ARTICLE 11. INDEMNIFICATION / INSURANCE / BONDS

Section 11.01 Indemnification. To the full extent permitted by Applicable Laws, each Party shall indemnify, hold harmless, release and defend the other Party, its officers, employees, and agents from and against any and all actions, claims, demands, damages, disabilities, fines, penalties, losses, costs, expenses (including consultants' and attorneys' fees and other defense expenses) and liabilities of any nature ("Losses") that may be asserted by any person or entity, in whole or in part arising out of that Party's performance or activities hereunder, including the performance or activities of other persons employed or utilized by that Party in the performance of this Contract, excepting liabilities due to the negligence or willful misconduct of the indemnified Party. This indemnification obligation shall continue to bind the Parties after the termination of this Contract. Furthermore, Chevron ES will indemnify, defend, and hold Customer harmless with respect to any personal or bodily injuries or deaths that may be suffered by Chevron ES or any of its shareholders, directors, employees, contractors, agents, or representatives resulting from the negligence or willful misconduct of Chevron ES or any of its subcontractors at the Project Location, except to the extent such injuries or deaths result from the negligence or willful misconduct of a party for whom Chevron ES is not responsible.

Section 11.02 Waiver of Consequential Damages and Limitation of Liability. The liability of a defaulting Party shall be limited to direct, actual damages only and all other damages and remedies are waived. Under no circumstances will either Party be liable to the other Party for any special, indirect, incidental, consequential or punitive damages, lost profits or business interruption damages, however caused and on any theory of liability. "Consequential damages" includes, but is not limited to, operational losses in the performance of business including lost revenues and any increase in operating expense, and any lost profits. It is expressly understood and agreed to by both Parties that each Party's liability to the other shall be limited to reimbursement of only those Losses arising solely from a Party's breach of this Contract, negligence or willful misconduct.

Section 11.03 Chevron ES Insurance. Chevron ES shall maintain, or cause to be maintained, for the duration of this Contract, the insurance coverage outlined in (a) through (g) below, and all such other insurance as required by applicable law. Evidence of coverage will be provided to Customer via a Self-Administered Claims Letter.

- (a) Workers' Compensation/Employers Liability for states in which Chevron ES is not a qualified self-insured. Limits as follows:

*	Workers' Compensation:	Statutory
*	Employers Liability:	Bodily Injury by accident \$1,000,000 each accident Bodily Injury by disease \$1,000,000 each employee Bodily Injury by disease \$1,000,000 policy limit

- (b) Commercial General Liability insurance with limits of:

*	\$1,000,000 each occurrence for Bodily Injury and Property Damage
*	\$1,000,000 General Aggregate - other than Products/Completed Operations
*	\$1,000,000 Products/Completed Operations Aggregate
*	\$1,000,000 Personal & Advertising Injury
*	\$ 100,000 Damage to premises rented to Chevron ES

Coverage to be written on a claims-made form. Coverage to be at least as broad as ISO form CG 0002 (12/07), without endorsements that limit the policy terms with respect to: (1) provisions for severability of interest, or (2) explosion, collapse, underground hazard.

- (c) Auto Liability insurance for owned, hired and non-owned vehicles with limits of \$1,000,000 per accident. Coverage to be written on an occurrence form.

- (d) Professional Liability insurance with limits of:

- * \$1,000,000 per occurrence
- * \$1,000,000 aggregate

Coverage to be written on a claims-made form.

- (e) Excess Liability insurance. Limits as follows:

- * \$1,000,000 each occurrence
- * \$1,000,000 aggregate

Coverage terms and limits to apply excess of the per occurrence and/or aggregate limits provided for Commercial General Liability and Professional Liability written on a claims made form.

Coverage terms and limits also to apply in excess of those required for Employers Liability and Auto Liability written on an occurrence form.

- (f) Policy Endorsements.

- * The insurance provided for Workers' Compensation and Employers' Liability above shall contain waivers of subrogation rights against Customer, but only to the extent of the indemnity obligations contained in this Contract.
- * The insurance provided for Commercial General Liability and Auto Liability above shall:
 - (i) include the Customer as an additional insured with respect to Work performed under this Contract, but only to the extent of the indemnity obligations contained in this Contract, and
 - (ii) provide that the insurance is primary coverage with respect to all insureds, but only to the extent of the indemnity obligations contained in this Contract.

- (g) In lieu of any insurances required in this Section 11.03, Chevron ES may self-insure hereunder and use a Self-Administered Claims Program for this purpose. Chevron ES will notify Customer in writing thirty (30) days prior to cancellation of the Self-Administered Claims Program.

Section 11.04 Performance and Payment Bonds. Prior to commencing Work under this Contract, Chevron ES shall furnish a performance bond in the form of Attachment A in an amount equal to one hundred percent (100%) of the Contract Amount, and a payment bond in the form of Attachment B to guarantee payment of all claims for labor and materials furnished, in an amount equal to one hundred percent (100%) of the Contract Amount (collectively, the "Contract Bonds"). The Contract Bonds shall be maintained in full force and effect until Final Completion; *provided* that upon the achievement of Substantial Completion, the value of the Contract Bonds shall be reduced to the value of the Retainage then being withheld by Customer. The Contract Bonds are not being furnished to cover the performance of any energy guaranty or guaranteed savings under this Contract. Customer agrees that upon Final Completion, the Contract Bonds shall be released and all obligations arising thereunder shall be terminated.

ARTICLE 12. CONFLICTS OF INTEREST

Conflicts of interest relating to this Contract are strictly prohibited. Except as otherwise expressly provided herein, no Party nor any director, employee or agent of any Party shall give to or receive from any director, employee or agent of any other Party any gift, entertainment or other favor of significant value, or any commission, fee or rebate in connection with this Contract. Likewise, no Party nor any director, employee or agent of any Party, shall without prior notification thereof to all Parties enter into any business relationship with any director, employee or agent of another Party or of any Affiliate of another Party, unless such person is acting for and on behalf of the other Party or any such Affiliate. A Party shall promptly notify the other Parties of any violation of this ARTICLE 12 and any consideration received as a result of such violation shall be paid over or credited to the Party against whom it was charged. Any representative of any Party, authorized by that Party, may audit the records of the other Parties related to this Contract, including the expense records of the Party's employees involved in this Contract, upon reasonable notice and during regular business hours, for the sole purpose of determining whether there has been compliance with this ARTICLE 12.

ARTICLE 13. CREDIT

Customer shall periodically provide to Chevron ES that financial information or security deemed necessary by Chevron ES to support any credit extension. If during the life of this Contract, the financial capacity of Customer becomes impaired or unsatisfactory to Chevron ES in the sole judgment of Chevron ES, advance cash payment or security satisfactory to Chevron ES shall be given by Customer on demand by Chevron ES and the Work may be withheld until such payment or security is received.

ARTICLE 14. DOE GUIDELINES; ENERGY POLICY ACT

Section 14.01 Customer agrees that for the Work on the Project hereunder, Chevron ES shall be the "designer" as that term is identified in the Energy Policy Act of 2005, and Chevron ES shall have the exclusive right to report to any federal, state, or local agency, authority or other party, including without limitation under §179(b) of the Energy Policy Act of 2005, any tax benefit associated with the Work. Upon Final Completion, Customer agrees to execute a written allocation including a declaration related to Internal Revenue Code §179D. Chevron ES will prepare the declaration and all accompanying documentation. Chevron ES will be designated the §179D beneficiary.

ARTICLE 15. AMERICAN RECOVERY AND REINVESTMENT ACT

In the event Customer is using American Recovery and Reinvestment Act ("ARRA") funding, in whole or in part, to pay for the Scope of Work set forth in this Contract, Customer acknowledges and agrees that the supplies and services hereunder are being procured and purchased under state or local procurement laws and Chevron ES is a "vendor" or "contractor" hereunder. As such, Customer agrees that Chevron ES is not a recipient, grantee, awardee, subrecipient, subgrantee or subawardee of ARRA funds hereunder. In the event that after Contract execution the awarding agency or a court of proper jurisdiction determines that Chevron ES is a recipient, grantee, awardee, subrecipient, subgrantee or subawardee under the ARRA funded grant rather than a "vendor" or "contractor", Chevron ES reserves the right to terminate this Contract at its discretion pursuant to the termination for convenience provision set forth in this Contract. Customer agrees to release, defend, indemnify, and hold Chevron ES harmless from and against any claims, costs, or damages arising out of or related to such a determination notwithstanding any other provisions in this Contract.

ARTICLE 16. TRADE SECRETS

If any materials or information provided by Chevron ES to Customer under this Contract are designated by Chevron ES as a "trade secret" or otherwise designated by Chevron ES as exempt from disclosure under the Public Records Act (California Government Code §6250 *et seq.*, the "Act") and in the event a third party makes a request for disclosure of the materials under the Act, as soon as practical (but not later than five (5) calendar days) after receipt of such request, Customer shall notify Chevron ES of such request and advise Chevron ES whether Customer believes that there is a reasonable possibility that the materials may not be exempt from disclosure. Within ten (10) calendar days of a third party's request for disclosure of materials under the Act, Chevron ES shall (i) authorize Customer to release the documents or information sought; or (ii) if Chevron ES reasonably believes that the information is exempt from disclosure, advise Customer not to release the materials. If Chevron ES advises Customer not to release the materials, Chevron ES will indemnify, defend, and hold Customer harmless with respect to any claims, damages, and causes of action arising from Customer's failure to disclose under the Act, provided the materials are not exempt from disclosure under the Act.

ARTICLE 17. EVENTS OF DEFAULT

Section 17.01 Events of Default by Customer. Each of the following events or conditions shall constitute an "Event of Default" by Customer:

- (i) any failure by Customer to perform or comply with this Contract, including breach of any covenant contained herein, and such failure continues for thirty (30) calendar days after notice to Customer demanding that such failure to perform be cured; *provided that* (y) such failure to perform shall not be deemed a default hereunder if it is due to an event of Force Majeure pursuant to ARTICLE 19; and (z) if such cure cannot be effected in thirty (30) calendar days, Customer shall be deemed to have cured the default upon the commencement of a cure within thirty (30) calendar days and diligent subsequent completion thereof; or
- (ii) any representation or warranty furnished by Customer in this Contract which was false or misleading in any material respect when made; or
- (iii) any failure by Customer to pay any amount to Chevron ES which is not paid within ten (10) calendar days after written notice from Chevron ES that the amount is past due.

Section 17.02 Events of Default by Chevron ES. Each of the following events or conditions shall constitute an "Event of Default" by Chevron ES:

- (i) any failure by Chevron ES to perform or comply with this Contract, including breach of any covenant contained herein, and such failure continues for thirty (30) calendar days after notice to Chevron ES demanding that such failure to perform be cured; *provided* that (i) such failure to perform shall not be deemed a default hereunder if it is due to an event of Force Majeure pursuant to ARTICLE 19, and (ii) if such cure cannot be effected in thirty (30) calendar days, Chevron ES shall be deemed to have cured the default upon the commencement of a cure within thirty (30) calendar days and diligent subsequent completion thereof; or
- (ii) any representation or warranty furnished by Chevron ES in this Contract which was false or misleading in any material respect when made.

ARTICLE 18. REMEDIES UPON DEFAULT

Section 18.01 Remedies upon Default by Customer. If an Event of Default by Customer occurs, Chevron ES will be entitled to obtain any available legal or equitable remedies through arbitration proceedings instituted pursuant to ARTICLE 21 including, without limitation, terminating this Contract or recovering amounts due and unpaid by Customer, and/or damages which shall include Chevron ES's reasonable, actual, direct out-of-pocket losses incurred by reason of such Event of Default and any cost of funding; loss of anticipated payment obligations; legal fees and arbitration costs; and any payment or delivery required to have been on or before the date of the Event of Default and not made, including Interest on any sums due, and losses and costs incurred as a result of terminating this Contract and all costs and expenses reasonably incurred in exercising the foregoing remedies.

Section 18.02 Remedies Upon Default by Chevron ES. If an Event of Default by Chevron ES occurs, Customer shall be entitled to obtain any available legal or equitable remedies through arbitration proceedings instituted pursuant to ARTICLE 21, including, without limitation, terminating this Contract, or recovering amounts due and unpaid by Chevron ES and/or damages, which shall include Customer's reasonable, actual, direct out-of-pocket losses incurred by reason of such Event of Default and any cost of funding; loss of anticipated payment obligations; legal fees and arbitration costs; and any payment or delivery required to have been paid on or before the date of the Event of Default and not made, including interest on any sums due, and losses and costs incurred as a result of terminating this Contract and all costs and expenses reasonably incurred in exercising the foregoing remedies.

ARTICLE 19. CONDITIONS BEYOND CONTROL OF THE PARTIES

Section 19.01 Force Majeure Events. In the event that any Party is delayed in, or prevented from, performing or carrying out its obligations under this Contract by reason of any event of Force Majeure, such circumstance shall not constitute an Event of Default, and such Party shall be excused from performance hereunder and shall not be liable to any other Party for or on account of any loss, damage, injury or expense resulting from, or arising out of, such delay or prevention. Notwithstanding the foregoing, no Party shall be excused from any payment obligations under this Contract as a result of an event of Force Majeure.

Section 19.02 Utility Work. Customer expressly understands and agrees that the definition "Force Majeure" above also includes any Interconnection Facilities work that may need to be performed by the local Utility ("Utility") in order for Chevron ES to fully implement the Project. "Interconnection Facilities" means any distribution or transmission lines and other facilities that may be required to connect equipment supplied under this Contract to an electrical distribution/transmission system owned and maintained by the Utility. Any Interconnection Facilities work that may be required will be performed by the Utility under the Interconnection Agreement.

ARTICLE 20. ENERGY SAVINGS

Section 20.01 Guaranteed Savings.

- (a) Savings Guarantee. In consideration of the payment of the Annual M&V Fee, and upon the terms and subject to the conditions set forth herein, Chevron ES warrants that the Customer will realize total EC Savings during the Energy Savings Term of not less than the total Guaranteed Savings (the "Savings Guarantee"), as the same may be adjusted from time to time for changes in Energy Rate Factors, Energy Use Factors and consequential revisions to the relevant Baseline.
- (b) Guarantee Payment. For any Measurement Period in which there is a Guarantee Shortfall, Chevron ES shall pay to the Customer, within thirty (30) calendar days after the acceptance by the Customer of the Energy Savings Report for such Measurement Period, the Guarantee Payment for that Measurement Period.

- (c) Services or Retrofits in Lieu of Guarantee Payment. If in the judgment of the Customer, Customer would benefit from additional energy services or energy saving retrofits, Customer and Chevron ES may mutually agree that Chevron ES will provide such services or retrofits in lieu of the Guarantee Payment for such Measurement Period. For the purposes of this Contract, such services or retrofits will have a deemed value equal to the Guarantee Shortfall for that Measurement Period.
- (d) Excess Savings Claw-Back. For any Measurement Period in which there are Excess Savings, the Customer shall repay to Chevron ES, to the extent of such Excess Savings, any Guarantee Payments previously paid by Chevron ES to the Customer and not previously repaid to Chevron ES by the Customer, and the Excess Savings for such Measurement Period shall be reduced by the amount of such repayment. If Chevron ES has provided services or retrofits in lieu of the Guarantee Payment for a prior Measurement Period, such that the Guarantee Payment for such Measurement Period cannot be repaid by the Customer, then in lieu of such repayment Excess Savings shall be increased by the deemed value of such services or retrofits.
- (e) Force Majeure. In the event that Chevron ES is delayed in, or prevented from, accurately calculating the actual EC Savings for any day of any Measurement Period by reason of any event of Force Majeure, such circumstance shall not constitute a default, and Chevron ES shall be excused from performance under this ARTICLE 20 while such event of Force Majeure is continuing. During such Force Majeure event, Projected Energy Savings for the month(s) in which such Force Majeure is continuing shall be used in lieu of actual data; *provided* that if three (3) or more years of data are available for such month(s), the historical average of such data for such month(s) shall be used in lieu of Projected Energy Savings.
- (f) Average Energy Unit Savings. From and after the fifth (5th) Measurement Period, upon completion of any Measurement Period's Energy Savings Report, Chevron ES has the right to calculate the Average Energy Unit Savings which have occurred over all previous Measurement Periods. The Average Energy Unit Savings shall be applied to all subsequent Measurement Periods to determine the Energy Unit Savings for each remaining Measurement Period. After applying such Average Energy Unit Savings for each subsequent Measurement Period and calculating the resulting EC Savings, if the *sum* of (i) such calculated EC Savings for any future Measurement Period *plus* (ii) the Annual M&V Fee for such Measurement Period is greater than the Guaranteed Savings for that Measurement Period, then such excess shall be Excess Savings and the Savings Guarantee shall have been met for that Measurement Period. If such *sum* of (i) calculated EC Savings for any future Measurement Period *plus* (ii) the Annual M&V Fee for such Measurement Period is less than the Guaranteed Savings for that Measurement Period, then Chevron ES will apply Accumulated Savings then outstanding to determine whether there is a Guarantee Shortfall for that Measurement Period. If a Guarantee Shortfall is calculated to exist for a future Measurement Period, Chevron ES may, in its sole discretion, pay to the Customer, not later than the ninetieth (90th) day of such future Measurement Period, the net present value of the Guarantee Shortfall for any or all of such future Measurement Period(s). Net present value will be determined using a discount rate of ten percent (10%).

Section 20.02 Changes in Energy Use Factors

- (a) Adjustments to Baselines. The Customer shall notify Chevron ES in writing within ten (10) business days of any change in any Energy Use Factor. In addition, data collected by Chevron ES during or before the Energy Savings Term may indicate a change in the energy use pattern at the Facilities or any portion thereof and require a change to one or more Baselines. Chevron ES will determine the effect that any such change will have on EC Savings and present to the Customer a written analysis of the effects of such changes. Chevron ES will also make corresponding revisions to the Baselines and/or EC Savings that it deems appropriate in its reasonable discretion.
- (b) Adjustments to Guaranteed Savings. If a change in any Energy Rate Factor or Energy Use Factor results in a reduction of EC Savings, then the Guaranteed Savings for the corresponding Measurement Period(s) will be decreased by the same amount. Chevron ES shall notify the Customer, in writing, of all such changes.
- (c) Changes to Facilities. Customer or Chevron ES may from time to time propose to make changes to the Facilities for the express purpose of increasing EC Savings or addressing Force Majeure events. It is agreed that these changes will only be made with the written consent of both Parties, which will not be unreasonably withheld. The Baseline will not be adjusted to reflect any changes agreed to under this Section 20.02(c).
- (d) Unilateral Baseline Adjustment. If Chevron ES proposes changes to the Facilities that would not unreasonably interfere with the conduct of Customer's business or cause the Customer to incur additional costs, and the Customer does not consent to the changes, then Chevron ES will adjust the Baselines upward by the amount of savings projected from the changes.
- (e) Projected Energy Savings. During the Energy Savings Term, when the ultimate effect of the Work on EC Savings cannot be accurately determined due to pending construction or changes to the Scope of Work,

Projected Energy Savings for the Facilities will be used until the effect of the changes can be determined by Chevron ES.

- (f) Assessment Work. Chevron ES has the right to charge the Customer for Assessment Work, which will be billed at current Chevron ES engineering rates and shall be paid by the Customer within thirty (30) calendar days after receiving Chevron ES's invoice. Before initiating Assessment Work, Chevron ES will notify the Customer in writing of the intent and estimated cost associated with the Assessment Work. The Customer will, within forty-five (45) calendar days, give Chevron ES written permission to proceed or, alternatively at no charge to Chevron ES, to stipulate that the Projected Energy Savings for the portion of the Facility in question be used for the purpose of meeting the Savings Guarantee for such Measurement Period and thereafter. If Chevron ES does not receive written notice within forty-five (45) calendar days, the Projected Energy Savings for the portion of the Facility in question will be used until such time as the Customer approves the Assessment Work.
- (g) Changes in Energy Use Factors. If the Customer fails to notify Chevron ES of changes in Energy Use Factors or fails to supply Chevron ES in a timely manner with information that is requested by Chevron ES for the calculation of EC Savings, the Energy Unit Savings for the relevant Measurement Period will be deemed equal to the corresponding Projected Energy Savings for such period. If information for the relevant Measurement Period is supplied at a later date, the Energy Unit Savings will be modified to the extent that the calculated savings for such period exceed or fall short of the Projected Energy Savings for such period.
- (h) Changes in Savings Calculations. Any changes made by Chevron ES to the savings calculations shall be presented to the Customer in advance. The Customer shall have thirty (30) calendar days to challenge or question the changes in writing.
- (i) Inspection of Facilities. The Customer agrees that Chevron ES shall have the right, with or without prior notice, to inspect the Facilities to determine if the Customer has consistently complied with its obligations as set forth above. In the event that any inspection discloses that the Customer has failed, on or prior to the date of such inspection, to be in compliance with any of its obligations, then the Guaranteed Savings shall be assumed to have been achieved for the portion of the Energy Savings Term during which such failure shall have existed.

Section 20.03 Customer Maintenance. Beginning at Substantial Completion for any portion of the Work, the Customer shall maintain such portion of the Work, and upon Final Completion shall maintain the Project, in accordance with the maintenance schedules and procedures recommended by Chevron ES and by the manufacturers of the relevant equipment. Without limiting the generality of the foregoing, the Customer shall pressure wash the PV modules and remove the accumulated dust and debris with a pressure hose on an annual basis.

Section 20.04 Energy Savings Report. Annually during the Energy Savings Term, Chevron ES shall submit to the Customer an energy savings report containing a precise calculation of the EC Savings during the applicable Measurement Period (an "Energy Savings Report"). The Energy Savings Report shall be submitted within ninety (90) calendar days after receipt of all needed information for a Measurement Period, unless additional information is needed to accurately calculate the EC Savings, in which case the Customer shall be notified of such a situation within the ninety (90) calendar-day period.

Section 20.05 On-Site Measurements. The Customer irrevocably grants to Chevron ES the right, during the Energy Savings Term, to monitor EC Savings and energy management performance by conducting on-site measurements, including, but not limited to, reading meters and installing and observing on-site monitoring equipment. Chevron ES shall not exercise such right in a manner that unreasonably interferes with the business of Customer as conducted at the Facilities as of the date hereof. The Customer shall cooperate fully with the exercise of such right by Chevron ES pursuant to this Section 20.05. Customer shall further cooperate with Chevron ES's performance of the Savings Measurement and Verification Plan by providing utility information, changes in Energy Use Factors, and/or additional information as reasonably requested by Chevron ES.

Section 20.06 Internet Communication Path. At Chevron ES's request, to facilitate Chevron ES's monitoring of the Work, Customer shall open an internet communication path between the DAS and Chevron ES's office in Overland Park, Kansas. Customer shall provide, at Customer's expense, all networking, telecommunication, encryption, and security hardware and/or software Chevron ES deems necessary to achieve such communication path, as well as any similar hardware, software, or encryption devices necessary for use at Chevron ES's office. Chevron ES will provide the customer with the precise locations for network communication ports within Customer's Facilities. Customer agrees not to charge Chevron ES to install or maintain such communication paths.

Section 20.07 Termination of Guaranteed Savings. If (i) the Customer notifies Chevron ES in writing of its intent to terminate the Savings Guarantee, (ii) this Contract is terminated by Chevron ES for default by Customer or by Customer for any reason permitted by this Contract or (iii) the Customer fails to maintain the Project in

accordance with Section 20.03 or is in default of any of its other obligations under this ARTICLE 20, the obligation of Chevron ES to prepare and deliver the Energy Savings Report and to make a Guarantee Payment shall also be terminated. If such termination occurs on a date other than the last day of a Measurement Period, Chevron ES shall have no obligation to make a Guarantee Payment or prepare and deliver an Energy Savings Report for such Measurement Period.

Section 20.08 Annual M&V Fee.

- (a) Invoicing and Payment. The Annual M&V Fee for the first Measurement Period shall be invoiced by Chevron ES to the Customer in a lump sum on the M&V Commencement Date. All subsequent Annual M&V Fees will be invoiced by Chevron ES on the first day of the corresponding Measurement Period. The Customer, or its designee, shall pay Chevron ES such Annual M&V Fee, without any retention amount withheld, within thirty (30) calendar days after its receipt of the corresponding invoice. Unless the Customer gives Chevron ES prior written notice of its intent to terminate the Savings Guarantee, any failure to timely pay the Annual M&V Fee in accordance with this Section 20.08(a) shall be a material default by Customer under this Contract, and Chevron ES, in addition to any other legal, contractual and equitable remedies available to it, shall have no obligation thereafter to perform M&V Services or to make Guarantee Payments.
- (b) Any amount not paid when due shall, from and after the due date, bear Interest. Accrued and unpaid Interest on past due amounts (including Interest on past due Interest) shall be due and payable upon demand.
- (c) Not Refundable. The Annual M&V Fee is not refundable for any reason.

Section 20.09 Calculations.

- (a) Calculation of Accumulated Savings. Accumulated Savings shall be increased, for any Measurement Period, by the amount of Excess Savings during such Measurement Period, and shall be decreased, for any Measurement Period, by the *difference*, to the extent positive, between (i) the Guaranteed Savings for such Measurement Period *minus* (ii) the EC Savings for such Measurement Period. For the avoidance of doubt, Accumulated Savings will not be reduced below zero.
- (b) Calculation of EC Savings. EC Savings for any Measurement Period will be equal to the Energy Use Savings as adjusted for changes in Energy Use Factors during such Measurement Period. EC Savings achieved during the Construction Period shall be included in the EC Savings for the first Measurement Period.
- (c) Calculation of Energy Use Savings. Energy Use Savings shall be calculated by Chevron ES as the *product* of (i) the Energy Unit Savings *multiplied by* (ii) the greater of (a) the applicable Base Energy Rate or (b) the applicable Actual Energy Rate.
- (d) Calculation of Excess Savings. From and after the M&V Commencement Date, Excess Savings shall be calculated by Chevron ES as the *difference*, to the extent positive, between (i) the EC Savings for the relevant Measurement Period *minus* (ii) the Guaranteed Savings for such Measurement Period. During the Construction Period, Excess Savings will be calculated by Chevron ES in the manner set forth in the Savings Measurement and Verification Plan. For the avoidance of doubt, Excess Savings will not be reduced below zero.
- (e) Calculation of Guarantee Shortfall. The Guarantee Shortfall, for any Measurement Period, shall be calculated by Chevron ES as the *difference*, to the extent positive, between (i) the Guaranteed Savings for such Measurement Period *minus* (ii) the sum of (a) EC Savings for such Measurement Period plus (b) Accumulated Savings then outstanding.

ARTICLE 21. DISPUTE RESOLUTION

Section 21.01 Dispute Resolution. In the event of a dispute, claim, or controversy ("Dispute") arising out of or in connection with this Contract, the Parties will confer and attempt to resolve the matter informally. If such Dispute cannot be resolved in this manner within ten (10) Business Days after notice of the Dispute is given to the other Party, then the Dispute shall be settled by arbitration administered by the American Arbitration Association ("AAA") under its Construction Industry Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall be heard by one arbitrator, who shall have experience in the general subject matter to which the Dispute relates. The arbitration shall take place at the AAA office geographically closest to the site where the Work has been performed. The arbitrator does not have the power to award, and may not award, any punitive, indirect or consequential damages (however denominated).

Section 21.02 Attorneys' Fees. The prevailing Party in any action or arbitration proceeding brought to enforce the terms of this Contract or arising out of this Contract (including actions to enforce an arbitration award)

may recover its reasonable costs and attorneys' fees expended in connection with such an action or arbitration proceeding from the other Party.

ARTICLE 22. REPRESENTATIONS AND WARRANTIES

Each Party warrants and represents to the other that:

- (i) it has all requisite power and authority to enter into this Contract, to perform its obligations hereunder and to consummate the transactions contemplated hereby;
- (ii) the execution, delivery, and performance of this Contract have been duly authorized by its governing body, or are in accordance with its organizational documents, and this Contract has been duly executed and delivered for it by the signatories so authorized, and constitutes its legal, valid, and binding obligation;
- (iii) the execution, delivery, and performance of this Contract will not breach or violate, or constitute a default under, its organizational documents or any contract, lease or instrument to which it is a party or by which it or its properties may be bound or affected; and
- (iv) it has not received any notice, nor to the best of its knowledge is there pending or threatened any notice, of any violation of any Applicable Laws, ordinances, regulations, rules, decrees, awards, permits or orders which would materially and adversely affect its ability to perform hereunder.

ARTICLE 23. ASSIGNMENT

Except as provided in this ARTICLE 23, this Contract may not be assigned by either Party in whole or in part without the prior written consent of the other Party, which consent may not be unreasonably withheld or delayed. This Contract will be binding on, enforceable by, and inure to the benefit of, the Parties and their respective successors and permitted assigns. Any assignment made in contravention of this clause shall be void and unenforceable.

Section 23.01 Assignment by Chevron ES. Chevron ES may assign this Contract and all related contracts without the consent of Customer (i) to an Affiliate; (ii) to an entity that is controlled by, controls, or is under common control with Chevron ES; or (iii) pursuant to a merger, consolidation, transfer of substantially all its assets, or by operation of law. Chevron ES may also assign its rights, but not its obligations, under this Contract and all related contracts without the consent of Customer to (x) a lender providing financing to Chevron ES, or (y) a special purpose entity that is an Affiliate of or is controlled by such lender.

ARTICLE 24. TERMINATION

Section 24.01 Termination for Cause. If there is an Event of Default by either Party under this Contract, pursuant to the provisions of ARTICLE 12 unless such Event of Default has been cured within the applicable time periods for a cure set forth in such ARTICLE 12 in addition to the remedies provided for in ARTICLE 18 the non-defaulting Party may terminate this Contract by providing three (3) Business Days' notice to the defaulting Party in the case of a monetary default and ten (10) Business Days' notice to the defaulting Party in the case of a non-monetary default. Upon termination of this Contract, each Party shall promptly return to the other all papers, materials, and property of the other held by such Party in connection herewith. Each Party shall also assist the other in the orderly termination of this Contract and the transfer of all aspects hereof, tangible and intangible, as may be necessary for the orderly, non-disrupted business continuation of each Party. If this Contract is so terminated, Chevron ES shall be entitled to payment for Work satisfactorily performed, earned profit and overhead, and costs incurred in accordance with this Contract up to the date of termination.

Section 24.02 Termination for Convenience. Both Chevron ES and Customer have the right to terminate this Contract upon mutual written agreement by both Parties hereto. If this Contract is so terminated by mutual agreement, Chevron ES shall be entitled to payment for all Work performed, earned profit and overhead, and costs incurred in accordance with this Contract up to the date of termination.

ARTICLE 25. NOTICE

Any notice required or permitted hereunder shall be deemed sufficient if given in writing and delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, or delivered to a nationally recognized express mail service, charges prepaid, receipt obtained, to the address shown below or to such other persons or addresses as are specified by similar notice.

**Energy Services Contract
City of Hanford and Chevron Energy Solutions Company**

TO CHEVRON ES: Chevron Energy Solutions Company
150 E. Colorado Boulevard, Suite 360
Pasadena, CA 91105
Tel: 626-304-4711
Fax: 626-304-4701
Attention: Jonathan Brown, Senior Project Manager

With a COPY TO: Legal Department
Chevron Energy Solutions Company
345 California Street, 18th Floor
San Francisco, CA 94104-2624
Tel: 415-733-4500
Fax: 415-733-4957
Attention: Contract Administrator

TO CUSTOMER: City of Hanford
900 South 10th Avenue
Hanford, CA 93230
Tel: 559-585-2571
Fax: 559-583-1529
Attention: John Doyel, Deputy Director of Public Works

ARTICLE 26. CONSTRUCTION OF CONTRACT

This Contract is the result of arms-length negotiations between two sophisticated parties and ambiguities or uncertainties in it shall not be construed for or against either Party, but shall be construed in a manner that most accurately reflects the intent of the Parties when such Contract was executed. Each of the Parties acknowledges and agrees that neither Party has provided the other with any legal, accounting, regulatory, financial or tax advice with respect to any of the transactions contemplated hereby, and each Party has consulted its own legal, accounting, regulatory, financial and tax advisors to the extent it has deemed appropriate.

ARTICLE 27. BINDING EFFECT

Except as otherwise provided herein, the terms and provisions of this Contract shall apply to, be binding upon, and inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and permitted assigns.

ARTICLE 28. NO WAIVER

The failure of Chevron ES or Customer to insist upon the strict performance of this Contract shall not constitute or be construed as a waiver or relinquishment of either Party's right to thereafter enforce the same in accordance with this Contract in the event of a continuing or subsequent default on the part of Chevron ES or Customer.

ARTICLE 29. SEVERABILITY

In the event that any clause or provision of this Contract or any part thereof becomes or shall be declared by a court of competent jurisdiction invalid, illegal, void, or unenforceable, this Contract shall continue in full force and effect without said provisions; *provided* that no such severability shall be effective if it materially changes the benefits or obligations of either Party hereunder.

ARTICLE 30. APPLICABLE LAW

This Contract and the construction and enforceability thereof shall be interpreted under the laws of the State of California. The Parties consent to personal jurisdiction and venue of the State and Federal Courts within the City and County of San Francisco, California and, by execution and delivery of this Contract, each of the Parties hereby (i) accepts the jurisdiction of the foregoing courts for purposes of enforcement of any such arbitral award and (ii) irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venues of any suit, action or proceedings with respect hereto brought in any such court, and further irrevocably waives to the fullest extent permitted by law any claim that any such suit, action or proceedings brought in any such court has been brought in an inconvenient forum.

ARTICLE 31. HEADINGS

Headings and subtitles used throughout this Contract are for the purpose of convenience only, and no heading or subtitle shall modify or be used to interpret the text of any section.

ARTICLE 32. COUNTERPARTS; INTEGRATION

This Contract may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Contract constitutes the entire contract among the Parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Contract by email or fax shall be effective as delivery of a manually executed counterpart of this Contract.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties hereto subscribe their names to this Contract by their duly authorized officers on the date first above written.

CHEVRON ES:
Chevron Energy Solutions Company,
a Division of Chevron U.S.A. Inc.

CUSTOMER:
City of Hanford

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTACHMENT A
FORM OF PERFORMANCE BOND

PERFORMANCE BOND

Bond No.:

KNOW ALL MEN BY THESE PRESENTS: that

(Here insert full name and address or legal title of Contractor)

as Principal, hereinafter called Contractor, and

(Here insert full name and address or legal title of Surety)

as Surety, hereinafter called Surety, are held and firmly bound unto

(Here insert full name and address or legal title of Owner)

as Obligee, hereinafter called Owner, in the amount of Dollars (\$),

for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS,

Contractor has by written agreement dated , entered into a contract with Owner for

(Here insert full name, address and description of project)

in accordance with Drawings and Specifications prepared by

(Here insert full name, address and legal title to Architect)

which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

PERFORMANCE BOND

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect; subject, however, to the following conditions:

The Surety hereby waives notice of any alteration or extension of time made by the Owner.

Whenever Contractor shall be, and declared by Owner to be in default under the Contract, the Owner having performed Owner's obligations thereunder, the Surety may promptly remedy the default, or shall promptly

1) Complete the Contract in accordance with its terms and conditions, or

2) Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, or, if the Owner elects, upon determination by the Owner and the Surety jointly of the lowest responsible bidder, arrange for a contract between such bidder and Owner, and make available as Work progresses (even though there should be a default or a succession of defaults under the contract or

contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by Owner to Contractor under the Contract and any amendments thereto, less the amount properly paid by Owner to Contractor.

Any claim or suit under this bond must be instituted before the issuance of the Certificate of Substantial Completion as defined in the Contract.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Owner named herein or the heirs, executors, administrators or successors of the Owner.

Signed and sealed this day of , 20 .

_____	{	(Principal)	_____
(Witness)		(Title)	
_____	{	(Surety)	(Seal)
(Witness)		(Title)	

ATTACHMENT B
FORM OF PAYMENT BOND

LABOR AND MATERIAL PAYMENT BOND

Bond No.:

THIS BOND IS ISSUED SIMULTANEOUSLY WITH PERFORMANCE BOND IN FAVOR OF THE
OWNER CONDITIONED ON THE FULL AND FAITHFUL PERFORMANCE OF THE CONTRACT

KNOW ALL MEN BY THESE PRESENTS: that

(Here insert full name and address or legal title of Contractor)

as Principal, hereinafter called Principal, and

(Here insert full name and address or legal title of Surety)

as Surety, hereinafter called Surety, are held and firmly bound unto

(Here insert full name and address or legal title of Owner)

as Obligee, hereinafter called Owner, for the use and benefit of claimants as hereinbelow defined, in the
amount of Dollars (\$)

(Here insert a sum equal to at least one-half of the contract price)

for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators,
successors and assigns, jointly and severally, firmly by these presents.

WHEREAS,

Principal has by written agreement dated 20 , entered into a contract with Owner for

(here insert full name, address and description of project)

in accordance with Drawings and Specifications prepared by

(Here insert full name, address and legal title to Architect)

which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

LABOR AND MATERIAL PAYMENT BOND

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Principal shall promptly make payment to all claimants as hereinafter defined, for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A claimant is defined as one having a direct contract with the Principal or with a Subcontractor of the Principal for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.

2. The above named Principal and Surety hereby jointly and severally agree with the Owner that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, and have execution thereon. The Owner shall not be liable for the payment of any costs or expenses of any such suit.

3. No suit or action shall be commenced hereunder by any claimant:

a) Unless claimant, other than one having a direct contract with the Principal, shall have given written notice to any two of the following: the Principal, the Owner, or the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or

performed. Such notice shall be served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the Principal, Owner or Surety, at any place where an office is regularly maintained for the transaction of business, or served in any manner in which legal process may be served in the state in which the aforesaid project is located, save that such service need not be made by a public officer.

b) After the earlier to occur of (i) the issuance of the Certificate of Substantial Completion or (ii) the expiration of one (1) year following the date on which Principal ceased Work pursuant to said Contract, it being understood, however, that if any limitation embodied in this bond is prohibited by any law controlling the construction hereof such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

c) Other than in a state court of competent jurisdiction in and for the county or other political subdivision of the state in which the Project, or any part thereof, is situated, or in the United States District Court for the district in which the Project, or any part thereof, is situated, and not elsewhere.

4. The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder, inclusive of the payment by Surety of mechanics' liens which may be filed of record against said improvement, whether or not claim for the amount of such lien be presented under and against this bond.

Signed and sealed this day of , 20 .

_____	{	(Principal)	_____
(Witness)		(Title)	
_____	{	(Surety)	(Seal)
(Witness)		(Title)	

**ATTACHMENT C
CUSTOMER'S FACILITIES**

The following Customer Facilities are included under the Scope of Work as listed below:

Facility	Location
Photovoltaic Solar Energy System	Houston Avenue & S. 11 th Avenue, Hanford
City Hall and Offices	315-21 N. Douty Street, Hanford
Civic Auditorium	400 N. Douty Street, Hanford
Airport	954 Hanford-Armona Road, Hanford
Train Station	200 Santa Fe Avenue, Hanford
Fire Station No. 1	350 W. Grangeville Boulevard, Hanford
Fire Station No. 2	10553 Houston Avenue, Hanford
Police Department	425 N. Irwin Street, Hanford
Public Works	900 10 th Avenue, Hanford
Waste Water Treatment Plant	1055 Houston Avenue, Hanford
Centennial Park	Hanford-Armona Road between 11th Avenue & 12th Avenue, Hanford
Lacey Park	Corner of Florinda Street & Douty Street, Hanford
Hidden Valley Park	Corner of 11 th Avenue & Corner Street, Hanford
Coe Park	43 S. Douty Street, Hanford
Freedom Park	2000 9 1/2 Avenue, Hanford
Plunge & Skate Park	415 Ford Street, Hanford

**ATTACHMENT D
SCOPE OF WORK**

California State Contractor's License Number 813797

Energy Conservation Measures to Be Implemented

ECM #	Description
PV-1	Photovoltaic (PV) Solar Energy System
L-1	Energy Efficient Lighting Upgrade (Interior and Exterior)
L-2	Intersection Safety Lighting Upgrade
L-3	Street Name Signage Replacement
O-1	Workstation Occupancy Controllers

Solar Generating Facility to be installed

Facility	Nominal kW _P
Photovoltaic Solar Energy System	2,332.8

General Conditions Scope of Work provided by Chevron ES:

- ☐ Project management and engineering.
- ☐ Construction management and supervision. A Chevron ES construction manager will be assigned to this project and will be responsible for monitoring the on-site construction.
- ☐ Provide onsite storage containers for project materials and equipment.
- ☐ Provide trash dumpsters as needed as well as cleanup and disposal of all refuse generated by project.
- ☐ Provide portable toilets.
- ☐ Provide temporary fencing as required for access control in the areas of and for the duration of work.
- ☐ Provide cranes, lifts and rigging necessary for scope of work.
- ☐ Provide startup, acceptance testing, commissioning, training and Operation & Maintenance manuals as needed on systems provided.

ECM PV-1: Photovoltaic (PV) Solar Energy System

Engineering Scope of Work provided by Chevron ES:

- ☐ Prepare plans to be submitted for Customer approval.
- ☐ Provide equipment submittals for Customer acceptance.
- ☐ Interface with Customer's inspector.
- ☐ Provide shop drawings, as appropriate for the work.
- ☐ Interface with Utility for rate schedule changes and interconnect application and approval.
- ☐ Site Survey.
- ☐ California Solar Initiative Incentive monitoring.
- ☐ Record (as-built) plans and equipment data sheets will be provided for the photovoltaic systems. Three (3) sets of printed record and equipment data sheets will be provided.

Project Location Access:

- ☐ Chevron ES has assumed project construction will be allowed to proceed smoothly and in a continuous flow. No allowance has been made to demobilize and remobilize resources due to schedule interruptions. Vehicles and heavy equipment should be expected at the site, primarily for handling and delivering materials.
- ☐ Chevron ES will provide a construction site plan prior to onsite construction.
- ☐ Customer will provide access to necessary locations at all times.

- ☐ The construction sites will be restricted to project construction personnel.
- ☐ An escort can be scheduled and provided to allow access to the construction sites for Customer staff.
- ☐ Other personnel will not have access to the construction sites.

Scope of Work for Photovoltaic System provided by Chevron ES:

Chevron ES will design, engineer, and install an approximately 2,330 kW_P ground-mounted photovoltaic system adjacent to the City of Hanford Wastewater Treatment Plant (WWTP) located at 10555 Houston Avenue, Hanford, CA 93230. The PV system will cover an area of approximately 15 acres and will be installed in the area west of the existing solar system. The system will have four (4) inverters. The inverters and associated concrete equipment pad will be located adjacent to the arrays. The point of connection for this solar system will be located at the existing electrical panels located at Fire Station No. 2. The height and construction of the new sections of fence will match the existing. A service road will be provided for access to the inverter and arrays. Altering the overall grade or drainage of this site is excluded.

ECM L-1: Energy Efficient Lighting Upgrade (Interior and Exterior)

Existing light fixtures will be retrofitted / installed with energy efficient LED (Light Emitting Diodes) lamps, and electronic drivers as specified in Attachment L - Lighting Scope of Work.

Chevron ES will perform the following work:

- ☐ Retrofit the interior and exterior lighting at fifteen (15) facilities given below.
- ☐ Broken and compromised lamp sockets will be replaced as part of this scope of work.
- ☐ Cracked or yellowed lenses will be replaced as part of this scope. New fixtures will include new lenses.
- ☐ Disposal of old lamps and ballasts per EPA, state and local regulations is included.
- ☐ Project Facilities:

City Hall and Offices	Civic Auditorium
Airport	Train Station
Fire Station No. 1	Fire Station No. 2
Police Department	Public Works
Waste Water Treatment Plant	Centennial Park
Lacey Park	Hidden Valley Park
Coe Park	Freedom Park
Plunge & Skate Park	

Chevron ES has assumed that the buildings are code compliant. Chevron ES has excluded any upgrade to any building electrical system to local, state or federal building or safety codes. Scope of work excludes replacing conductors, conduit, and grounding system. Existing emergency and egress lighting will not be altered, relocated or removed except as documented in the lighting survey.

ECM L-2: Intersection Safety Lighting Upgrade

Chevron ES will perform the following work:

- ☐ Replace one hundred eight-one (181) existing high intensity discharge (HID) "cobra head" fixtures with new Light Emitting Diode (LED) fixtures, as specified in Attachment L - Lighting Scope of Work.
- ☐ Provide traffic control (i.e., cones) to route traffic around work area.
- ☐ Remove and properly dispose of existing "cobra head" fixtures.
- ☐ Provide a new photocell for each new fixture.
- ☐ Provide new wattage stickers on the underside of each new fixture.
- ☐ Provide project documentation to incentive programs.

ECM L-3: Street Name Signage Replacement

Chevron ES will perform the following work:

- ☐ Replace one hundred eight (108) existing street name fixtures with new edge-lit Light Emitting Diode (LED) fixtures, as specified in Attachment L - Lighting Scope of Work.
- ☐ Provide traffic control (i.e., cones) to route traffic around work area.
- ☐ Remove and properly dispose of existing fixtures.
- ☐ Provide project documentation to incentive programs.

ECM O-1: Workstation Occupancy Controllers

Chevron ES will perform the following work:

- ☐ Furnish and install one hundred twenty (120) WattStopper Isole® workstation occupancy controllers
- ☐ Provide project documentation to incentive programs.

Project Exclusions and Clarifications

Exclusions and Clarifications specific to the Photovoltaic Energy System

- ☐ Prior to start of construction, Customer will clear the site of all debris, existing equipment, crops and other material such that the site is clean and in a level and graded condition suitable for construction.
- ☐ Customer will provide access to the facilities, laydown areas at the work site, and a reasonable number of parking spaces for Chevron ES and Chevron ES's subcontractor vehicles in parking lots at the site.
- ☐ Customer shall provide land title report of site for the Photovoltaic Energy System.
- ☐ The Scope of Work assumes that, unless specifically identified otherwise, all existing systems are functioning properly and are up to current codes. Chevron ES shall not be responsible for repairs or upgrades to existing systems, other than those specifically identified herein. No allowances have been made to bring existing systems up to code.
- ☐ A scheduled electrical shutdown will be required if a line-side tap is utilized for the PV system interconnection.
- ☐ The Customer will provide Chevron ES existing dedicated internet connection (CAT-5 connection) for the CSI data acquisition system (DAS) within electrical room #2 at the Facility.
- ☐ The Customer will provide Chevron ES a dedicated internet connection for the information to be transmitted to the CSI Performance Data Provider (PDP), with data portals available for Customer access at their discretion.
- ☐ Chevron ES shall require the assistance of Customer personnel to secure the area and to provide traffic redirection during rigging operations and during the move-in and move-out of large equipment.
- ☐ Chevron ES has assumed plan check and permitting will be performed by Customer at no cost to Chevron ES. Also, cost for plan check or permitting by any entity other than Customer is excluded.
- ☐ Chevron ES has assumed plan check review by the Customer will take ten (10) business days.
- ☐ No allowance has been made for underground obstructions or unsuitable soil conditions encountered during trenching or other excavation.
- ☐ Directional boring will be utilized over excavation when possible.
- ☐ Trenching and boring spoils will be distributed across the site at the ground mounted arrays.
- ☐ All existing electrical equipment is assumed to be in good working condition and able to be tapped.
- ☐ Temporary utilities are to be provided by the Customer at no cost to Chevron ES (trailer power, phone lines, construction power, etc.). Chevron ES will pay actual cost of utilities used and will perform the connection of said utilities.
- ☐ Chevron ES will provide rough grading of sites and soil compaction where necessary to assist with system installation.
- ☐ Removal and disposal of existing hazardous materials, including but not limited to asbestos containing material, is to be completed by the Customer. If Chevron ES encounters material suspected to be hazardous, Chevron ES will notify the Customer representative and stop further work in this area until the material is removed and certified.
- ☐ No allowance has been made for landscaping or irrigation restoration. It is assumed that the Customer will restore the landscaping as desired at the end of this project.
- ☐ Twenty-five year manufacturer power output warranty of PV panels upon Chevron ES's receipt of equipment is provided under this contract.
- ☐ Ten year manufacturer warranty of inverters upon Chevron ES's receipt of equipment is provided under this contract.
- ☐ Manufacturers' warranties will be transferred to the Customer upon completion of the project.
- ☐ Photovoltaic Energy System warranty will meet the CSI requirements.
- ☐ Photovoltaic security system of any kind is excluded.
- ☐ Weed/plant removal and abatement is excluded.
- ☐ For the ground mounted arrays the area (footprint) will remain natural. A rock/gravel base is excluded.

General Project Exclusions and Clarifications

- ☐ Project bonding and prevailing wages are included.
- ☐ Plan check and permitting (building/construction and CEQA) will be performed by Customer at no cost to Chevron ES. Cost for plan check or permitting by any entity is excluded.
- ☐ New systems being provided under the scope of work will be code compliant.

- ☐ Chevron ES standard construction means & methods will be used.
- ☐ The work will be performed during normal work hours, with one exception - the interior lighting scope of work will be completed after normal work hours.
- ☐ Chevron ES will not be responsible for delays to work caused by Customer.
- ☐ With respect to Projects with new equipment connecting to the Facility's existing electrical distribution system, Chevron ES will not be responsible for the electrical integrity of the existing electrical system, e.g., the condition and proper termination of current-carrying, grounded, and grounding conductors, bus taps, protective elements, the proper protection of existing wire through knockouts, or missing components. The Customer is responsible for providing and maintaining the facility's electrical distribution system that meets the latest NEC and guidelines.
- ☐ No allowance has been made to repair or replace damaged or inoperable existing equipment that is not specifically being replaced under the Scope of Work. When such items are discovered, Chevron ES will immediately notify the Customer's representative.

Criteria for Achieving Beneficial Use:

Photovoltaic Energy System

Two weeks of uninterrupted operation of the system.

Lighting System

Two weeks of uninterrupted operation of the system.

Workstation Occupancy Controller

Two weeks of uninterrupted operation of the system.

**ATTACHMENT E
PROJECT SCHEDULE**

After contract execution, the Chevron ES Construction Manager will develop, with input from the Customer's staff, a master Microsoft Project® schedule. The project team will establish a weekly construction meeting at which time the work of the previous week will be reviewed, and a two week look ahead will be coordinated. The Microsoft Project® schedule will be updated on a monthly basis. At this time, Chevron ES estimates that after contract execution, the issuing of subcontractor contracts, design, engineering, mobilization, construction, and commissioning/turnover will take eight months.

**ATTACHMENT F
PROGRESS PAYMENT SCHEDULE**

Design, Engineering, & Mobilization Fee	\$1,999,028
Remaining Implementation Cost	\$7,996,111
=====	=====
Contract Amount	\$9,995,139

The fee for the design, engineering, and mobilization will be invoiced to the Customer on the Contract Effective Date, and shall be due and payable as provided in the Contract.

Estimated Payment Schedule

Days After Contract Effective Date	Estimated Invoice Amount
0	\$1,999,028
30	\$499,750
60	\$499,750
90	\$1,499,361
120	\$499,750
150	\$499,750
180	\$499,750
210	\$499,750
240	\$499,750
270	\$999,500
300	\$999,500
330	\$499,750
360	\$499,750

ATTACHMENT G
STANDARDS OF OCCUPANCY & CONTROL

Not Applicable

**ATTACHMENT H
SAVINGS MEASUREMENT & VERIFICATION PLAN**

The following details the methodologies and calculations to be used in determining the Energy Unit Savings under this Contract.

Table H-1: Energy Conservation Measures and Measurement & Verification (M&V) Option Matrix.

ECM #	Description	M&V Method	Annual Electric Savings (kWh)	Base Energy Rate (\$/kWh)
PV-1	Photovoltaic (PV) Solar Energy System	Option B	4,482,940	0.1182

1. M&V Option B: Energy savings performance of Scope of Work is measured and verified at the end-use site. Option B techniques are designed for projects where long-term continuous measurement of performance is desired and warranted. Under Option B, while some parameter may be stipulated, or measured once and then stipulated, some individual loads are continuously monitored to determine performance; this measured performance is compared with an equipment-use Baseline to determine the Energy Unit Savings.
 - a. Chevron ES will supply a one-time report to the Customer detailing any initial measurements taken to establish usage Baselines or other parameters. Ongoing post-retrofit measurements will be compared to the Baselines, and the quantified Energy Unit Savings will be calculated and presented in ongoing reports. During the Construction Period, the Energy Unit Savings will be calculated by adding the savings measured between Substantial Completion or Beneficial Use of the ECM and the M&V Commencement Date.
 - b. Scope of Work:
No baseline measurements are necessary because pre-retrofit PV production is zero. Kilowatt-hours produced by the PV system will be measured using automated metering. Measured interval production kilowatt-hours will be compared against the monthly utility bills and any differences will be reconciled. Projected kWh production is shown in the table below.

Table H-2: Projected PV Production for ECM PV-1

Year	Total Annual Production (kWh)
1	4,482,940
2	4,460,525
3	4,438,222
4	4,416,031
5	4,393,951
6	4,371,981
7	4,350,122
8	4,328,371
9	4,306,729
10	4,285,195
11	4,263,769
12	4,242,451
13	4,221,238
14	4,200,132
15	4,179,132

2. Base Energy Rates:

The Base Energy Rates are shown in *Table H-1: Energy Conservation Measures and Measurement & Verification (M&V) Option Matrix*.

The Base Energy Rates shown in *Table H-1* are to be increased each year on a cumulative basis by five percent (5%) beginning on the first anniversary of the M&V Commencement Date and continuing on the first day of each Measurement Year thereafter.

**ATTACHMENT I
LIST OF INCENTIVES**

1. California Solar Initiative
<http://www.sce.com/solarleadership/gosolar/california-solar-initiative/default.htm>
2. Energy Efficiency Express Solutions
<http://www.sce.com>

**ATTACHMENT J
MONITORING INSTALLATION SCOPE OF WORK**

Overview of DAS Network Installation & Equipment Requirements

Chevron ES will provide a revenue-grade billing, data acquisition system (DAS). This will provide readily available access to various internal and external information collected on the solar photovoltaic system per CSI requirements.

Chevron ES DAS Monitoring Installation:

- Supply and install hardware specific to the DAS system.
- Supply and install, terminate, label, and test all Data Point of Connection (DPOC) communication cabling from each DAS node to the predetermined and respective DPOC(s), in accordance with Customer's specifications.
- Test and verify Customer/Facility network connectivity.
 - a. TCP/IP internal addressing and verification
- Supply, install, and configure a Modbus based digital Net Energy Meter (NEM).
- Connect the data portion of digital NEM(s) to their respective DPOC(s).
- Supply, install, and configure a Modbus based digital Net Generation Output Meter (NGOM).
- Perform the physical installation, labeling, testing and certification testing of each data circuit from the digital NEM(s) to their respective DPOC(s).
- Provide basic system training to designated Customer/Facility maintenance staff.

Customer Responsibilities:

- Provide one (1) external static IP addresses, subnet mask default gateway, and DNS-information to allow remote access to DAS panel(s).
- Provide network connectivity to each DAS panel location.
- Provide Chevron ES five (5) business days prior notification of any IP addressing scheme changes or changes made to restrict network access to ensure maximum uptime is maintained.

**ATTACHMENT K
PREVENTIVE MAINTENANCE**

Equipment and Facilities Covered

Chevron ES shall perform Preventive Maintenance Services ("Maintenance Services") as defined in this Attachment K with respect to Generating Facilities being constructed on Customer's property at the following Project Location:

Houston Avenue & S. 11th Avenue, Hanford

I. Term

So long as Customer pays to Chevron ES the Annual Maintenance Fee, Chevron ES will provide the Maintenance Services, as described herein, up to ten (10) years from the M&V Commencement Date on an annualized basis. At the end of this term, the Customer may:

- a. Enter into another agreement with Chevron ES to perform Maintenance Services
- b. Enter into an agreement with another service provider
- c. Self-perform preventive maintenance

II. Annual Maintenance Fee; Reporting

The Annual Maintenance Fee for the first Measurement Period shall be invoiced by Chevron ES to the Customer in a lump sum on the M&V Commencement Date. All subsequent Annual Maintenance Fees will be invoiced by Chevron ES on the first day of the corresponding Measurement Period. The Customer, or its designee, shall pay Chevron ES such Annual Maintenance Fee, without any retention amount withheld, within thirty (30) calendar days after its receipt of the corresponding invoice. Unless the Customer gives Chevron ES prior written notice of its intent to terminate the Maintenance Services, any failure to timely pay the Annual Maintenance Fee in accordance with this Attachment K shall be a material default by Customer under the Contract, and Chevron ES, in addition to any other legal, contractual and equitable remedies available to it, shall have no obligation thereafter to provide Maintenance Services.

Any amount not paid when due shall, from and after the due date, bear Interest. Accrued and unpaid Interest on past due amounts (including Interest on past due Interest) shall be due and payable upon demand.

The Annual Maintenance Fee is not refundable for any reason.

Upon completion of any maintenance or repair work, Chevron ES will update service logs detailing the work performed, location and any notes relevant to safe and efficient operations. These service logs will be compiled and submitted to the Customer on a quarterly basis.

If Chevron ES is no longer the provider of Maintenance Services, the Customer's new provider will maintain similar service logs. Chevron ES shall have reasonable access to inspect service logs to determine that adequate Maintenance Services are being performed.

III. Preventive Maintenance Services Provided

Chevron ES will provide the following Maintenance Services during the term:

- a. Inspection: Inspect PV modules, combiner boxes, inverters, isolation transformers, and PV service roof penetrations and support structure on a semi-annual basis.
- b. Testing: Perform voltage testing, amperage testing, and infrared scans of inverters, combiner boxes, disconnects and switchgear on an annual basis.
- c. Monitoring: Monitor system performance on a daily basis.
- d. Cleaning: Remove dust, dirt, and debris from outside cabinets of combiner boxes, inverters, transformers, and disconnect switches on an annual basis.

IV. Repair Services

- a. Covered Equipment: Components of the Generating Facilities installed under this Attachment K include:
 1. Inverters
 2. Photovoltaic Panels
 3. Combiner Boxes
 4. Disconnect Switches

5. AC and DC Power Wire
6. Meters integral with Inverters

b. Exclusions:

1. Array structure
 2. Lighting
 3. Roofing
 4. Paint or finish
 5. Concrete
 6. Asphalt
 7. Bollards
 8. Conduit
 9. Data acquisition systems
 10. Meters
 11. Data acquisition communication wire
- c. If a Generating Facility is damaged due to a Force Majeure Event, Customer's negligence, or any other event beyond the control of Chevron ES, Chevron ES shall provide repairs as required to restore the Generating Facilities to normal operating parameters or to replace deteriorated, damaged, parts and equipment. The Customer shall compensate Chevron ES for such repairs/replacement on a time and material basis, with Chevron ES providing back-up cost detail for actual, reasonable costs including reimbursable expenses, multiplied by 1.15.
- d. "Repairs" will include any of the following as necessary: Procuring parts or materials, removing damaged or out-of-specifications parts or materials, installing repaired or replacement parts or materials, and testing.

V. Insurance Requirements. For the purposes of clarity, the obligations of Parties under Sections 11.01, 11.02 and 11.03 of the Contract will apply when Chevron ES is at the Project Location performing Maintenance Services.

VI. Services And Equipment To Be Covered By Customer

Chevron ES's obligations under this Attachment K are expressly conditioned upon Customer's payment of the Annual Maintenance Fee and providing and being responsible for the following, without cost to Chevron ES:

- a. The Generating Facilities described herein shall be made available to Chevron ES as of the Effective Date of the Contract.
- b. Operate and maintain security systems associated with Generating Facilities.
- c. Customer shall be responsible for maintenance of all landscaping in and around Generating Facilities including tree trimming.
- d. Allowing Chevron ES and its personnel access as necessary to the Generating Facilities, and any related areas that may be reasonably necessary for performance of the Maintenance Services, including reasonable work, parking, and equipment staging areas.
- e. Allowing Chevron ES and its personnel to access electrical power and other utilities then existing at the Generating Facilities as necessary for Chevron ES to satisfy its obligations under the Contract, all free of charge to Chevron ES.
- f. Customer shall be responsible pursuant to applicable law for the remediation of any known Hazardous Substances encountered by Chevron ES during the performance of the Maintenance Services which Hazardous Substances were not deposited by Chevron ES, including any backfill with clean soil as may be reasonably required.
- g. Customer shall insure the Generating Facilities against loss due to acts of God and the public enemy; flood, earthquake, tornado, storm, fire; civil disobedience, sabotage, and vandalism.
- h. Chevron ES shall have no obligation to provide the Maintenance Services to the extent such provision of Maintenance Services is materially adversely affected by Customer's failure to satisfy the conditions set forth in this Attachment K.

**ATTACHMENT L
LIGHTING SCOPE OF WORK**

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
Coe Park	Bldg - Community	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	12
Coe Park	Bldg - Stage	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	3
Coe Park	Bldg - Restroom	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Coe Park	Bldg - Kitchen	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Coe Park	Bldg - Office	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	1
Coe Park	Patio	S32CF(VT)2	NSVT(LED)1	Replace the existing surface mount linear fluorescent strip fixture with a new 50-watt Cree WS Vapor Tight LED fixture	NS50VT(LED)1	6
Coe Park	Restroom - Men's	QWP50W(HPS)1	NWP14(LED)1	Replace existing HID wall packs with a new Econolight 14-watt LED wall mount fixtures	NWp14(LED)1	1
Coe Park	Restroom - Women's	QWP50W(HPS)1	NWP14(LED)1	Replace existing HID wall packs with a new Econolight 14-watt LED wall mount fixtures	NWp14(LED)1	1
Coe Park	Exterior	FL250(MH)Po1	NFL78(LED)	Remove existing high wattage flood lamp and replace with low wattage 78 watt LED or equivalent (RAB Flood) - Exterior Lighting	FL78(LED)Po1	2
Coe Park	Exterior	SB250(MH)Po1	NPKG54(LED)	Remove 1 existing high wattage shoe box parking lot fixture with 1 new LED fixture (price out Cree XSP1). - Exterior Lighting	NPKG54Po1	1
Coe Park	Exterior	QWP50W(HPS)1	NWP14(LED)1	Replace existing HID wall packs with a new Econolight 14-watt LED wall mount fixtures	NWp14(LED)1	1
Coe Park	Exterior	Wp150W(HPS)1	NWP14(LED)1	Replace existing HID wall packs with a new Econolight 14-watt LED wall mount fixtures	NWp14(LED)1	6
Coe Park	Exterior	FL400(MH)Po2	NFL90(LED)	Remove existing high wattage flood lamp and replace with low wattage 90 watt Cree "The Edge" Flood - Exterior Lighting	NFL90(LED)Po2	2
Coe Park	Exterior - Basketball Ct.	FL400(MH)Po1	NFL90(LED)	Remove existing high wattage flood lamp and replace with low wattage 90 watt Cree "The Edge" Flood - Exterior Lighting	NFL90(LED)Po1	4
Lacy Park	Restroom	O75FL(SI)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	O10(LED)1	4
Lacy Park	Restroom	FL150(HID)1	NFL39(LED)	Remove existing exterior high wattage flood lamp and replace with a new 39 watt LED or equivalent with photocell (RAB LED Flood) - Exterior Lighting	NFL39(LED)1	2
Lacy Park	Playground	FL250(MH)Po3	NFL78(LED)	Remove existing high wattage flood lamp and replace	FL78(LED)Po3	1

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
				with low wattage 78 watt LED or equivalent (RAB Flood) - Exterior Lighting		
Lacy Park	Basketball Courts	FL250(MH)Po2	NFL78(LED)	Remove existing high wattage flood lamp and replace with low wattage 78 watt LED or equivalent (RAB Flood) - Exterior Lighting	FL78(LED)Po2	2
Lacy Park	Basketball Courts	FL250(MH)Po4	NFL78(LED)	Remove existing high wattage flood lamp and replace with low wattage 78 watt LED or equivalent (RAB Flood) - Exterior Lighting	FL78(LED)Po4	2
Hidden Valley Park	Exterior Parking	FL400(MH)Po1	NFL90(LED)	Remove existing high wattage flood lamp and replace with low wattage 90 watt Cree "The Edge" Flood - Exterior Lighting	NFL90(LED)Po1	3
Hidden Valley Park	Shelters	FL250W(HPS)1	NFL78(LED)	Remove existing high wattage flood lamp and replace with low wattage 78 watt LED or equivalent (RAB Flood) - Exterior Lighting	NFL78(LED)1	2
Hidden Valley Park	Restroom	8S95CF2	NSVT(LED)1	Replace the existing surface mount linear fluorescent strip fixture with a new 50-watt Cree WS Vapor Tight LED fixture	NS50VT(LED)1	2
Hidden Valley Park	Restroom	Wp100WI1	NWP21(LED)1	Replace existing wall packs with a new Econolight 21-watt LED wall mount fixture.	NWp21(LED)1	3
Hidden Valley Park	Restroom	Wp150W(HPS)1	NWP14(LED)1	Replace existing HID wall packs with a new Econolight 14-watt LED wall mount fixtures	NWp14(LED)1	1
Fire Station #2	Lounge	C14R(CFL)2	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent	C12R(LED)1	9
Fire Station #2	Kitchen	S32CF1	A	Remove lamp and ballast from existing 4' fixtures. Install one (1-L) IOP Advance, low power factor, anti-arcing Elec. Blst and one W T8 lamp.	S28CF1	3
Fire Station #2	Corridor	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Fire Station #2	Office	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	3
Fire Station #2	Corridor	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	3
Fire Station #2	Restroom	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Fire Station #2	Room 1	R14C(CFL)2	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	R10C(LED)1	2
Fire Station #2	Room 1	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	1
Fire Station #2	Room 2	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	1
Fire Station #2	Room 3	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	1
Fire Station #2	Room 4	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	1

**Energy Services Contract
City of Hanford and Chevron Energy Solutions Company**

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
Fire Station #2	Electrical Room	S32CF2	N4S(LED)1	Remove existing strip fixture and Replace with a new Cree SL 55-watt SL40 LED fixtures	NS55C(LED)1	1
Fire Station #2	Gym	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	2
Fire Station #2	Corridor	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Fire Station #2	Restroom	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	2
Fire Station #2	Restroom	C14R(CFL)2	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent	C12R(LED)1	1
Fire Station #2	Fire Bay	24W32CF2	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	21
Fire Station #2	Fireman Changing Room	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	2
Fire Station #2	Exterior - Bay	Q250C(HPS)1	NCPY(LED)1	Replace existing high wattage HID Canopy lights with a new 82-watt Cree CPY Flat Lens fixture. - Exterior Lighting	Q82CPY(LED)1	4
Fire Station #2	Exterior	Wp250(MH)1	NWP39LED	Replace existing HID wall packs with a new Lithonia TWH 39-watt LED fixture	NWp39(LED)1	5
Fire Station #2	Exterior	FL250W(HPS)1	NFL78(LED)	Remove existing high wattage flood lamp and replace with low wattage 78 watt LED or equivalent (RAB Flood) - Exterior Lighting	NFL78(LED)1	2
Fire Station #2	Exterior	Wp70(MH)1	NDWS	Remove existing decorative exterior wall pack and replace with a new 14-watt "Econolight" decorative wall sconce (Black). - Exterior Lighting	N14DWS1	4
Fire Station #2	Exterior	S32CF2	N4S(LED)1	Remove existing strip fixture and Replace with a new Cree SL 55-watt SL40 LED fixtures	NS55C(LED)1	1
Fire Station #2	Exterior	C14R(CFL)2	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent.	C12R(LED)1	4
Fire Station #2	Exterior	SB250(MH)Po1	NPKG54(LED)	Remove 1 existing high wattage shoe box parking lot fixture with 1 new LED fixture (price out Cree XSP1). - Exterior Lighting	NPKG54Po1	3
Centennial Park	Exterior Site Ltg	R250(MH)Po1	NPTLED	Replace existing Post Top HID fixture with a new Lithonia 60-watt (or Equivalent) Cree "The Edge" Area Round post top LED. - Exterior Lighting	NPt60(LED)Po1	13
Centennial Park	Exterior Canopy	FL400(MH)Po2	NFL90(LED)	Remove existing high wattage flood lamp and replace with low wattage 90 watt Cree "The Edge" Flood - Exterior Lighting	NFL90(LED)Po2	1
Centennial Park	Exterior Canopy	Wp150W(HPS)1	NWP14(LED)1	Replace existing HID wall packs with a new Econolight 14-watt LED wall mount fixtures	NWp14(LED)1	4
Centennial Park	Basketball Courts	FL400(MH)Po3	NFL90(LED)	Remove existing high wattage flood lamp and replace with low wattage 90 watt Cree "The Edge" Flood - Exterior Lighting	FL78(LED)Po3	2

**Energy Services Contract
City of Hanford and Chevron Energy Solutions Company**

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
Centennial Park	Restroom	S32WF(VT)2	NSVT(LED)1	Replace the existing surface mount linear fluorescent strip fixture with a new 50-watt Cree WS Vapor Tight LED fixture	NS50VT(LED)1	4
Centennial Park	Restroom Exterior	Wp18W(CFL)1	NWP14(LED)1	Replace existing HID wall packs with a new Econolight 14-watt LED wall mount fixtures	NWp14(LED)1	2
Centennial Park	Restroom Exterior	Wp150W(HPS)1	NWP14(LED)1	Replace existing HID wall packs with a new Econolight 14-watt LED wall mount fixtures	NWp14(LED)1	2
Civic Auditorium	Basement - Boiler Room	8S95CF2	NSVT(LED)1	Replace the existing surface mount linear fluorescent strip fixture with a new 50-watt Cree WS Vapor Tight LED fixture	NS50VT(LED)1	4
Civic Auditorium	Basement - Corridor	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	4
Civic Auditorium	Basement - Janitorial Office	24W32CF4	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	24W44C(LED)1	13
Civic Auditorium	Basement - Corridor	24W32CF4	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	24W44C(LED)1	1
Civic Auditorium	Basement - Corridor	24W32CF4	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	24W44C(LED)1	1
Civic Auditorium	Basement - Storage	24W32CF4	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	24W44C(LED)1	2
Civic Auditorium	Basement - Storage	24W32CF4	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	24W44C(LED)1	2
Civic Auditorium	Basement - Storage	S34WF1	A	Remove lamp and ballast from existing 4' fixtures. Install one (1-L) IOP Advance, low power factor, anti-arcing Elec. Blst and one W T8 lamp.	S28WF1	2
Civic Auditorium	Basement - Storage	44B75CF2	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	44W44C(LED)1	8
Civic Auditorium	Basement - Storage	24B32CF4	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	24B44C(LED)1	1
Civic Auditorium	Basement - Paint Room	24W32CF4	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	24W44C(LED)1	2
Civic Auditorium	Basement - Storage	O60CI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	O10C(LED)1	2
Civic Auditorium	Restroom	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	5
Civic Auditorium	Entrance	D60PI3	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	D10P(LED)3	3
Civic Auditorium	Entrance	D60PI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt	D10P(LED)1	2

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
				Cree "A" Lamp LED screw-in.		
Civic Auditorium	Office - Council Chambers	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Civic Auditorium	Office	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Civic Auditorium	Counsel Room	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	12
Civic Auditorium	Counsel Room	14B32CF2	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	14B44C(LED)1	8
Civic Auditorium	Counsel Room	C14R(CFL)2	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent	C12R(LED)1	13
Civic Auditorium	Ballroom - Small	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	16
Civic Auditorium	Kitchen	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	3
Civic Auditorium	Kitchen	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	7
Civic Auditorium	Break room	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Civic Auditorium	Ballroom - Large	DR60PI17	Z	Do Not Retrofit - Already energy efficient or not used enough.	DR60PI17	10
Civic Auditorium	Stage	C75R(PAR)1	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent.	C12R(LED)1	19
Civic Auditorium	Stage	8S95CF2	NSVT(LED)1	Replace the existing surface mount linear fluorescent strip fixture with a new 50-watt Cree WS Vapor Tight LED fixture.	NS50VT(LED)1	4
Civic Auditorium	Ballroom - Entrance	C24R(CFL)1	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent.	C12R(LED)1	10
Civic Auditorium	Stairway	R24C(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	R10C(LED)1	2
Civic Auditorium	Stairway	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	3
Civic Auditorium	Restroom - Women's	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Civic Auditorium	Ballroom - Large	Wp42W(CFL)2	Z	Do Not Retrofit - Already energy efficient or not used enough.	Wp42W(CFL)2	1
Civic Auditorium	Restroom	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Civic Auditorium	Corridor	Q24RF1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	Q10R(LED)1	2
Civic Auditorium	Restroom	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Civic Auditorium	Teen Center	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	13
Civic Auditorium	Office 1	44T32RF6	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a	44T44RF2	2

**Energy Services Contract
City of Hanford and Chevron Energy Solutions Company**

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
				new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.		
Civic Auditorium	Office 2	44T32RF6	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	44T44RF2	1
Civic Auditorium	Office 3	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	1
Civic Auditorium	Lounge	S32CF1	A	Remove lamp and ballast from existing 4' fixtures. Install one (1-L) IOP Advance, low power factor, anti-arcing Elec. Blst and one W T8 lamp.	S28CF1	15
Civic Auditorium	Lounge	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	12
Civic Auditorium	Rec Room	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Civic Auditorium	Rec Room	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	4
Civic Auditorium	Ballroom Stairway	D60PI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	D10P(LED)1	2
Civic Auditorium	Exterior - Post Top	Pt150(MH)Po1	NPTLED	Replace existing Post Top HID fixture with a new Lithonia 60-watt (or Equivalent) Cree "The Edge" Area Round post top LED. - Exterior Lighting	NPt60(LED)Po1	11
Civic Auditorium	Exterior	FL400(MH)Gr1	NFL78(LED)	Remove existing high wattage flood lamp and replace with low wattage 78 watt LED or equivalent (RAB Flood) - Exterior Lighting	FL78(LED)Gr1	3
Civic Auditorium	Exterior	FL400(HPS)1	NFL78(LED)	Remove existing high wattage flood lamp and replace with low wattage 78 watt LED or equivalent (RAB Flood) - Exterior Lighting	NFL78(LED)1	4
Civic Auditorium	Exterior	Wp150W(HPS)1	NWP39LED	Replace existing HID wall packs with a new Lithonia TWH 39-watt LED fixture	NWp39(LED)1	3
Civic Auditorium	Exterior	Wp70(MH)1	NWP14(LED)1	Replace existing HID wall packs with a new Econolight 14-watt LED wall mount fixtures	Wp14W(LED)1	1
Civic Auditorium	Exterior - Door Light	C150R(HID)1	Z	Do Not Retrofit - Already energy efficient or not used enough.	C150R(HID)1	3
Civic Auditorium	Exterior Entrance	C150R(HID)1	Z	Do Not Retrofit - Already energy efficient or not used enough.	C150R(HID)1	6
Police Department	Lobby	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	4
Police Department	Restroom	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Police Department	Restroom	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Police Department	Office	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	1
Police Department	Lobby	Q60RI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	Q10R(LED)1	1

**Energy Services Contract
City of Hanford and Chevron Energy Solutions Company**

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
Police Department	Reception	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	3
Police Department	Dispatch	TRA75(PAR)4	NTRP38(LED)	Replace existing track lighting with a new Cree LED LRP38 screw in lamp.	TRA12(LED)4	4
Police Department	Dispatch	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	4
Police Department	Storage	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Police Department	Corridor	Q60RI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	Q10R(LED)1	8
Police Department	Office - Commander	24T32RF2	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Police Department	Office 1	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	1
Police Department	Office 1	TRA75(PAR)4	NTRP38(LED)	Replace existing track lighting with a new Cree LED LRP38 screw in lamp.	TRA12(LED)4	1
Police Department	Office	Q60RI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	Q10R(LED)1	4
Police Department	Office	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	1
Police Department	Office	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	1
Police Department	Cell A	O60CI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	O10C(LED)1	1
Police Department	Cell B	O60CI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	O10C(LED)1	1
Police Department	Restroom	O60CI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	O10C(LED)1	1
Police Department	Office - Open	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	8
Police Department	Office - A	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Police Department	Office - B	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Police Department	Office - C	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Police Department	Corridor	Q60RI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	Q10R(LED)1	3
Police Department	Office - Police Chief Secretary	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	4
Police Department	Office - Watch Commander	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Police Department	Office - Division Capt.	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Police Department	Conference Room	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2

Energy Services Contract
City of Hanford and Chevron Energy Solutions Company

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
Police Department	Office - Chief of Police	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	6
Police Department	Closet	O60CI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	O10C(LED)1	1
Police Department	Basement - Stairs	Q60RI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	Q10R(LED)1	4
Police Department	Corridor	Q60RI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	Q10R(LED)1	4
Police Department	Conference Room A	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	6
Police Department	Conference Room B	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	4
Police Department	Server Room	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	3
Police Department	Office - Small	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	3
Police Department	Office	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	4
Police Department	Pop Room	24T32RF2	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	6
Police Department	Evidence Room	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	3
Police Department	Evidence Room	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Police Department	Janitor	O60CI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	O10C(LED)1	2
Police Department	Storage	O60CI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	O10C(LED)1	1
Police Department	Utility Room	8S95CF2	NSVT(LED)1	Replace the existing surface mount linear fluorescent strip fixture with a new 50-watt Cree WS Vapor Tight LED fixture	NS50VT(LED)1	1
Police Department	Locker - Women's	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	2
Police Department	Restroom	Q60RI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	Q10R(LED)1	1
Police Department	Traffic Bureau	24T32RF2	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Police Department	Locker - Men's	24T32RF2	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	1
Police Department	Locker - Men's	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	5
Police Department	Ammo Room/Armory	24T32RF4	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer	24T34R(LED)1	5

**Energy Services Contract
City of Hanford and Chevron Energy Solutions Company**

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
				replace with a new Cree 34-watt CR24 LED 2x4 Troffer.		
Police Department	Ammo Room/Armory	Q60RI2	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	Q10R(LED)1	2
Police Department	Ammo Room/Armory	O60CI2	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	Q10R(LED)1	2
Police Department	Exterior	C60RI1	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent.	C12R(LED)1	3
Police Department	Exterior	FL250W(HPS)1	NFL78(LED)	Remove existing high wattage flood lamp and replace with low wattage 78 watt LED or equivalent (RAB Flood) - Exterior Lighting	NFL78(LED)1	2
Police Department	Exterior	W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	5
Police Department	Exterior	FL70W(MH)1	NFL39(LED)	Remove existing exterior high wattage flood lamp and replace with a new 39 watt LED or equivalent with photocell (RAB LED Flood) - Exterior Lighting	NFL39(LED)1	1
Police Department	Evidence Room	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	6
Police Investigation	Lobby	24T32RF3	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	3
Police Investigation	Office	24T32RF3	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Police Investigation	Office	24T32RF3	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	4
Police Investigation	Office	24T32RF3	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	3
Police Investigation	Conference Room - Open	24T32RF3	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	6
Police Investigation	Office	24T32RF3	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	3
Police Investigation	Office	24T32RF3	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	4
Police Investigation	Corridor	S32CF1	A	Remove lamp and ballast from existing 4' fixtures. Install one (1-L) IOP Advance, low power factor, anti-arcing Elec. Blst and one W T8 lamp.	S28CF1	8
Police Investigation	Storage	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Police Investigation	Kitchen - Small	S54CF1	Z	Do Not Retrofit - Already energy efficient or not used enough.	S54CF1	2
Police Investigation	Interview Room N/A					
Police Investigation	Restroom	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Police Investigation	Restroom	24W32CF3	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK	24W34C(LED)1	1

**Energy Services Contract
City of Hanford and Chevron Energy Solutions Company**

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
				housing.		
Police Investigation	Restroom	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Police Investigation	AC Room	24W32CF3	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	1
Police Investigation	Evidence Vault	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	2
Police Records	Records Room	24T32RF3	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	6
Police Records	Office	24T32RF3	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	5
Police Records	Office	24T32RF3	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Police Records	Office	24T32RF3	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	1
Police Records	Corridor - Restrooms	2W32CF2	N2SM(LED)SL1	Replace existing wall mount fixture with a New 2' Cree 50-watt SL Series fixture.	N2SM(LED)1	1
Police Records	Restroom	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Police Records	Electrical Room	R14C(CFL)2	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	R10C(LED)1	1
Police Records	Break room	24W32CF3	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	3
Police Records	Restroom	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Police Records	Room N/A	24W32CF3	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	0
Police Records	Exterior	FL400(HPS)1	NFL78(LED)	Remove existing high wattage flood lamp and replace with low wattage 78 watt LED or equivalent (RAB Flood) - Exterior Lighting	NFL78(LED)1	1
Fire Station #1	Lobby	C18RF(CF)2	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent.	C12R(LED)1	8
Fire Station #1	Admin	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	5
Fire Station #1	Storage	24W32CF2	B	Remove lamps and ballasts from the existing 4' fixtures. Install one (2-L) IOP Advance, low power factor, anti-arcing Elec. Blst and two W T8 lamps.	24W28CF2	1
Fire Station #1	Corridor	24W32CF2	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	1

**Energy Services Contract
City of Hanford and Chevron Energy Solutions Company**

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
Fire Station #1	Copy Room	24W32CF2	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	1
Fire Station #1	Office	24W32CF2	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	2
Fire Station #1	Office	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	4
Fire Station #1	Office	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	2
Fire Station #1	Office	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	4
Fire Station #1	Conference Room	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	6
Fire Station #1	Corridor	24W32CF2	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	1
Fire Station #1	Restroom	24W32CF2	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	24W44C(LED)1	1
Fire Station #1	Restroom	24W32CF2	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	24W44C(LED)1	1
Fire Station #1	Server Room	24W32CF2	B	Remove lamps and ballasts from the existing 4' fixtures. Install one (2-L) IOP Advance, low power factor, anti-arcing Elec. Blst and two W T8 lamps.	24W28CF2	1
Fire Station #1	Corridor - Firemen Lounge	24W32CF2	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	2
Fire Station #1	Office	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	2
Fire Station #1	Corridor	24W32CF2	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	3
Fire Station #1	Bedrooms	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	2
Fire Station #1	Bedrooms	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	1
Fire Station #1	Bedrooms	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	1
Fire Station #1	Bedrooms	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	1
Fire Station #1	Bedrooms	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	1

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
				Cree "A" Lamp LED screw-in.		
Fire Station #1	Weight Room	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	2
Fire Station #1	Storage	S32CF2	N4S(LED)1	Remove existing strip fixture and Replace with a new Cree SL 55-watt SL40 LED fixtures	NS55C(LED)1	1
Fire Station #1	Bedrooms	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	1
Fire Station #1	Shower	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	2
Fire Station #1	Shower	C60RI1	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent.	C12R(LED)1	2
Fire Station #1	Lounge	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	10
Fire Station #1	Lounge	CFan24(CFL)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	CFan10(LED)1	1
Fire Station #1	Kitchen	S32CF2	N4S(LED)1	Remove existing strip fixture and Replace with a new Cree SL 55-watt SL40 LED fixtures	NS55C(LED)1	1
Fire Station #1	Storage	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Fire Station #1	Fire Bay	14B32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	24
Fire Station #1	Fire Bay	S32CF2	N4S(LED)1	Remove existing strip fixture and Replace with a new Cree SL 55-watt SL40 LED fixtures	NS55C(LED)1	2
Fire Station #1	Dressing Room	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	2
Fire Station #1	Side Storage	S32CF2	B	Remove lamps and ballasts from the existing 4' fixtures. Install one (2-L) IOP Advance, low power factor, anti-arcing Elec. Blst and two W T8 lamps.	S28CF2	8
Fire Station #1	Side Storage	14B32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	2
Fire Station #1	Side Storage	W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	2
Fire Station #1	Shop	S32CF2	B	Remove lamps and ballasts from the existing 4' fixtures. Install one (2-L) IOP Advance, low power factor, anti-arcing Elec. Blst and two W T8 lamps.	S28CF2	8
Fire Station #1	Storage	S32CF2	B	Remove lamps and ballasts from the existing 4' fixtures. Install one (2-L) IOP Advance, low power factor, anti-arcing Elec. Blst and two W T8 lamps.	S28CF2	3
Fire Station #1	Storage	S32CF2	B	Remove lamps and ballasts from the existing 4' fixtures. Install one (2-L) IOP Advance, low power factor, anti-arcing Elec. Blst and two W T8 lamps.	S28CF2	2

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
Fire Station #1	Exterior Canopy	Q250C(MH)1	NCPY(LED)1	Replace existing high wattage HID Canopy lights with a new 82-watt Cree CPY Flat Lens fixture. - Exterior Lighting	NCPY(LED)1	6
Fire Station #1	Exterior	FL250W(HPS)1	NFL78(LED)	Remove existing high wattage flood lamp and replace with low wattage 78 watt LED or equivalent (RAB Flood) - Exterior Lighting	NFL78(LED)1	7
Fire Station #1	Exterior	Wp150W(HPS)1	NWP39LED	Replace existing HID wall packs with a new Lithonia TWH 39-watt LED fixture	NWp39(LED)1	1
Fire Station #1	Exterior	Wp70(MH)1	NDWS	Remove existing decorative exterior wall pack and replace with a new 14-watt "Econolight" decorative wall scone (Black). - Exterior Lighting	N14DWS1	6
Fire Station #1	Exterior	Wp150W(HPS)1	NWP39LED	Replace existing HID wall packs with a new Lithonia TWH 39-watt LED fixture	NWp39(LED)1	5
Fire Station #1	Exterior	SB250(MH)Po1	NPKG54(LED)	Remove 1 existing high wattage shoe box parking lot fixture with 1 new LED fixture (price out Cree XSP1). - Exterior Lighting	NPKG54Po1	4
Fire Station #1	Exterior	BO70(HPS)1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	BO10(LED)1	4
Train Station	Entrance & Corridor	D60PI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	D10P(LED)1	15
Train Station	Corridor	C14R(CFL)2	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent.	C12R(LED)1	8
Train Station	Office	24W32CF2	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	4
Train Station	Entrance	14B32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	4
Train Station	Office	24W32CF2	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	4
Train Station	Office	24W32CF2	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	2
Train Station	Office	24W32CF2	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	2
Train Station	Corridor	C14R(CFL)2	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent.	C12R(LED)1	3
Train Station	Office	24T32RF2	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Train Station	Office	24T32RF2	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Train Station	Office	C14R(CFL)2	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent.	C12R(LED)1	10
Train Station	Office	S32CF2	N4S(LED)1	Remove existing strip fixture and Replace with a new Cree SL 55-watt SL40 LED fixtures	NS55C(LED)1	10

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
Train Station	Kitchen	24W34CF4	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	24W44C(LEDKt)1	1
Train Station	Restroom	S32CF1	A	Remove lamp and ballast from existing 4' fixtures. Install one (1-L) IOP Advance, low power factor, anti-arcing Elec. Blst and one W T8 lamp.	S28CF1	1
Train Station	Restroom	S32CF1	A	Remove lamp and ballast from existing 4' fixtures. Install one (1-L) IOP Advance, low power factor, anti-arcing Elec. Blst and one W T8 lamp.	S28CF1	1
Train Station	Entrance	S32CF2	N4S(LED)1	Remove existing strip fixture and Replace with a new Cree SL 55-watt SL40 LED fixtures	NS55C(LED)1	4
Train Station	Entrance	D250Pt(HID)1	LEDPTKit	Remove existing high wattage HID Lamp and Ballast in a glass post top Acorn type fixture and Install a 65-watt post top upgrade kit (BXRAA). Contractor to verify retrofit prior to construction. - Exterior Lighting	D65Pt(LED)1	1
Train Station	Restroom - Men's	O60CI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	O10C(LED)1	2
Train Station	Restroom - Men's	S32CF1	A	Remove lamp and ballast from existing 4' fixtures. Install one (1-L) IOP Advance, low power factor, anti-arcing Elec. Blst and one W T8 lamp.	S28CF1	1
Train Station	Restroom - Women's	O60CI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	O10C(LED)1	2
Train Station	Restroom - Women's	S32CF1	A	Remove lamp and ballast from existing 4' fixtures. Install one (1-L) IOP Advance, low power factor, anti-arcing Elec. Blst and one W T8 lamp.	S28CF1	1
Train Station	Ticket Office	24T32RF2	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Train Station	Office - Small	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	2
Train Station	Storage	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	4
Train Station	Office	24T32RF2	N24T(LED)1	Remove existing 2x4 recessed linear fluorescent troffer replace with a new Cree 34-watt CR24 LED 2x4 Troffer.	24T34R(LED)1	2
Train Station	Kitchen - Small	14W32CF2	N14SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR14-LE Light Engine with SMK housing.	14B34C(LED)1	1
Train Station	Office	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	3
Train Station	Office	24W32CF4	N24SM(LED)1	Remove existing surface mount fixture and replace with a new Cree 34-watt CR24-LE Light Engine with SMK housing.	24W34C(LED)1	1
Train Station	Waiting Room	C14R(CFL)2	NCAN(LED)1	Remove existing CFL Can fixture and replace with New Cree 12-watt CR Series Can fixture or equivalent.	C12R(LED)1	19
Train Station	Waiting Room	SP60PI1	LED(12)	Remove the lamp in the existing fixture with one 12 watt Cree LRP LED screw-in LED lamp.	SP12P(LED)1	4

**Energy Services Contract
City of Hanford and Chevron Energy Solutions Company**

Site Information		Existing	Proposed			
Facility Name	Surveyed Locations	Exist Fixture Type	Install Code	Description	Fixture Code	Quantity
Train Station	Waiting Room	S32CF(Cove)1	LEDUpKIT	Remove lamps and ballasts in the existing fixture with a new LED Upgrade Kit. Cree 2 light tubes, 4' 44w UR Series LED Lamps and Driver.	S22C(LED)1	20
Train Station	Exterior	H75WI1	LED(10)	Remove the lamp in the existing fixture with one 10-watt Cree "A" Lamp LED screw-in.	H10W(LED)1	20
Train Station	Exterior	D250Pt(HID)1	LEDPTKit	Remove existing high wattage HID Lamp and Ballast in a glass post top Acorn type fixture and Install a 65-watt post top upgrade kit (BXRAA). Contractor to verify retrofit prior to construction. - Exterior Lighting	D65Pt(LED)1	4
Train Station	Exterior	D250Pt(HID)2	LEDPTKit	Remove existing high wattage HID Lamp and Ballast in a glass post top Acorn type fixture and Install a 65-watt post top upgrade kit (BXRAA). Contractor to verify retrofit prior to construction. - Exterior Lighting	D65Pt(LED)2	7
Airport	Field	O75R(PAR)4	LED(12)	Remove the lamp in the existing fixture with one 12 watt Cree LRP LED screw-in LED lamp.	O12(LED)4	2
Airport	Buildings	Wp250(MH)1	NWP39LED	Replace existing HID wall packs with a new Lithonia TWH 39-watt LED fixture	NWp39(LED)1	9
Airport	Exterior	FL400(MH)Po1	NFL90(LED)	Remove existing high wattage flood lamp and replace with low wattage 90 watt Cree "The Edge" Flood - Exterior Lighting	NFL90(LED)Po1	7
City Street Lights	City Streets	CH400(HPS)Po1	NST101(LED)1	Remove 1 existing high wattage cobra head HPS street light fixture with 1 new Cree LED XSP2 street light. - Exterior Lighting	NCH101(LED)1	181
Street Name Signs	Street Signs	STSGN 3 T12 110	-	Remove existing street name signage and replace with new edge-lit LED sign.	-	108

RESOLUTION NO. 14-06-R

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD APPROVING
AN ENERGY SERVICES CONTRACT WITH CHEVRON ENERGY SOLUTIONS
COMPANY**

At a Regular Meeting of the City Council of the City of Hanford duly called and held on March 18, 2014 at 7:00 p.m. on said day, it was moved by Councilmember _____, seconded by Councilmember _____ and duly carried that the following Resolution be adopted:

WHEREAS, California Government Code Section 4217.10 to 4217.18, authorizes the City Council to enter into an Energy Service Contract for the implementation of energy related improvements if the City Council finds that it is in the best interest of the City to enter into such Energy Service Contract; and

WHEREAS, the anticipated cost to the City for thermal or electrical energy or conservation services provided by the energy conservation facility under the contract will be less than the anticipated marginal cost to the City of thermal, electrical, or other energy that would have been consumed by the City in absence of those purchases;

NOW THEREFORE, BE IT RESOLVED that City Council finds that

(1) It is in the best interest of the City of Hanford to enter into an Energy Service Contract with Chevron Energy Solutions Company for the implementation of certain energy related improvements to City facilities, and

(2) The anticipated cost to City for thermal or electrical energy or conservation services provided by the energy conservation facility under the contract will be less than the anticipated marginal cost to the City of thermal, electrical, or other energy that would have been consumed by the City in absence of those purchases.

BE IT FURTHER RESOLVED that the City Council hereby authorizes the City Manager to execute the Energy Service Contract by and between the City and Chevron Energy Solutions Company, a division of Chevron U.S.A. Inc. for the implementation of certain energy related improvements to City facilities in accordance with these findings and California Government Code Section 4217.10 to 4217.18

	IRWIN	JAMESON	MARTINEZ	CURRY	PANNETT
AYES:					
NOES:					
ABSTAIN:					
ABSENT:					

MAYOR of the City of Hanford

Melonie Patrick

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

Date: _____

14-06-R Chevron Phase II Contract Resolution, Page 2 of 2

**EQUIPMENT LEASE/PURCHASE AGREEMENT
(ESCROW ACCOUNT)
(CALIFORNIA ABATEMENT)**

This Equipment Lease/Purchase Agreement (the “*Agreement*”) dated as of March 26, 2014 and entered into between Bank of America, National Association, a national banking association (“*Lessor*”), and City of Hanford, a body corporate and politic existing under the laws of the State of California (“*Lessee*”).

WITNESSETH:

WHEREAS, Lessee desires to lease and acquire from Lessor certain Equipment (as such term is defined herein), subject to the terms and conditions hereof;

WHEREAS, Lessee is authorized under the constitution and laws of the State to enter into this Agreement for the purposes set forth herein;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

“*Acquisition Amount*” means \$8,495,139.00. The Acquisition Amount is the amount represented by Lessee to be sufficient, together with other funds of Lessee (if any) that are legally available for the purpose, to acquire and install the Equipment.

“*Acquisition Period*” means the period ending five (5) business days prior to _____.

“*Agreement*” means this Equipment Lease/Purchase Agreement, including the exhibits hereto, together with any amendments and modifications to the Agreement pursuant to Section 13.04.

“*Code*” means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

“*Commencement Date*” means the date when Lessee’s obligation to pay rent commences hereunder, which shall be the date on which the Acquisition Amount is deposited with the Escrow Agent.

“*Contract Rate*” means the rate identified as such in the Payment Schedule.

“Equipment” means the property listed in the Equipment Schedule and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article V. Whenever reference is made in this Agreement to Equipment, such reference shall be deemed to include all such replacements, repairs, restorations, modifications and improvements of or to such Equipment.

“Equipment Costs” means the total cost of the Equipment, including related costs such as freight, installation and taxes, capitalizable costs, and costs of issuance incurred in connection with the acquisition and/or financing of the Equipment.

“Equipment Schedule” means the equipment schedule attached hereto as Exhibit A and made a part hereof.

“Escrow Account” means the account established and held by the Escrow Agent pursuant to the Escrow Agreement, if any.

“Escrow Agreement” means the Escrow and Account Control Agreement in form and substance acceptable to and executed by Lessee, Lessor and the Escrow Agent, pursuant to which an Escrow Account is established and administered.

“Escrow Agent” means the Escrow Agent identified in the Escrow Agreement, and its successors and assigns.

“Event of Default” means an Event of Default described in Section 12.01.

“Lease Term” shall begin on the Commencement Date and end on April 26, 2029.

“Lessee” means the entity referred to as Lessee in the first paragraph of this Agreement.

“Lessor” means (a) the entity referred to as Lessor in the first paragraph of this Agreement or (b) any assignee or transferee of any right, title or interest of Lessor in and to this Agreement, including the Equipment, the Rental Payments and other amounts due hereunder, pursuant to Section 11.01, or the Escrow Account, but does not include any entity solely by reason of that entity retaining or assuming any obligation of Lessor to perform hereunder.

“Material Adverse Change” means any change in Lessee’s creditworthiness that could have a material adverse effect on (i) the financial condition or operations of Lessee, or (ii) Lessee’s ability to perform its obligations under this Agreement

“Payment Schedule” means the payment schedule attached hereto as Exhibit B and made a part hereof.

“Prepayment Price” means the amount that Lessee shall pay to Lessor to prepay the obligations hereunder as provided in the Payment Schedule.

“Rental Payments” means the basic rental payments payable by Lessee hereunder pursuant to Section 4.01, consisting of a principal component and an interest component.

“State” means the State of California.

“Taxable Rate” means an interest rate equal to the Contract Rate plus a rate sufficient such that the total interest to be paid on any payment date would, after such interest was reduced by the amount of any Federal, state or local income tax (including any interest, penalties or additions to tax) actually imposed thereon, equal the amount of interest otherwise due to Lessor.

“Vendor” means the manufacturer, installer or supplier of the Equipment or any other person as well as the agents or dealers of the manufacturer, installer or supplier with whom Lessor arranged Lessee’s acquisition, installation, maintenance and/or servicing of the Equipment.

“Vendor Agreement” means any contract entered into by Lessee and any Vendor for the acquisition, installation, maintenance and/or servicing of the Equipment.

ARTICLE II

Section 2.01. Representations and Covenants of Lessee. Lessee represents, covenants and warrants for the benefit of Lessor on the date hereof as follows:

(a) Lessee is a political subdivision of the State within the meaning of Section 103(c) of the Code, duly organized and existing under the constitution and laws of the State, with full power and authority to enter into this Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder.

(b) Lessee has duly authorized the execution and delivery of this Agreement and the Escrow Agreement by proper action of its governing body at a meeting duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the Escrow Agreement.

(c) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof.

(d) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

(e) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment.

(f) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee’s authority. Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last Rental Payment (including all Renewal Terms) scheduled to be paid hereunder.

(g) Lessee has kept, and throughout the Lease Term shall keep, its books and records in accordance with generally accepted accounting principles and practices consistently applied, and

shall deliver to Lessor (i) annual audited financial statements (including (1) a balance sheet, (2) statement of revenues, expenses and changes in fund balances for budget and actual, (3) statement of cash flows, and (4) footnotes, schedules and attachments to the financial statements) within 210 days of its fiscal year end, (ii) such other financial statements and information as Lessor may reasonably request, and (iii) upon Lessor's request, its annual budget for any prior or current fiscal year or the following fiscal year. The financial statements described in subsection (g) shall be accompanied by an unqualified opinion of Lessee's auditor. Credit information relating to Lessee may be disseminated among Lessor and any of its affiliates and any of their respective successors and assigns.

(h) Lessee has an immediate need for the Equipment and expects to make immediate use of the Equipment. Lessee's need for the Equipment is not temporary and Lessee does not expect the need for any item of the Equipment to diminish during the Lease Term.

(i) The payment of the Rental Payments or any portion thereof is not directly or indirectly (x) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (y) on a present value basis, derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. Lessee shall not permit the Federal government to guarantee any Rental Payments. The Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit. No portion of the Acquisition Amount will be used, directly or indirectly, to make or finance loans to any person other than Lessee. Lessee has not entered into any management or other service contract with respect to the use and operation of the Equipment.

(j) There is no pending litigation, tax claim, proceeding or dispute that may adversely affect Lessee's financial condition or impairs its ability to perform its obligations under this Agreement or the Escrow Agreement. Lessee will, at its expense, maintain its legal existence and do any further act and execute, acknowledge, deliver, file, register and record any further documents Lessor may reasonably request in order to protect Lessor's first priority security interest in the Equipment and the Escrow Account and Lessor's rights and benefits under this Agreement and the Escrow Agreement.

(k) Lessee is the fee owner of the real estate where the Equipment is and will be located and has good and marketable title thereto, and there exists no mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on or with respect to such real estate.

(l) No lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which Lessee has been a party at any time has been terminated by Lessee as a result of insufficient funds being appropriated in any fiscal year. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which Lessee has issued during the past ten (10) years.

ARTICLE III

Section 3.01. Lease of Equipment. Subject to the terms of this Agreement, Lessor agrees to provide the Acquisition Amount to acquire the Equipment. Lessor hereby demises, leases, transfers and lets to Lessee, and Lessee hereby acquires, rents and leases from Lessor, the Equipment.

Section 3.02. Continuation of Lease Term. Lessee intends, subject to Section 3.03, to continue the Lease Term and to pay the Rental Payments under the Lease. Lessee affirms that sufficient funds are available for its current fiscal year to pay any Rental Payments when due during the current fiscal year, and Lessee reasonably believes that an amount sufficient to make all Rental Payments during the entire Lease Term can be obtained from legally available funds of Lessee.

Section 3.03. Abatement. During any period in which, by reason of material damage or destruction or taking under the power of eminent domain (or sale to any entity threatening the use of such power) or material title defect with respect to any Equipment, there is substantial interference with the beneficial use and enjoyment by Lessee of such Equipment, the Rental Payments due under the Lease shall be abated in the same proportion (including in whole) that the portion of such Equipment that is unavailable for Lessee's beneficial use and enjoyment bears to all of the Equipment. Lessee shall immediately notify Lessor upon the occurrence of any event causing substantial interference with Lessee's beneficial use and enjoyment of any Equipment, and such notice shall be provided prior to the abatement of any Rental Payments under this Agreement. The amount of Rental Payments abated under this Agreement shall be such that the remaining Rental Payment obligation for each rental period represents fair consideration for the beneficial use and enjoyment of the portions of the Equipment that are not affected by such interference. Such abatement shall commence on the date that Lessee's beneficial use and enjoyment of the affected Equipment is restricted because of such interference and end on the earlier of (i) the date on which the beneficial use and enjoyment thereof are restored to Lessee, or (ii) the date on which Lessee either (x) replaces the affected Equipment, (y) uses the proceeds of insurance or condemnation award to pay the applicable Prepayment Price therefor or (z) uses legally available funds as provided in Section 7.03 to pay the applicable Prepayment Price therefor if no insurance proceeds or condemnation award are available for purposes of the foregoing clause (y); *provided, however*, that the provisions of this Agreement, including (but not limited to) dates on which Rental Payments are due, shall be extended for a period equal to the period the obligation to make Rental Payments was abated. Notwithstanding any such interference with Lessee's beneficial use and enjoyment of a portion of the Equipment, this Agreement shall continue in full force and effect with respect to any remaining Equipment. Lessee hereby waives the benefits of California Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate the Lease by virtue of any interference with the use and possession of the Equipment.

Section 3.04. Conditions to Lessor's Performance.

(a) As a prerequisite to the performance by Lessor of any of its obligations under this Agreement, Lessee shall deliver to Lessor the following:

(i) An Escrow Agreement in the form set forth in Exhibit I hereto, satisfactory to Lessor and executed by Lessee and the Escrow Agent;

(ii) A certified copy of a resolution, ordinance or other official action of Lessee's governing body, substantially in the form attached hereto as Exhibit C-1, authorizing the execution and delivery of this Agreement and the Escrow Agreement and performance by Lessee of its obligations under this Agreement and the Escrow Agreement;

(iii) A Certificate executed by the Clerk or Secretary or other comparable officer of Lessee, in substantially the form attached hereto as Exhibit C-2, completed to the satisfaction of Lessor;

(iv) An opinion of counsel to Lessee in substantially the form attached hereto as Exhibit D and otherwise satisfactory to Lessor;

(v) Evidence of insurance as required by Section 7.02 hereof;

(vi) All documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate at that time pursuant to Section 6.02;

(vii) A waiver or waivers of interest in the Equipment, satisfactory to Lessor, from any mortgagee or any other party having an interest in the real estate on which the Equipment will be located and/or landlord of the real estate on which the Equipment will be located;

(viii) If Lessee has designated this Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, a certificate substantially in the form attached hereto as Exhibit G executed by an authorized official of Lessee;

(ix) A copy of a fully completed and executed Form 8038-G;

(x) A certified copy of any Surety Bond satisfying the conditions set forth in Section 7.04, or, at Lessor's sole discretion, such Surety Bonds may be provided after the Commencement Date, provided however, that no "Disbursement Request" pursuant to the Escrow Agreement shall be authorized by Lessor until such Surety Bonds satisfying the conditions set forth in Section 7.04 have been delivered to Lessor; and

(xi) Such other items reasonably required by Lessor.

(b) In addition, the performance by Lessor of any of its obligations under this Agreement and the Escrow Agreement shall be subject to: (i) no Material Adverse Change in the financial condition of Lessee since the date of this Agreement, and (ii) no Event of Default having occurred and continuing.

(c) Subject to satisfaction of the foregoing, Lessor will deposit the Acquisition Amount with the Escrow Agent.

ARTICLE IV

Section 4.01. Rental Payments. Subject to Section 3.03, Lessee shall promptly pay Rental Payments, in lawful money of the United States of America, to Lessor on the dates and in such amounts as provided in the Payment Schedule. Interest on the Acquisition Amount shall begin to accrue as of the Commencement Date. Lessee shall pay Lessor a charge on any Rental Payment not paid on the date such payment is due at a rate equal to the Contract Rate plus 5% per annum or the maximum amount permitted by law, whichever is less, from such date.

Section 4.02. Interest and Principal Components. A portion of each Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment is paid as, and represents payment of, principal as more fully detailed on the Payment Schedule.

Section 4.03. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments shall constitute a current expense of Lessee payable solely from its general fund or other funds that are legally available for that purpose and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of Lessee.

Section 4.04. Rental Payments to be Unconditional. Except as provided in Section 3.03, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained in this Agreement shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including without limitation any failure of the Equipment, any defects, malfunctions, breakdowns or infirmities in the Equipment, disputes with the Vendor of any Equipment or Lessor, failure of the Vendor under any Vendor Agreement to perform any of its obligations thereunder for whatever reason, including bankruptcy, insolvency, reorganization or any similar event with respect to the Vendor under any Vendor Agreement, or any accident, condemnation or unforeseen circumstances.

Section 4.05. Tax Covenants.

(a) Lessee agrees that it will not take any action that would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes, nor will it omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest component of

Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes.

(b) In the event that Lessee does not spend sufficient moneys in the Escrow Account within six (6) months after the date the deposit is made pursuant to Section 3.04(c), Lessee will, if required by Section 148(f) of the Code to pay rebate: (i) establish a Rebate Account and deposit the Rebate Amount (as defined in Section 1.148-3(b) of the Federal Income Tax Regulations) not less frequently than once per year after the Commencement Date; and (ii) rebate to the United States, not less frequently than once every five (5) years after the Commencement Date, an amount equal to at least 90% of the Rebate Amount and within 60 days after payment of all Rental Payments or the Prepayment Price as provided in Section 10.01(a) hereof, 100% of the Rebate Amount, as required by the Code and any regulations promulgated thereunder. Lessee shall determine the Rebate Amount, if any, at least every year and upon payment of all Rental Payments or the Prepayment Price and shall maintain such determination, together with any supporting documentation required to calculate the Rebate Amount, until six (6) years after the date of the final payment of the Rental Payments or the Prepayment Price.

Section 4.06. Event of Taxability. Upon the occurrence of an Event of Taxability, the interest component of Rental Payments and any charge on Rental Payments or other amounts payable based on the Contract Rate shall have accrued and be payable at the Taxable Rate retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includible in the gross income of the owner or owners thereof for federal income tax purposes, and Lessee will pay such additional amount as will result in the owner receiving the interest component at the Taxable Rate.

For purposes of this Section, “*Event of Taxability*” means a determination that the interest component is includible for federal income tax purposes in the gross income of the owner thereof due to Lessee’s action or failure to take any action.

Section 4.07. Mandatory Prepayment. Any funds not applied to Equipment Costs and remaining in the Escrow Account on the earlier of (a) the expiration of the Acquisition Period and (b) the date on which Lessee executes an Acceptance Certificate (in the form attached hereto as Exhibit E), shall be applied by Lessor on any Rental Payment date to all or a portion of the Rental Payment due and owing in the succeeding twelve (12) months and any remaining amounts shall be applied by Lessor as prepayment to the remaining principal balance owing hereunder in the inverse order of Rental Payment dates.

Section 4.08. Covenant to Budget and Appropriate. Lessee hereby covenants to take such action as is necessary under the laws applicable to Lessee to budget for and include and maintain funds sufficient and available to discharge its obligation to meet all Rental Payments in each of its fiscal years during the Lease Term.

The covenants on the part of Lessee herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the duty of each and every public official of Lessee to take such action and do such things as are required by law in the

performance of the official duty of such officials to enable Lessee to carry out and perform the covenants and agreements in this Agreement agreed to be carried out and performed by Lessee.

Section 4.09. Substitution of Equipment under Certain Circumstances. In the event of damage to or destruction of all or a portion of the Equipment due to earthquake or other uninsured casualty for which the proceeds of rental interruption insurance are not available, Lessee shall promptly after the occurrence of such event and without any further authorization substitute and add as Equipment under this Agreement other real or personal property of Lessee that is unimpaired and unencumbered, the fair rental value of which shall be at least equal to the Rental Payments due during each fiscal year for the remainder of the term of this Agreement.

ARTICLE V

Section 5.01. Delivery, Installation and Acceptance of Equipment.

(a) Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the location specified in the Equipment Schedule and pay any and all delivery and installation costs and other Equipment Costs in connection therewith. When the Equipment has been delivered and installed, Lessee shall promptly accept such Equipment and evidence said acceptance by executing and delivering to Lessor an Acceptance Certificate in the form attached hereto as Exhibit E.

(b) Lessee shall deliver to Lessor original invoices (and proof of payment of such invoices) and bills of sale (if title to such Equipment has passed to Lessee) relating to each item of Equipment accepted by Lessee.

Section 5.02. Quiet Enjoyment of Equipment. So long as Lessee is not in default hereunder, neither Lessor nor any entity claiming by, through or under Lessor, shall interfere with Lessee's quiet use and enjoyment of the Equipment during the Lease Term.

Section 5.03. Location; Inspection. Once installed, no item of the Equipment will be moved or relocated from the location specified for it in the Equipment Schedule without Lessor's prior written consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property where the Equipment is located for the purpose of inspecting the Equipment.

Section 5.04. Use and Maintenance of the Equipment. Lessee shall not install, use, operate, or maintain the Equipment (or cause the Equipment to be installed, used, operated or maintained) improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated hereby. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative, or judicial body; *provided* that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Equipment or its interest or rights hereunder.

Lessee agrees that it will maintain, preserve, and keep the Equipment in good repair and working order, in a condition comparable to that recommended by the manufacturer. Lessor shall have no responsibility to maintain, repair or make improvements or additions to the Equipment. In all cases, Lessee agrees to pay any costs necessary for the manufacturer to re-certify the Equipment as eligible for manufacturer's maintenance upon the return of the Equipment to Lessor as provided for herein.

Lessee shall not alter any item of Equipment or install any accessory, equipment or device on an item of Equipment if that would impair any applicable warranty, the originally intended function or the value of that Equipment. All repairs, parts, accessories, equipment and devices furnished, affixed to or installed on any Equipment, excluding temporary replacements, shall thereupon become subject to the security interest of Lessor.

ARTICLE VI

Section 6.01. Title to the Equipment. During the Lease Term, and so long as Lessee is not in default under Article XII hereof, all right, title and interest in and to each item of the Equipment shall be vested in Lessee immediately upon its acceptance of each item of Equipment, subject to the terms and conditions of this Agreement. Lessee shall at all times protect and defend, at its own cost and expense, its title in and to the Equipment from and against all claims, liens and legal processes of its creditors, and keep all Equipment free and clear of all such claims, liens and processes. Upon payment of all amounts due and owing under this Agreement in accordance with Section 10.01 (including upon payment of all Rental Payments and other amounts payable under this Agreement), Lessor shall release its security interest in and to the Equipment under the Agreement, as is and where is, without warranty of any kind other than as to the absence of liens created by or through Lessor, and shall execute and deliver to Lessee such documents as Lessee may reasonably request to evidence the release of Lessor's security interest in the Equipment subject to this Agreement. During the Lease Term, Lessor will not claim ownership of the Equipment for the purposes of any tax credits, benefits or deductions with respect to the Equipment.

Section 6.02. Security Interest. As additional security for the payment and performance of all of Lessee's obligations hereunder, Lessee hereby grants to Lessor a first priority security interest constituting a first lien on (a) the Equipment, (b) moneys and investments held from time to time in the Escrow Account and (c) any and all proceeds of any of the foregoing. Lessee authorizes Lessor to file (and Lessee agrees to execute, if applicable) such notices of assignment, chattel mortgages, financing statements and other documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain Lessor's security interest in the Equipment, the Escrow Account and the proceeds thereof, including such financing statements with respect to personal property and fixtures under Article 9 of the California Commercial Code and treating such Article 9 as applicable to entities such as Lessee.

Section 6.03. Personal Property, No Encumbrances. Lessee agrees that the Equipment is deemed to be and will remain personal property, and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any

part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Lessee shall not create, incur, assume or permit to exist any mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on any of the real estate where the Equipment is or will be located or enter into any agreement to sell or assign or enter into any sale/leaseback arrangement of such real estate without the prior written consent of Lessor; provided, that if Lessor or its assigns is furnished with a waiver of interest in the Equipment acceptable to Lessor or its assigns in its discretion from any party taking an interest in any such real estate prior to such interest taking effect, such consent shall not be unreasonably withheld.

ARTICLE VII

Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all levies, liens, and encumbrances except those created by this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee shall pay such taxes or charges as the same may become due; *provided* that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the Lease Term. During the Lease Term, Lessor will not claim ownership of the Equipment for the purposes of any tax credits, benefits or deductions with respect to the Equipment.

Section 7.02. Insurance. Lessee shall during the Lease Term maintain or cause to be maintained (a) casualty insurance naming Lessor and its assigns as loss payee and additional insured and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by Lessor, in an amount at least equal to the greater of (i) the then applicable Prepayment Price of the Equipment or (ii) the replacement cost of the Equipment; (b) liability insurance naming Lessor and its assigns as additional insured that protects Lessor from liability with limits of at least \$1,000,000 per occurrence/\$3,000,000 in the aggregate for bodily injury and property damage coverage, and excess liability umbrella coverage of at least \$5,000,000, and in all events in form and amount satisfactory to Lessor; (c) worker's compensation coverage as required by the laws of the State and (d) rental interruption insurance naming Lessor as loss payee, with coverage equal to the maximum total Rental Payments payable by Lessee under the Lease for any consecutive 24-month period and insuring against abatement of Rental Payments payable by Lessee resulting from Lessee's loss of beneficial use or enjoyment of the Equipment or any substantial portion thereof and caused by any and all other perils either insured or uninsured; *provided* that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and/or (b). In the event Lessee is permitted, at Lessor's sole discretion, to self-insure as provided in this Section, Lessee shall provide to Lessor a self-insurance letter in substantially the form attached hereto as Exhibit F. Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout the Lease Term. Lessee shall not cancel or modify such insurance or self-insurance coverage in any way that

would affect the interests of Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation or modification.

Section 7.03. Risk of Loss. Whether or not covered by insurance or self-insurance, Lessee hereby assumes all risk of loss of, or damage to and liability related to injury or damage to any persons or property arising from the Equipment from any cause whatsoever, and no such loss of or damage to or liability arising from the Equipment shall relieve Lessee of the obligation to make the Rental Payments or to perform any other obligation under this Agreement. Whether or not covered by insurance or self-insurance, Lessee hereby agrees to reimburse Lessor (to the fullest extent permitted by applicable law, but only from legally available funds) for any and all liabilities, obligations, losses, costs, claims, taxes or damages suffered or incurred by Lessor, regardless of the cause thereof and all expenses incurred in connection therewith (including, without limitation, counsel fees and expenses, and penalties connected therewith imposed on interest received) arising out of or as a result of (a) entering into of this Agreement or any of the transactions contemplated hereby, (b) the ordering, acquisition, ownership use, operation, condition, purchase, delivery, acceptance, rejection, storage or return of any item of the Equipment, (c) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (d) the breach of any covenant of Lessee under or in connection with this Agreement or any material misrepresentation provided by Lessee under or in connection with this Agreement. The provisions of this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

Section 7.04. Surety Bonds; Lessee to Pursue Remedies Against Contractors and Sub-Contractors and Their Sureties. Lessee shall secure from each Vendor directly employed by Lessee in connection with the acquisition, construction, installation, improvement or equipping of the Equipment, a payment and performance bond ("Surety Bond") executed by a surety company authorized to do business in the State, having a financial strength rating by A.M. Best Company of "A-" or better, and otherwise satisfactory to Lessor and naming Lessor as a co-obligee in a sum equal to the entire amount to become payable under each Vendor Agreement. Each bond shall be conditioned on the completion of the work in accordance with the plans and specifications for the Equipment and upon payment of all claims of subcontractors and suppliers. Lessee shall cause the surety company to add Lessor as a co-obligee on each Surety Bond, and shall deliver a certified copy of each Surety Bond to Lessor promptly upon receipt thereof by Lessee. Any proceeds from a Surety Bond shall be applied first to amounts due Lessor under this Agreement, and any remaining amounts shall be payable to Lessee.

In the event of a material default of any Vendor under any Vendor Agreement in connection with the acquisition, construction, maintenance and/or servicing of the Equipment or in the event of a material breach of warranty with respect to any material workmanship or performance guaranty with respect to the Equipment, Lessee will promptly proceed to exhaust its remedies against the Vendor in default. Lessee shall advise Lessor of the steps it intends to take in connection with any such default. Any amounts received by Lessee in respect of damages, refunds and adjustments or otherwise in connection with the foregoing shall be paid to Lessor and applied against Lessee's obligations hereunder.

Section 7.05. Advances. In the event Lessee shall fail to keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the Lease Term, and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date advanced until paid at a rate equal to the Contract Rate plus 5% per annum or the maximum amount permitted by law, whichever is less.

ARTICLE VIII

Section 8.01. Damage, Destruction and Condemnation. If, prior to the termination of the Lease Term, (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, (i) Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment and any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee or (ii) Lessee shall exercise its option to prepay the obligations hereunder in accordance with Section 10.01(b).

If Lessee elects to replace any item of the Equipment (the “*Replaced Equipment*”) pursuant to this Section, the replacement equipment (the “*Replacement Equipment*”) shall be new or of a quality, type, utility and condition at least as good as the Replaced Equipment, shall be of equal or greater value than the Replaced Equipment and shall provide at least the same level of energy and/or operational savings expected in the aggregate from the Replaced Equipment prior to such casualty, destruction or condemnation. Lessee shall grant to Lessor a first priority security interest in any such Replacement Equipment. Lessee shall represent, warrant and covenant to Lessor that each item of Replacement Equipment is free and clear of all claims, liens, security interests and encumbrances, excepting only those liens created by or through Lessor, and shall provide to Lessor any and all documents as Lessor may reasonably request in connection with the replacement, including, but not limited to, documentation in form and substance satisfactory to Lessor evidencing Lessor’s security interest in the Replacement Equipment. Lessor and Lessee hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute “Equipment” for purposes of this Agreement. Lessee shall complete the documentation of Replacement Equipment on or before the next Rental Payment date after the occurrence of a casualty event, or be required to exercise its option to prepay the obligations hereunder with respect to the damaged equipment in accordance with Section 10.01(b).

For purposes of this Article, the term “*Net Proceeds*” shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys’ fees, incurred in the collection thereof.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pay or cause to be paid to Lessor the amount of the then applicable Prepayment Price for the Equipment, and, upon such payment, the Lease Term shall terminate and Lessor's security interest in the Equipment shall terminate as provided in Section 6.01 hereof. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing such Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE IX

Section 9.01. Disclaimer of Warranties. Lessor makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for use of the Equipment, or any other warranty or representation, express or implied, with respect thereto and, as to Lessor, Lessee's acquisition of the Equipment shall be on an "as is" basis. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Equipment or the existence, furnishing, functioning or Lessee's use of any item, product or service provided for in this Agreement.

Section 9.02 Vendor's Agreements; Warranties. Lessee covenants that it shall not in any material respect amend, modify, rescind or alter any Vendor Agreement without the prior written consent of Lessor. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default under this Agreement, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lessor may have against Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the applicable Vendors of the Equipment, and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor hereunder, including the right to receive full and timely Rental Payments. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties relating to the Equipment.

ARTICLE X

Section 10.01. Prepayment Option. Lessee shall have the option to prepay or satisfy all its obligation hereunder, at the following times and upon the following terms:

- (a) From and after the date specified (if any) in the Payment Schedule (the "*Prepayment Option Commencement Date*"), on the Rental Payment dates specified in the Payment Schedule, upon not less than 30 days' prior written notice, and upon payment in full of the Rental Payments then due and all other amounts then owing under

this Agreement plus the then applicable Prepayment Price, which may include a prepayment premium on the unpaid balance as set forth in the Payment Schedule; or

(b) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment, on the day specified in Lessee's notice to Lessor of its exercise of the prepayment option (which shall be the earlier of the next Rental Payment date or 60 days after the casualty event) upon payment in full to Lessor of the Rental Payment then due plus the then applicable Prepayment Price (or, in the event such prepayment occurs on a date other than a Rental Payment date, the sum of (i) the Prepayment Price set forth on the Payment Schedule relating to the Rental Payment immediately prior to the date of such prepayment plus (ii) accrued interest on the Outstanding Balance set forth on the Payment Schedule relating to the Rental Payment immediately prior to the date of such prepayment, plus all other amounts then owing hereunder; or

(c) Upon the expiration of the Lease Term, upon payment in full of all Rental Payments then due and all other amounts then owing hereunder to Lessor.

After payment of the applicable Prepayment Price and all other amounts owing hereunder, Lessor's security interests in and to such Equipment will be terminated and Lessee will own the Equipment free and clear of Lessor's security interest in the Equipment.

ARTICLE XI

Section 11.01. Assignment by Lessor.

(a) Lessor's right, title and interest in and to this Agreement, the Rental Payments and any other amounts payable by Lessee hereunder, the Escrow Agreement, its security interest in the Equipment and Escrow Account, and all proceeds therefrom may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor, without the necessity of obtaining the consent of Lessee; *provided*, that any such assignment, transfer or conveyance to a trustee for the benefit of owners of certificates of participation shall be made in a manner that conforms to any applicable State law. Nothing in this Section 11.01 shall be construed, however, to prevent Lessor from executing any such assignment, transfer or conveyance that does not involve funding through the use of certificates of participation within the meaning of applicable State law, including any such assignment, transfer or conveyance as part of a multiple asset pool to a partnership or trust; *provided* such certificates are sold only on a private placement basis (and not pursuant to any "public offering") to a purchaser(s) who represents that (i) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment, (ii) such purchaser understands that neither this Agreement nor certificates will be registered under the Securities Act of 1933, (iii) such purchaser is either an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, or a qualified institutional buyer within the meaning of Rule 144A, and (iv) it is the intention of such purchaser to acquire such certificates (A) for investment for its own account or (B) for resale in a transaction exempt from registration under the Securities Act of 1933; *provided further*, that in any event, Lessee shall not be required

to make Rental Payments, to send notices or to otherwise deal with respect to matters arising under this Agreement with or to more than one individual or entity.

(b) Unless to an affiliate controlling, controlled by or under common control with Lessor, no assignment, transfer or conveyance permitted by this Section 11.01 shall be effective until Lessee shall have received a written notice of assignment that discloses the name and address of each such assignee; *provided*, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, trust certificates or partnership interests with respect to the Rental Payments payable under this Agreement, it shall thereafter be sufficient that Lessee receives notice of the name and address of the bank or trust company as trustee or paying agent. During the Lease Term, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or the Vendor. Assignments in part may include without limitation assignment of all of Lessor's security interest in and to the Equipment and all rights in, to and under this Agreement related to such Equipment, and all of Lessor's security interest in and to the Escrow Account, or all rights in, to and under the Escrow Agreement.

(c) If Lessor notifies Lessee of its intent to assign this Agreement, Lessee agrees that it shall execute and deliver to Lessor a Notice and Acknowledgement of Assignment substantially in the form of Exhibit H attached hereto within five (5) business days after its receipt of such request.

Section 11.02. Assignment and Subleasing by Lessee. None of Lessee's right, title, and interest in, to and under this Agreement or any portion of the Equipment or the Escrow Agreement or the Escrow Account may be assigned, encumbered or subleased by Lessee for any reason, and any purported assignment, encumbrance or sublease without Lessor's prior written consent shall be null and void.

ARTICLE XII

Section 12.01. Events of Default Defined. Any of the following events shall constitute an "Event of Default" under this Agreement:

(a) Failure by Lessee to (i) pay any Rental Payment or other payment required to be paid under this Agreement within 10 days after the date when due as specified herein or (ii) maintain insurance as required herein;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement contained in this Agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; *provided* that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold

its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to this Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading, or breached in any material respect on the date when made;

(d) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which Lessee is an obligor, if such default (i) arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by Lessor or any affiliate of Lessor, or (ii) arises under any obligation under which there is outstanding, owing or committed an aggregate amount in excess of \$100,000.00;

(e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors or (iv) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization, moratorium or insolvency proceeding; or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for the Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may without terminating this Agreement, take whatever action at law or in equity may appear necessary or desirable to collect each Rental Payment payable by Lessee and other amounts payable by Lessee hereunder as they become due and payable;

(b) With or without terminating the Lease Term, Lessor may enter the premises where the Equipment is located and retake possession of such Equipment or require Lessee at Lessee's expense to promptly return any or all of such Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease such Equipment or, for the account of Lessee, sublease such Equipment, continuing to hold Lessee liable, but solely from legally available funds, for the difference between (i) the Rental Payments payable by Lessee and other amounts hereunder or the Equipment that are payable by Lessee to the end of the Lease Term, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies hereunder , including without limitation all

expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of Section 3.03; *provided*, that in no event shall Lessee be liable in any fiscal year for any amount in excess of the Rental Payments shown for such year in the Payment Schedule. The exercise of any such remedies respecting any such Event of Default shall not relieve Lessee of any other liabilities hereunder or the Equipment;

(c) Lessor may terminate the Escrow Agreement and apply any proceeds in the Escrow Account to the Rental Payments due hereunder;

(d) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Agreement or the Escrow Agreement or as a secured party in any or all of the Equipment or the Escrow Account; and

(e) By action pursuant to the California Code of Civil Procedure, or as otherwise provided by law, obtain the issuance of a writ of mandamus enforcing, for each fiscal year *seriatim* during the entire balance of the remaining Lease Term, subject to Section 3.03, the duty of Lessee to appropriate and take all other administrative steps necessary for the payment of Rental Payments and other amounts due hereunder.

Section 12.03. No Remedy Exclusive; No Acceleration. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing at law or in equity; *provided* that Lessor shall have no right to accelerate any Rental Payment or otherwise declare any Rental Payment or other amount payable not then in default to be immediately due and payable. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice other than such notice as may be required in this Article.

ARTICLE XIII

Section 13.01. Notices. All notices, certificates or other communications under this Agreement shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, or delivered by overnight courier, or sent by facsimile transmission (with electronic confirmation) to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.04. Amendments, Changes and Modifications. This Agreement may only be amended by Lessor and Lessee in writing.

Section 13.05. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.06. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 13.07. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

[Remainder of Page Intentionally Left Blank]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

LESSOR:

Bank of America, National Association
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attention: Contract Administration
Fax No.: (443) 556-6977

LESSEE:

City of Hanford
900 S. 10th Avenue
Hanford, CA 93230
Attn: _____
Fax No.: 559-583-1529

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

(Seal)

Attest:

By: _____
Name: _____
Title: _____

Counterpart No. ____ of ____ manually executed and serially numbered counterparts. To the extent that this Agreement constitutes chattel paper (as defined in the Uniform Commercial Code), no security interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

[Signature Page of Equipment Lease/Purchase Agreement]

List of Exhibits

- Exhibit A -- Equipment Schedule
- Exhibit B -- Payment Schedule
- Exhibit C-1 -- Form of Authorizing Resolution
- Exhibit C-2 -- Form of Incumbency and Authorization Certificate
- Exhibit D -- Form of Opinion of Counsel Form
- Exhibit E -- Form of Acceptance Certificate
- Exhibit F -- Form of Self-Insurance Certificate
- Exhibit G -- Form of Bank Qualification Certificate
- Exhibit H -- Form of Notice and Acknowledgement of Assignment
- Exhibit I -- Form of Escrow and Account Control Agreement

EXHIBIT A

EQUIPMENT SCHEDULE

Location of Equipment:

Equipment Description (Scope of Work):

DRAFT

EXHIBIT B
PAYMENT SCHEDULE

Rental Payment Date	Rental Payment Amount	Interest Portion	Principal Portion	Outstanding Balance	Prepayment Price (including prepayment premium, if applicable)
3/26/2014				8,495,139.00	
10/26/2014	281,716.81	175,424.62	106,292.19	8,388,846.81	8,556,623.75
4/26/2015	281,716.81	148,482.59	133,234.22	8,255,612.59	8,420,724.84
10/26/2015	260,384.36	146,124.34	114,260.02	8,141,352.57	8,304,179.62
4/26/2016	260,384.36	144,101.94	116,282.42	8,025,070.15	8,185,571.56
10/26/2016	275,724.35	142,043.74	133,680.61	7,891,389.55	8,049,217.34
4/26/2017	275,724.35	139,677.60	136,046.75	7,755,342.79	7,910,449.65
10/26/2017	291,775.29	137,269.57	154,505.72	7,600,837.07	7,752,853.81
4/26/2018	291,775.29	134,534.82	157,240.47	7,443,596.59	7,592,468.53
10/26/2018	308,569.69	131,751.66	176,818.03	7,266,778.56	7,412,114.14
4/26/2019	308,569.69	128,621.98	179,947.71	7,086,830.85	7,228,567.47
10/26/2019	334,325.65	125,436.91	208,888.74	6,877,942.11	7,015,500.95
4/26/2020	334,325.65	121,739.58	212,586.07	6,665,356.04	6,798,663.16
10/26/2020	353,154.16	117,976.80	235,177.36	6,430,178.68	6,558,782.25
4/26/2021	353,154.16	113,814.16	239,340.00	6,190,838.68	6,314,655.45
10/26/2021	372,852.16	109,577.84	263,274.32	5,927,564.37	6,046,115.65
4/26/2022	372,852.16	104,917.89	267,934.27	5,659,630.10	5,772,822.70
10/26/2022	393,459.74	100,175.45	293,284.29	5,366,345.81	5,473,672.72
4/26/2023	393,459.74	94,984.32	298,475.42	5,067,870.39	5,169,227.80
10/26/2023	415,018.89	89,701.31	325,317.58	4,742,552.81	4,837,403.86
4/26/2024	415,018.89	83,943.18	331,075.71	4,411,477.10	4,499,706.64
10/26/2024	437,573.49	78,083.14	359,490.35	4,051,986.75	4,133,026.49
4/26/2025	437,573.49	71,720.17	365,853.32	3,686,133.43	3,759,856.10
10/26/2025	461,169.47	65,244.56	395,924.91	3,290,208.52	3,356,012.69
4/26/2026	461,169.47	58,236.69	402,932.78	2,887,275.74	2,945,021.26
10/26/2026	485,854.88	51,104.78	434,750.10	2,452,525.64	2,501,576.16
4/26/2027	485,854.88	43,409.70	442,445.18	2,010,080.47	2,050,282.08
10/26/2027	511,679.99	35,578.42	476,101.57	1,533,978.90	1,564,658.48
4/26/2028	511,679.99	27,151.43	484,528.56	1,049,450.34	1,070,439.35
10/26/2028	538,697.36	18,575.27	520,122.09	529,328.25	539,914.81
4/26/2029	538,697.36	9,369.11	529,328.25	0.00	0.00
	11,443,912.58	2,948,773.58	8,495,139.00		

Contract Rate. The Contract Rate is 3.54% per annum.

Prepayment Option Commencement Date. For purposes of Section 10.01 of the Agreement, the Prepayment Option Commencement Date is October 26, 2014 .

LESSOR:
Bank of America, National Association

LESSEE:
City of Hanford

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

DRAFT

EXHIBIT C-1

FORM OF AUTHORIZING RESOLUTION

A RESOLUTION OF THE GOVERNING BODY OF [____],
AUTHORIZING THE EXECUTION AND DELIVERY OF AN EQUIPMENT
LEASE/PURCHASE AGREEMENT WITH RESPECT TO THE ACQUISITION,
PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR
THE PUBLIC BENEFIT; AUTHORIZING THE EXECUTION AND DELIVERY
OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND
AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO
THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY
THIS RESOLUTION.

WHEREAS, City of Hanford (the “*Lessee*”), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of California, is authorized by the laws of the State of California to purchase, acquire and lease personal property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the Lessee desires to purchase, acquire and lease certain equipment with a cost not to exceed \$8,495,139.00 constituting personal property necessary for the Lessee to perform essential governmental functions (the “*Equipment*”); and

WHEREAS, in order to acquire such equipment, the Lessee proposes to enter into that certain Equipment Lease/Purchase Agreement (the “*Agreement*”) with Bank of America, National Association (or one of its affiliates) (the “*Lessor*”), the form of which has been presented to the governing body of the Lessee at this meeting; and

WHEREAS, the governing body of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Agreement and the documentation relate to the financing of the Equipment for the purchase, acquisition and leasing of the equipment to be therein described on the terms and conditions therein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the governing body of Lessee as follows:

Section 1. Approval of Documents. The form, terms and provisions of the Agreement are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the _____ of the Lessee or other members of the governing body of the Lessee executing the same, the execution of such documents being conclusive evidence of such approval; and the _____ of the Lessee is hereby authorized and directed to execute, and the _____ of the Lessee is hereby authorized and directed to attest and countersign, the Agreement and any

related Exhibits attached thereto and to deliver the Agreement (including such Exhibits) to the respective parties thereto, and the _____ of the Lessee is hereby authorized to affix the seal of the Lessee to such documents.

Section 2. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreement to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of Acceptance Certificates and any tax certificate and agreement, as contemplated in the Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement.

Section 3. No General Liability. Nothing contained in this Resolution, the Agreement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Agreement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the Rental Payments payable under the Agreement are special limited obligations of the Lessee as provided in the Agreement.

Section 4. Appointment of Authorized Lessee Representatives. The _____ and _____ of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Agreement until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreement.

Section 5. Designation for Purposes of Section 265(b)(3) of the Internal Revenue Code of 1986. The governing body of the Lessee hereby designates the Agreement as a “qualified tax-exempt obligation” for purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 6. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 8. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the governing body of the Lessee this _____ day of _____.

CITY OF HANFORD,
as lessee

[SEAL]

By: _____
Printed Name: _____
Title: _____

ATTEST:

By: _____
Printed: Name: _____
Title: _____

EXHIBIT C-2

FORM OF INCUMBENCY AND AUTHORIZATION CERTIFICATE

The undersigned, a duly elected or appointed and acting City Clerk of City of Hanford (*“Lessee”*) certifies as follows:

A. The following listed persons are duly elected or appointed and acting officials of Lessee (the *“Officials”*) in the capacity set forth opposite their respective names below and that the facsimile signatures are true and correct as of the date hereof;

B. The Officials are duly authorized, on behalf of Lessee, to negotiate, execute and deliver the Equipment Lease/Purchase Agreement dated as of March 26, 2014 by and between Lessee and Bank of America, National Association (*“Lessor”*), the Escrow and Account Control Agreement dated as of March 26, 2014 among Lessor, Lessee and Deutsche Bank National Trust Company, as Escrow Agent, and all documents related thereto and delivered in connection therewith (collectively, the *“Agreements”*), and the Agreements are each the binding and authorized agreements of Lessee, enforceable in all respects in accordance with their respective terms.

Name of Official	Title	Signature
Darrel Pyle	City Manager	_____
Tom Dibble	Finance Director	_____
Heather Corder	Finance Manager	_____

Dated: _____

By: _____

Name: Melonie Patrick

Title: City Clerk

(The signer of this Certificate cannot be listed above as authorized to execute the Agreements.)

EXHIBIT D

FORM OF OPINION OF COUNSEL TO LESSEE
(to be typed on letterhead of counsel)

MARCH 26, 2014

Bank of America, National Association
11333 McCormick Road
Mail Code: MD5-032-07-05
Hunt Valley, MD 21031
Attn: Contract Administration

Re: Equipment Lease/Purchase Agreement, dated as of March 26, 2014, between
Bank of America, National Association, as Lessor, and City of Hanford, as Lessee

Ladies and Gentlemen:

As legal counsel to ("*Lessee*"), I have examined (a) an executed counterpart of a certain Equipment Lease/Purchase Agreement, dated as of March 26, 2014, and Exhibits thereto by and between Bank of America, National Association. ("*Lessor*") and Lessee (the "*Agreement*"), which, among other things, provides for the lease of certain property (the "*Equipment*") and a certain Escrow and Account Control Agreement among Lessor, Lessee, and as Escrow Agent, dated March 26, 2014 (the "*Escrow Agreement*"), (b) an executed counterpart of the ordinances or resolutions of Lessee which with respect to the transaction contemplated by the Agreement, the Escrow Agreement, and documents related thereto and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions. The Agreement, the Escrow Agreement and the documents relating thereto are referred to collectively as the "Transaction Documents."

Based on the foregoing, I am of the following opinions:

1. Lessee is a body corporate and politic, duly organized and existing under the laws of the State, and [has a substantial amount of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power][is a political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code") and the obligations of Lessee under the Agreement will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code].

2. Lessee has the requisite power and authority to lease and acquire the Equipment and to execute and deliver the Transaction Documents and to perform its obligations under the Transaction Documents.

3. The Transaction Documents have been duly authorized, approved, executed and delivered by and on behalf of Lessee and the Transaction Documents are legal, valid and binding obligations of Lessee enforceable in accordance with their respective terms.

4. The authorization, approval, execution and delivery of the Transaction Documents and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state or federal laws.

5. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Transaction Documents or the security interest of Lessor or its assigns, as the case may be, in the Equipment, the Escrow Account or other collateral thereunder.

6. The portion of rental payments designated as and constituting interest paid by Lessee and received by Lessor is excluded from Lessor's gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes; and such interest is not a specific item of tax preference or other collateral for purposes of the federal individual or corporate alternative minimum taxes.

All capitalized terms herein shall have the same meanings as in the Transaction Documents unless otherwise provided herein. Lessor and its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments, are entitled to rely on this opinion.

Sincerely,

EXHIBIT E

FORM OF ACCEPTANCE CERTIFICATE

Bank of America, National Association.
11333 McCormick Road
Mail Code: MD5-032-07-05
Hunt Valley, MD 21031
Attn: Contract Administration

Re: Equipment Lease/Purchase Agreement, dated as of March 26, 2014 ,
between Bank of America, National Association, as Lessor, and City of
Hanford, as Lessee

Ladies and Gentlemen:

In accordance with the Equipment Lease/Purchase Agreement (the "*Agreement*"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

1. All of the Equipment (as such term is defined in the Agreement) has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Lessee is currently maintaining the insurance coverage required by Section 7.02 of the Agreement.
4. Lessee hereby reaffirms that the representations, warranties and covenants contained in the Agreement are true and correct as of the date hereof.
5. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.
6. No Material Adverse Change has occurred since the date of the execution and delivery of the Agreement.

Date: _____

LESSEE: City of Hanford

By: _____

Name: _____

Title: _____

(SEAL)

DRAFT

EXHIBIT F

FORM OF SELF INSURANCE CERTIFICATE

Bank of America, National Association
11333 McCormick Road
Mail Code: MD5-032-07-05
Hunt Valley, MD 21031
Attn: Contract Administration

Re: Equipment Lease/Purchase Agreement, dated as of March 26, 2014, (the "*Agreement*") between Bank of America, National Association, as Lessor, and City of Hanford, as Lessee

In connection with the above-referenced Agreement, _____ (the "*Lessee*"), the Lessee warrants and represents to Bank of America, National Association the following information. The terms capitalized herein but not defined herein shall have the meanings assigned to them in the Agreement.

1. The Lessee is self-insured for damage or destruction to the Equipment. The dollar amount limit for property damage to the Equipment under such self-insurance program is \$_____. [The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for property damage to the Equipment which policy has a dollar limit for property damage to the Equipment under such policy of \$_____.]

2. The Lessee is self-insured for liability for injury or death of any person or damage or loss of property arising out of or relating to the condition or operation of the Equipment. The dollar limit for such liability claims under the Lessee's self-insurance program is \$_____. [The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for liability which policy has a dollar limit for liabilities for injury and death to persons as well as damage or loss of property arising out of or relating to the condition or operation of the Equipment in the amount of \$_____.]

[3]. The Lessee maintains a self-insurance fund. Monies in the self-insurance fund [are/are not] subject to annual appropriation. The total amount maintained in the self-insurance fund to cover Lessee's self-insurance liabilities is \$_____. [Amounts paid from the Lessee's self-insurance fund are subject to a dollar per claim of \$_____.]

[3]. The Lessee does not maintain a self-insurance fund. The Lessee obtains funds to pay claims for which it has self-insured from the following sources: _____. Amounts payable for claims from the such sources are limited as follows: _____

4. Attached hereto are copies of certificates of insurance with respect to policies maintained by Lessee.

LESSEE:

City of Hanford

By: _____

Name: _____

Title: _____

DRAFT

EXHIBIT G

FORM OF BANK QUALIFICATION CERTIFICATE

The undersigned, a duly authorized official of (the "*Lessee*") certifies in connection with the Equipment Lease/Purchase Agreement dated as of March 26, 2014 (the "*Agreement*") between Bank of America, National Association and Lessee as follows:

1. The obligations evidenced by the Agreement are not "private activity bonds" as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the "*Code*");
2. The Lessee hereby designates the principal components of the Rental Payments payable under the Agreement as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
3. The reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Lessee (and all entities treated as one issuer with the Lessee, and all subordinate entities whose obligations are treated as issued by the Lessee) during the current calendar year will not exceed \$10,000,000; and
4. Not more than \$10,000,000 of obligations issued by the Lessee during the current calendar year have been designated for purposes of Section 265(b)(3) of the Code.

LESSEE: CITY OF HANFORD

DATE: _____

By: _____

Name: _____

Title: _____

EXHIBIT H

FORM OF NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

DATED _____

BANK OF AMERICA, National Association ("*Assignor*") hereby gives notice that it has assigned and sold to _____ ("*Assignee*") all of Assignor's right, title and interest in, to and under the Equipment Lease/Purchase Agreement (the "*Agreement*") dated as of _____, between Assignor and _____ ("*Lessee*"), together with all exhibits, schedules, addenda and attachments related thereto, and all certifications and other documents delivered in connection therewith, the Rental Payments and other amounts due under the Agreement, all of Assignor's right, title and interest in the Equipment (as defined in the Agreement), and all of Assignor's right, title and interest in, to and under the Escrow and Account Control Agreement dated _____ (the "*Escrow Agreement*") by and among Lessee, Assignor and _____, as Acquisition Fund Custodian, together with the Escrow Account related thereto (collectively, the Assigned Property").

1. Pursuant to the authority of Resolution _____ adopted on _____, Lessee hereby [consents to and] acknowledges the effect of the assignment of the Assigned Property and absolutely and unconditionally agrees to deliver to Assignee all Rental Payments and other amounts coming due under the Agreement in accordance with the terms thereof on and after the date of this Acknowledgment.

2. Lessee hereby agrees that: (i) Assignee shall have all the rights of Lessor under the Agreement and all related documents, including, but not limited to, the rights to issue or receive all notices and reports, to give all consents or agreements to modifications thereto, to receive title to the Equipment in accordance with the terms of the Agreement, to declare a default and to exercise all remedies thereunder; and (ii) except as provided in Section 3.03 of the Agreement, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained in the Agreement shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense.

3. Lessee agrees that, as of the date of this Notice and Acknowledgment of Assignment (this "*Acknowledgement*"), the following information about the Agreement is true, accurate and complete:

Number of Rental Payments Remaining	–	_____
Amount of Each Rental Payment	–	\$_____
Total Amount of Rents Remaining	–	\$_____
Frequency of Rental Payments	–	_____
Next Rental Payment Due	–	_____
Funds Remaining in Acquisition Fund	–	\$_____

4.The Agreement remains in full force and effect, has not been amended and no Event of Default (or event which with the passage of time or the giving of notice or both would constitute a default) has occurred thereunder.

5. Any inquiries of Lessee related to the Agreement and any requests for disbursements from the Escrow Account, if applicable, and all Rental Payments and other amounts coming due pursuant to the Agreement on and after the date of this Acknowledgment should be remitted to Assignee at the following address (or such other address as provided to Lessee in writing from time to time by Assignee):

ACKNOWLEDGED AND AGREED:

LESSEE: _____

By: _____

Name: _____

Title: _____

ASSIGNOR: BANK OF AMERICA, National Association

By: _____

Name: _____

Title: _____

DRAFT

SCHEDULE 1
to the Acquisition Fund and Account Control Agreement

FORM OF DISBURSEMENT REQUEST

Re: Equipment Lease/Purchase Agreement dated as of _____ by and between
Bank of America, National Association., as Lessor and _____, as Lessee (the “Lease”)
(Capitalized terms not otherwise defined herein shall have the meanings assigned to them
in the Lease.)

In accordance with the terms of the Escrow and Account Control Agreement, dated as of _____
(the “Escrow and Account Control Agreement”) by and among Bank of America, National
Association. (“Lessor”), _____ d (“Lessee”) and Deutsche Bank National Trust Company,
(the “Escrow Agent”), the undersigned hereby requests the Escrow Agent pay the following
persons the following amounts from the Escrow Account created under the Escrow and
Account Control Agreement for the following purposes:

Payee’s Name and Address	Invoice Number	Dollar Amount	Purpose

The undersigned hereby certifies as follows:

(i) An obligation in the stated amount has been incurred by Lessee, and the same is a proper charge against the Escrow Account for costs relating to the Equipment identified in the Lease, and has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof), and the Equipment relating to such obligation has been delivered, installed and accepted by Lessee. Attached hereto is the original invoice with respect to such obligation.

(ii) The undersigned, as Authorized Representative, has no notice of any vendor’s, mechanic’s or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iii) This requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee).

(iv) The Equipment is insured in accordance with the Lease.

(v) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(vi) The disbursement shall occur during the Acquisition Period.

(vii) The representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof.

Dated _____

By: _____

Authorized Representative

Disbursement of funds from the Escrow Account in accordance with the foregoing

Disbursement Request hereby is authorized

BANK OF AMERICA, NATIONAL ASSOCIATION.

as Lessor under the Lease

By: _____

Name: _____

Title: _____

Dated: _____

By: _____

Authorized Representative

Disbursement of funds from the Escrow Account in accordance with the foregoing

Disbursement Request hereby is authorized

BANK OF AMERICA, NATIONAL ASSOCIATION.

as Lessor under the Lease

By: _____

Name:

Title: t

DRAFT

RESOLUTION NO. 14-07-R

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD
AUTHORIZING THE EXECUTION AND DELIVERY OF AN EQUIPMENT
LEASE/PURCHASE AGREEMENT WITH RESPECT TO THE ACQUISITION,
PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR THE
PUBLIC BENEFIT; AUTHORIZING THE EXECUTION AND DELIVERY OF
DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING
THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION
OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION**

At a Regular Meeting of the City Council of the City of Hanford duly called and held on March 18, 2014 at 7:00 p.m. on said day, it was moved by Councilmember _____, seconded by Councilmember _____ and duly carried that the following Resolution be adopted:

WHEREAS, The City of Hanford (“Lessee”), a body politic and corporate duly organized and existing as a municipal corporation of the State of California, is authorized by the laws of the State of California to purchase, acquire and lease personal property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the Lessee desires to purchase, acquire and lease certain equipment with a cost not to exceed \$8,495,139.00 constituting personal property necessary for the Lessee to perform essential governmental functions (the “Equipment”); and

WHEREAS, in order to acquire such equipment, the Lessee proposes to enter into that certain Equipment Lease/Purchase Agreement (the “Agreement”) with Banc of America Public Capital Corp (or one of its affiliates)(the “Lessor”), the form of which has been presented to the governing body of the Lessee at this meeting; and

WHEREAS, the City of Hanford deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Agreement and the documentation related to the financing of the Equipment for the purchase, acquisition and leasing of the equipment to be therein described on the terms and conditions therein provided;

NOW THEREFORE, BE IT RESOLVED that City Council finds that:

Section 1. Projected Available Funds. Funds for repayment of the Equipment’s financing are projected to be available funding that otherwise would have been used for the purchase of electricity required by the City in the absence of the Equipment.

Section 2. Approval of Documents. The form, terms and provisions of the Agreement are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the City Manager of the Lessee, the execution of such documents being conclusive evidence of such approval; and the City Manager is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest and countersign, the Agreement and any related Exhibits attached thereto and to deliver the Agreement (including such Exhibits) to the respective parties thereto, and the City Clerk is hereby authorized to affix the seal of the Lessee to such documents.

Section 3. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreement to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of Acceptance Certificates and any tax certificate and agreement, as contemplated in the Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement.

Section 4. No General Liability. Nothing contained in this Resolution, the Agreement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Agreement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the Rental Payments payable under the Agreement are special limited obligations of the Lessee as provided in the Agreement.

Section 5. Appointment of Authorized Lessee Representatives. The City Manager and Public Works Director of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Agreement until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreement.

Section 6. Designation for Purposes of Section 265(b)(3) of the Internal Revenue Code of 1986. The governing body of the Lessee hereby designates the Agreement as a “qualified

tax-exempt obligation” for purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 7. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 8. Repealer. All resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any resolution or part thereof.

Section 9. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on _____, by the following roll call vote

IRWIN JAMESON MARTINEZ CURRY PANNETT

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED

MAYOR of the City of Hanford

ATTEST:

Melonie Patrick
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, **Melonie Patrick**, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the 18th day of March, 2014.

Date: _____

Melonie Patrick
City Clerk



AGENDA STAFF REPORT

MEETING DATE: 3/18/2014

AGENDA SECTION: 7. A.

SUBJECT:

City Manager: Authorize the Mayor to sign the agreements for City Acceptance of Old Courthouse, Bastille, Old Post Office, and Veterans' Building from Kings County, and authorize the City Manager to sign the Deed of Certification for the same.

RECOMMENDATION:

Staff recommends that the City Council determine whether the City will accept ownership of the Old Courthouse, the Bastille, the Old Post Office, the Veterans' Building and the land on which those buildings are located (collectively "County Properties") from Kings County.

If the City Council determines that the City will accept the County Properties, staff recommends that the Council, by motion:

1. Authorize the Mayor to sign the attached Agreement for Delivery and Acceptance of County Property; and
2. Authorize the City Manager to sign a Deed Certification needed for the recording of the Quitclaim Deed to be signed by the County.

BACKGROUND:

The City and the County signed a lease in 1975 under which the City leases the Old Courthouse, the Bastille, the Old Post Office (currently occupied by Rabobank), the Veterans' Building, and the land on which such buildings are located. The initial term of the lease is fifty-nine (59) years (March 11, 1975 – March 11, 2034). The City holds the option of extending the lease by an additional forty (40) years. The City pays one dollar (\$1.00) per year to the County as rent.

The Courthouse and Bastille require repair and improvement. For example, the Courthouse's air conditioning and electrical systems are in need of upgrades on all three floors. Also, the Bastille is in need of interior and exterior work, including roofing, brick mortar repairs, and foundation support upgrades. The necessary work has not been put out to bid, but a rough estimate of the necessary repair and improvement work for both buildings could approach one million dollars (\$1,000,000.00).

City staff talked to County staff about the County contributing to the needed repairs and improvements, and the City was informed that the County cannot and will not contribute any funds.

The lease does not contain any provisions that obligate the County to repair or improve the buildings.

The 1975 lease (copy attached) does not obligate the City to improve the buildings. Improvements would include any work that places the buildings in a condition that is better than what existed when the lease commenced in 1975. Examples of improvements would include upgrades to air conditioning and electrical

systems and replacement of a roof.

Section 5.F. of the lease states, in part, "At the expiration or sooner termination of this lease, County may, at County's election demand the removal from the premises of all fixtures and improvements. . . The duty imposed by this provision includes but is not limited to the duty to demolish and remove all basements and foundations, fill all excavations, return the surface to grade, and leave the premises safe and free from debris and hazards. . . ." Section 5.F. does not say that the duty to remove is limited to only those improvements installed or constructed by the City. In other words, Section 5.F. can be interpreted to mean that, if the City does not accept ownership of the buildings, the County may require the City to demolish and remove all Courthouse Square improvements (e.g., Courthouse building, Bastille, carousel, kiosks and parking lot) when the lease expires in 2034. If the City accepts ownership of the County Properties, the demolition provision of Section 5.F. would no longer apply.

If the Council approves the attached Quitclaim Deed and Agreement, the City will accept the County Properties in an as-is condition and will agree that the County is not responsible for the existing condition of the County Properties.

FISCAL IMPACT:

ATTACHMENTS:

Description

- 📎 [Transfer Agreement](#)
- 📎 [1975 Lease Agreement](#)
- 📎 [Quitclaim deed](#)

**AGREEMENT FOR DELIVERY AND ACCEPTANCE OF
COUNTY PROPERTY, TERMINATION OF LEASE,
AND RELEASE FROM LIABILITY**

This Agreement is entered into this _____ day of _____ 2014, by and between the County of Kings, a political subdivision of the state of California, ("County") and the City of Hanford, a municipal corporation, ("City") upon the terms and conditions hereinafter set forth.

RECITALS

Whereas, the County desires to sell the property ("Property") described in Exhibit A which the City has heretofore been leasing from the County; and

Whereas, the Property is listed on the state and federal Register of Historic Places and the County wants to preserve its historically significant character; and

Whereas, the City desires to purchase the Property upon the terms and conditions set forth below and desires to preserve its historically significant character; and

Whereas, the County is willing to sell the Property to City, so long as the County is released from any liability for any defects regarding the Property; and

Whereas, both parties desire to terminate the lease ("Lease") as set forth in Exhibit B and convey it to the City subject to the terms set forth below.

NOW, THEREFORE, the parties mutually agree as follows:

1. Termination of Lease: The Lease, attached hereto as Exhibit B and incorporated herein as though fully set forth, entered into by and between the County and the City on March 11, 1975, is hereby terminated as of the date above written. Pursuant to section 4 of the Lease, no refund of rent is due the City.

2. Deed. The County shall execute a quit claim deed in favor of the City for the Property which includes the Courthouse Square, APN 010-265-001, the Veteran's Building, APN 010-264-001, and the Old Post Office, also known as the Justice Court, APN 012-053-005, all of which are more specifically described in Exhibit A, which is incorporated herein as though fully set forth, and transmit it to the City who shall: i.) pay the County the purchase price of one dollar

(\$1) per building for a total of three dollars (\$3); ii) accept the deed; iii) record the deed in the official records of the Kings County Recorder and provide a conformed copy to the County.

3. Release. The City has possession of the Property and has since 1975. It therefore has reason to know of its condition. Therefore, as further consideration for the sale of the Property, the City hereby releases and forever discharges County and its elected officials, officers, employees, agents, representatives, and their successors or assigns from all claims, demands, actions, and causes of action that the City, and their successors, now have or may have against County and its elected officials, officers, employees, agents, representatives and their successors or assigns, arising out of or related to the Property, and any condition thereof whether latent or patent.

4. Advice of Counsel. The City acknowledges that in executing this release, it has relied upon legal advice from an attorney licensed to practice law in the State of California, who is the attorney of its choice.

5. Free and Voluntary. The City acknowledges that its execution of this release is free and voluntary and has not relied on any inducements, promises, or representations made by the County or any party representing the County.

6. Hold Harmless and Indemnification. The City shall indemnify, defend, and hold the County, its elected officials, officers, employees, agents, representatives, and their successors or assigns, harmless from and against any and all costs, claims, damages, judgments, or payments in compromise and settlement, and all direct and administrative costs, including but not limited to attorneys' fees and costs, incurred with respect to any action arising in any way regarding the Property and from the City's or any third party's or parties' subsequent use of the Property.

7. Entire Agreement. This Agreement and its Exhibits represent the entire Agreement between the City and the County as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified, waived, or repealed without written consent of both parties. The Recitals and Exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

8. Authority of Signatory. Each person signing this Agreement declares and certifies

that they are authorized by their governing bodies to sign the Agreement and be bound to it.

IN WITNESS WHEREOF, the City and County have executed this Agreement.

Dated: _____

City of Hanford

By: _____
Gary Pannett, Mayor

Dated: _____

County of Kings

By: _____
Joe Neves, Chairman
Kings County Board of Supervisors

ATTEST:

By: _____
Catherine Venturella
Clerk of the Board of Supervisors

APPROVED AS TO LEGAL FORM:

By: _____
Colleen Carlson
Kings County Counsel

By: _____
Ty N. Mizote
Griswold, LaSalle Cobb, Dowd &
Gin, L.L.P.,
On behalf of the City of Hanford

Exhibits/Attachments:

Exhibit A: Property Description

Exhibit B: Lease

h/Agrmnt/Old Courthouse Square/Transfer and Release...

Exhibit A

The property conveyed in the quitclaim is the Courthouse Square, APN 010-265-001, the Veteran's Building, APN 010-264-001, and the Old Post Office, also known as the Justice Court, APN 012-053-005 and more specifically described as:

Parcel 1:

Lots 1 to 16, inclusive, in Block 155 of the City of Hanford, in the City of Hanford, County of Kings, State of California, according to Map thereof, recorded in Book 1 at Page 35 of Maps of Tulare County Records.

Parcel 2:

Lots 17 to 20, inclusive, and the East 20 feet of Lot 21, in Block 135 of the City of Hanford, in the City of Hanford, County of Kings, State of California, according to Map thereof, recorded in Book 1 at Page 35 of Maps of Tulare County Records.

Parcel 3:

All that portion of the Northeast Quarter of the Northwest Quarter of Section 36, Township 18 South, Range 21 East, Mount Diablo Base and Meridian, lying North of the North line of Lots 1, 2, 3, 4, 5 and 6 in Fractional Block 155 of the City of Hanford according to Map recorded in Book 1 at Page 35 of Maps, Tulare County Records, and South of the Section line between Section 25 and Section 36, in Township 18 South, Range 21 East, Mount Diablo Base and Meridian.

Parcel 4:

That portion of the Southeast Quarter of the Southwest Quarter of Section 25, Township 18 South, Range 21 East, Mount Diablo Base and Meridian, described as follows:

Beginning at the Northeast corner of Lot 12 in Block 155 of the City of Hanford, according to Map recorded in Book 1 at Page 35 of Maps, Tulare County Records; running thence West along the South line of the Southeast Quarter of the Southwest Quarter of said Section 203.51 feet, more or less to a point where the West line of Lot 5 in said Block 155 produced would intersect the South line of said Section 25; thence North 150 feet; thence East 203.51 feet; thence South 150 feet, more or less, to the place of beginning.

Parcel 5:

Beginning at a point 40 feet West of the Southeast corner of the Southeast Quarter of the Southwest Quarter of Section 25, Township 18 South, Range 21 East, Mount Diablo Base and Meridian, in the County of Kings, State of California, said point of beginning, being also the Northeast corner of Block 155 of the City of Hanford, as per Map recorded in Book 1 at Page 35 of Maps, Tulare County Records; running thence West along the South line of the Southeast

Quarter of said Southwest Quarter, 100 feet, more or less, to the Southeast corner of that certain tract of land heretofore conveyed in the Deed from Hattie Donager, a widow, to the County of Kings, recorded in Book 17 at Page 488 of Deeds; thence North along the East Line of the land so conveyed by Hattie Donager to Kings County, 150 feet more or less, to the South line of Court Street as shown upon the then present official Map of said City of Hanford; thence East along the South line of said Court Street, 100 feet to a point in the West line of Douty Street; thence South along said West line of Douty Street, 150 feet to the point of beginning.

Parcel 6:

Beginning at a point 343.51 feet West of the Southeast Corner of the Southeast Quarter of the Southwest Quarter of Section 25, Township 18 South, Range 21 East, Mount Diablo Base and Meridian, in the County of Kings, State of California, said point of beginning, being also the Southwest Corner of that certain tract of land heretofore conveyed in the Deed from Hattie Donager, a widow, to the County of Kings, recorded in Book 17 at Page 488 of Deeds; thence North along the West line of land as conveyed by Hattie Donager to Kings County, 150 feet, more or less, to the South line of Court Street as shown upon the present official Map of the City of Hanford; thence West along the South line of said Court Street, 100 feet to a point in the East line of Irwin Street in the said City of Hanford; thence South along the East line of said Irwin Street, 150 feet, more or less, to a point in the South line of the Southeast Quarter of the Southwest Quarter of said Section 25; thence East along said South line 100 feet, more or less, to the point of beginning.

Parcel 7:

The West 125 feet of the following described real property, to-wit:

That part of the unplatted part of the Southeast quarter of the Southwest quarter of Section 25 in Township 18 South, Range 21 East, Mount Diablo Base and Meridian, in the City of Hanford, County of Kings, State of California, described as follows:

Beginning at a point 210 feet North of and 40 feet West of the Southeast corner of the Southwest quarter of said Section 25, running thence North along the West line of Douty Street 369 feet; thence West 406 feet more or less, to a point in the East line of Irwin Street; thence South along said East line of Irwin Street 369 feet to the North line of Court Street; thence East along said North line of Court Street 406 feet to the point of beginning.

Exhibit B

See attached Lease

RECORDED IN OFFICIAL RECORDS OF
KINGS COUNTY, CALIFORNIA
AT 9 MIN. PAST 11 A M
City Clerk
MAR 13 1975
JOAN L. BULLOCK
County Clerk and Recorder
KW
FEE
ml

2659

BOOK 1046 PAGE 361

LEASE AGREEMENT

THIS LEASE is made on March 11, 1975, between the COUNTY OF KINGS, a political subdivision of the State of California, hereafter called "County", and the CITY OF HANFORD, a municipal corporation, hereafter called "City". County leases to City and City hires from County the premises hereafter described under the following terms and conditions:

1. Premises.

The premises leased are commonly known as the Courthouse Square, the Veterans' Building and the Justice Court site and are more particularly described in Exhibit A attached hereto and initialed by the parties.

2. Term.

The term of this lease is fifty-nine (59) full calendar years, beginning March 11, 1975, and ending at midnight on March 11, 2034, unless extended or sooner terminated as provided in this lease.

3. Option to Extend.

City may, at City's option extend the original term of this lease for one additional period of forty (40) years, subject to all the provisions of this lease. City's right to the option is subject to the following conditions:

- A. This lease shall be in effect at the time notice of exercise is given and on the last day of the term.
- B. City shall not be in default under any provisions of this lease at the time notice of exercise is given or on the last day of the term.
- C. No more than eighteen (18) months nor less than twelve (12) months before the last day of the term City shall give County written notice irrevocably exercising the option by delivery of the notice to the Clerk of County's Board of Supervisors.

2659

4. Rent.

City shall pay to County the sum of one dollar (\$1) for each year of this lease or any extension thereof, such sums to be due and payable upon execution of this lease or exercise of the option to extend. No refund or proration of such rent shall be made in the event of termination of this lease before the end of the term.

5. Occupancy and Improvements.

City may occupy any and all portions of the premises and at any time and from time-to-time during the term, City may, but is not obligated to, construct or otherwise make new improvements on any part or all of the premises and to demolish, remove, replace, alter, relocate, reconstruct, or add to any existing improvements in whole or in part, and to modify or change the contour or grade, or both, of the land, provided City is not in default under any provision or condition of this lease and subject to the following conditions:

- A. County shall give sixty (60) days' written notice of the date of the complete vacating of the premises by County and prior to that date City shall not engage in any of the foregoing activities without first obtaining written consent of County's Board of Supervisors.
- B. City shall not at any time during the term of this lease or any extensions thereof do or cause to be done any alteration, remodeling, reconstruction or take any other action with regard to the Veterans' Building which causes the building to be totally unuseable as a meeting place for Veterans' Organizations (which are found to have a right to such use of the building) without giving County ninety (90) days written notice of such intended actions and the City shall make suitable meeting space available to such Veterans' Organization.

- C. Any demolition, removal, replacements, alterations, relocations, reconstructions, additions, or modifications of improvements or of the land shall be at the sole expense of City. City shall be entitled to all salvage.
- D. County grants to City the right to open, close, or vacate rights-of-way or streets, and the right to grant to public entities or public service corporations rights-of-way or easements on or over the premises for poles or conduits or both for telephone, electricity, water, sanitary or storm sewers or both and for other utilities and municipal or special district services. Grants made under the authority of this provision shall be limited to the term of the lease.
- E. City shall obtain at City's expense all necessary permits and approvals for compliance with all applicable statutes, codes, ordinances, regulations and requirements for permits and approvals, including but not limited to, building permits, zoning, planning and environmental quality.
- F. At the expiration or sooner termination of this lease, County may, at County's election, demand the removal from the premises of all fixtures and improvements or of certain fixtures or improvements or both, as specified in the notice provided for below. A demand to take effect at the normal expiration of the term shall be effected by written notice given at any time more than eleven (11) months before the expiration date. A demand to take effect on any other termination of this lease shall be effected by notice given in, or concurrently with, notice of such termination or within thirty (30) days after termination. City shall comply with the notice before the expiration date, for normal termination and, within sixty (60) days after notice

for other terminations. The duty imposed by this provision includes but is not limited to the duty to demolish and remove all basements and foundations, fill all excavations, return the surface to grade, and leave the premises safe and free from debris and hazards; provided that, after compliance with a demand for removal of less than all fixtures and improvements, City shall be required to remedy only willful and negligent injuries to the premises or remaining fixtures or improvements.

- G. All improvements constructed on the premises by City as permitted by this lease shall be owned by City until expiration of the term or sooner termination of this lease. The parties covenant for themselves and all persons claiming under them that the improvements are real property.
- H. City shall defend and indemnify County against all liability and loss of any type arising out of work performed on the premises by City, together with reasonable attorney's fees and all costs and expenses incurred by County in negotiating, settling, defending or otherwise protecting against such claims.
- I. County shall maintain and insure all premises and improvements covered by this lease until the date of vacating as provided in paragraph 5A, at which time said maintenance, utilities and insurance of all premises becomes the City's responsibilities, provided, however, that the City shall maintain and insure all or any part of the premises or improvements used or occupied by City prior to such date. Upon vacating, County shall leave the premises in broom-clean condition.

6. Use of Premises.

City shall use and permit the use of the premises primarily for the construction, maintenance, and operation of governmental activities, provided that City may not assign or sublease any part or all of the premises to other than governmental agencies without first obtaining written consent of County. City shall be entitled to all rents for governmental agencies occupying any portion of said premises free from claims thereto by County.

7. Insurance.

Commencing with the date of vacating of the premises by County as provided in paragraph 5A hereof and throughout the balance of the term, at City's sole cost and expense, City shall keep or cause to be kept in force, for the mutual benefit of County and City, comprehensive broad form general public liability insurance against claims and liability for personal injury, death, or property damage arising from the use, occupancy, disuse or condition of the premises, improvements, or adjoining areas or ways, providing protection in such sums as City and County shall from time-to-time agree except that such coverage shall not exceed the coverage County normally provides for itself.

8. Warranties.

County makes no covenants or warranties respecting the condition of the soil or subsoil or any other conditions of the premises or improvements thereon including but not limited to the use or fitness for use for any purpose.

9. Default.

Default includes a breach and any abandonment or surrender of the premises or of the leasehold estate or the failure or refusal to perform as required or conditioned by any other covenant or condition of this lease shall be a default and a breach of this lease by City. Upon such default or breach County may, at County's option, terminate this lease by giving City notice of termination. On giving of the notice, all of City's rights in the premises and all improvements shall terminate. City shall surrender and vacate all improvements in broom-clean condition and County may reenter and take possession of the

premises and all improvements. Termination under this provision shall not relieve City from the payment of any sum due to County or from any claim for damages previously accrued or then accruing against City.

10. Notice.

As used in this lease notice includes but is not limited to the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver and appointment. All notices required by any conditions of this lease, whether specified in the provisions hereof or not, shall be in writing, shall be addressed and delivered in person to the following recipients:

Notice to County:	Clerk of the Board of Supervisors
Notice to City:	City Clerk

11. Expiration or Termination.

At the expiration or earlier termination of the term, City shall surrender to County the possession of the premises. Surrender or removal of improvements and fixtures shall be as directed in provisions of this lease on ownership of improvements at termination. City shall leave the surrendered premises and any other property in good and broom-clean condition except as provided to the contrary in provisions of this lease. All property that City is required to surrender shall become County's property at termination of the lease and all property that City is not required to surrender but that City abandons shall, at County's option, become County's property.

12. Severability.

The invalidity or illegality of any provisions shall not affect the remainder of the lease.

13. Successors.

Subject to the provisions of this lease on assignment and subletting, each and all of the covenants and conditions of this lease shall be binding on and shall inure to the benefit of any successor

of the respective parties.

14. Entire Agreement.

This lease contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this lease has been or is relied on by either party. Each party has relied on his own examination of this lease, the counsel of his advisors, and the warranties, representations and covenants of the lease itself. The failure or refusal of either party to inspect the premises or improvements, to read this lease or other documents, or obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based upon such reading, inspection, or advice.

Executed this 11th day of March, 19 75,
at Hanford, California.

COUNTY OF KINGS

ATTEST: [Signature]
County Clerk and Ex-officio
Clerk of the Board of
Supervisors

By [Signature]
Chairman, Board of Supervisors

CITY OF HANFORD

ATTEST: [Signature]
City Clerk

By [Signature]
Mayor, City Council

STATE OF CALIFORNIA,

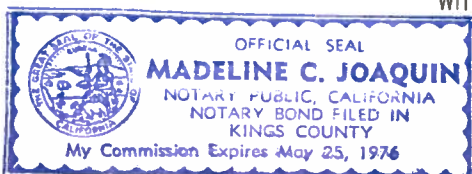
COUNTY OF Kings

SS.

ON March 11, 19 75,
before me, the undersigned, a Notary Public in and for said State, personally appeared
Vincent G. Peterson, City Clerk
Stan Ham, Mayor

known to me,
to be the person s whose name s are subscribed to the within Instrument,
and acknowledged to me that t he y executed the same.

WITNESS my hand and official seal.



[Signature]
Notary Public in and for said State.

PARCEL 1:

Lots 1 to 16, inclusive, in Block 155 of the City of Hanford, in the City of Hanford, County of Kings, State of California, according to Map thereof, recorded in Book 1 at Page 35 of Maps of Tulare County Records.

PARCEL 2:

Lots 17 to 20, inclusive, and the East 20 feet of Lot 21, in Block 135 of the City of Hanford, in the City of Hanford, County of Kings, State of California, according to Map thereof, recorded in Book 1 at Page 35 of Maps of Tulare County Records.

PARCEL 3:

All that portion of the Northeast Quarter of the Northwest Quarter of Section 36, Township 18 South, Range 21 East, Mount Diablo Base and Meridian, lying North of the North line of Lots 1, 2, 3, 4, 5 and 6 in Fractional Block 155 of the City of Hanford according to Map recorded in Book 1 at Page 35 of Maps, Tulare County Records, and South of the Section line between Section 25 and Section 36, in Township 18 South, Range 21 East, Mount Diablo Base and Meridian.

PARCEL 4:

That portion of the Southeast Quarter of the Southwest Quarter of Section 25, Township 18 South, Range 21 East, Mount Diablo Base and Meridian, described as follows:

BEGINNING at the Northeast corner of Lot 12 in Block 155 of the City of Hanford, according to Map recorded in Book 1 at Page 35 of Maps, Tulare County Records; running thence West along the South line of the Southeast Quarter of the Southwest Quarter of said Section 203.51 feet, more or less to a point where the West line of Lot 5 in said Block 155 produced would intersect the South line of said Section 25; thence North 150 feet; thence East 203.51 feet; thence South 150 feet, more or less, to the place of beginning.

PARCEL 5:

Beginning at a point 40 feet West of the Southeast corner of the Southeast Quarter of the Southwest Quarter of Section 25, Township 18 South, Range 21 East, Mount Diablo Base and Meridian, in the County of Kings, State of California, said point of beginning, being also the Northeast corner of Block 155 of the City of Hanford, as per Map recorded in Book 1 at Page 35 of Maps, Tulare County Records; running thence West along the South line of the Southeast Quarter of said Southwest Quarter, 100 feet, more or less, to the Southeast corner of that certain tract of land heretofore conveyed in the Deed from Hattie Donager, a widow, to the County of Kings, recorded in Book 17 at Page 488 of Deeds; thence North along the East line of the land so conveyed by Hattie Donager to Kings County, 150 feet more or less, to the South line of Court Street as shown upon the then present official Map of said City of Hanford; thence East along the South line of said Court Street, 100 feet to a point in the West line of Duty Street; thence South along said West line of Duty Street, 150 feet to the point of beginning.

PARCEL 6:

Beginning at a point 343.51 feet West of the Southeast Corner of the Southeast Quarter of the Southwest Quarter of Section 25, Township 18 South, Range 21 East, Mount Diablo Base and Meridian, in the County of Kings, State of California, said point of beginning, being also the Southwest Corner of that certain tract of land heretofore conveyed in the Deed from Hattie Donager, a widow, to the County of Kings, recorded in Book 17 at Page 488 of Deeds; thence North along the West line of land as conveyed by Hattie Donager to Kings County, 150 feet, more or less, to the South line of Court Street as shown upon the present Official Map of the City of Hanford; thence West along the South line of said Court Street, 100 feet to a point in the East line of Irwin Street in the said City of Hanford; thence South along the East line of said Irwin Street, 150 feet, more or less, to a point in the South line of the Southeast Quarter of the Southwest Quarter of said Section 25; thence East along said South line 100 feet, more or less, to the point of beginning.

PARCEL 7:

The West 125 feet of the following described real property, to-wit:

That part of the unplatted part of the Southeast quarter of the Southwest quarter of Section 25 in Township 18 South, Range 21 East, Mount Diablo Base and Meridian, in the City of Hanford, County of Kings, State of California, described as follows:

Beginning at a point 210 feet North of and 40 feet West of the Southeast corner of the Southwest quarter of said Section 25, running thence North along the West line of Douty Street 369 feet; thence West 406 feet more or less, to a point in the East line of Irwin Street; thence South along said East line of Irwin Street 369 feet to the North line of Court Street; thence East along said North line of Court Street 406 feet to the point of beginning.

1. Conditions and reservations contained in the Deed from the City of Hanford to the County of Kings recorded March 4, 1925 in Book 89 at Page 32 of Deeds, which states as follows:

"Provided, however, that the County of Kings agrees to pave and maintain a strip of land 12 feet wide, East and West across the premises herein conveyed, to be used for a walk, and which said strip of land and walk shall connect up with and be a prolongation of a similar strip of land and walk running East and West in front of the Hanford Auditorium, across the adjacent property belonging to the City of Hanford, and provided further that the said City of Hanford expressly reserves a strip of land 30 feet wide across the North end of the property herein conveyed, the same to be used for alley purposes."

END OF DOCUMENT

Quitclaim Deed

Recording Request By:

City of Hanford

and When Recorded Return To:

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the County of Kings, a subdivision of the state of California ("County") does remise, release, and forever **quitclaim** to the City of Hanford, a municipal corporation, ("City") all right, title, and interest County has in the real property located in the City of Hanford, County of Kings, California, described in attached Attachment 1 and incorporated herein by reference as though fully set forth.

Executed as of _____, 2014.

County:

By:

Joe Neves, Chairman

Kings County Board of Supervisors

NOTARY SEAL

State of California

County of Kings

On _____, 2014, before me,

_____, a notary public,

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

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

correct.
WITNESS my hand and official seal.

Signature of Notary

Attachment 1

The property conveyed in the quitclaim is the Courthouse Square, APN 010-265-001, the Veteran's Building, APN 010-264-001, and the Old Post Office, also known as the Justice Court, APN 012-053-005 and more specifically described as:

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AGENDA STAFF REPORT

MEETING DATE: 3/18/2014

AGENDA SECTION: 7. B.

SUBJECT:

Finance Department: Accept and file the Fiscal Year 2013 audit reports and financial statements for the City of Hanford, the Single Audit Report, and the Appropriations Limit Report filed by the CPA firm of Sampson, Sampson and Partners, LLP, Certified Public Accountants.

RECOMMENDATION:

That the City Council, by motion, accept and file the Fiscal Year 2013 audit reports and financial statements for the City of Hanford, the Single Audit Report, and the Appropriations Limit Report filed by the CPA firm of Sampson, Sampson and Partners, LLP, Certified Public Accountants.

BACKGROUND:

The CPA firm of Sampson, Sampson and Partners, LLP, Certified Public Accountants, was engaged by Council to audit the books, records, and accounts for the City of Hanford. Their audit was conducted pursuant to the Federal Single Audit Act and covered subject compliance matters and internal controls as well as financial statements and data. The financial statements are presented pursuant to GASB Statement No.34 Guidelines. Enclosed are copies of the audit reports and financial statements.

The reports and opinions are favorable and unmodified, with certain findings or recommendations in regard to cash receipts, loans receivable, and CDBG Grant Programs.

FISCAL IMPACT:

These reports impose no financial impact on the fiscal year budget.

ATTACHMENTS:

Description

📎 [Audit Report](#)

CITY OF HANFORD

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2013

CONTENTS

	<u>Page</u>
Principal city officials	i
Independent auditor's report	1-2
Management's discussion and analysis	3-11
 <u>FINANCIAL STATEMENTS:</u>	
Government-wide financial statements:	
Statement of net position	12
Statements of activities	13-14
Governmental fund financial statements:	
Combining balance sheet	15-16
Reconciliation of the governmental fund balance sheet to the government-wide statement of net position	17
Combining statement of revenues, expenditures, and changes in fund balances	18-19
Reconciliation of the governmental funds statement of revenues, expenditures, and changes in fund balances to the government-wide statement of activities	20
Proprietary funds financial statements:	
Statement of net position	21-22
Statement of revenues, expenses, and changes in net position	23-24
Statement of cash flows	25-28
Fiduciary funds financial statements:	
Statement of fiduciary net position – fiduciary funds	29
Statement of changes in fiduciary net position	30
Notes to financial statements	31-58
Required supplementary information:	
Required supplementary information	59
Schedule of funding progress	60
Schedule of revenues, expenditures, and changes in fund balances:	
Budget and actual (GAAP Basis) general fund	61
Budget and actual (GAAP Basis) CDBG home/housing fund	62
Budget and actual (GAAP Basis) capital projects	63
Budget and actual (GAAP Basis) transportation fund	64

SUPPLEMENTARY INFORMATION SECTION:

Non-major special revenue funds:	
Combining balance sheet	65-68
Combining statement of revenues, expenditures, and changes in fund balances	69-72
Internal service funds:	
Combining statement of net position	73-74
Combining statement of revenues, expenses, and changes in net position	75-76
Combining statement of cash flows	77-78
Trust and agency funds:	
Combining statement of fiduciary net position	79
Combining statement of changes in fiduciary net position	80

SINGLE AUDIT REPORTS:

Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	81-82
Independent auditor's report on compliance for each major program and on internal control over compliance in accordance with OMB Circular A-133	83-84
Schedule of expenditures of federal awards	85
Notes to the schedule of expenditures of federal awards	86
Schedule of findings and questioned costs	87-91
Summary schedule of prior audit findings	92

APPROPRIATIONS LIMIT REPORT:

Independent auditor's report on compliance with Article XIIIB – appropriations limit	93
Appropriations limit schedules A and B	94

CITY OF HANFORD
June 30, 2013

CITY COUNCIL

NAME

POSITION

Lou Martinez
Gary Pannette
Russ Curry
Joleen Jameson
Jim Irwin

Mayor
Vice Mayor
Council Member
Council Member
Council Member

ADMINISTRATION

Darrel Pyle
Griswold, LaSalle, Cobb, Dowd & Gin, L.L.P.
Melonie Patrick
Tom Dibble
Timothy Ieronimo
Melodie Haigh
Carlos Mestas
John Doyel
Milt Stowe
Lou Camara
Marissa Gonzales

City Manager
City Attorneys
City Clerk
Treasurer/Finance Director
Fire Chief
Community Development Manager
Police Chief
City Engineer
Interim Parks & Recreation Director
Public Works Director
Human Resources Manager



February 3, 2014

The Honorable City Council of
The City of Hanford
Hanford, California

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hanford, California (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with accounting standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hanford as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-11 and the Public Employees Retirement System Schedule of Funding Progress and budgetary comparison information on pages 60-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hanford's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 3, 2014, on our consideration of the City of Hanford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hanford's internal control over financial reporting and compliance.

Sampson, Sampson & Patterson, LLP

CITY OF HANFORD
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

This discussion and analysis of the City of Hanford's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- Assets of the City of Hanford exceed its liabilities at the close of the most recent fiscal year 2013 by about \$302.5 million. Of this amount, about \$51.7 million in unrestricted assets may be used to meet the City's ongoing obligations to citizens and creditors.
- As of June 30, 2013, the City's governmental funds reported combined ending fund balances of \$57.6 million.
- Approximately 12.9% of the combined governmental fund balances is considered available for spending at the City's discretion.
- As of June 30, 2013, unassigned fund balance in the General Fund was \$7.5 million, or 36.3% of total General Fund Expenditures.
- The City's total debt decreased by \$1.67 million during the fiscal year 2013, which is due to 1) the normal maturity of debt in the water system, and the wastewater system; 2) refinancing of debt in the Wastewater Enterprise Fund.

THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Hanford (City) and its component units, using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

These **Government-Wide Financial Statements** are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. Additionally, certain eliminations have occurred as prescribed by the GASB statements in regards to inter-fund activity, payables and receivables.

The **Fund Financial Statements** include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

CITY OF HANFORD
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities and Changes in Net Position

The Statement of Net Position and the Statement of Activities and Changes in Net Assets report information about the City as a whole and about its activities. These statements included all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and sales tax base.

The Statement of Net Position and the Statement of Activities and Changes in Net Position, we separate the City activities as follows:

Governmental activities – Most of the City's basic services are reported in this category, including General Government, Police, Fire, Public Works, Parks/Recreation, and Community Development. Property and sales taxes, user fees, interest income, franchise fees, and state and federal shared revenues and grants generally financed these activities.

Business-Type activities – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Water, Sewer, Storm Drain, Refuse, Airport, Intermodal, and Courthouse Square Funds are reported in this category.

FUND FINANCIAL STATEMENTS

The City, like other state and local governments, uses fund accounting to account for a number of funding sources and activities. In general, fund accounting provides a mechanism for separately accounting for a variety of different funding sources, and enables the City to demonstrate compliance with legal and/or contractual requirements that may be associated with these funds. Thus, the accompanying fund financial statements present individual funds, organized into one of three groups based on the nature of the activities and their purpose: Governmental, Proprietary or Fiduciary Funds. Note that the fund financial statements only present the most significant (or "major") funds. In addition, the fund financial statements include a schedule that reconciles the fund financial statements to the Government-Wide Financial Statements. This is designed to explain the difference created by the integrated approach.

CITY OF HANFORD
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Continued)

Governmental Funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the results shown in the governmental fund financial statements and those shown in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement.

Proprietary Funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets. In fact, the City's enterprise funds are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the City's self-insurance, fleet maintenance, and computer maintenance funds. The internal service funds are reported with governmental activities in the government-wide financial statements.

Fiduciary Funds – The City is the trustee, or fiduciary, for certain funds held on behalf of various third parties. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statement – The notes to the financial statements provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain "required supplementary information" concerning the City's progress in funding its obligation to provide pension benefits to its employees, budgetary comparison schedules for the general fund and other major funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements under the reporting model required by Governmental Accounting Standards Board (GASB) Statement No. 34. The City is presenting prior fiscal years' data for the purpose of providing comparative information for the Management Discussion and Analysis (MD&A).

Statement of Net Position

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Hanford, assets exceeded liabilities by \$302,540,874 at the close of the most recent fiscal year.

CITY OF HANFORD
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Continued)

By far the largest portion of the City of Hanford's net position 69.0% reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure and equipment), less any outstanding debt used to acquire those assets. The City of Hanford uses these capital assets to provide services to citizens; consequently, their value is not available for future spending. Although the City of Hanford's investment in its capital assets is reported net of related debt, it should be noted that the sources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Of the total current assets \$71,642,898, approximately 91% or \$65,208,081, consists of cash and investments. These funds are invested in accordance with State law and the City's investment policy, and includes funds legally and/or contractually restricted as to their use.

STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current assets	\$ 43,830,413	\$ 44,829,151	\$ 27,812,485	\$ 29,769,298	\$ 71,642,898	\$ 74,598,449
Capital and non-current assets (net of depreciation)	<u>167,551,128</u>	<u>165,418,338</u>	<u>112,250,666</u>	<u>111,453,271</u>	<u>279,801,794</u>	<u>276,871,609</u>
Total assets	<u>211,381,541</u>	<u>210,247,489</u>	<u>140,063,151</u>	<u>141,222,569</u>	<u>351,444,692</u>	<u>351,470,058</u>
Liabilities:						
Current and other liabilities	1,316,583	1,276,794	3,668,457	4,794,120	4,985,040	5,824,464
Long-term liabilities	<u>2,285,330</u>	<u>1,732,466</u>	<u>41,633,448</u>	<u>43,281,462</u>	<u>43,918,778</u>	<u>45,260,378</u>
Total liabilities	<u>3,601,913</u>	<u>3,009,260</u>	<u>45,301,905</u>	<u>48,075,582</u>	<u>48,903,818</u>	<u>51,084,842</u>
Net Position:						
Invested in capital assets, net of related debt	139,541,724	138,323,412	69,223,425	69,249,494	208,765,149	207,572,906
Restricted	41,529,163	43,047,770	595,471	595,802	42,124,634	43,643,572
Unrestricted	<u>26,708,741</u>	<u>25,867,047</u>	<u>24,942,350</u>	<u>23,301,691</u>	<u>51,651,091</u>	<u>49,168,738</u>
Total net position	<u>\$207,779,628</u>	<u>\$207,238,229</u>	<u>\$ 94,761,246</u>	<u>\$ 93,146,987</u>	<u>\$302,540,874</u>	<u>\$300,385,216</u>

An additional portion of the City of Hanford's net position \$42,124,634 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$51,651,091 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Hanford is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its governmental and business-type activities. This means the City has sufficient current assets to satisfy both its current and long-term liabilities, fulfill its obligations pursuant to external restriction imposed on City assets, and still have assets remaining for discretionary spending. In short, the City is in excellent financial condition.

Statement of Activities

As discussed earlier, the Statement of Net Position provides a measure of the financial health of an entity at a specific date in time (usually year end). The Statement of Activities provides details of how net position changed from the beginning of the year to the end of the year, and whether net assets increased or decreased. Thus, it indicates whether the City as a whole is better off at June 30, 2013 than it was at June 30, 2012.

CITY OF HANFORD
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Continued)

STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
REVENUES:						
Program revenues:						
Charges for services	\$ 3,894,116	\$ 3,137,476	\$18,825,518	\$18,582,319	\$ 22,719,634	\$ 21,719,795
Operating grants and contributions	784,540	478,516			784,540	478,516
Capital grants and contributions	2,891,606	1,912,822	496,399	911,970	3,388,005	2,824,792
General revenues:						
Taxes	21,849,093	19,753,533			21,849,093	19,753,533
Investment earnings	403,942	693,430	(33,852)	124,489	370,090	817,919
Other revenues	555,437	620,781	698,727	355,880	1,254,164	976,661
TOTAL REVENUES	30,378,734	26,596,558	19,986,792	19,974,658	50,365,526	46,571,216
EXPENSES:						
Governmental activities:						
General government	1,785,931	1,709,919			1,785,931	1,709,919
Public safety	14,202,515	13,971,460			14,202,515	13,971,460
Public works	8,768,132	11,713,618			8,768,132	11,713,618
Recreation	2,202,042	2,687,554			2,202,042	2,687,554
Community development	3,101,987	579,062			3,101,987	579,062
Interest on long-term debt		7,585				7,585
Business-type activities:						
Water system			5,900,237	5,555,687	5,900,237	5,555,687
Wastewater system			5,333,920	5,920,835	5,333,920	5,920,835
Storm drain			823,506	587,670	823,506	587,670
Refuse			5,847,516	6,044,857	5,847,516	6,044,857
Airport			449,165	382,711	449,165	382,711
Intermodal			108,306	86,055	108,306	86,055
Courthouse square			206,483	175,178	206,483	175,178
TOTAL EXPENSES	30,060,607	30,669,198	18,669,133	18,752,993	48,729,740	49,422,191
Increase in net position before transfers	318,127	(4,072,640)	1,317,659	1,221,665	1,635,786	(2,850,975)
Transfers	(23,178)	35,548	23,178	(35,548)		
Extraordinary item – dissolution of Redevelopment Agency		2,224,680				2,224,680
Change in net position	294,949	(1,812,412)	1,340,837	1,186,117	1,635,786	(626,295)
Net position, beginning of year, as previously reported	207,238,229	209,050,641	93,146,987	91,960,870	300,385,216	301,011,511
Prior period adjustment	246,450		273,422		519,872	
Net position, beginning of year, restated	207,484,679		93,420,409		300,905,088	
Net position, end of year	\$207,779,628	\$207,238,229	\$94,761,246	\$93,146,987	\$302,540,874	\$300,385,216

CITY OF HANFORD
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Continued)

The City's revenue totaled \$50,365,526, with 45% generated from charges for services and 43% generated from taxes. The largest source of revenues in Governmental Activities comes from taxes at 72%. This is typical in that traditional services provided by a city, such as public safety, parks, recreation, and public works, are primarily funded from property, sales, transient occupancy, and other local taxes. The largest source of revenues in Business-Type Activities comes from charges for services at 94%. The Business-Type Activities include enterprise fund operations, such as Water, Sewer, Refuse, Airport and Intermodal Funds, all of which recover their costs through fees and charges just like a normal business.

Expenses of the City totaled \$48,729,740. The two largest categories of expense are public safety, which accounted for 29% of total costs and public works, which represents 18% of total costs. However, in relation to Governmental Activity expenses, public safety makes up 47% of the total.

As depicted in the Statement of Activities, net position increased during the year. In those funds included within the Governmental Activities category, net position increased by \$541,399 an increase of 0.3%. Net position increased in those funds included within the Business-Type Activities category by \$1,614,259, or 1.7%.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As previously noted, the City of Hanford uses fund accounting to demonstrate compliance with legal and contractual requirements. This section provides an analysis and discussion of individual funds and fund types presented in the financial statements.

Governmental Funds – The Focus of the City of Hanford's governmental funds is on short-term inflows and outflows and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2013, the City's governmental statement of activities reported a total ending net position of \$207,779,628, an increase of \$541,399 from the beginning of the year. Approximately 13% of this total amount, \$26,708,741, is available for spending at the government's discretion as unrestricted fund balance. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed to a specific future use.

The General Fund is the primary operating fund of the City of Hanford. At the end of the fiscal year, unassigned fund balance of the General Fund was \$7,466,441 while total fund balance reached \$16,511,070. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total expenditures. The unassigned fund balance of the general fund represents approximately 36.4% of general fund expenditures.

CITY OF HANFORD
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Continued)

Capital Improvement Funds, which are categorized as governmental funds, show fluctuations in their ending fund balances because they are primarily used to account for capital improvement projects that span more than one year. Therefore, the change in fund balance is generally due to the timing of funding, which generally occurs in one year, in relation to the timing of expenditures, which occur over more than one year. Any remaining fund balances are either reserved or earmarked specifically for the continuing cost of the related projects.

Proprietary Funds – The City proprietary funds include the Water, Wastewater, Storm Drain, Refuse, Airport, Intermodal, and Courthouse Square Funds. All of the proprietary funds are highly capital intensive, requiring a significant investment in capital equipment and facilities to conduct their operations, whether it be in water and sewer lines, water and wastewater treatment facilities or runways.

The Water Fund has a total net position of \$28,925,439 at the end of the fiscal year. Total net position includes \$22,816,643 invested in capital assets and \$595,471 reserved for debt service, which are not available to pay for current expenses. The remaining net position of \$5,513,325 is unrestricted and available to cover current operating and capital needs of the fund.

The Refuse Fund has a total net position of \$4,719,269 at the end of the fiscal year. Total net position includes \$185,916 invested in capital assets, which are not available to cover current expenses. The remaining net position of \$4,533,353 is unrestricted and available to cover current operating and capital needs of the fund.

The Wastewater Fund has a total net position of \$30,475,486 at the end of the fiscal year. Total net position includes \$23,171,907 invested in capital assets, which are not available to cover current expenses. The fund has \$7,303,579 available to cover current operating and capital needs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The City of Hanford's investment in capital assets for its governmental and business type activities as of June 30, 2013 amounts to \$251,792,390 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities and roads. The net increase in the City's investment in capital assets for the current fiscal year was \$2,015,707. This increase is a result of annual depreciation, land acquisition, normal equipment replacement, and construction of typical capital assets. Significant capital asset events during the fiscal year included the following:

- Construction on storm drainage facilities \$298,000.
- Construction on wastewater system treatment plan and collection system for \$4,562,431.
- Construction on the water system storage tanks, water wells, and water mains for \$211,821.
- Various street construction projects, rehabilitation and betterments for \$6,168,176.
- Depreciation for fiscal year 2012-13 \$8,471,936.

CITY OF HANFORD
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Continued)

Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 60,432,656	\$ 60,432,656	\$ 11,037,597	\$ 11,035,847	\$ 71,470,253	\$ 71,468,503
Buildings	11,042,895	11,350,567	6,568,357	6,842,221	17,611,252	18,192,788
Infrastructure	60,182,724	58,882,422	91,388,119	88,610,687	151,570,843	147,493,109
Equipment	7,129,324	6,675,891	3,187,775	3,299,738	10,317,099	9,975,629
Construction in progress	<u>754,125</u>	<u>981,876</u>	<u>68,818</u>	<u>1,664,778</u>	<u>822,943</u>	<u>2,646,654</u>
Total capital assets	<u>\$139,541,724</u>	<u>\$138,323,412</u>	<u>\$112,250,666</u>	<u>\$111,453,271</u>	<u>\$251,792,390</u>	<u>\$249,776,683</u>

Long-Term Debt - At the end of the current fiscal year, the City of Hanford, primary government, had a total debt outstanding of \$44,822,044.

Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Compensated absences	\$ 842,850	\$ 803,467	\$ 165,294	\$ 161,223	\$ 1,008,144	\$ 964,690
Revenue bonds payable			23,595,000	24,480,000	23,595,000	24,480,000
Unamortized bond premium			540,209	143,043	540,209	143,043
Notes payable	246,450	246,450	14,268,334	14,878,713	14,514,784	15,125,163
Lease purchase	<u></u>	<u></u>	<u>5,163,907</u>	<u>5,776,607</u>	<u>5,163,907</u>	<u>5,776,607</u>
	<u>\$1,089,300</u>	<u>\$1,049,917</u>	<u>\$43,732,744</u>	<u>\$45,439,586</u>	<u>\$44,822,044</u>	<u>\$46,489,503</u>

In the Business-Type Activities, the revenue bonds payable consists of three bond issues. In 2003, for the water system, the city received \$8,925,000 from the issuance of Water Revenue Bonds for the purpose of refinancing an EDA Loan and 1993 Water Refunding Revenue Bond. For the sewer system there remains a 1996 \$7,855,000 Variable Rate Refunding Bond issue, and a 2012 \$13,165,000 Refunding Revenue Bond that refinanced a 1999 \$5,000,000 bond issue and a 2002 \$10,555,000 bond issue.

The notes payable portion of the outstanding \$14,514,784 debt consists of three loans. In 2002, the City obtained a \$10,000,000 loan for the purpose of expanding the wastewater treatment plant and in 2007, the City obtained \$8,150,000 to finance construction of arsenic remediation projects. In September, 2011, the City obtained a \$246,450 shared appreciation loan from the Kings County Economic Development Corporation for purchase of land in the Kings Industrial Park.

The outstanding lease purchase amount, \$5,163,907, is two capital leases. The first was for an original lease amount of \$3,050,000 to lease water meters and AMR devices. The second lease was for an energy efficient solar tracker system at the wastewater treatment plant for \$4,325,556.

For detail information regarding each of these bonds or notes, please refer to Note 5 – Long-Term Debt, page 47.

CITY OF HANFORD
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

The original 2013 fiscal year budget was increased by \$1,226,614 primarily from grant funds and interfund loans obtained for purchase of equipment. The actual revenues were less than budget estimates by about \$845,000 caused from reduced investment earnings and state and federal revenues. Expenditure savings were about \$2,990,100, from all general fund functions.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The key assumptions in the General Fund revenue forecast for fiscal year 2013-2014 were:

- Service charges will increase due to new services and rate increases that went into effect during the fiscal year.
- Property tax revenues will increase about 2% with assessed valuation and general growth.
- Sales tax revenues will grow by about 2%.
- State budget actions will negatively affect general fund revenues.

Items addressed in the budget were:

Wastewater – Complete upgrades to sewer life stations and reserve funds for the 2018 sewer treatment plant expansion.

Airport – Design and construction of improvements /overlay of the airport apron and taxiway.

Community Development – Commence upgrade of the City general plan.

Water – The completion of construction of various water main replacements.

Streets – The design and construction of widening 10th Avenue from Third Street to Hanford Armona Road, install traffic signals at Grangeville Boulevard and 13th Avenue, extend Campus Drive and construct railroad crossing over the UP/SJVRR, seal various streets.

General Fund Operations – The budget maintains current services with the same level of employees and anticipates minimal revenue growth with no draw from reserves.

REQUESTS FOR INFORMATION

This Financial Report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in the report or requests for additional financial information can be sent via e-mail to finance@ci.hanford.ca.us. Formal written requests should be addressed to: City of Hanford, Attn: Finance Department, 315 N. Douty Street, Hanford, California 93230.

FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF HANFORD
Statement of Net Position
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 43,528,748	\$ 21,083,862	\$ 64,612,610
Receivables	3,149,043	1,967,681	5,116,724
Internal balances	(3,216,780)	3,216,780	
Inventories	184,284	187,609	371,893
Deposits	180,000	177,946	357,946
Deferred charges		583,136	583,136
Other assets	5,118		5,118
Long-term notes receivable	19,836,618		19,836,618
Loan to Successor Agency	7,679,886		7,679,886
Restricted cash and investments		595,471	595,471
Land held for resale	492,900		492,900
Capital assets:			
Non-depreciable capital assets:			
Land	60,432,656	11,037,597	71,470,253
Construction in progress	754,125	68,818	822,943
Depreciable capital assets, net of depreciation	<u>78,354,943</u>	<u>101,144,251</u>	<u>179,499,194</u>
Total assets	<u>211,381,541</u>	<u>140,063,151</u>	<u>351,444,692</u>
LIABILITIES			
Accounts payable	847,553	473,195	1,320,748
Salary and benefits payable	445,047	84,013	529,060
Accrued interest payable		487,117	487,117
Deposits and unearned revenue	23,983	237,818	261,801
Long-term debt – due within one year		2,386,314	2,386,314
Long-term debt – due in more than one year	246,450	40,640,927	40,887,377
Unamortized bond premium		540,209	540,209
Compensated absences – long-term	842,850	165,294	1,008,144
Net OPEB liability	<u>1,196,030</u>	<u>287,018</u>	<u>1,483,048</u>
Total liabilities	<u>3,601,913</u>	<u>45,301,905</u>	<u>48,903,818</u>
NET POSITION			
Invested in capital assets, net of related debt	139,541,724	69,223,425	208,765,149
Restricted for:			
Streets	6,860,188		6,860,188
Debt service		595,471	595,471
Housing	21,206,373		21,206,373
Public safety	1,852,235		1,852,235
Parks and recreation	1,829,624		1,829,624
Capital projects	9,780,743		9,780,743
Unrestricted	<u>26,708,741</u>	<u>24,942,350</u>	<u>51,651,091</u>
Total net position	<u>\$207,779,628</u>	<u>\$ 94,761,246</u>	<u>\$302,540,874</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 1,785,931	\$ 55,146	\$255,050	\$	\$ (1,475,735)
Public safety	14,202,515	1,151,202	254,543	182,124	(12,614,646)
Public works	8,768,132	687,164		2,709,482	(5,371,486)
Recreation	2,202,042	528,287			(1,673,755)
Community development	<u>3,101,987</u>	<u>1,472,317</u>	<u>274,947</u>		<u>(1,354,723)</u>
Total governmental activities	<u>30,060,607</u>	<u>3,894,116</u>	<u>784,540</u>	<u>2,891,606</u>	<u>(22,490,345)</u>
Business-type activities:					
Water system	5,900,237	5,267,506		433,783	(198,948)
Wastewater system	5,333,920	5,549,392		47,116	262,588
Storm drain	823,506	1,310,719		15,500	502,713
Refuse	5,847,516	6,474,826			627,310
Airport	449,165	72,400			(376,765)
Intermodal	108,306	44,996			(63,310)
Courthouse square	<u>206,483</u>	<u>105,679</u>			<u>(100,804)</u>
Total business-type activities	<u>18,669,133</u>	<u>18,825,518</u>		<u>496,399</u>	<u>652,784</u>
Total primary government	<u>\$48,729,740</u>	<u>\$22,719,634</u>	<u>\$784,540</u>	<u>\$3,388,005</u>	<u>\$(21,837,561)</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Statement of Activities
For the Year Ended June 30, 2013
(Continued)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total
Primary Government:			
Governmental activities:			
General government	\$ (1,475,735)	\$	\$ (1,475,735)
Public safety	(12,614,646)		(12,614,646)
Public works	(5,371,486)		(5,371,486)
Recreation	(1,673,755)		(1,673,755)
Community development	<u>(1,354,723)</u>		<u>(1,354,723)</u>
Total governmental activities	<u>(22,490,345)</u>		<u>(22,490,345)</u>
Business-type activities:			
Water system		(198,948)	(198,948)
Wastewater system		262,588	262,588
Storm drain		502,713	502,713
Refuse		627,310	627,310
Airport		(376,765)	(376,765)
Intermodal		(63,310)	(63,310)
Courthouse square		<u>(100,804)</u>	<u>(100,804)</u>
Total business-type activities		<u>652,784</u>	<u>652,784</u>
Total primary government	<u>(22,490,345)</u>	<u>652,784</u>	<u>(21,837,561)</u>
General revenues:			
Taxes:			
Property taxes	11,297,290		11,297,290
Sales and use tax	6,827,981		6,827,981
Franchise taxes	815,178		815,178
Other taxes	2,908,644		2,908,644
Revenue from use of money and property	403,942	(33,852)	370,090
Impact fees		517,829	517,829
Miscellaneous/other	555,437	180,898	736,335
Transfers - interfund	<u>(23,178)</u>	<u>23,178</u>	
Total general revenues and transfers	<u>22,785,294</u>	<u>688,053</u>	<u>23,473,347</u>
Change in net position	294,949	1,340,837	1,635,786
Net position – beginning of year, as previously reported	207,238,229	93,146,987	300,385,216
Prior period adjustment	<u>246,450</u>	<u>273,422</u>	<u>519,872</u>
Net position, beginning of year, restated	<u>207,484,679</u>	<u>93,420,409</u>	<u>300,905,088</u>
Net position, end of year	<u>\$207,779,628</u>	<u>\$94,761,246</u>	<u>\$302,540,874</u>

See independent auditor's report and notes to financial statements.

**GOVERNMENTAL
FUND FINANCIAL STATEMENTS**

CITY OF HANFORD
Combining Balance Sheet
Governmental Funds
For the Year Ended June 30, 2013

	General Fund	CDBG Home/Housing Fund	Capital Project Fund	Transportation Funds	All Other Governmental Funds	Totals
ASSETS						
Cash and investments	\$ 7,653,424	\$ 324,261	\$6,580,819	\$	\$11,141,504	\$25,700,008
Receivables	1,381,840	55,332	32,058	1,254,490	414,770	3,138,490
Loan receivable	25,000	17,229,026			2,582,592	19,836,618
Due from other funds	548,713		2,148,473			2,697,186
Deposits	100,000					100,000
Other assets	1,831		1,100			2,931
Land for resale	492,900					492,900
Advances to successor agency	<u>7,679,886</u>					<u>7,679,886</u>
Total assets	<u>\$17,883,594</u>	<u>\$17,608,619</u>	<u>\$8,762,450</u>	<u>\$1,254,490</u>	<u>\$14,138,866</u>	<u>\$59,648,019</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	375,814	64,092		14,678	44,382	498,966
Accrued wages payable	352,023					352,023
Consumer deposits	22,767	1,216				23,983
Due to other funds	375,470			280,950	267,763	924,183
Loans payable	<u>246,450</u>					<u>246,450</u>
Total liabilities	<u>1,372,524</u>	<u>65,308</u>		<u>295,628</u>	<u>312,145</u>	<u>2,045,605</u>
FUND BALANCES						
Nonspendable:						
Long-term receivables	7,679,886				2,533,123	10,213,009
Land for resale	246,450					246,450
Insurance deposits	100,000					100,000
Restricted for:						
Community development		17,543,311				17,543,311
Streets and roads				958,862	5,102,159	6,061,021
Recreation					1,829,624	1,829,624
Landscape maintenance					800,363	800,363
Public safety					1,853,604	1,853,604
Aviation					10,000	10,000

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Balance Sheet
Governmental Funds
For the Year Ended June 30, 2013
(Continued)

	General Fund	CDBG Home/Housing Fund	Capital Project Fund	Transportation Funds	All Other Governmental Funds	Totals
Committed for:						
Parking and business improvement			8,762,450		547,660	9,310,110
Community Development					1,153,572	1,153,572
Capital projects	1,018,293					1,018,293
Unassigned	<u>7,466,441</u>				(3,384)	<u>7,463,057</u>
Total fund balances	<u>\$16,511,070</u>	<u>\$17,543,311</u>	<u>\$8,762,450</u>	<u>\$ 958,862</u>	<u>\$13,826,721</u>	<u>\$57,602,414</u>
Total liabilities and fund balances	<u>\$17,883,594</u>	<u>\$17,608,619</u>	<u>\$8,762,450</u>	<u>\$1,254,490</u>	<u>\$14,138,866</u>	<u>\$59,648,019</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2013

Total fund balances governmental funds	\$ 57,602,414
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets at historical cost	\$200,555,169	
Accumulated depreciation	<u>(66,963,685)</u>	133,591,484

Internal service funds are used by management to charge the costs of fleet maintenance, purchasing, risk management, building usage, and computer maintenance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position:	18,624,610
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Compensated absences	\$ 842,850	
Unfunded OPEB liabilities	<u>1,196,030</u>	<u>(2,038,880)</u>

Total net position – governmental activities	<u>\$207,779,628</u>
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CITY OF HANFORD
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	General Fund	CDBG Home/Housing Fund	Capital Project Fund	Transportation Funds	All Other Governmental Funds	Totals
REVENUES						
Taxes and special assessments	\$19,231,246	\$	\$	\$ 525,310	\$ 2,996,325	\$22,752,881
Aid from other government agencies	1,165,035	1,073,017	114,926	2,053,791	255,049	4,661,818
Licenses and permits	491,603					491,603
Fines and forfeitures	97,704				62,269	159,973
Charges for services	648,929					648,929
Revenue from use of money and property	306,730	193,778		3,607	62,859	566,974
Miscellaneous	317,240	901	229,726		45	547,912
Unrealized gain (loss) on investments		(2,172)	(36,859)	811	(61,570)	(99,790)
Total revenues	<u>22,258,487</u>	<u>1,265,524</u>	<u>307,793</u>	<u>2,583,519</u>	<u>3,314,977</u>	<u>29,730,300</u>
EXPENDITURES						
General government	1,407,244				337,976	1,745,220
Public safety	13,905,815					13,905,815
Public works	2,866,248				628,072	3,494,320
Recreation	1,334,695					1,334,695
Community development	1,023,840	1,033,151			876,607	2,933,598
Capital outlay		<u>781,577</u>	<u>465,176</u>	<u>2,077,576</u>	<u>3,875,208</u>	<u>7,199,537</u>
Total expenditures	<u>20,537,842</u>	<u>1,814,728</u>	<u>465,176</u>	<u>2,077,576</u>	<u>5,717,863</u>	<u>30,613,185</u>
Excess (deficiency) of revenues over expenditures	<u>1,720,645</u>	<u>(549,204)</u>	<u>(157,383)</u>	<u>505,943</u>	<u>(2,402,886)</u>	<u>(882,885)</u>
Other financing sources (uses)						
Operating transfers in	64,876			3,248	170,372	238,496
Operating transfers out	<u>(180,243)</u>				<u>(81,431)</u>	<u>(261,674)</u>
Total other financing sources (uses)	<u>(115,367)</u>			<u>3,248</u>	<u>88,941</u>	<u>(23,178)</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	General Fund	CDBG Home/Housing Fund	Capital Project Fund	Transportation Funds	All Other Governmental Funds	Totals
Net change in fund balance	<u>1,605,278</u>	<u>(549,204)</u>	<u>(157,383)</u>	<u>509,191</u>	<u>(2,313,945)</u>	<u>(906,063)</u>
Fund balance beginning of year, as previously reported	14,659,342	18,092,515	8,919,833	449,671	16,140,666	58,262,027
Prior period adjustment	<u>246,450</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>246,450</u>
Fund balance beginning of year, restated	<u>14,905,792</u>	<u>18,092,515</u>	<u>8,919,833</u>	<u>449,671</u>	<u>16,140,666</u>	<u>58,508,477</u>
Fund balance end of year	<u>\$16,511,070</u>	<u>\$17,543,311</u>	<u>\$8,762,450</u>	<u>\$ 958,862</u>	<u>\$13,826,721</u>	<u>\$57,602,414</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Reconciliation of the Governmental Funds Statement
of Revenues, Expenditures, and Changes in Fund Balances
to the Government-Wide Statement of Activities
For the Year ended June 30, 2013

Total net change in fund balances – governmental funds			\$(906,063)
Amounts reported for governmental activities in the statement of activities different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:			
Expenditures for capital outlay	\$ 5,575,700		
Depreciation expense	<u>(5,159,338)</u>	416,362	
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position:			648,434
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and those earned was:			(39,383)
Internal service funds are used by management to charge the costs of fleet maintenance, purchasing, employee welfare, workers' compensation, general and unemployment insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities:			442,630
Unfunded OPEB liability: These expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds.			<u>(267,031)</u>
Change in net position of governmental activities			<u>\$ 294,949</u>

See independent auditor's report and notes to financial statements.

PROPRIETARY FUNDS FINANCIAL STATEMENTS

CITY OF HANFORD
Statement of Net Position
Proprietary Funds
June 30, 2013

	Water System Fund	Sewer Improvement Funds		Refuse Fund
		Wastewater Fund	Storm Drain Fund	
ASSETS				
Current assets:				
Cash and investments	\$ 5,389,123	\$ 7,407,290	\$ 3,800,932	\$ 4,311,984
Restricted cash	595,471			
Accounts receivable, net	560,433	512,637	224,710	613,129
Prepaid expenses				
Deposits	6,000	4,000	167,946	
Inventory	187,609			
Deferred charges	175,567	407,569		
Due from other funds		25,963		
Total current assets	<u>6,914,203</u>	<u>8,357,459</u>	<u>4,193,588</u>	<u>4,925,113</u>
Noncurrent assets:				
Capital assets:				
Land	324,114	4,135,650	3,454,826	
Buildings and improvements	46,301,146	73,040,896	16,016,498	234,665
Machinery and equipment	3,763,294	541,400	129,356	1,100,516
Construction in progress	58,318			10,500
Less accumulated depreciation	<u>(13,258,170)</u>	<u>(25,890,857)</u>	<u>(3,926,443)</u>	<u>(1,159,765)</u>
Total capital assets (net of accumulated depreciation)	<u>37,188,702</u>	<u>51,827,089</u>	<u>15,674,237</u>	<u>185,916</u>
Total noncurrent assets	<u>37,188,702</u>	<u>51,827,089</u>	<u>15,674,237</u>	<u>185,916</u>
Total assets	<u>\$ 44,102,905</u>	<u>\$ 60,184,548</u>	<u>\$ 19,867,825</u>	<u>\$ 5,111,029</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 138,853	\$ 139,685	\$ 2,463	\$ 173,475
Salaries and benefits payable	26,243	23,958		32,875
Deposits and unearned revenue	236,320			
Due to other funds				
Interest payable	126,071	361,046		
Current portion of long-term debt	<u>872,428</u>	<u>1,513,886</u>		
Total current liabilities	<u>1,399,915</u>	<u>2,038,575</u>	<u>2,463</u>	<u>206,350</u>
Noncurrent liabilities:				
Compensated absences payable	50,509	46,664		68,121
Net OPEB liability	93,308	76,421		117,289
Unamortized bond premium	134,103	406,106		
Bonds and notes payable	<u>13,499,631</u>	<u>27,141,296</u>		
Total noncurrent liabilities	<u>13,777,551</u>	<u>27,670,487</u>		<u>185,410</u>
Total liabilities	<u>15,177,466</u>	<u>29,709,062</u>	<u>2,463</u>	<u>391,760</u>
NET POSITION				
Invested in capital assets net of related debt	22,816,643	23,171,907	15,674,237	185,916
Restricted for debt service	595,471			
Unrestricted	<u>5,513,325</u>	<u>7,303,579</u>	<u>4,191,125</u>	<u>4,533,353</u>
Total net position	<u>\$ 28,925,439</u>	<u>\$ 30,475,486</u>	<u>\$ 19,865,362</u>	<u>\$ 4,719,269</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Statement of Net Position
Proprietary Funds
June 30, 2013
(Continued)

	Airport Fund	Intermodal Fund	Courthouse Square	Total	Governmental Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 174,533	\$	\$	\$ 21,083,862	\$ 17,828,740
Restricted cash				595,471	
Accounts receivable, net	2,553		54,219	1,967,681	10,553
Prepaid expenses					2,187
Deposits				177,946	80,000
Inventory				187,609	184,284
Deferred charges				583,136	
Due from other funds				25,963	
Total current assets	<u>177,086</u>	<u></u>	<u>54,219</u>	<u>24,621,668</u>	<u>18,105,764</u>
Noncurrent assets:					
Capital assets:					
Land	2,596,623	526,384		11,037,597	
Buildings and improvements	6,710,403	1,784,997		144,088,605	
Machinery and equipment	54,971			5,589,537	16,585,473
Construction in progress				68,818	
Less: Accumulated depreciation	<u>(3,665,798)</u>	<u>(632,858)</u>	<u></u>	<u>(48,533,891)</u>	<u>(10,635,233)</u>
Total capital assets (net of accumulated depreciation)	<u>5,696,199</u>	<u>1,678,523</u>	<u></u>	<u>112,250,666</u>	<u>5,950,240</u>
Total noncurrent assets	<u>5,696,199</u>	<u>1,678,523</u>	<u></u>	<u>112,250,666</u>	<u>5,950,240</u>
Total assets	<u>\$ 5,873,285</u>	<u>\$1,678,523</u>	<u>\$ 54,219</u>	<u>\$136,872,334</u>	<u>\$ 24,056,004</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 4,740	\$ 1,007	\$ 12,972	\$ 473,195	\$ 372,343
Salaries and benefits payable	329		608	84,013	69,268
Deposits and unearned revenue	1,498			237,818	
Due to other funds	385,468	632,268	781,230	1,798,966	
Interest payable				487,117	
Current portion of long-term debt				2,386,314	
Total current liabilities	<u>392,035</u>	<u>633,275</u>	<u>794,810</u>	<u>5,467,423</u>	<u>441,611</u>
Noncurrent liabilities:					
Compensated absence payable				165,294	
Net OPEB liability				287,018	
Unamortized bond premium				540,209	
Bonds and notes payable				40,640,927	
Total noncurrent liabilities	<u></u>	<u></u>	<u></u>	<u>41,633,448</u>	<u></u>
Total liabilities	<u>392,035</u>	<u>633,275</u>	<u>794,810</u>	<u>47,100,871</u>	<u>441,611</u>
NET POSITION					
Invested in capital assets, net of related debt	5,696,199	1,678,523		69,223,425	5,950,240
Restricted for debt service				595,471	
Unrestricted	<u>(214,949)</u>	<u>(633,275)</u>	<u>(740,591)</u>	<u>19,952,567</u>	<u>17,664,153</u>
Total net position	<u>\$ 5,481,250</u>	<u>\$1,045,248</u>	<u>\$(740,591)</u>	<u>89,771,463</u>	<u>\$ 23,614,393</u>
Adjustments to reflect the consolidation of the internal service funds related to enterprise funds				<u>4,989,783</u>	
Net position of business-type activities				<u>\$ 94,761,246</u>	

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Water System Fund	Sewer Improvement Funds		Refuse Fund
		Wastewater Fund	Storm Drain Fund	
OPERATING REVENUES				
Charges for services	\$ 5,267,506	\$ 5,549,392	\$ 1,310,719	\$6,474,826
Other revenues	<u>270,279</u>	<u>209,703</u>	<u>108,558</u>	<u>3,316</u>
Total operating revenue	<u>5,537,785</u>	<u>5,759,095</u>	<u>1,419,277</u>	<u>6,478,142</u>
OPERATING EXPENSES				
Personnel services	1,305,318	1,128,917		1,654,808
Services and supplies	2,867,857	2,051,596	614,226	4,576,737
Depreciation and amortization	<u>1,115,706</u>	<u>1,225,493</u>	<u>208,507</u>	<u>4,372</u>
Total operating expenses	<u>5,288,881</u>	<u>4,406,006</u>	<u>822,733</u>	<u>6,235,917</u>
Operating income (loss)	<u>248,904</u>	<u>1,353,089</u>	<u>596,544</u>	<u>242,225</u>
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	392,110			
Interest income	25,660	33,521	18,281	1,416
Interest expense	(667,251)	(985,458)		
Unrealized gain (loss) on investments	(28,985)	(39,943)	(20,123)	(22,952)
Miscellaneous	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total non-operating revenue (expense)	<u>(278,466)</u>	<u>(991,880)</u>	<u>(1,842)</u>	<u>(21,536)</u>
Income (loss) before capital contributions and transfers	(29,562)	361,209	594,702	220,689
Capital contributions	41,673	47,116	15,500	
Transfers in (out)	<u>(390)</u>	<u> </u>	<u> </u>	<u> </u>
CHANGES IN NET POSITION	11,721	408,325	610,202	220,689
NET POSITION, Beginning of year, as previously reported	<u>28,913,718</u>	<u>29,793,739</u>	<u>19,255,160</u>	<u>4,498,580</u>
PRIOR PERIOD ADJUSTMENT	<u> </u>	<u>273,422</u>	<u> </u>	<u> </u>
NET POSITION, Beginning of year - restated	<u>28,913,718</u>	<u>30,067,161</u>	<u>19,255,160</u>	<u>4,498,580</u>
NET POSITION, End of year	<u>\$28,925,439</u>	<u>\$30,475,486</u>	<u>\$19,865,362</u>	<u>\$4,719,269</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013
(Continued)

	Airport Fund	Intermodal Fund	Courthouse Square	Total Enterprise Funds	Governmental Activities Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 72,400	\$ 44,996	\$ 105,679	\$18,825,518	\$ 5,608,378
Other revenues	<u>48,094</u>	<u>147</u>	<u> </u>	<u>640,097</u>	<u> </u>
Total operating revenue	<u>120,494</u>	<u>45,143</u>	<u>105,679</u>	<u>19,465,615</u>	<u>5,608,378</u>
OPERATING EXPENSES					
Personnel services	16,958		30,661	4,136,662	1,012,290
Services and supplies	194,017	72,218	175,435	10,552,086	3,119,329
Depreciation and amortization	<u>237,778</u>	<u>35,701</u>	<u> </u>	<u>2,827,557</u>	<u>1,022,508</u>
Total operating expenses	<u>448,753</u>	<u>107,919</u>	<u>206,096</u>	<u>17,516,305</u>	<u>5,154,127</u>
Operating income (loss)	<u>(328,259)</u>	<u>(62,776)</u>	<u>(100,417)</u>	<u>1,949,310</u>	<u>454,251</u>
NON-OPERATING REVENUES (EXPENSES)					
Intergovernmental				392,110	
Interest income	6			78,884	48,291
Interest expense				(1,652,709)	
Unrealized gain (loss) on investments	(980)	115	132	(112,736)	(95,242)
Miscellaneous	<u>58,630</u>	<u> </u>	<u> </u>	<u>58,630</u>	<u>41,931</u>
Total non-operating revenue (expense)	<u>57,656</u>	<u>115</u>	<u>132</u>	<u>(1,235,821)</u>	<u>(5,020)</u>
Income (loss) before capital capital contributions and transfers	(270,603)	(62,661)	(100,285)	713,489	449,231
Capital contributions				104,289	493,280
Transfers in (out)	<u>23,568</u>	<u> </u>	<u> </u>	<u>23,178</u>	<u> </u>
CHANGE IN NET POSITION	(247,035)	(62,661)	(100,285)	840,956	942,511
NET POSITION, Beginning of year as previously reported	<u>5,728,285</u>	<u>1,107,909</u>	<u>(640,306)</u>	<u> </u>	<u>22,671,882</u>
PRIOR PERIOD ADJUSTMENT	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET POSITION, Beginning of year - restated	<u>5,728,285</u>	<u>1,107,909</u>	<u>(640,306)</u>	<u> </u>	<u>22,671,882</u>
NET POSITION, End of year	<u>\$5,481,250</u>	<u>\$1,045,248</u>	<u>\$(740,591)</u>	<u> </u>	<u>\$23,614,393</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				<u>499,881</u>	
Change in net position of business-type activities (Page 16)				<u>\$ 1,340,837</u>	

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Statement of Cash Flows
Proprietary Funds
For the Year ended June 30, 2013

	Water System Fund	Sewer Improvement Funds Wastewater Fund	Storm Drain Fund	Refuse Fund	Airport Fund
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received for current services	\$ 5,260,656	\$ 5,504,181	\$1,210,553	\$ 6,450,200	\$ 77,296
Cash received for other operating revenues	270,279	209,703	108,558	3,316	48,094
Cash paid for services and supplies	(2,890,826)	(2,078,985)	(614,082)	(4,595,323)	(193,241)
Cash paid for salaries and benefits	<u>(1,275,388)</u>	<u>(1,102,607)</u>	<u> </u>	<u>(1,628,301)</u>	<u>(16,823)</u>
Net cash provided (used) by operating activities	<u>1,364,721</u>	<u>2,532,292</u>	<u>705,029</u>	<u>229,892</u>	<u>(84,674)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Intergovernmental revenue	392,110				
Transfers (to) from other funds	(390)				23,568
Loans from/(to) other funds	<u> </u>	<u>22,443</u>	<u> </u>	<u> </u>	<u>(10,000)</u>
Net cash provided (used) by non-capital financing activities	<u>391,720</u>	<u>22,443</u>	<u> </u>	<u> </u>	<u>13,568</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	(835,190)	(14,434,970)			
Interest paid	(683,936)	(1,433,211)			
Proceeds from refunding bonds		13,592,480			
Capital expenditures	<u>(222,170)</u>	<u>(3,756,543)</u>	<u>(452,196)</u>	<u>(16,075)</u>	<u>(7,211)</u>
Net cash provided (used) by capital and related financing activities	<u>(1,741,296)</u>	<u>(6,032,244)</u>	<u>(452,196)</u>	<u>(16,075)</u>	<u>(7,211)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Unrealized gain (loss) on investments	(28,985)	(39,943)	(20,123)	(22,952)	(980)
Other non-operating revenue (expense)					58,630
Interest received	<u>28,460</u>	<u>36,773</u>	<u>19,767</u>	<u>1,558</u>	<u>6</u>
Net cash provided by investing activities	<u>(525)</u>	<u>(3,170)</u>	<u>(356)</u>	<u>(21,394)</u>	<u>57,656</u>
Net increase (decrease) in cash and cash equivalents	14,620	(3,480,679)	252,477	192,423	(20,661)
Cash and cash equivalents, beginning of year	<u>5,969,974</u>	<u>10,887,969</u>	<u>3,548,455</u>	<u>4,119,561</u>	<u>195,194</u>
Cash and cash equivalents, end of year	<u>\$ 5,984,594</u>	<u>\$ 7,407,290</u>	<u>\$3,800,932</u>	<u>\$ 4,311,984</u>	<u>\$ 174,533</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013
(Continued)

	Water System Fund	Sewer Improvement Funds Wastewater Fund	Storm Drain Fund	Refuse Fund	Airport Fund
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 248,904	\$ 1,353,089	\$ 596,544	\$ 242,225	\$(328,259)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,102,691	1,225,493	208,507	4,372	237,778
(Increase) decrease in net assets:					
Accounts receivable	(14,480)	(45,211)	(100,166)	(24,626)	4,210
Prepaid expenses					
Deposits					
Inventory	28,956				
Increase (decrease) in net liabilities:					
Accounts payable	(38,910)	(27,389)	144	(18,586)	776
Salaries and benefits payable	4,803	6,600		6,216	135
Compensated absences	4,950	3,338		(4,217)	686
Deposits and deferred revenue	7,630				
OPEB liability	20,177	16,372		24,508	
Total adjustments	<u>1,115,817</u>	<u>1,179,203</u>	<u>108,485</u>	<u>(12,333)</u>	<u>243,585</u>
Net cash provided (used) by operating activities	<u>\$ 1,364,721</u>	<u>\$ 2,532,292</u>	<u>\$ 705,029</u>	<u>\$ 229,892</u>	<u>\$ (84,674)</u>
Noncash investing, capital, and financing activities:					
Contributions of capital assets	<u>\$ 41,673</u>	<u>\$ 47,116</u>	<u>\$ 15,500</u>	<u>\$</u>	<u>\$</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013
(Continued)

	Intermodal Fund	Courthouse Square	Total Enterprise Funds	Governmental Activities- Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received for current services	\$ 44,996	\$ 104,694	\$ 18,652,576	\$ 5,608,378
Cash received for other operating revenues	147		640,097	
Cash paid for services and supplies	(72,257)	(166,936)	(10,611,650)	(3,133,233)
Cash paid for salaries and benefits		(30,540)	(4,053,659)	(1,025,569)
Net cash provided (used) by operating activities	<u>(27,114)</u>	<u>(92,782)</u>	<u>4,627,364</u>	<u>1,449,576</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenue			392,110	
Transfers (to) from other funds	25,963		49,141	
Loans from/ (to) other funds		<u>92,650</u>	<u>105,093</u>	
Net cash provided (used) by non-capital financing activities	<u>25,963</u>	<u>92,650</u>	<u>546,344</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on long-term debt			(15,270,160)	
Interest paid			(2,117,147)	
Proceeds from refunding bonds			13,592,480	
Capital expenditures			(4,454,195)	(682,744)
Net cash provided (used) by capital and related financing activities			<u>(8,249,022)</u>	<u>(682,744)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Unrealized gain (loss) on investments	115	132	(112,736)	(95,242)
Other non-operating revenue (expense)			58,630	41,931
Interest received			<u>86,564</u>	<u>52,516</u>
Net cash provided (used) by investing activities	<u>115</u>	<u>132</u>	<u>32,458</u>	<u>(795)</u>
Net increase (decrease) in cash and cash equivalents	(1,036)		(3,042,856)	766,037
Cash and cash equivalents, beginning of year	<u>1,036</u>		<u>24,722,189</u>	<u>17,062,703</u>
Cash and cash equivalents, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 21,679,333</u>	<u>\$17,828,740</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013
(Continued)

	Intermodal Fund	Courthouse Square	Total Enterprise Funds	Governmental Activities- Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities:				
Operating income/(loss)	\$(62,776)	\$(100,417)	\$ 1,949,310	\$ 454,251
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	35,701		2,814,542	1,022,508
(Increase) decrease in net assets:				
Accounts receivable		(985)	(181,258)	
Prepaid expenses				(2,187)
Deposits				(80,000)
Inventory			28,956	(29,790)
Increase (decrease) in net liabilities:				
Accounts payable	(39)	8,499	(75,505)	89,087
Salaries and benefits payable		121	17,875	(4,293)
Compensated absences			4,757	
Deposits and deferred revenue			7,630	
OPEB liability			61,057	
Total adjustments	<u>35,662</u>	<u>7,635</u>	<u>2,678,054</u>	<u>995,325</u>
Net cash provided (used) by operating activities	<u>\$(27,114)</u>	<u>\$ (92,782)</u>	<u>\$ 4,627,364</u>	<u>\$ 1,449,576</u>
Noncash investing, capital, and financing activities:				
Contribution of capital assets	<u>\$</u>	<u>\$</u>	<u>\$ 104,289</u>	<u>\$</u>

See independent auditor's report and notes to financial statements.

FIDUCIARY FUNDS FINANCIAL STATEMENTS

CITY OF HANFORD
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Redevelopment Successor Agency Private-Purpose Trust Fund	Trust and Agency Funds
ASSETS		
Cash and investments	\$ 1,852,770	\$1,328,454
Accounts receivable	1,472	4,515
Assets held for resale	1,844,343	
Other	<u> </u>	<u>1,615,000</u>
Total assets	<u>\$ 3,698,585</u>	<u>\$2,947,969</u>
LIABILITIES		
Accounts payable	\$1,643,157	\$ 322,469
Deposits held for others		119,166
Advances from City of Hanford	7,679,886	
Bonds/notes payable	<u>893,470</u>	<u>1,615,000</u>
Total liabilities	<u>10,216,513</u>	<u>2,056,635</u>
NET POSITION (Deficit)		
Held in trust for the retirement of obligations of the former Hanford Redevelopment Agency and other purposes	<u>(6,517,928)</u>	<u>891,334</u>
Total net position (deficit)	<u>\$ (6,517,928)</u>	<u>\$ 891,334</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Period Ended June 30, 2013

	Redevelopment Successor Agency Private-Purpose Trust Fund	Trust and Agency Funds
ADDITIONS		
Taxes	\$ 154,390	\$
Investment earnings	5,701	
Other additions	<u>18,190</u>	<u>486,035</u>
Total additions	<u>178,281</u>	<u>486,035</u>
DEDUCTIONS		
General government	76,040	17,954
Other agencies	1,643,157	
Unrealized (gain) loss on investments	9,933	3,061
Debt service:		
Principal		355,000
Interest	<u> </u>	<u>107,195</u>
Total deductions	<u>1,729,130</u>	<u>483,210</u>
Change in net position	(1,550,849)	2,825
Net position (deficit) – beginning of year	<u>(4,967,079)</u>	<u>888,509</u>
Net position (deficit) – end of year	<u><u>\$(6,517,928)</u></u>	<u><u>\$891,334</u></u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Hanford (the “City”) have been prepared in conformity with U.S. Generally Accepted Accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements present the financial position of the City and the various funds and fund types, the results of operations of the City and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2013 and for the year then ended.

A. Description of the Reporting Entity

The City of Hanford was incorporated as a General Law city in 1891. The City operates under a Council-Administrator form of government and provides the following services: Public safety (police and fire), community development, community services, public works, cultural, general administrative services, and capital improvements.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Hanford (the primary government) and its component units. The component units discussed below is included in the City’s reporting entity because of the significance of their operational or financial relationship with the City. However, elected officials of the City of Hanford have a continuing accountability for fiscal matters of the other entities. The financial reporting entity consists of: (1) the City (2) organizations for which the City is financially accountable and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, component unit balances and transactions are reported in a manner similar to the balances and transactions of the City. A component unit is presented on a blended basis when the component unit’s governing body is substantially the same as the City’s or the component unit provides services almost entirely to the City, otherwise the component unit is presented discretely.

Blended Component Unit:

The financial statements of the City of Hanford include the financial activities of the City as well as of the Hanford Improvement Corporation. Although the Hanford Improvement Corporation is a legally distinct unit from the City, their financial operations are overseen by the City of Hanford and, in fact, the City Council is the board of directors of the Corporation. Separate financial statements of the Hanford Improvement Corporation may be obtained from the City of Hanford, 319 N. Douty Street, Hanford, CA 93230.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

B. Basis of Presentation

Government-Wide Financial Statements

The Government-wide financial statements (the statement of net assets and the statement of activities) report information of all of the non-fiduciary activities of the primary government and its component units. For the most part, eliminations have been made to minimize the double counting on internal activities. These statements distinguish between the *governmental and business type activities* of the City and between the City and its discretely presented component unit. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statements

The governmental fund financial statements provide information about the City's funds, including fiduciary funds and the blended component unit. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

The City reports the following major governmental funds:

General Fund - The General Fund is the principle operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. For the City, the general fund includes basic governmental activities such as general government, public safety, public works and community service.

CDBG Home/Housing Fund – To receive and disburse funds in accordance with grants received from the Department of Housing and Urban Development for the repair and improvement of targeted housing areas.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Transportation Funds – These are funds used to account for receipt and disbursement of Federal and State Transportation Program moneys. The funds reported here include 1971 State Transportation Development Act (TDA) Funds, Federal Congestion Management and Air Quality (CMAQ) Funds, 2006 Statewide Proposition 1-B Bond Funds, and 2009 Federal American Recovery and Reinvestment Act (ARRA) Stimulus Funds.

The City reports the following major enterprise funds:

Water Fund – The Water Fund is used to account for the financial activities of water utility of the City.

Wastewater Fund – The Wastewater Fund is used to account for financial activities of sewage collection and wastewater treatment utility of the City.

Storm Drain Fund – The Storm Drain Fund is used to account for the financial activities of the City's storm drains.

Refuse Fund – The Refuse Fund is used to account for the financial activities of the collection of solid waste and disposal utility of the City.

Airport Fund – To account for all activities necessary to provide an airport to the residents of the City and surroundings areas.

Intermodal Fund – The Intermodal Fund is used to account for the financial activities of a building used to support state regional and local transportation.

Courthouse Square Fund – The Courthouse Square Fund is used to account for the financial activities of the maintenance and improvement of the property known as the Courthouse Square in downtown Hanford.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

The City reports the following fund types in aggregate as part of other non-major governmental funds:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs of the City other than debt service payments made by proprietary funds.

Additionally, the City reports the following fund types:

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of the City to another on a cost-reimbursement basis.

Trust and Agency Funds – Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other governments.

C. Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

For its government-wide activities and enterprise funds, the City has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating.

D. Assets, Liabilities, Net Assets or Equity, and Other Financial Statement Items

Cash and Investments

For purposes of the statement of cash flows, the City considers short term and highly liquid investments (including restricted assets) to be cash and cash equivalents.

Investments

Investments are stated at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale).

Further cash and investment disclosures are presented in Note 2.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statement as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

Services provided, deemed to be a market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include intergovernmental and tax receivable. Business-type activities report trade and intergovernmental as their major receivables.

Inventory

Inventories of materials and supplies in the proprietary and internal services funds are valued at the lower of cost or market, carried on a first-in, first-out (FIFO) basis.

Land Held for Resale

Land held for resale is recorded at the lower of cost or estimated realizable value. Fund balances are reserved in amounts equal to the carrying value of the land held for resale because such assets are not available to finance the City's current operations.

Capital Assets

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

The City's capitalization threshold is \$5,000. In other words, fixed assets are capitalized only if they have a cost in excess of \$5,000 and have an expected useful life of three years or more. Fixed assets that have a cost below \$5,000 are expensed during the fiscal year they are acquired.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Infrastructure	20 to 50 years
Buildings	20 to 50 years
Improvements other than buildings	20 to 50 years
Machinery and equipment	4 to 20 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits and compensatory time. All vacation, sick and compensatory pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. For additional information regarding compensated absences, see Note 4.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the terms of the related debt.

In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

Net Assets/Fund Equity

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constructional provisions or enabling legislation.
- *Unrestricted net assets* – This category represents net assets of the City, not restricted for any project or other purpose.

In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the City's highest level of decision-making authority and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned fund balance* – amounts that are constrained by the City's *intent* to be used for specific purposes. The intent can be established by either the highest level of decision making, or by a body or an official designated for that purpose.
- *Unassigned fund balance* – the residual classification for the City's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by the unrestricted, committed, assigned and unassigned resources as they are needed.

Property Taxes

In 1978, a state constitutional amendment (Proposition 13) provided that the tax rate be limited to 1% of market value, levied only by the County and shared with all other jurisdictions. Such limitation on the rate may only be increased through voter approval. The County Collects property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdiction's assessed valuations and on the tax rate for voter-approved debt. In the fund financial statements, property tax is recorded as revenue in the period levied to the extent they are collected within 60 days of year-end.

The property tax calendar for the City and the Discretely Presented Component Unit is as follows:

Lien date	January 1
Levy dates	September 1
Due dates	November 1 – 1 st installment February 1 – 2 nd installment
Collection dates	December 10 – 1 st installment April 12 – 2 nd installment

E. Unearned Revenue

The City reports unearned revenue in its financial statements. Unearned revenue arises when resources are recovered by the government before it has legal claim to them.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

G. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The procedures established by the City Council in adopting the budgetary data reflected in the financial statements are as follows:

On or before the second meeting in May, the City Manager submits to the City Council a proposed operating and capital projects budget for the fiscal year commencing the following July 1. Following publication and public hearings, the budget is legally enacted by resolution.

The City Manager is authorized to transfer funds appropriated with respect to all classifications within the same department. The City Manager may transfer appropriated funds from any classification within other expenditure categories to existing capital outlay and capital projects classifications within the same department only; however, any revisions that alter the total expenditures of any department or create additional projects must be approved by the City Council.

Supplemental budgetary appropriations were negligible for the fiscal year ended June 30, 2013. All unencumbered appropriations lapse at year end.

For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are considered a single department. Revenues are budgeted on a line item basis. A comparison of budgeted and actual revenues by line item would be too voluminous for this report.

Budgets for the General, Special Revenue, and Debt Service Funds are presented in the accompanying general purpose financial statements on a basis consistent with accounting principles generally accepted in the United States of America. Budgets for Capital Projects Funds are not presented because they are budgeted on a project basis rather than on an annual basis. No budgets are adopted for the Proprietary and Fiduciary Fund types.

Deficit Fund Equity/Net Position

The Courthouse Square Proprietary Fund had a deficit net position of \$740,591. The deficit is expected to be eliminated in future years through revenues or transfers from other funds.

Reclassification and Eliminations

Interfund balances must generally be eliminated in the government-wide financial statements, except for net residual amounts due between governmental activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expense of the function from which the expenses are being allocated, so that expenses are reported only once – in the function in which they are allocated.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$64,612,610
Restricted cash and investments	595,471
Fiduciary funds:	
Cash and investments	<u>3,181,224</u>
Total cash and investments	<u>\$68,389,305</u>

Cash and investments as of June 30, 2013 consist of the following:

Cash on hand	\$ 1,745
Deposits with financial institutions	9,079,138
Investments	<u>59,308,422</u>
Total cash and investments	<u>\$68,389,305</u>

Investments Authorized by the California Government Code and the City of Hanford's Investment Policy.

The table below identifies the **investment types** that are authorized for the City of Hanford by the California Government Code (or the City of Hanford's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City of Hanford's investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration** of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City of Hanford, rather than the general provisions of the California Government Code or the City of Hanford's investment policy.

Authorized Investment type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None

*Excluding amounts held by bond trustees that are not subject to California Government Code Restrictions.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City of Hanford's investment policy. The table below identifies the **investment types** that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address **interest rate risk**, **credit risk**, and **concentration of credit risk**.

Authorized Investment type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None

Disclosure Relating to Interest Rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City of Hanford manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing and coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City of Hanford's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City of Hanford's investments by maturity.

Investment Type		Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Federal Agency Securities	\$14,997,936	\$	\$ 721,765	\$14,276,171
State Investment Pool	39,907,101	39,907,101		
Negotiable Certificates of Deposits	3,157,529	250,240	710,897	2,196,392
Held by Bond Trustee:				
Money Market Funds	<u>1,245,856</u>	<u>1,245,856</u>		
Total	<u>\$59,308,422</u>	<u>\$41,403,197</u>	<u>\$1,432,662</u>	<u>\$16,472,563</u>

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City of Hanford's investment policy, or debt agreements and the actual rating as of year end for each investment type.

Investment Type		Minimum Legal Rating	Standard & Poors Ratings as of Year End		
			AAA	AA	Not Rated
Federal Agency Securities	\$14,997,936	N/A	\$	\$14,997,936	\$
State Investment Pool	39,907,101	N/A			39,907,101
Negotiable Certificates of Deposits	3,157,529	N/A			3,157,529
Held by Bond Trustee:					
Money Market Funds	<u>1,245,856</u>	N/A	<u>650,386</u>		<u>595,470</u>
Total	<u>\$59,308,422</u>		<u>\$650,386</u>	<u>\$14,997,936</u>	<u>\$43,660,100</u>

Concentration of Credit Risk

The investment policy of the City of Hanford contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) that represent 5% or more of **total City of Hanford investments** are as follows:

Issuer	Investment Type	Reported Amount
FNMA	Federal Agency Securities	\$6,765,410
FFCB	Federal Agency Securities	\$5,745,462

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City of Hanford's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: \$10,077,922 of the City of Hanford's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk.

Investment in State Investment Pool

The City of Hanford is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City of Hanford's investment in this pool is reported in the accompanying financial statements at amounts based upon the City of Hanford's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2013 for the City's individual major funds, nonmajor funds and internal service funds in the aggregate are as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Grants</u>	<u>Interest</u>	<u>Loans</u>	<u>Total</u>
Governmental Funds						
General	\$ 445,135	\$ 911,050	\$	\$25,655	\$ 25,000	\$ 1,406,840
CDBG Home/Housing			54,692	640	17,229,026	17,284,358
Capital Project	32,058					32,058
Transportation Funds		524,963	728,572	955		1,254,490
Nonmajor and Other	295,144	110,591		9,035	2,582,592	2,997,362
Total	<u>\$ 772,337</u>	<u>\$1,546,604</u>	<u>\$783,264</u>	<u>\$36,285</u>	<u>\$19,836,618</u>	<u>\$22,975,108</u>
Enterprise Funds						
Water System	\$ 555,110	\$	\$	\$ 5,323	\$	\$ 560,433
Wastewater	505,387			7,250		512,637
Storm Drain	220,836			3,874		224,710
Refuse	612,819			310		613,129
Airport	723				1,830	2,553
Courthouse Square	54,219					54,219
Total	<u>\$1,949,094</u>	<u>\$</u>	<u>\$</u>	<u>\$16,757</u>	<u>\$ 1,830</u>	<u>\$ 1,967,681</u>
Internal Service Funds						
Fleet Maintenance Fund	\$	\$	\$	\$10,553	\$	\$ 10,553
Total	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$10,553</u>	<u>\$</u>	<u>\$ 10,553</u>

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

NOTE 4 – CAPITAL ASSETS

Capital assets activities for the year ended June 30, 2013 were as follows:

	Balance July 1, 2012	Addition Completions	Retirements/ Adjustments	Balance June 30, 2013
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 60,432,656	\$	\$	\$ 60,432,656
Construction in Progress	<u>981,876</u>	<u>683,042</u>	<u>(910,793)</u>	<u>754,125</u>
Total capital assets, not being depreciated	61,414,532	683,042	(910,793)	61,186,781
Capital assets being depreciated				
Buildings	18,109,731	11,749		18,121,480
Infrastructure	112,402,161	5,988,458		118,390,619
Equipment	<u>18,317,379</u>	<u>1,682,718</u>	<u>(558,335)</u>	<u>19,441,762</u>
Total capital assets being depreciated	148,829,271	7,682,925	(558,335)	155,953,861
Less: Accumulated depreciation				
Buildings	(6,759,164)	(319,421)		(7,078,585)
Infrastructure	(53,519,739)	(4,688,156)		(58,207,895)
Equipment	<u>(11,641,488)</u>	<u>(1,174,269)</u>	<u>503,319</u>	<u>(12,312,438)</u>
Total accumulated depreciation	(71,920,391)	(6,181,846)	503,319	(77,598,918)
Total capital assets being depreciated, net	<u>76,908,880</u>	<u>1,501,079</u>	<u>(55,016)</u>	<u>78,354,943</u>
Governmental activities capital assets, net	<u>\$138,323,412</u>	<u>\$ 2,184,121</u>	<u>\$ (965,809)</u>	<u>\$139,541,724</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 11,035,847	\$ 1,750	\$	\$ 11,037,597
Construction in progress	<u>1,664,778</u>	<u>20,148</u>	<u>(1,616,108)</u>	<u>68,818</u>
Total capital assets, not being depreciated	<u>12,700,625</u>	<u>21,898</u>	<u>(1,616,108)</u>	<u>11,106,415</u>
Capital assets being depreciated				
Buildings and improvement	138,968,404	5,120,201		144,088,605
Machinery and equipment	<u>5,524,724</u>	<u>85,946</u>	<u>(21,133)</u>	<u>5,589,537</u>
Total capital assets being depreciated	144,493,128	5,206,147	(21,133)	149,678,142
Less: Accumulated depreciation for:				
Buildings and improvement	(43,515,483)	(2,616,646)		(46,132,129)
Machinery and equipment	<u>(2,224,999)</u>	<u>(197,896)</u>	<u>21,133</u>	<u>(2,401,762)</u>
Total accumulated depreciation	(45,740,482)	(2,814,542)	21,133	(48,533,891)
Total capital assets being depreciated, net	<u>98,752,646</u>	<u>2,391,605</u>	<u>—</u>	<u>101,144,251</u>
Business-type activities capital assets, net	<u>\$111,453,271</u>	<u>\$ 2,413,503</u>	<u>\$ (1,616,108)</u>	<u>\$112,250,666</u>

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

Depreciation expense for the fiscal year ending June 30, 2013 was charged to the following activities:

Governmental functions:

General governmental	\$ 34,579
Public safety	279,476
Culture and recreation	671,451
Public works	4,042,101
Community development	131,731
Capital assets held by the internal service funds were charged to the various functions based on their usage	<u>1,022,508</u>
Total	<u>\$6,181,846</u>

Business-type functions:

Water system	\$1,102,691
Wastewater	1,225,493
Storm drain	208,507
Refuse	4,372
Airport	237,778
Intermodal	<u>35,701</u>
Total	<u>\$2,814,542</u>

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

NOTE 5 – LONG-TERM DEBT

The following is a summary of the long-term debt activity for the year ended June 30, 2013:

Type of Debt	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Amounts Due Within One Year
Governmental activities					
Notes payable	\$ 246,450	\$	\$	\$ 246,450	\$
Compensated absences	<u>803,467</u>	<u>39,383</u>	<u></u>	<u>842,850</u>	<u></u>
Total governmental activities	<u>1,049,917</u>	<u>39,383</u>	<u></u>	<u>1,089,300</u>	<u></u>
Business activities					
Bonds payable	24,480,000	13,165,000	(14,050,000)	23,595,000	1,155,000
Add deferred amounts for issuance premium	143,043	427,480	(30,314)	540,209	
Notes payable	14,878,713		(610,379)	14,268,334	633,454
Capital lease	5,776,607		(612,700)	5,163,907	597,860
Compensated absences	<u>161,223</u>	<u>4,071</u>	<u></u>	<u>165,294</u>	<u></u>
Total business activities	<u>45,439,586</u>	<u>13,596,551</u>	<u>(15,303,393)</u>	<u>43,732,744</u>	<u>2,386,314</u>
Total primary government	<u>\$46,489,503</u>	<u>\$13,635,934</u>	<u>\$(15,303,393)</u>	<u>\$44,822,044</u>	<u>\$2,386,314</u>

Governmental Activities –

Notes Payable:

On September 20, 2011, the City entered into a loan agreement with the Kings County Economic Development Corporation in the amount of \$246,450 to fund 50% of the purchase price of 16.43 acres of vacant land for the Kings County Industrial Park Project. The note does not accrue interest at a fixed rate, but instead will pay a contingent deferred interest for a price in excess of \$30,000 per acre. The note represents a shared appreciation loan and the City is required to pay \$15,000 in principal for each acre it sells. The principal balance at June 30, 2013 was \$246,450.

Compensated Absences:

The City accounts for compensated absences (unpaid vacation, sick leave and compensatory time) in accordance with GASB Code Sec. C60. In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the City's intention to liquidate any unpaid compensated absences at June 30 from future resources, rather than current available financial resources. Accordingly, the unpaid liability for governmental funds is recorded in the government-wide statement of net assets.

\$842,850

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

Business Type Activities –

Long-Term Debt – Bonds Payable:

On April 1, 1996, the City of Hanford issued \$7,855,000 of Variable Rate Demand Sewer System Refunding Revenue Bonds. The Bonds are payable from and secured by a lien on and pledge of the net revenues of the City Sewer System. The Bond shall mature on April 1, 2023, and shall bear interest annually, ranging from 2.0 to 7.5 percent. Interest on the Bonds is payable on the first day of January, April, July, and October, commencing July 1, 1996. The purpose of the bonds is to provide funds to refund the City of Hanford Certificates of Participation dated April 1, 1987 and February 1, 1993. At June 30, 2013 the outstanding balance was \$4,300,000.

The future maturities of the Bonds payable were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 400,000	\$156,950	\$ 556,950
2015	400,000	142,350	542,350
2016	400,000	127,750	527,750
2017	400,000	113,150	513,150
2018	400,000	98,550	498,550
2019-2023	<u>2,300,000</u>	<u>262,800</u>	<u>2,562,800</u>
Total	<u>\$4,300,000</u>	<u>\$901,550</u>	<u>\$5,201,550</u>

On December 1, 2003, the City of Hanford issued \$8,925,000 CSCDA Water Revenue Bonds Series 2003 C. The Bonds shall mature on October 1, 2028, and shall bear interest annually ranging from 2.0 to 5.25 percent. Interest on the Bonds is payable semiannually on each April 1 and October 1, commencing April 1, 2004. The proceeds were used to refund the EDP Loan and 1993 Water Refunding Revenue Bond as well as to fund improvements to the City's water treatment facilities. As of June 30, 2013, the balance outstanding was \$6,650,000.

The future maturities of the Bonds payable were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 285,000	\$ 327,218	\$ 612,218
2015	295,000	313,988	608,988
2016	315,000	297,975	612,975
2017	330,000	283,106	613,106
2018	345,000	269,606	614,606
2019-2023	1,960,000	1,084,753	3,044,753
2024-2028	2,530,000	500,588	3,030,588
2029	<u>590,000</u>	<u>15,488</u>	<u>605,488</u>
Total	<u>\$6,650,000</u>	<u>\$3,092,722</u>	<u>\$9,742,722</u>

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

On July 1, 2012, the City of Hanford issued \$13,165,000 Wastewater Revenue Refunding Bonds Series 2012 bearing interest of 3.0% to 5.0% payable semi-annually on April 1 and October 1 commencing October 1, 2012. The bonds mature annually at various amounts through October 1, 2032. The bonds are payable from net revenues of the City's Wastewater System and from amounts on deposit in certain funds and accounts created under the Indenture.

The Bonds are being issued to refinance the City's previously issued \$5,000,000 CSCDA Water and Wastewater Revenue Bonds, dated October 1, 1999 and the \$10,555,000 CSCDA Water and Wastewater Revenue Bonds dated April 16, 2002. As a result the 1999 and 2002 Revenue Bonds are considered to be defeased and the liability for those bonds has been removed from the long-term liabilities of the Business Activities Debt.

The aggregate debt service payments of the new debt is \$2,121,034 less than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the present value of the old debt and new debt payments of approximately \$1,537,677.

Bonds outstanding at June 30, 2013 are \$12,645,000

The future maturities of the Bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 470,000	\$ 462,306	\$ 932,306
2015	490,000	447,906	937,906
2016	500,000	430,556	930,556
2017	520,000	410,156	930,156
2018	545,000	388,856	933,856
2019-2023	3,070,000	1,564,135	4,634,135
2024-2028	3,625,000	953,272	4,578,272
2029-2032	<u>3,425,000</u>	<u>316,592</u>	<u>3,741,592</u>
Total	<u>\$12,645,000</u>	<u>\$4,973,779</u>	<u>\$17,618,779</u>

Long-Term Debt – Notes Payable

On May 28, 2002, the City of Hanford obtained a loan from the California Infrastructure and Economic Development Bank in the amount of \$10,000,000. The term of the agreement is thirty (30) years with a maturity date of February 1, 2034, and an annual interest rate of 3.50%. Prior to the Bond Date, there is a .26% reduction in the interest rate, resulting in an initial rate of 3.24%. Interest on the loan is payable semi-annually on each February 1 and August 1, commencing August 1, 2003. As of June 30, 2013, the balance outstanding was \$7,760,131.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

The future maturities of the Note payable were as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 294,422	\$ 266,452	\$ 560,874
2015	304,727	255,967	560,694
2016	315,392	245,115	560,507
2017	326,431	233,883	560,314
2018	337,856	222,258	560,114
2019-2023	1,875,152	922,166	2,797,318
2024-2028	2,227,091	564,066	2,791,157
2029-2032	<u>2,079,060</u>	<u>148,662</u>	<u>2,227,722</u>
Total	<u>\$7,760,131</u>	<u>\$2,858,569</u>	<u>\$10,618,700</u>

On December 20, 2007, the City of Hanford entered into an installment sale agreement with the City of Hanford Public Improvement Corporation in the amount of \$8,150,000. The agreement was to enable the City to finance the costs of acquisition and construction of certain public facilities constituting a part of the City's water enterprise. The term of the agreement is thirty (30) years with a maturity date of December 1, 2027 and an annual interest rate of 2.0% to 5.25%. Interest on the loan is payable semi-annually on each June 1 and December 1, commencing June 1, 2008. As of June 30, 2013, the balance outstanding was \$6,508,203.

The future maturities of the Note payable were as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 339,032	\$ 256,409	\$ 595,441
2015	352,701	242,740	595,441
2016	366,921	228,520	595,441
2017	381,685	213,756	595,441
2018	397,105	198,336	595,441
2019-2023	2,238,992	738,063	2,977,055
2024-2028	<u>2,431,767</u>	<u>248,956</u>	<u>2,680,723</u>
Total	<u>\$6,508,203</u>	<u>\$2,126,780</u>	<u>\$8,634,983</u>

Capital Lease

In August, 2009, the City entered into a capital lease agreement with Government Capital Corporation, to lease water meters and AMR devices. The purchase price of the equipment was approximately \$3,050,000 and a down payment of \$950,000 was applied to the purchase. Semi-annual payments commenced on February, 2010, are \$151,096 including interest of 4.668%, with a final payment in August, 2017. The balance outstanding as of June 30, 2013 was \$1,213,856.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

The annual debt service requirements for the 2009 Capital Lease outstanding at June 30, 2013 are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 248,396	\$ 53,796	\$ 302,192
2015	260,126	42,066	302,192
2016	272,410	29,782	302,192
2017	285,274	16,918	302,192
2018	<u>147,650</u>	<u>3,446</u>	<u>151,096</u>
Total	<u>\$1,213,856</u>	<u>\$146,008</u>	<u>\$1,359,864</u>

In November, 2011, the City entered into a capital lease agreement with Bank of America to design and construct an energy efficient tracker system for the City's wastewater treatment plant. The purchase price of this project is \$4,325,556, with annual payments in varying amounts including interest at 3.33% commencing on July 8, 2012 with a final payment in July, 2026. The balance outstanding as of June 30, 2013 was \$3,950,051.

The annual debt service requirements for the 2011 Capital Lease outstanding at June 30, 2013 are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 349,463	\$131,537	\$ 481,000
2015	371,092	119,899	490,991
2016	390,988	107,542	498,530
2017	418,118	94,522	512,640
2018	138,686	80,599	219,285
2019-2023	1,007,628	320,310	1,327,938
2024-2027	<u>1,274,076</u>	<u>111,052</u>	<u>1,385,128</u>
Total	<u>\$3,950,051</u>	<u>\$965,461</u>	<u>\$4,915,512</u>

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

NOTE 6 – PENSION PLAN

Plan Description

The City's defined benefit plans, the Miscellaneous, Police Safety and Fire Safety Plans of the City of Hanford, provide retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous, Police Safety and Fire Safety plans of the City of Hanford are part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered to by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State Statutes within the Public Employees' Retirement Law. The City of Hanford selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

Funding Policy

The City makes the contributions required by City employees on their behalf and for their account. The present required contribution rates of annual covered salaries are as follows:

<u>Category</u>	<u>Members Rates as a Percentage of Wages</u>
Local miscellaneous members	8%
Local police safety members	9%
Local fire safety members	9%

The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2013 was 27.327% for miscellaneous employees. The required employer contribution rate for police safety employees was 31.532% for the period July 1, 2012 through June 30, 20123. The required employer contribution rate for the fire safety employees was 29.883% for the period July 1, 2012 through June 30, 2013. The contribution requirements of plan members are established by State Statue and the employer contribution rate is established and may be amended by CalPERS.

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Cost Method. The actuarial assumptions include a 4.5 percent investment rate of return, covered payroll increases of 3.25 percent per year, an inflation rate of 3.25 percent per year, and a medical increase trend rate starting at 10 percent per year, and decreasing gradually over a 10 year period to an ultimate rate of 4.50 percent per year. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of projected payroll over 30 years.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

Annual Pension Costs

For the fiscal year ended June 30, 2013, the City's annual pension cost of \$4,108,415 for PERS was equal to the City's required and actual contributions. The required contribution for the fiscal year ended June 30, 2013 was determined as part of the June 30, 2010 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expense), (b) projected annual salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members (from 3.55% to 14.45% for police and fire safety members), and (c) 3.25% payroll growth. Both (a) and (b) included an inflation component of 3.00%. The actuarial values of the Miscellaneous, Police Safety and Fire Safety Plans of the City of Hanford's assets were determined by using a technique that smoothes the effects of short-term volatility in the next market value of investments over a two to five year period, depending on the size of investment gains and/or losses. The Miscellaneous and the Safety Plans of the City of Hanford's unfunded actuarial accrued liabilities (or excess assets) are being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2013 was 18 years for Miscellaneous, 17 years for Police Safety, and 17 years for Fire Safety.

Fiscal Year	Three-Year Trend Information for PERS		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
6/30/11	\$4,937,372	100.0%	
6/30/12	\$4,489,525	100.0%	
6/30/13	\$4,108,415	100.0%	

Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the plan was 78.4% funded for non-safety employees and 86.8% funded for safety employees. The actuarial accrued liability for benefits was \$78 million for non-safety employees and \$2.1 billion for safety employees and the actuarial value of assets was \$61 million for non-safety employees and \$1.9 billion for safety employees, resulting in an unfunded actuarial accrued liability (UAAL) of \$17 million for non-safety employees and \$287 million for safety employees. The covered payroll (annual payroll of active employees covered by the plan) was \$7.6 million for non-safety members and \$232 million for safety members, and the ratio of UAAL to the covered payroll was 218.4% and 123.8% respectively.

The schedule of funding progress presented as RSI following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

NOTE 7 – POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

During the fiscal year ended June 30, 2009, the City implemented GASB Statement No. 45, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions. This statement establishes uniform financial reporting standards for employers providing post-employment benefits. The provisions of this statement are applied on a prospective basis.

The City participates in the CalPERS medical program under the Public Employees' Medical and Hospital and Care Act (PEMHCA). As such, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. The City has selected the equal contribution method, where it resolves to contribute the same amount for retirees as is contributed toward active employee medical plan coverage. The City currently pays the minimum employer contribution (MEC) for both active and retired employees as well as their survivors, if covered at the time of the employee's death. The MEC is \$115 per month for 2013.

Dental insurance is available to retired employees as well, though the cost of coverage is paid entirely by the retiree. Once the retiree reaches age 65 the City no longer allows the retiree to stay on the dental plan.

The above coverage is available for employees who satisfy the requirements for retirement under CalPERS (attained age 50 with 5 years of State or public agency service or approved disability retirement). An employee cannot terminate employment before meeting the age condition and be entitled to receive benefits.

Funding Policy

Currently the City funds retiree healthcare benefits on a pay-as-you-go basis, paying a maximum of \$115 per month for retiree benefits from the City funds as they are due with no prefunding for future years. The City recognizes expenditures for its share of the annual premiums as these benefits become due. For fiscal years 2012-2013, the City paid \$58,433 for benefits of 43 retirees or their beneficiaries receiving benefits.

Annual PPEB and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and amount which was determined as part of the July 1, 2009 actuarial valuation in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC is subject to change with each actuarial valuation date performed no less than every three years.

The City's OPEB unfunded actuarial accrued liability as of July 1, 2013, the date of the most recent actuarial valuation, was a total of \$3,283,849. The OPEB obligation has been adjusted by an annual inflation percentage of 3.00% based on the assumptions of the actuarial valuation and a general salary increase of 3.25%.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

The City has calculated and recorded the Net OPEB obligation, representing the difference between the ARC, amortization and contributions, as follows:

Annual required contributions (ARC) and annual OPEB cost	\$ 388,285
Interest on net OPEB obligation	51,973
Adjustment to the ARC	<u>(53,737)</u>
Annual required contribution annual OPEB cost (expense)	386,521
Less: Employer contribution	<u>(58,433)</u>
Increase in net OPEB obligation	328,088
Net OPEB obligations, beginning of year	<u>1,154,960</u>
Net OPEB obligations, end of year	<u>\$1,483,048</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2013 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/11	\$335,163	12.35%	\$ 849,181
6/30/12	\$358,543	12.71%	\$1,154,960
6/30/13	\$386,521	15.12%	\$1,483,048

Note: Disclosure of annual OPEB cost, percent contributed, and net OPEB obligation, if any, is required for the current fiscal year and each of the two preceding fiscal years. The fiscal year ended June 30, 2009 is the first year of implementation of the City's post-retirement health care plan accounted for and reported in accordance with the requirements of GASB 45.

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about investment return, future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

The funded status of the plan as of June 30, 2013 was as follows:

Actuarial accrued liability	\$ 3,843,191
Actuarial value of plan assets	<u>0</u>
Unfunded Actuarial accrued liability (UAAL)	\$ 3,843,191
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$15,177,085
UAAL as a percentage of covered payroll	25.32%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and plan members, and include the types of plan benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

NOTE 8 – RISK MANAGEMENT

The City is partially self-insured for workers' compensation and general liability insurance. For worker's compensation, the City is responsible for claims up to \$250,000 per occurrence. Coverage in excess of the City's self-insured retention is purchased through CSAC Excess Insurance Authority (CSAC-EIA) up to the statutory limits. The City participates in a risk pool through CSAC-EIA above the City's self-insured retention up to \$5,000,000 per occurrence. Reinsurance coverage in excess of the pool layer up to \$25,000,000 is purchased through CSAC-EIA. For both workers' compensation and general liability insurance, CSAC-EIA retains responsibility for claims in excess of each member's self-insured retention. There were no reductions in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage for the past three fiscal years.

Workers' compensation and general liability claims incurred prior to July 1, 2012 were covered through the City's participation in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool. For workers' compensation insurance, the City is self-insured up to \$200,000. Coverage between \$200,000 and \$500,000 is provided through a risk pool. CSJVRMA participates in an excess pool which provides coverage from \$500,000 to \$5,000,000 and purchases excess insurance above \$5,000,000 to the statutory limit. For general liability insurance, the City participates in a risk pool which covers the City above its self-insurance retention level of \$100,000 up to \$1,000,000. CSJVRMA participates in an excess pool which provides coverage from \$1,000,000 to \$29,000,000. CSJVRMA members may receive rebates or be required to make additional contributions through a retrospective adjustment process.

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

NOTE 9 – INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, service provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund due from/to other funds at June 30, 2013 were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental Funds		
General Fund	\$ 548,713	\$ 375,470
Capital Project Fund	2,148,473	
Transportation Funds		280,950
Other Governmental Funds		267,763
Proprietary Funds		
Wastewater Fund	25,963	
Airport Fund		385,468
Intermodal Fund		632,268
Courthouse Square		<u>781,230</u>
Total	<u>\$2,723,149</u>	<u>\$2,723,149</u>

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the 2012/13 fiscal year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General Fund	\$ 64,876	\$180,243
Capital Project Fund		
Transportation Funds	3,248	
Other Governmental funds	170,372	81,431
Proprietary Funds		
Airport Fund	23,568	
Water Fund		<u>390</u>
	<u>\$262,064</u>	<u>\$262,064</u>

CITY OF HANFORD
Notes to Financial Statements
June 30, 2013
(Continued)

NOTE 10 – CONTINGENT LIABILITIES

Litigation

The City is involved as a defendant in various legal proceedings. While it is not feasible to predict or determine the outcome in these cases, it is the opinion of the City that the outcome will have no material effect on the financial position of the City.

Special Tax Bond Series 1998

The City, by resolution, issued \$5,365,000 of “Special Tax Bonds, Series 1998,” pursuant to the Mello-Roos Community Facilities Act of 1982, as amended commencing with Section 53311, et seq., of the Government Code of the State of California. Neither the full faith and credit nor the taxing power (except with respect to the special taxes) of the City of Hanford, the State of California or any political subdivision thereof is pledged to the payment of the bonds. The bonds are not general or special obligations of the City or general obligations of the Community Facilities District No. 91-1, but are limited obligations of the district payable solely from the special taxes and funds held pursuant to that agreement. The City is acting only as an agent for the property owners.

The City participates in a number of programs that are fully or partially funded by grants received from federal, state, and county governments. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed due to non-compliance with grant program regulations, the City may be required to reimburse the grantor agency. As of June 30, 2013, significant amounts of grant expenditures have not been audited by the grantor agencies, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the City’s overall financial position.

NOTE 11 – PRIOR PERIOD ADJUSTMENTS

The beginning fund balances/net assets of various funds and activities have been adjusted as follows:

	<u>Government-Wide Financial Statements</u>		<u>Fund Financial Statements</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Governmental</u>	<u>Proprietary</u>
Net assets/fund balance, beginning of the year as previously reported	\$207,238,229	\$93,146,987	\$14,659,342	\$29,793,739
Adjustment to land held for resale for amounts expensed in prior years	246,450		246,450	
Adjustment to beginning balance of accrued interest on long-term liabilities		<u>273,422</u>		<u>273,422</u>
Net assets/fund balances, beginning - restated	<u>\$207,484,679</u>	<u>\$93,420,409</u>	<u>\$14,905,792</u>	<u>\$30,067,161</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HANFORD
Required Supplementary Information
June 30, 2013

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

Schedule of Funding Progress – Defined Benefit Retirement Plan

Budgetary Comparison Schedule – General Fund, all major Special Revenue Funds, and Capital Projects Fund.

CITY OF HANFORD
Schedule of Funding Progress
June 30, 2013

Actuarial Valuation Date	(A) Entry Age Actuarial Accrued Liability	(B) Actuarial Asset Value	(C) Unfunded Liability (Excess Assets) (A)-(B)	(D) Funded Ratio (B)/(A)	(E) Covered Payroll	(F) Unfunded Actuarial Liability as Percentage of Covered Payroll (A)-(B)/(E)
<u>6/30/2010</u>						
Miscellaneous	\$ 69,202,177	\$ 54,144,195	\$ 15,057,982	78.2%	\$ 8,277,932	181.9%
Police Safety	\$1,915,095,826	\$1,628,915,283	\$286,180,543	85.1%	\$224,562,018	127.4%
Fire Safety	\$1,915,095,826	\$1,628,915,283	\$286,180,543	85.1%	\$224,562,018	127.4%
<u>6/30/2011</u>						
Miscellaneous	\$ 73,954,232	\$ 58,023,428	\$ 15,930,804	78.5 %	\$ 8,442,338	188.7%
Police Safety	\$2,061,923,933	\$1,759,286,797	\$302,637,136	85.3%	\$225,026,216	134.5%
Fire Safety	\$2,061,923,933	\$1,759,286,797	\$302,637,136	85.3%	\$225,026,216	134.5 %
<u>6/30/2012</u>						
Miscellaneous	\$ 78,389,580	\$ 61,453,663	\$ 16,935,917	78.4%	\$ 7,755,806	218.4%
Police Safety	\$2,183,549,942	\$1,896,139,291	\$287,410,651	86.8%	\$232,078,083	123.8 %
Fire Safety	\$2,183,549,942	\$1,896,139,291	\$287,410,651	86.8%	\$232,078,083	123.8%

*Pooled as of July 1, 2003 with similar agencies throughout the State, pursuant to State law.

CITY OF HANFORD
Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual (GAAP Basis)
General Fund
For the Year Ended June 30, 2013

	General Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes and special assessments	\$19,150,150	\$19,150,150	\$19,231,246	\$ 81,096
Aid from other governmental agencies	1,483,070	1,666,530	1,165,035	(501,495)
License and permits	351,470	351,470	491,603	140,133
Fines and forfeits	160,580	160,580	97,704	(62,876)
Charges for services	603,600	603,600	648,929	45,329
Revenue from use of money and property	423,360	423,360	306,730	(116,630)
Miscellaneous	<u>172,290</u>	<u>747,760</u>	<u>317,240</u>	<u>(430,520)</u>
Total revenues	<u>22,344,520</u>	<u>23,103,450</u>	<u>22,258,487</u>	<u>(844,963)</u>
EXPENDITURES				
General government	1,732,600	1,736,100	1,407,244	328,856
Public safety	14,536,300	15,705,674	13,905,815	1,799,859
Public works	3,494,940	3,546,080	2,866,248	679,832
Recreation	1,451,610	1,451,610	1,334,695	116,915
Community development	<u>1,085,890</u>	<u>1,088,490</u>	<u>1,023,840</u>	<u>64,650</u>
Total expenditures	<u>22,301,340</u>	<u>23,527,954</u>	<u>20,537,842</u>	<u>2,990,112</u>
Excess (deficiency) of revenue over expenditures	43,180	(424,504)	1,720,645	2,145,149
Other financing sources (uses)				
Operating transfers in	63,000	63,000	64,876	1,876
Operating transfers out	<u>(13,400)</u>	<u>(13,400)</u>	<u>(180,243)</u>	<u>(166,843)</u>
Total other financing sources (uses)	<u>49,600</u>	<u>49,600</u>	<u>(115,367)</u>	<u>(164,967)</u>
Net change in fund balances	<u>92,780</u>	<u>(374,904)</u>	<u>1,605,278</u>	<u>1,980,182</u>
Fund balance beginning of year, as previously reported			14,659,342	
Prior period adjustment			<u>246,450</u>	
Fund balances, beginning of year, restated	<u>14,905,792</u>	<u>14,905,792</u>	<u>14,905,792</u>	
Fund balances, end of year	<u>\$14,998,572</u>	<u>\$14,530,888</u>	<u>\$16,511,070</u>	<u>\$1,980,182</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual (GAAP Basis)
CDBG Home/Housing
For the Year Ended June 30, 2013

	CDBG Home/Housing			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Aid from other governmental agencies	\$ 933,070	\$ 1,350,100	\$ 1,073,017	\$ (277,083)
Revenue from use of money and property	124,270	117,190	193,778	76,588
Miscellaneous			901	901
Unrealized gain on investments			(2,172)	(2,172)
Total revenues	<u>1,057,340</u>	<u>1,467,290</u>	<u>1,265,524</u>	<u>(201,766)</u>
EXPENDITURES				
Community development	1,129,070	1,440,498	1,033,151	407,347
Capital outlay		1,301,060	781,577	519,483
Principal payments	<u>318,370</u>	<u>318,370</u>		<u>318,370</u>
Total expenditures	<u>1,447,440</u>	<u>3,059,928</u>	<u>1,814,728</u>	<u>1,245,200</u>
Excess (deficiency) of revenue over expenditures	<u>(390,100)</u>	<u>(1,592,638)</u>	<u>(549,204)</u>	<u>1,043,434</u>
Fund balances, beginning of year	<u>18,092,515</u>	<u>18,092,515</u>	<u>18,092,515</u>	
Fund balances, end of year	<u>\$17,702,415</u>	<u>\$16,499,877</u>	<u>\$17,543,311</u>	<u>\$ 1,043,434</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual (GAAP Basis)
Capital Projects Fund
For the Year Ended June 30, 2013

	Capital Projects Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Aid from other governmental agencies	\$	\$ 192,980	\$ 114,926	\$ (78,054)
Miscellaneous			229,726	229,726
Unrealized gain on investments			(36,859)	(36,859)
Total revenues		<u>192,980</u>	<u>307,793</u>	<u>114,813</u>
EXPENDITURES				
Capital outlay	<u>1,480,000</u>	<u>2,477,437</u>	<u>465,176</u>	<u>2,012,261</u>
Total expenditures	<u>1,480,000</u>	<u>2,477,437</u>	<u>465,176</u>	<u>2,012,261</u>
Excess (deficiency) of revenue over expenditures	<u>(1,480,000)</u>	<u>(2,284,457)</u>	<u>(157,383)</u>	<u>2,127,074</u>
Other financing sources (uses)				
Operating transfers in	10,000	10,000		(10,000)
Operating transfers out	<u>(49,660)</u>	<u>(49,660)</u>		<u>49,660</u>
Total other financing sources (uses)	<u>(39,660)</u>	<u>(39,660)</u>		<u>39,660</u>
Net change in fund balances	(1,519,660)	(2,324,117)	(157,383)	2,166,734
Fund balances, beginning of year	<u>8,919,833</u>	<u>8,919,833</u>	<u>8,919,833</u>	
Fund balances, end of year	<u>\$ 7,400,173</u>	<u>\$ 6,595,716</u>	<u>\$8,762,450</u>	<u>\$2,166,734</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual (GAAP Basis)
Transportation Funds
For the Year Ended June 30, 2013

	Transportation Funds			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes and special assessments	\$338,410	\$ 338,410	\$ 525,310	\$ 186,900
Aid from other governmental agencies		730,330	2,053,791	1,323,461
Revenue from use of money and property	1,810	1,810	3,607	1,797
Unrealized gain on investments			811	811
Total revenues	<u>340,220</u>	<u>1,070,550</u>	<u>2,583,519</u>	<u>1,512,969</u>
EXPENDITURES				
Capital outlay	<u>25,000</u>	<u>2,886,710</u>	<u>2,077,576</u>	<u>809,134</u>
Total expenditures	<u>25,000</u>	<u>2,886,710</u>	<u>2,077,576</u>	<u>809,134</u>
Excess (deficiency) of revenue over expenditures	<u>315,220</u>	<u>(1,816,160)</u>	<u>505,943</u>	<u>2,322,103</u>
Other financing sources (uses)				
Operating transfers in			3,248	3,248
Total other financing sources (uses)			<u>3,248</u>	<u>3,248</u>
Net change in fund balances	315,220	(1,816,160)	509,191	2,325,351
Fund balances, beginning of year	<u>449,671</u>	<u>449,671</u>	<u>449,671</u>	
Fund balances, end of year	<u>\$764,891</u>	<u>\$(1,366,489)</u>	<u>\$ 958,862</u>	<u>\$2,325,351</u>

See independent auditor's report and notes to financial statements.

SUPPLEMENTARY INFORMATION SECTION

CITY OF HANFORD
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2013

	Transportation Impact Fees	Park Impact Fees	Parking Fund	Downtown Reinvestment Fund	Landscaping Assessment District
ASSETS					
Cash and investments	\$1,689,240	\$1,828,146	\$71,523	\$281,128	\$814,490
Accounts receivable	16,361	1,803		274	4,256
Loan receivable	<u> </u>	<u> </u>	<u> </u>	<u>49,469</u>	<u> </u>
Total assets	<u>\$1,705,601</u>	<u>\$1,829,949</u>	<u>\$71,523</u>	<u>\$330,871</u>	<u>\$818,746</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 9,225	\$ 325	\$	\$	\$ 19,579
Due to other funds	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>9,225</u>	<u>325</u>	<u> </u>	<u> </u>	<u>19,579</u>
Fund balances					
Nonspendable:					
Long-term receivables					
Restricted for:					
Streets and roads	1,696,376				
Recreation		1,829,624			
Landscape maintenance					799,167
Public safety					
Aviation					
Committed for:					
Parking and business improvement			71,523	330,871	
Community development					
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,696,376</u>	<u>1,829,624</u>	<u>71,523</u>	<u>330,871</u>	<u>799,167</u>
Total liabilities and fund balances	<u>\$1,705,601</u>	<u>\$1,829,949</u>	<u>\$71,523</u>	<u>\$330,871</u>	<u>\$818,746</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2013
(Continued)

	City Housing Fund	Central Parking and Business Improvement	Fire Protection Impact Fees	Police Protection Impact Fees
ASSETS				
Cash and investments	\$1,132,221	\$145,125	\$490,356	\$1,360,078
Accounts receivable	1,102	141	477	1,324
Loan receivable	<u>1,307,995</u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$2,441,318</u>	<u>\$145,266</u>	<u>\$490,833</u>	<u>\$1,361,402</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$	\$	\$	\$
Due to other funds	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balances				
Nonspendable:				
Long-term receivables	1,307,995			
Restricted for:				
Streets and roads				
Recreation				
Landscape maintenance				
Public safety			490,833	1,361,402
Aviation				
Committed for:				
Parking and business improvement		145,266		
Community development	1,133,323			
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,441,318</u>	<u>145,266</u>	<u>490,833</u>	<u>1,361,402</u>
Total liabilities and fund balances	<u>\$2,441,318</u>	<u>\$145,266</u>	<u>\$490,833</u>	<u>\$1,361,402</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2013
(Continued)

	Special Aviation	Learning Center Operation	Traffic Safety	Street Tree Committee
ASSETS				
Cash and investments	\$	\$19,357	\$1,980	\$1,196
Accounts receivable	61,122	19	1,405	
Loan receivable	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$61,122</u>	<u>\$19,376</u>	<u>\$3,385</u>	<u>\$1,196</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$	\$	\$1,988	\$
Due to other funds	<u>51,122</u>	<u> </u>	<u>28</u>	<u> </u>
Total liabilities	<u>51,122</u>	<u> </u>	<u>2,016</u>	<u> </u>
Fund balances				
Nonspendable:				
Long-term receivables				
Restricted for:				
Streets and roads				
Recreation				
Landscape maintenance				1,196
Public safety			1,369	
Aviation	10,000			
Committed for:				
Parking and business improvement				
Community development		19,376		
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>10,000</u>	<u>19,376</u>	<u>1,369</u>	<u>1,196</u>
Total liabilities and fund balances	<u>\$61,122</u>	<u>\$19,376</u>	<u>\$3,385</u>	<u>\$1,196</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2013
(Continued)

	State Gas Tax Fund	Grants	Public Housing Authority	Total Non-Major Special Revenue Funds
ASSETS				
Cash and investments	\$3,305,791	\$ 873	\$	\$11,141,504
Accounts receivable	108,549	217,937		414,770
Loan receivable	<u> </u>	<u> </u>	<u>1,225,128</u>	<u>2,582,592</u>
Total assets	<u>\$3,414,340</u>	<u>\$218,810</u>	<u>\$1,225,128</u>	<u>\$14,138,866</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 8,557	\$ 1,324	\$ 3,384	\$ 44,382
Due to other funds	<u> </u>	<u>216,613</u>	<u> </u>	<u>267,763</u>
Total liabilities	<u>8,557</u>	<u>217,937</u>	<u>3,384</u>	<u>312,145</u>
Fund balances				
Nonspendable:				
Long-term receivables			1,225,128	2,533,123
Restricted for:				
Streets and roads	3,405,783			5,102,159
Recreation				1,829,624
Landscape maintenance				800,363
Public safety				1,853,604
Aviation				10,000
Committed for:				
Parking and business improvement				547,660
Community development		873		1,153,572
Unassigned	<u> </u>	<u> </u>	<u>(3,384)</u>	<u>(3,384)</u>
Total fund balances	<u>3,405,783</u>	<u>873</u>	<u>1,221,744</u>	<u>13,826,721</u>
Total liabilities and fund balances	<u>\$3,414,340</u>	<u>\$218,810</u>	<u>\$1,225,128</u>	<u>\$14,138,866</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2013

	Transportation Impact Fees	Park Impact Fees	Parking Fund	Downtown Reinvestment Fund	Landscaping Assessment District
REVENUES					
Taxes and special assessments	\$ 220,921	\$ 301,278	\$	\$	\$355,612
Aid from other governmental agencies					
Fines and forfeits					
Revenue from use of money and property	3,701	8,714	8,306	4,325	
Miscellaneous					
Unrealized gain (loss) on investments	<u>(10,902)</u>	<u>(10,021)</u>	<u>(374)</u>	<u>(1,505)</u>	<u>(4,334)</u>
Total revenues	<u>213,720</u>	<u>299,971</u>	<u>7,932</u>	<u>2,820</u>	<u>351,278</u>
EXPENDITURES					
General government				3,398	327,078
Public works					
Community development					
Capital outlay	<u>1,568,513</u>	<u>433,113</u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>1,568,513</u>	<u>433,113</u>	<u> </u>	<u>3,398</u>	<u>327,078</u>
Excess (deficiency) of revenue over expenditures	<u>(1,354,793)</u>	<u>(133,142)</u>	<u>7,932</u>	<u>(578)</u>	<u>24,200</u>
Other financing sources (uses)					
Operating transfers in					
Operating transfers out					
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	(1,354,793)	(133,142)	7,932	(578)	24,200
Fund balances, beginning of year	<u>3,051,169</u>	<u>1,962,766</u>	<u>63,591</u>	<u>331,449</u>	<u>774,967</u>
Fund balances end of year	<u>\$ 1,696,376</u>	<u>\$ 1,829,624</u>	<u>\$71,523</u>	<u>\$330,871</u>	<u>\$799,167</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2013
(Continued)

	City Housing Fund	Central Parking and Business Improvement	Fire Protection Impact Fees	Police Protection Impact Fees
REVENUES				
Taxes and special assessments	\$	\$103,614	\$ 21,095	\$ 40,280
Aid from other governmental agencies				
Fines and forfeits				
Revenue from use of money and property	8,413	611	2,200	6,136
Miscellaneous	45			
Unrealized gain (loss) on investments	<u>(6,061)</u>	<u>(751)</u>	<u>(2,612)</u>	<u>(7,268)</u>
Total revenues	<u>2,397</u>	<u>103,474</u>	<u>20,683</u>	<u>39,148</u>
EXPENDITURES				
General government				
Public works				
Community development				
Capital outlay	<u> </u>	<u>81,090</u>	<u> </u>	<u> </u>
Total expenditures	<u> </u>	<u>81,090</u>	<u> </u>	<u> </u>
Excess (deficiency) of revenue over expenditures	<u>2,397</u>	<u>22,384</u>	<u>20,683</u>	<u>39,148</u>
Other financing sources (uses)				
Operating transfers in				
Operating transfers out	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	2,397	22,384	20,683	39,148
Fund balances, beginning of year	<u>2,438,921</u>	<u>122,882</u>	<u>470,150</u>	<u>1,322,254</u>
Fund balances end of year	<u>\$2,441,318</u>	<u>\$145,266</u>	<u>\$490,833</u>	<u>\$1,361,402</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2013
(Continued)

	Special Aviation	Learning Center Operation	Traffic Safety	Street Tree Committee
REVENUES				
Taxes and special assessments	\$381,826	\$	\$	\$
Aid from other governmental agencies				
Fines and forfeits			62,269	
Revenue from use of money and property		2,141		
Miscellaneous				
Unrealized gain (loss) on investments	_____	(135)	(11)	(6)
Total revenues	<u>381,826</u>	<u>2,006</u>	<u>62,258</u>	<u>(6)</u>
EXPENDITURES				
General government				
Public works	364,536	25,139		
Community development				
Capital outlay	_____	_____	_____	_____
Total expenditures	<u>364,536</u>	<u>25,139</u>	_____	_____
Excess (deficiency) of revenue over expenditures	<u>17,290</u>	<u>(23,133)</u>	<u>62,258</u>	<u>(6)</u>
Other financing sources (uses)				
Operating transfers in				
Operating transfers out	(17,290)	_____	(60,893)	_____
Total other financing sources (uses)	<u>(17,290)</u>	_____	<u>(60,893)</u>	_____
Net change in fund balances		(23,133)	1,365	(6)
Fund balances, beginning of year	<u>10,000</u>	<u>42,509</u>	<u>4</u>	<u>1,202</u>
Fund balances end of year	<u>\$ 10,000</u>	<u>\$ 19,376</u>	<u>\$ 1,369</u>	<u>\$1,196</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2013
(Continued)

	State Gas Tax Fund	Grants	Public Housing Authority	Total Non-Major Special Revenue Funds
REVENUES				
Taxes and special assessments	\$1,571,699	\$	\$	\$ 2,996,325
Aid from other governmental agencies		255,049		255,049
Fines and forfeits				62,269
Revenue from use of money and property	18,092		220	62,859
Miscellaneous				45
Unrealized gain (loss) on investments	<u>(17,650)</u>	<u>943</u>	<u>(883)</u>	<u>(61,570)</u>
Total revenues	<u>1,572,141</u>	<u>255,992</u>	<u>(663)</u>	<u>3,314,977</u>
EXPENDITURES				
General government	7,500			337,976
Public works		238,397		628,072
Community development			876,607	876,607
Capital outlay	<u>1,792,492</u>			<u>3,875,208</u>
Total expenditures	<u>1,799,992</u>	<u>238,397</u>	<u>876,607</u>	<u>5,717,863</u>
Excess (deficiency) of revenue over expenditures	<u>(227,851)</u>	<u>17,595</u>	<u>(877,270)</u>	<u>(2,402,886)</u>
Other financing sources (uses)				
Operating transfers in			170,372	170,372
Operating transfers out	<u>(3,248)</u>			<u>(81,431)</u>
Total other financing sources (uses)	<u>(3,248)</u>		<u>170,372</u>	<u>88,941</u>
Net change in fund balances	(231,099)	17,595	(706,898)	(2,313,945)
Fund balances, beginning of year	<u>3,636,882</u>	<u>(16,722)</u>	<u>1,928,642</u>	<u>16,140,666</u>
Fund balances end of year	<u>\$3,405,783</u>	<u>\$ 873</u>	<u>\$1,221,744</u>	<u>\$13,826,721</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Net Position
Internal Service Funds
June 30, 2013

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
ASSETS			
Current assets			
Cash and investments	\$	\$3,965,148	\$1,816,215
Receivables, net			
Prepaid expenses	2,187		
Deposits		80,000	
Inventory			
Due from other funds	_____	2,178	_____
Total current assets	<u>2,187</u>	<u>4,047,326</u>	<u>1,816,215</u>
Capital assets			
Machinery and equipment			
Accumulated depreciation	_____	_____	_____
Capital assets, net	_____	_____	_____
Total assets	<u>\$2,187</u>	<u>\$4,047,326</u>	<u>\$1,816,215</u>
LIABILITIES			
Accounts payable	\$	\$ 276,298	\$ 820
Salaries and benefits payable			2,280
Due to other funds	<u>2,178</u>	_____	_____
Total liabilities	<u>2,178</u>	<u>276,298</u>	<u>3,100</u>
NET POSITION			
Investment in capital assets, net of related debt			
Unrestricted	<u>9</u>	<u>3,771,028</u>	<u>1,813,115</u>
Total net position	<u>9</u>	<u>3,771,028</u>	<u>1,813,115</u>
Total liabilities and net position	<u>\$2,187</u>	<u>\$4,047,326</u>	<u>\$1,816,215</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Net Position
Internal Service Funds
June 30, 2013
(Continued)

	Building Fund	Fleet Maintenance Fund	Totals
ASSETS			
Current assets			
Cash and investments	\$884,561	\$ 11,162,816	\$ 17,828,740
Receivables, net		10,553	10,553
Prepaid expenses			2,187
Deposits			80,000
Inventory		184,284	184,284
Due from other funds	<u> </u>	<u> </u>	<u>2,178</u>
Total current assets	<u>884,561</u>	<u>11,357,653</u>	<u>18,107,942</u>
Capital assets			
Machinery and equipment	12,341	16,573,132	16,585,473
Accumulated depreciation	<u>(12,341)</u>	<u>(10,622,892)</u>	<u>(10,635,233)</u>
Capital assets, net	<u> </u>	<u>5,950,240</u>	<u>5,950,240</u>
Total assets	<u>\$884,561</u>	<u>\$ 17,307,893</u>	<u>\$ 24,058,182</u>
LIABILITIES			
Accounts payable	\$ 15,510	\$ 79,715	\$ 372,343
Salaries and benefits payable	39,789	27,199	69,268
Loans from (to) other funds	<u> </u>	<u> </u>	<u>2,178</u>
Total liabilities	<u>55,299</u>	<u>106,914</u>	<u>443,789</u>
NET POSITION			
Investment in capital assets, net of related debt		5,950,240	5,950,240
Unrestricted	<u>829,262</u>	<u>11,250,739</u>	<u>17,664,153</u>
Total net position	<u>829,262</u>	<u>17,200,979</u>	<u>23,614,393</u>
Total liabilities and net position	<u>\$884,561</u>	<u>\$ 17,307,893</u>	<u>\$ 24,058,182</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Revenues, Expenses,
and Changes in Net Position
Internal Service funds
For the Year Ended June 30, 2013

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
REVENUES			
Charges for services	<u>\$</u>	<u>\$1,109,771</u>	<u>\$ 279,010</u>
EXPENSES			
Personnel services			120,749
Services and supplies		1,133,056	117,353
Depreciation	<u>—</u>	<u>—</u>	<u>—</u>
Total expenses	<u>—</u>	<u>1,133,056</u>	<u>238,102</u>
Operating income (loss)	<u>—</u>	<u>(23,285)</u>	<u>40,908</u>
Non-operating revenues (expenses)			
Gain (loss) on sale of assets			
Interest income			
Unrealized gain on investments	(6)	(21,408)	(9,740)
Miscellaneous	<u>—</u>	<u>6,021</u>	<u>5,000</u>
Total non-operating revenue (expenses)	<u>(6)</u>	<u>(15,387)</u>	<u>(4,740)</u>
Income (loss) before contributions and transfers	<u>(6)</u>	<u>(38,672)</u>	<u>36,168</u>
Capital contributions	<u>—</u>	<u>—</u>	<u>—</u>
Change in net position	(6)	(38,672)	36,168
Net position, beginning of year	<u>15</u>	<u>3,809,700</u>	<u>1,776,947</u>
Net position, end of year	<u>\$ 9</u>	<u>\$3,771,028</u>	<u>\$1,813,115</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Revenues, Expenses,
and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2013
(Continued)

	Building Fund	Fleet Management Fund	Totals
REVENUES			
Charges for services	<u>\$763,997</u>	<u>\$ 3,455,600</u>	<u>\$ 5,608,378</u>
EXPENSES			
Personnel services	433,593	457,948	1,012,290
Services and supplies	236,678	1,632,242	3,119,329
Depreciation	<u> </u>	<u>1,022,508</u>	<u>1,022,508</u>
Total expenses	<u>670,271</u>	<u>3,112,698</u>	<u>5,154,127</u>
Operating income (loss)	<u>93,726</u>	<u>342,902</u>	<u>454,251</u>
Non-operating revenue (expense)			
Interest income		48,291	48,291
Unrealized gain on investments	(4,623)	(59,465)	(95,242)
Miscellaneous	<u> </u>	<u>30,910</u>	<u>41,931</u>
Total non-operating revenue (expense)	<u>(4,623)</u>	<u>19,736</u>	<u>(5,020)</u>
Income before contributions and transfers	<u>89,103</u>	<u>362,638</u>	<u>449,231</u>
Capital contributions	<u> </u>	<u>493,280</u>	<u>493,280</u>
Change in net position	89,103	855,918	942,511
Net position, beginning of year	<u>740,159</u>	<u>16,345,061</u>	<u>22,671,882</u>
Net position, end of year	<u>\$829,262</u>	<u>\$17,200,979</u>	<u>\$23,614,393</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received for current services	\$	\$ 1,109,771	\$ 279,010
Cash paid for services and supplies		(1,134,828)	(126,821)
Cash paid for salaries and benefits	<u>(13,323)</u>	<u> </u>	<u>(120,249)</u>
Net cash provided (used) by operating activities	<u>(13,323)</u>	<u>(25,057)</u>	<u>31,940</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Loans from (to) other funds	<u>2,178</u>	<u>(2,178)</u>	<u> </u>
Net cash used by noncapital financing activities	<u>2,178</u>	<u>(2,178)</u>	<u> </u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions	<u> </u>	<u> </u>	<u> </u>
Capital expenditures	<u> </u>	<u> </u>	<u> </u>
Net cash used by capital and related financing activities	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Unrealized gain on investments	(6)	(21,408)	(9,740)
Other non-operating revenue		6,021	5,000
Interest received	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by investing activities	<u>(6)</u>	<u>(15,387)</u>	<u>(4,740)</u>
Net increase (decrease) in cash and cash equivalents	(11,151)	(42,622)	27,200
Cash and cash equivalents, beginning of year	<u>11,151</u>	<u>4,007,770</u>	<u>1,789,015</u>
Cash and cash equivalents, end of year	<u>\$</u>	<u>\$ 3,965,148</u>	<u>\$1,816,215</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income/(loss)	\$	\$ (23,285)	\$ 40,908
Adjustments to reconcile operating income (loss) to cash flows from operating activities:			
Depreciation and amortization			
(Increase) decrease in net assets:			
Prepaid expenses	(2,187)		
Deposits		(80,000)	
Inventory			
Increase (decrease) in net liabilities:			
Accounts payable		78,228	(9,468)
Salaries and benefits payable	<u>(11,136)</u>	<u> </u>	<u>500</u>
Net cash provided (used) by operating activities	<u>\$ (13,323)</u>	<u>\$ (25,057)</u>	<u>\$ 31,940</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013
(Continued)

	Building Fund	Fleet Maintenance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received for current services	\$ 763,997	\$ 3,455,600	\$ 5,608,378
Cash paid for services and supplies	(226,367)	(1,645,217)	(3,133,233)
Cash paid for salaries and benefits	<u>(430,081)</u>	<u>(461,916)</u>	<u>(1,025,569)</u>
Net cash provided by operating activities	<u>107,549</u>	<u>1,348,467</u>	<u>1,449,576</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Loans from (to) other funds	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by noncapital financing activities	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions		493,280	493,280
Capital expenditures	<u> </u>	<u>(1,176,024)</u>	<u>(1,176,024)</u>
Net cash used by capital and related financing activities	<u> </u>	<u>(682,744)</u>	<u>(682,744)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Unrealized gain on investments	(4,623)	(59,465)	(95,242)
Other non-operating revenue		30,910	41,931
Interest received	<u> </u>	<u>52,516</u>	<u>52,516</u>
Net cash provided (used) by investing activities	<u>(4,623)</u>	<u>23,961</u>	<u>(795)</u>
Net increase (decrease) in cash and cash equivalents	102,926	689,684	766,037
Cash and cash equivalents, beginning of year	<u>781,635</u>	<u>10,473,132</u>	<u>17,062,703</u>
Cash and cash equivalents, end of year	<u>\$ 884,561</u>	<u>\$11,162,816</u>	<u>\$17,828,740</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income/(loss)	\$ 93,726	\$ 342,902	\$ 454,251
Adjustments to reconcile operating income (loss) to cash flows from operating activities:			
Depreciation and amortization		1,022,508	1,022,508
(Increase) decrease in net assets:			
Prepaid expenses			(2,187)
Deposits			(80,000)
Inventory		(29,790)	(29,790)
Increase (decrease) in net liabilities:			
Accounts payable	3,512	16,815	89,087
Salaries and benefits payable	<u>10,311</u>	<u>(3,968)</u>	<u>(4,293)</u>
Net cash provided (used) by operating activities	<u>\$ 107,549</u>	<u>\$ 1,348,467</u>	<u>\$ 1,449,576</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Net Position
Trust and Agency Funds
June 30, 2013

	<u>Community Facilities District</u>	<u>Civil Subpoena</u>	<u>Renters' Insurance Deposits</u>	<u>COE Park Deposits</u>	<u>Miscellaneous Deposits Trust</u>	<u>Total</u>
ASSETS						
Cash and investments	\$ 891,839	\$117,699	\$430	\$478	\$318,008	\$1,328,454
Accounts receivable		602			3,913	4,515
Other	<u>1,615,000</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>1,615,000</u>
Total assets	<u>\$2,506,839</u>	<u>\$118,301</u>	<u>\$430</u>	<u>\$478</u>	<u>\$321,921</u>	<u>\$2,947,969</u>
LIABILITIES						
Accounts payable	\$	\$ 43	\$	\$	\$322,426	\$ 322,469
Deposits held for others		118,258	430	478		119,166
Bonds/notes payable	<u>1,615,000</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>1,615,000</u>
Total liabilities	<u>1,615,000</u>	<u>118,301</u>	<u>430</u>	<u>478</u>	<u>322,426</u>	<u>2,056,635</u>
NET POSITION						
Unreserved	<u>891,839</u>	<u> </u>	<u> </u>	<u> </u>	<u>(505)</u>	<u>891,334</u>
Total net position	<u>\$ 891,839</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (505)</u>	<u>\$ 891,334</u>

See independent auditor's report and notes to financial statements.

CITY OF HANFORD
Combining Statement of Changes in Fiduciary Net Position
Trust and Agency Funds
For the Year Ended June 30, 2013

	Community Facilities District	Miscellaneous Deposits Trust	Total
ADDITIONS			
Other additions	<u>\$485,785</u>	<u>\$ 250</u>	<u>\$486,035</u>
DEDUCTIONS			
General government	17,954		17,954
Unrealized (gain) loss on investments	1,316	1,745	3,061
Debt service:			
Principal	355,000		355,000
Interest	<u>107,195</u>	<u> </u>	<u>107,195</u>
Total Deductions	<u>481,465</u>	<u>1,745</u>	<u>483,210</u>
Change in net position	<u>4,320</u>	<u>(1,495)</u>	<u>2,825</u>
Net position, beginning of year	<u>887,519</u>	<u>990</u>	<u>888,509</u>
Net position (deficit), end of year	<u>\$891,839</u>	<u>\$ (505)</u>	<u>\$891,334</u>

See independent auditor's report and notes to financial statements.

SINGLE AUDIT REPORTS



February 3, 2014

The Honorable Mayor and Members of the City Council
City of Hanford
Hanford, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Hanford, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Hanford's basic financial statements, and have issued our report thereon dated February 3, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Hanford's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Hanford's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Hanford's internal.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2013-1 and 2013-2 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hanford's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Hanford's Response to Findings

City of Hanford's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Hanford's response was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sampson, Sampson & Patterson, LLP

February 3, 2014

The Honorable Mayor and Members of the City Council
City of Hanford
Hanford, California

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

Report on Compliance for Each Major Federal Program

We have audited the City of Hanford's compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Hanford's major federal programs for the year ended June 30, 2013. City of Hanford's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Hanford's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Hanford's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Hanford's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Hanford complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2013-3. Our opinion on each major federal program is not modified with respect to these matters.

City of Hanford's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Hanford's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of City of Hanford is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit, we considered City of Hanford's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Hanford's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose to this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Sampson, Sampson & Patterson, LLP

CITY OF HANFORD
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog Number	Pass-Through Grantors Number	Expenditures
<u>U.S. Department of Homeland Security</u>			
Passed through State Office of Homeland Security State Domestic Preparedness Equipment and Support Program	97.004	2011-35-0027-031-00000	\$ 65,022
Total U.S. Department of Homeland Security			<u>65,022</u>
<u>U.S. Department of Transportation</u>			
Federal Aviation Administration			
Airport Improvement	20.106	3-06-0098	371,826
Federal Highway Administration			
Passed through California Department of Transportation			
Highway Planning and Construction	20.205	CML-5091(48)	234,448
Highway Planning and Construction	20.205	CML-5091(36)	276,535
Highway Planning and Construction	20.205	CML-5091(46)	730,325
Passed through California Office of Traffic Safety			
National Highway Safety Programs	20.601	TSCAL1183	<u>6,096</u>
Total U.S. Department of Transportation			<u>1,619,230</u>
<u>U.S. Department of Housing and Urban Development</u>			
Office of Community Planning and Development			
CDBG/Entitlement Grants (A)	14.218	B-12-MC-06-0061	231,453
CDBG/Entitlement Grants (A)	14.218	B-13-MC-06-0061	782,001
CDBG/Entitlement Grants (A)	14.218	A-10-MC-06-0061	42,901
CDBG/Entitlement Grants (A)	14.218	B-11-MC-06-0061	149,402
Office of Sustainable Housing and Community			
Sustainable Communities Regional Housing	14.703	SC360080-11-13	33,428
Home Investment Partnership Program	14.239	10-HOME-6894	<u>681,578</u>
Total U.S. Department of Housing and Urban Development			<u>1,920,763</u>
<u>U.S. Department of Justice</u>			
Direct Program			
Public Safety Partnership and Community Policing Grants	16.710	2010UMWX0031	81,017
Edward Byrne Justice Assistance Grant	16.804	2012-DJ-BX-0137	13,602
Bullet Proof Vest Partnership Program	16.607	1121-0235	<u>1,792</u>
Total U.S. Department of Justice			<u>96,411</u>
<u>U.S. Department of Energy</u>			
Direct Program			
Energy Efficiency and Conservation Block Grant	81.128	EE0002294	<u>203,574</u>
Total U.S. Department of Energy			<u>203,574</u>
Total Expenditures of Federal Awards			<u>\$3,905,000</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF HANFORD
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2013

1. Summary of Significant Accounting Policies:

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the awards transactions of the City recorded in the governmental and proprietary fund types.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The accrual basis of accounting is utilized by proprietary funds. Under this method revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses for nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the State of California are included in the Schedule.

The Schedule was presented only from the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.

CITY OF HANFORD
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		<u>Unmodified</u>		
Internal control over financial reporting:				
Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(s) identified not considered to be material weakness(es)?	<u> X </u>	Yes	<u> </u>	No
Noncompliance material to financial statements notes?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(s) identified not considered to be material weakness(es)?	<u> X </u>	Yes	<u> </u>	No
Type of auditor's report issued on compliance for major programs:				

		<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510 (a))?	<u> </u>	Yes	<u> X </u>	No

Programs Subjected to Audit Procedures as Major Programs

	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
20.205	Highway Planning and Construction
14.218	CDBG Entitlement Grants
14.239	Home Investment Partnership Program

Dollar threshold used to distinguish between Type A and Type B programs:			<u>\$ 300,000</u>	
Auditee qualified as low-risk auditee?	<u> X </u>	Yes	<u> </u>	No

CITY OF HANFORD
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Part II - Financial Statement Finding Section

Significant Deficiencies, Material Weaknesses and Instances of Noncompliance Related to the Financial Statements:

Significant Deficiency

2013-1 – Cash Receipts

Condition:

During our testing of internal controls over cash receipts in the recreation department, the following was noted:

1. Proper support is not being consistently attached and reviewed for cash received in the recreation department at its various offsite locations.
2. Proper controls have not been established to cover all of the recreation department's various offsite activities

Criteria:

Strong internal controls over cash payments should be established and continuously monitored for compliance to reduce the possibility of misappropriation of City funds.

Effect of Condition:

Inadequate controls over cash collections increase the risk that City funds can be misappropriated without being detected.

Cause of Condition:

Although some internal controls over cash collection had been established, they were not adequately monitored to make sure they were working as intended.

Recommendation:

We recommend cash receipts controls be put in place for every event the recreation department oversees. Any time money is received at an event it should be accompanied by proper support that is able to be reviewed and verified by a supervisor and then the finance department. If events are scheduled in which the recreation department is partnering with another organization or sponsor there should be written documentation that clearly identifies how revenues and expenses will be shared.

CITY OF HANFORD
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013
(Continued)

Response:

City Management agrees with the audit findings and recommendations. Finance is updating the City's cash handling policy to include cash handling procedures for events overseen by the Recreation Department as well as any department receipting cash. The procedures will define appropriate support to accompany cash deposits that may be verified by department supervisors as well as Finance staff. The Recreation Department will have written documentation that specifies how revenues and expenses will be shared between the City and a co-sponsoring organization.

CITY OF HANFORD
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013
(Continued)

Significant Deficiency

2013-2 – Loans Receivable

Condition:

During our testing of the balance of receivables for outstanding housing loans, we found that approximately \$280,000 in uncollectible loans related to foreclosed properties were still recorded as an asset on the City's books.

Criteria:

Receivable balances recorded on the books should only include those amounts that are deemed to be ultimately collectible. Any write-offs or adjustments to outstanding balances should be made after approval by the appropriate City personnel.

Effect of Condition:

Failure to write-off uncollectible loan balances would result in the overstatement of City assets.

Cause of Condition:

The outstanding housing loans recorded on the books were not adequately reviewed at year-end to determine if they were still collectible.

Recommendation:

We recommend that a thorough review of loan balances be made at least on an annual basis to determine the ultimate collectibility of the amounts outstanding. Any loans that are considered to be uncollectible should be written off immediately after approval by the Finance Director.

Response:

City Management agrees with the audit findings and recommendations. A policy is in place to review loans semi-annually to determine the collectibility of outstanding loans and provide the Finance Director with uncollectible loans to be written off.

CITY OF HANFORD
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013
(Continued)

Part III - Federal Award Findings and Questioned Costs Section

U.S. Department of Housing and Urban Development C.F.D.A. #14.218

Significant Deficiencies, Material Weaknesses and Instances of Noncompliance Related to the Audit of Major Federal Programs:

Significant Deficiency

2013-3 – CDBG Grant Programs

Condition:

In the prior year deficiencies were (1) staff was unable to provide copies of activity reports, performance reports and annual reports (2) outside consultant administering CDBG grant programs was not being monitored as required and (3) there appeared from HUD correspondence that the City failed to perform approved activities in a timely manner. These conditions persisted through the June 30, 2013 fiscal year and per review of a 2013 Program Monitoring Report by an on-site monitoring representative from HUD other findings and concerns were observed, namely in the area of documentation, and management systems.

Criteria:

CDBG standards require sufficient documentations to support programs that meet the National objective of assistance to benefit low-to-moderate-income areas and program management to see that timely expenditures and program reports are submitted.

Effect of Condition:

Failure to follow CDBG rules and regulations could put the City in jeopardy for receiving future funding.

Cause of Condition:

There does not appear that there is knowledgeable management of these programs and that staff is not adequately trained to accomplish and comply with all the requirements of these programs.

Recommendations:

Although it appears that the City has assigned a responsible manager and staff to these programs , on-going training and review should be initiated so that all programs are in compliance with CDBG regulations.

Response:

City Management agrees with the audit findings and recommendations. The CDBG program's administering staff will review its policies on an ongoing basis, and attend any training available to them to ensure that the City's program is in compliance with CDBG regulations. Until actual training is available, staff remains in close contact with the City's CDBG representative.

CITY OF HANFORD
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2013

U.S. Department of Housing and Urban Development

Finding – 2012-3 – 14.218 CDBG/Entitlement Grants

Condition:

This finding was a significant deficiency, and the following deficiencies were noted. (1) Staff was unable to provide various required reports (2) Failure to provide documentation of monitoring CDBG grant programs outside consultants (3) It appeared from correspondence from H.U.D. that program fund activities were not being performed timely.

Recommendation:

The City should appoint a Grant Manager to oversee these programs and Staff assigned to grant programs need to be adequately trained.

Current Status:

Although it appears that the City has assigned a responsible manager and staff to these programs ongoing training should be initiated so that all programs are in compliance with CDBG regulations. See response at 2013-3.

APPRORIATIONS LIMIT REPORT



February 3, 2014

The Honorable City Council
City of Hanford
Hanford, California

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH ARTICLE XIII B – APPROPRIATIONS LIMIT

We have applied the procedures enumerated below to the accompanying appropriations limit of the City of Hanford for the year ended June 30, 2013. These procedures, which were agreed to by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirement of Section 1.5 of Article XIII B of the California Constitution. This report is intended for the information of management and the City Council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The procedures performed and our findings were as follows:

1. We obtained computations from the City of Hanford and determined that the limit and annual adjustment factors were adopted by resolution of the City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.
2. For the accompanying Appropriations Limit, we added last year's limit to total adjustments, and agreed the resulting amount of this year's limit.
3. We agreed the current year information presented in the accompanying Appropriations Limit to the other computations described above.
4. We agreed the prior year Appropriations Limit presented in the accompanying Appropriations Limit to the Prior year Appropriations Limit adopted by the City Council during the prior year.

These agreed upon procedures are substantially less in scope than an audit, the objective of which is the expression of an opinion on the accompanying Appropriations Limit. Accordingly, we do not express such an opinion.

Based on the application of the procedures referred to above, nothing came to our attention that caused us to believe that the accompanying Appropriations Limit was not computed in accordance with Article XIII B of the California Constitution. Had we performed additional procedures or had we made an audit of the accompanying Appropriations Limit and the other completed worksheets described above, matters might have come to our attention that would have been reported to you.

Sampson, Sampson & Patterson, LLP

CITY OF HANFORD
Appropriations Limit
Schedules A and B
June 30, 2013

Schedule A	Fiscal Year 2012-2013	Amount
A. Last Year's Limit – 2012		\$48,364,684
B. Add: Adjustment for Annexation Service Deliver Charge		<u>0</u>
Subtotal		<u>\$48,364,684</u>
Apply ratio of Change Factor (Schedule B)		1.0465
C. Appropriations Limit – Fiscal Year 2012-2013		<u>\$50,613,642</u>

Schedule B	Worksheet for Permitted Growth in Appropriations Limit 2012-2013	
Kings County Population Change	(1)	.85%
Converted to a Ratio		1.0085
California Per Capita Income Change	(1)	3.77%
Converted to a Ratio		1.0377
Calculation of Factor for 2012-2013		1.0085 x 1.0377
Ratio of Change Factor		1.0465

(1) Provided by the California State Department of Finance



AGENDA STAFF REPORT

MEETING DATE: 3/18/2014

AGENDA SECTION: 7. C.

SUBJECT:

Public Works: Award a contract to WITBRO, Inc., dba Seal Rite Paving & Grading of Fresno, CA in the amount of \$527,731 for the Harris Street Reconstruction / Resurfacing Project, establish a construction contingency of \$52,700, and approve an additional appropriation of \$52,431 from Gas Tax Reserves.

RECOMMENDATION:

That the City Council, by motion:

1. Award a contract to WITBRO Inc. dba Seal Rite Paving & Grading of Fresno, CA in the amount of \$527,731.00 for the Harris Street Reconstruction/Resurfacing Project;
2. Establish a construction contingency of \$52,700.00; and
3. Approve an additional appropriation of \$52,431 from Gas Tax Reserves.

BACKGROUND:

In accordance with Council Action, bids were solicited and opened on February 25, 2014 for the Harris Street Reconstruction/Resurfacing Project. The project consists of replacing old dilapidated concrete curbs, gutter, and sidewalk with new improvements to facilitate proper drainage and provide ADA compliant pedestrian travel; applying a cape seal over the existing roadway section to provide a smooth travel surface and to extend the roadway's useful life by approximately 7-10 years; and installing storm drain pipe and inlets to facilitate proper drainage of the roadway and surrounding streets.

Six (6) bids were received, ranging from a low bid of \$527,731.00 from WITBRO, Inc. dba Seal Rite Paving & Grading, to a high bid of \$695,974.00. A copy of the Bid Tabulation is attached for Council Review.

The contract stipulates that the project be completed within ninety (90) calendar days from the date of the Notice to Proceed. For each day of delay beyond the approved time, the Contractor shall be assessed \$500 per day - liquidated damages. If Approved, work on this project is expected to begin in May 2014.

FISCAL IMPACT:

The FY 12/13 Capital Improvement Program Budget provides \$528,000 for construction, including contingencies, for this project. An additional appropriation of \$52,431 from Gas Tax Reserves is necessary to fully fund this project. There are sufficient funds in Gas Tax Reserves to fund this project and all currently planned projects.

ATTACHMENTS:

Description

- 📎 [Harris Street Reconstruction - Bid Tabulation](#)
- 📎 [Harris Street Reconstruction - Budget Page](#)

Harris Street Reconstruction/Resurfacing Project From Grangeville Blvd. to Florinda Street
052-2669-813618

2/25/2014

			Engineers Estimate		WITBRO Inc., dba Seal Rite Paving & Grading		Avison Construction, Inc.		Bush Engineering, Inc.		American Paving Co.		Jim Crawford Const. Co., Inc.		Lee's Paving, Inc.	
ITEM	QUANTITY	UNIT	Unit Cost	Subtotal	Unit Cost	Subtotal	Unit Cost	Subtotal	Unit Cost	Subtotal	Unit Cost	Subtotal	Unit Cost	Subtotal	Unit Cost	Subtotal
Site Preparation, Demolition, and Mobilization including Traffic Control and Earthwork	1	LS	\$43,000.00	\$43,000.00	\$80,000.64	\$80,000.64	\$145,700.00	\$145,700.00	\$148,000.00	\$148,000.00	\$160,000.00	\$160,000.00	\$228,000.00	\$228,000.00	\$197,330.00	\$197,330.00
Storm Water Pollution Prevention Plan Preparation and Implementation	1	LS	\$2,500.00	\$2,500.00	\$2,700.00	\$2,700.00	\$2,000.00	\$2,000.00	\$2,500.00	\$2,500.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$10,000.00	\$10,000.00
Type B Asphalt Concrete	256	TONS	\$114.50	\$29,312.00	\$121.32	\$31,057.92	\$175.00	\$44,800.00	\$100.00	\$25,600.00	\$185.00	\$47,360.00	\$130.00	\$33,280.00	\$408.64	\$104,611.84
Place Scrub Seal - Type B Aggregate	7,112	SY	\$5.00	\$35,560.00	\$5.62	\$39,969.44	\$5.25	\$37,338.00	\$5.50	\$39,116.00	\$6.25	\$44,450.00	\$6.00	\$42,672.00	\$5.20	\$36,982.40
Place Type II Micro-Surfacing (20-22 lb) Mixture	7,112	SY	\$4.50	\$32,004.00	\$4.70	\$33,426.40	\$3.50	\$24,892.00	\$3.50	\$24,892.00	\$5.10	\$36,271.20	\$4.00	\$28,448.00	\$3.48	\$24,749.76
Construct 12' Radius Curb Return with Wheelchair Ramp, CO-20	8	EA	\$1,300.00	\$10,400.00	\$1,323.00	\$10,584.00	\$1,200.00	\$9,600.00	\$1,600.00	\$12,800.00	\$2,200.00	\$17,600.00	\$2,100.00	\$16,800.00	\$1,225.00	\$9,800.00
Construct 15' Radius Curb Return with Wheelchair Ramp, CO-20	1	EA	\$1,600.00	\$1,600.00	\$1,625.40	\$1,625.40	\$1,400.00	\$1,400.00	\$2,000.00	\$2,000.00	\$2,900.00	\$2,900.00	\$2,200.00	\$2,200.00	\$1,505.00	\$1,505.00
Construct ADA Wheelchair Ramp Type A	1	LS	\$2,000.00	\$2,000.00	\$2,052.00	\$2,052.00	\$1,550.00	\$1,550.00	\$2,600.00	\$2,600.00	\$3,700.00	\$3,700.00	\$3,000.00	\$3,000.00	\$1,900.00	\$1,900.00
Construct ADA Wheelchair Ramp Type B	1	LS	\$2,000.00	\$2,000.00	\$1,836.00	\$1,836.00	\$1,550.00	\$1,550.00	\$2,100.00	\$2,100.00	\$3,700.00	\$3,700.00	\$2,500.00	\$2,500.00	\$1,700.00	\$1,700.00
Construct ADA Wheelchair Ramp Type C	1	LS	\$2,400.00	\$2,400.00	\$2,386.80	\$2,386.80	\$2,060.00	\$2,060.00	\$2,600.00	\$2,600.00	\$4,000.00	\$4,000.00	\$3,100.00	\$3,100.00	\$2,210.00	\$2,210.00
Construct ADA Wheelchair Ramp Type D	1	LS	\$2,600.00	\$2,600.00	\$2,592.00	\$2,592.00	\$2,060.00	\$2,060.00	\$2,900.00	\$2,900.00	\$4,500.00	\$4,500.00	\$3,400.00	\$3,400.00	\$2,400.00	\$2,400.00
Construct ADA Wheelchair Ramp Type E1	1	LS	\$3,400.00	\$3,400.00	\$3,402.00	\$3,402.00	\$2,500.00	\$2,500.00	\$4,000.00	\$4,000.00	\$5,900.00	\$5,900.00	\$5,500.00	\$5,500.00	\$3,150.00	\$3,150.00
Construct ADA Wheelchair Ramp Type E2	1	LS	\$4,000.00	\$4,000.00	\$3,888.00	\$3,888.00	\$6,425.00	\$6,425.00	\$4,500.00	\$4,500.00	\$6,500.00	\$6,500.00	\$5,500.00	\$5,500.00	\$3,600.00	\$3,600.00
Construct ADA Wheelchair Ramp Type F1	1	LS	\$3,000.00	\$3,000.00	\$3,186.00	\$3,186.00	\$2,080.00	\$2,080.00	\$3,800.00	\$3,800.00	\$6,500.00	\$6,500.00	\$5,300.00	\$5,300.00	\$2,950.00	\$2,950.00
Construct ADA Wheelchair Ramp Type F2	1	LS	\$3,000.00	\$3,000.00	\$2,980.80	\$2,980.80	\$2,900.00	\$2,900.00	\$3,500.00	\$3,500.00	\$4,600.00	\$4,600.00	\$5,300.00	\$5,300.00	\$2,760.00	\$2,760.00
Construct 6" Curb and Gutter, CO-11	3,410	LF	\$14.50	\$49,445.00	\$14.04	\$47,876.40	\$18.00	\$61,380.00	\$18.00	\$61,380.00	\$15.50	\$52,855.00	\$12.00	\$40,920.00	\$13.00	\$44,330.00
Construct 4" Thick Standard Sidewalk (Excludes Curb Returns, Ramps, and Driveways) CO-14/CO-15	8,050	SF	\$4.25	\$34,212.50	\$4.32	\$34,776.00	\$5.00	\$40,250.00	\$5.00	\$40,250.00	\$4.75	\$38,237.50	\$4.00	\$32,200.00	\$4.00	\$32,200.00
Construct Residential Drive Approach, CO-38/CO-39	4,735	SF	\$6.50	\$30,777.50	\$6.48	\$30,682.80	\$5.00	\$23,675.00	\$8.00	\$37,880.00	\$7.00	\$33,145.00	\$5.00	\$23,675.00	\$6.00	\$28,410.00
Reconstruct Brick Areas Utilizing Salvage Materials, Match to Existing (approximately 60 SF Total)	1	LS	\$1,000.00	\$1,000.00	\$1,080.00	\$1,080.00	\$3,700.00	\$3,700.00	\$1,000.00	\$1,000.00	\$600.00	\$600.00	\$1,000.00	\$1,000.00	\$19,600.00	\$19,600.00
Construct Landscape Concrete Curbs, Match to Existing (approximately 30 LF Total)	1	LS	\$1,400.00	\$1,400.00	\$1,350.00	\$1,350.00	\$1,300.00	\$1,300.00	\$1,400.00	\$1,400.00	\$700.00	\$700.00	\$250.00	\$250.00	\$1,250.00	\$1,250.00
Abandon Existing Service In-Place and Install 2" Water Service, WA-14	1	EA	\$6,500.00	\$6,500.00	\$6,480.00	\$6,480.00	\$6,100.00	\$6,100.00	\$6,600.00	\$6,600.00	\$6,600.00	\$6,600.00	\$6,600.00	\$6,600.00	\$6,000.00	\$6,000.00
Install B16 Box and Jumper, WA-11	7	EA	\$1,500.00	\$10,500.00	\$1,620.00	\$11,340.00	\$700.00	\$4,900.00	\$750.00	\$5,250.00	\$750.00	\$5,250.00	\$1,600.00	\$11,200.00	\$1,500.00	\$10,500.00
Raise Existing Water Service Box to Finished Grade, WA-11 or WA-14	32	EA	\$549.50	\$17,584.00	\$540.00	\$17,280.00	\$425.00	\$13,600.00	\$470.00	\$15,040.00	\$475.00	\$15,200.00	\$550.00	\$17,600.00	\$500.00	\$16,000.00
Repair 6" Sanitary Sewer Main	12	LF	\$400.00	\$4,800.00	\$432.00	\$5,184.00	\$420.00	\$5,040.00	\$500.00	\$6,000.00	\$460.00	\$5,520.00	\$440.00	\$5,280.00	\$400.00	\$4,800.00
Repair 8" Sanitary Sewer Main	5	LF	\$550.00	\$2,750.00	\$540.00	\$2,700.00	\$420.00	\$2,100.00	\$500.00	\$2,500.00	\$465.00	\$2,325.00	\$550.00	\$2,750.00	\$500.00	\$2,500.00
Repair Sanitary Sewer Laterals	10	EA	\$3,000.00	\$30,000.00	\$2,700.00	\$27,000.00	\$1,100.00	\$11,000.00	\$1,800.00	\$18,000.00	\$1,200.00	\$12,000.00	\$2,700.00	\$27,000.00	\$2,500.00	\$25,000.00
Install Storm Drain Manhole, SS-11	2	EA	\$4,500.00	\$9,000.00	\$4,860.00	\$9,720.00	\$3,500.00	\$7,000.00	\$4,000.00	\$8,000.00	\$3,900.00	\$7,800.00	\$5,000.00	\$10,000.00	\$4,500.00	\$9,000.00
Install Storm Drain Inlet, SD-17	2	EA	\$5,500.00	\$11,000.00	\$5,400.00	\$10,800.00	\$4,550.00	\$9,100.00	\$5,000.00	\$10,000.00	\$5,000.00	\$10,000.00	\$5,500.00	\$11,000.00	\$5,000.00	\$10,000.00
Install 12" Storm Drain Pipe	823	LF	\$85.00	\$69,955.00	\$86.40	\$71,107.20	\$115.00	\$94,645.00	\$113.00	\$92,999.00	\$116.00	\$95,468.00	\$88.00	\$72,424.00	\$65.00	\$53,495.00
Tie-in to Existing SD Manhole (Harris at Florinda)	1	LS	\$1,300.00	\$1,300.00	\$1,296.00	\$1,296.00	\$1,370.00	\$1,370.00	\$1,600.00	\$1,600.00	\$1,500.00	\$1,500.00	\$6,800.00	\$6,800.00	\$1,200.00	\$1,200.00
Construct Valley Gutter CO-23	5	EA	\$3,000.00	\$15,000.00	\$3,810.24	\$19,051.20	\$3,450.00	\$17,250.00	\$4,500.00	\$22,500.00	\$5,900.00	\$29,500.00	\$4,500.00	\$22,500.00	\$3,528.00	\$17,640.00
Traffic Signage, Striping, and Pavement Markings	1	LS	\$8,000.00	\$8,000.00	\$8,320.00	\$8,320.00	\$8,400.00	\$8,400.00	\$8,320.00	\$8,320.00	\$9,000.00	\$9,000.00	\$9,100.00	\$9,100.00	\$8,400.00	\$8,400.00
			\$480,000.00		\$527,731.00		\$597,665.00		\$619,627.00		\$678,681.70		\$690,299.00		\$695,974.00	
Total written in Bid if discrepancy exists											\$680,186.70		\$764,789.00			

Harris Street Reconstruction/Resurfacing, Grangeville Blvd to Ivy St

Project Background:

This project will involve replacement of old dilapidated concrete curbs, gutter and sidewalk with new improvements to facilitate proper drainage and pedestrian travel. Improvements will include application of a cape seal over the existing roadway section to provide a smooth travel surface and to extend the roadway's useful life by approximately 7-10 years.

Existing Conditions:

Existing roadway curbs, gutter and sidewalks are dilapidated and cannot be repaired. Street drainage is obstructed by uplifted gutters and pedestrian travel ways are uneven or non-existent.

Project Justification:

This project will improve drainage facilities and provide ADA compliant pedestrian travel paths along this residential collector street.

Fiscal Implications:

Funding for this project will be allocated from gas taxes and various enterprise funds.

Project Budget Summary:

		5-Year Funding Allocation				
		2013	2014	2015	2016	2017
Expenditure	Program or Project	Construction				
	Engineering / Inspection	35,000				
	Construction	480,000				
	Contingency	48,000				
	Department Overhead	12,000				
Total Expenditure		\$575,000	\$0	\$0	\$0	\$0
Revenue	Funding					
	052 RSTP Reserves	373,500				
	358 Storm Drainage Capital	144,000				
	391 Water Capital	57,500				
Total Funding		\$575,000	\$0	\$0	\$0	\$0



AGENDA STAFF REPORT

MEETING DATE: 3/18/2014

AGENDA SECTION: 7. D.

SUBJECT:

Public Works: Approve a request by Amtrak to install and maintain a metal fencing and locking gates at the Intermodal Parking Lot located at the northwest corner of Eighth Street and Santa Fe Street.

RECOMMENDATION:

That the City Council, by motion, approve the recommendation by the Parking and Traffic Commission for the request by Amtrak to install and maintain a metal fence and electronic locking gates for overnight vehicle parking protection at the Intermodal Parking Lot located at the northwest corner of Eighth Street and Santa Fe Avenue.

BACKGROUND:

At their February 27, 2014 Parking and Traffic Commission meeting, staff presented a request by Amtrak to install and maintain a fence and electronic locking gates to provide gated and locked overnight vehicle parking protection at the Intermodal Parking Lot located at the northwest corner of Eighth Street and Santa Fe Avenue.

Staff was approached by Todd Almilli, Deputy Division Engineer with the Amtrak National Railroad Passenger Corporation, regarding a public safety grant they had received. Amtrak is proposing to install vehicle safety improvements for overnight parking to the City parking lot at the Hanford Intermodal Facility north of the train station. The improvements would include metal fencing, electronic lock gates, and signing.

The Intermodal Facility is a City owned transportation center that leases spaces to its tenants. The parking lot areas in addition to the buildings have signed lease agreements between the tenants and the City which arrange for the rents, maintenance, repairs, and other facility stipulations. As a requirement of the improvements, Amtrak would prepare and sign a Third Amendment to the current lease agreement stipulating that the maintenance and repair responsibility for their requested improvements be on them and not the City. This lease amendment would be reviewed and approved by the City Attorney and City Council prior to the approval of improvement installations.

The proposal indicates that the gates would remain unlocked during the daytime while the office is open, and would be locked during the night while the office is closed. There would be no access in or out of the parking lot between the hours of 10:30 p.m. and 5:45 a.m. A Knox box would be installed at the gated entry for emergency access.

As this is a public parking lot, vehicles other than those using the Amtrak services would also be allowed to park in the lot. Signs would be placed on the gates noting the locked gate times, the no access policy, and a no liability clause. Attached is the proposed signage for the gates for your review.

FISCAL IMPACT:

There is no fiscal impact with this project. The installation project will be funded entirely by a public safety grant given to Amtrak, and all maintenance, repairs, and signage will be provided by Amtrak.

ATTACHMENTS:

Description

- 📎 [Parking and Traffic Commission Meeting Minutes of February 27, 2014](#)
- 📎 [Parking Lot Exhibits](#)

MINUTES

CITY OF HANFORD PARKING AND TRAFFIC COMMISSION REGULAR MEETING

February 27, 2014

The regular scheduled meeting of the City of Hanford Parking and Traffic Commission was called to order by Vice Chairman PADEN in the Council Chambers, 400 N. Douty Street, Hanford, California, at 5:30 p.m.

COMMISSION MEMBERS PRESENT

Appointed Members: PADEN, STEPHENS, DWIGGINS
Staff Members: Dailey, Dock, Freiner
Council Representative: None

COMMISSION MEMBERS ABSENT

Appointed Members: BUTTS, UMSCHIED
Staff Members: None
Council Representative: Jim Irwin

CITIZENS PRESENT

Angie Dow, KCAPTA (Kings County Area Public Transit Agency); Pete Zavala, Amtrak; Rick Tilcock, Gingerich Construction

UNSCHEDULED ORAL PRESENTATIONS

There were none.

MINUTES

- 1) Approval of the minutes for the September 26, 2013 meeting was postponed for lack of a quorum.

STAFF REPORTS

- 2) REQUEST FOR 2-WAY STOP SIGNS ON STATE STREET AT THE INTERSECTION OF 11½ AVENUE.

Staff reviewed a request by a resident to install traffic control at the intersection of 11½ Avenue and State Street and that based on the study conducted by Staff, Commissioners were informed that the intersection meets the warrants for a 2-way Stop on State Street at 11½ Avenue.

Staff recommended that the Parking & Traffic Commission, by motion, make a recommendation to the City Council to amend Section 10.32.010 of the Hanford Municipal Code to add a 2-way stop on State Street at the intersection of 11½ Avenue. Commissioner DWIGGINS made a motion to accept the recommendation by staff. The motion was seconded by Commissioner PADEN.

The motion carried by the following vote:

AYES:	DWIGGINS, PADEN, STEPHENS
NAYES:	None
ABSTAIN:	None
ABSENT:	BUTTS, UMSCHIED

3) REQUEST FOR RECOMMENDATION TO CITY COUNCIL FOR AMTRAK TO INSTALL FENCING AND OVERNIGHT LOCKING GATES AT THE CITY PARKING LOT NORTH OF THE AMTRAK TRAIN STATION.

Staff presented information that they were approached by Todd Almilli, Deputy Division Engineer with the Amtrak National Railroad Passenger Corporation, regarding a public safety grant they had received. Amtrak is proposing to install vehicle safety improvements for overnight parking to the City parking lot at the Hanford Intermodal Facility north of the train station. The improvements would include metal fencing, electronic lock gates, and signing.

Staff informed Commissioners that Amtrak would install and maintain a metal fence around the north parking lot area along with 2 electronic gates for vehicle traffic in and out of the parking lot and one gate for foot traffic gate as well. The gates would remain unlocked during the daytime while the office is open, and would be locked during the night while the office is closed. There would be no access in or out of the parking lot between the hours of 10:30 p.m. and 5:45 a.m., other than for emergency services. A knox box would be installed at the gated entry for emergency access.

Pete Zavala of Amtrak, stated that the gate could be open later than 10:30 based on how late the last train arrives and that riders would be allowed time to remove their vehicles before the gates were locked. Angie Dow of KCAPTA, stated that passengers of KCAPTA also use this parking lot on occasion and that the added security for overnight parking was a benefit to bus riders also. Commissioner STEPHENS asked if the fencing would eliminate any parking, and Staff informed Commissioners that no parking spaces would be eliminated from the current configuration. Commissioner PADEN asked if

there would be any ADA parking spots in the fenced in area. Staff informed Commissioners that currently there are no ADA spots in the parking area, and that the current ADA parking is at the front entrances to both the Amtrak and KART facilities. Additionally, adding an ADA spot would eliminate at least one space in the parking area. Commissioner PADEN stated he was concerned about equality for the ADA parking space. He additionally asked if the foot traffic gate access would be ADA compliant. Pete Zavala stated that the foot traffic gate would always be locked unless an emergency required the gate to be opened. Rick Tilcock of Ginerich Construction stated that they could make the access point ADA compliant with a walkway and ADA ramp at the gate. Commissioner DWIGGINS stated his concern over the “unlimited” status of the parking lot and asked what the requirements are for the limit of time a vehicle could be parked in the lot. Staff informed Commissioners that the lot is currently designated unlimited parking, but if a vehicle becomes a nuisance and is reported, it would then be given a 72 hour notice to be removed. Commissioner PADEN stated that with all of the gates locked there needed to be a way to get out in case of being locked in and asked if there were some way to allow access out of the foot gate without taking from the security of the secured lot. Rick Tilcock stated that they could check with their fencing vendor for recommendations.

Staff recommended that the Parking and Traffic Commission, by motion, make a recommendation to the City Council to accept Amtrak’s proposal to install fencing and overnight locking gates at the City parking lot north of the Amtrack train station. Commissioner DWIGGINS made a motion to accept the recommendation by staff with the addition of ADA compliant parking and ADA compliant foot traffic gate and ramp. The motion was seconded by Commissioner STEPHENS.

The motion carried by the following vote:

AYES:	DWIGGINS, PADEN, STEPHENS
NAYES:	None
ABSTAIN:	None
ABSENT:	BUTTS, UMSCHIED

STAFF COMMUNICATIONS

- 4) Staff reviewed the City Council actions of previous meetings and provided the recently passed Ordinance for recreational vehicles and trailer parking.

UNSCHEDULED ORAL PRESENTATIONS

- 5) There were none.

ITEMS FROM COMMISSIONERS

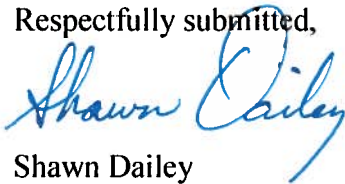
6) Commissioner PADEN

- A. Informed staff that there is a sign located on 11th Avenue at the entrance to Donut King north of Grangeville Boulevard that is blocking drivers view of oncoming traffic. Staff informed Commissioners that the sign would be investigated.

ADJOURNMENT

Vice Chairman PADEN motioned to adjourn the meeting. The motion was seconded by Commissioner DWIGGINS. At 6:37 p.m., Vice Chairman PADEN adjourned the Hanford Parking and Traffic Commission meeting.

Respectfully submitted,

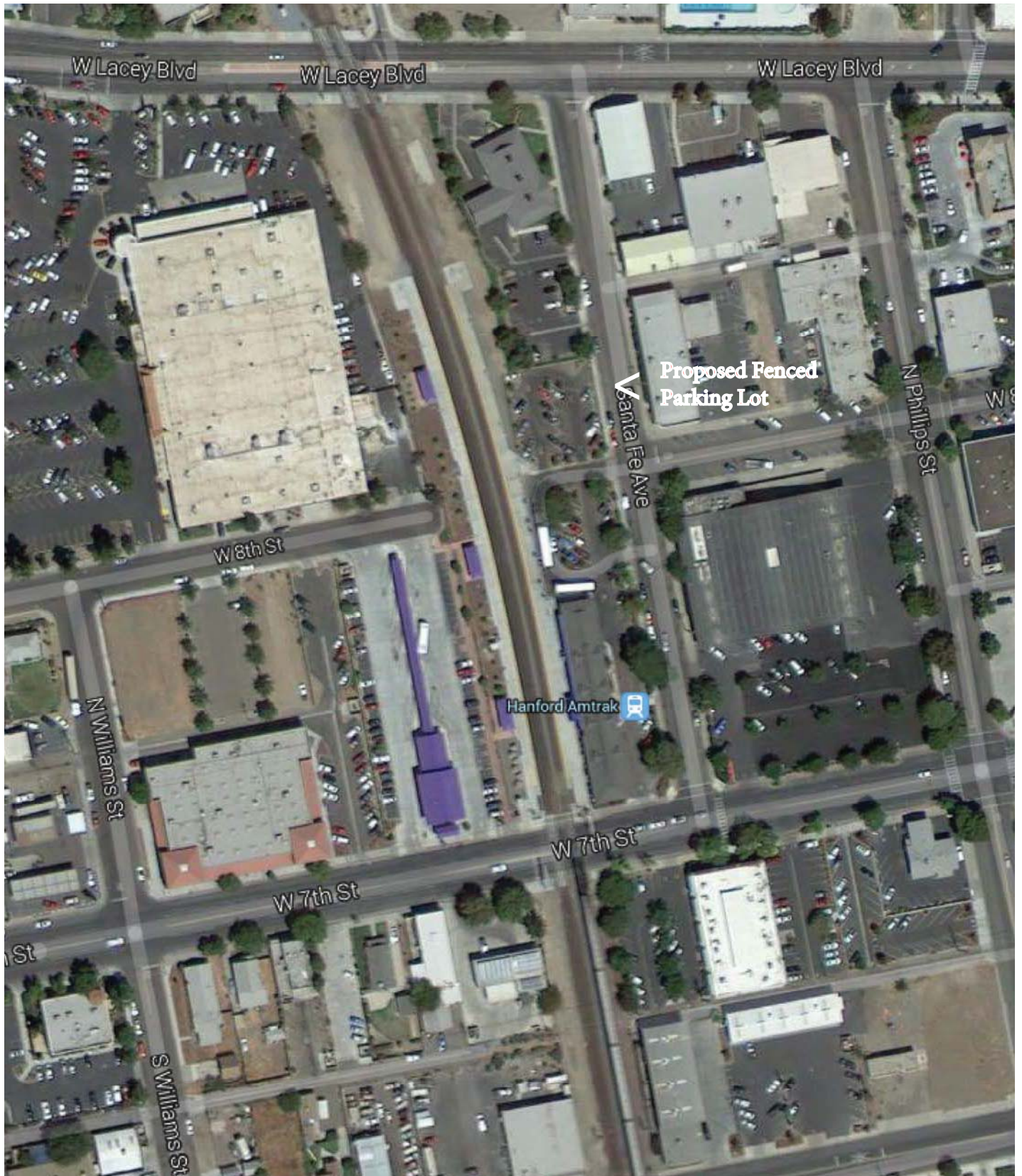


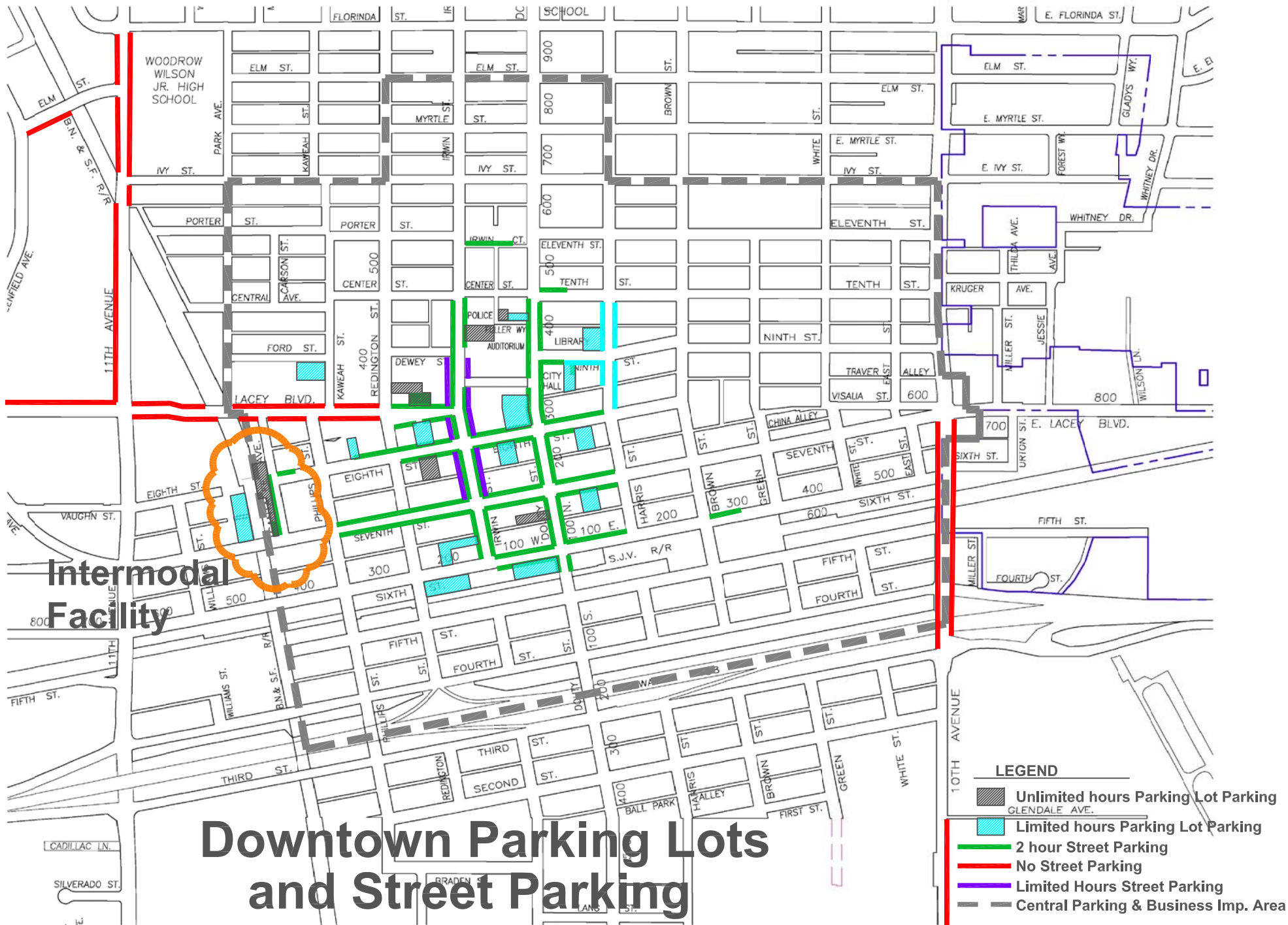
Shawn Dailey
Secretary/Senior Engineering Technician

Reviewed by:



Lisa Dock, PE
Deputy City Engineer







FINISH SCHEDULE

White		Reflective White High Performance Vinyl Graphics
Blue		Reflective Blue High Performance Vinyl Graphics

(A) .063 aluminum with Reflective Blue vinyl floodcoat and reflective white vinyl lettering as shown.

JOB NUMBER: 832298

STATUS: PROOF 3.0

DATE: 2.24.14

DESIGNER: Katie Fleck | katie.fleck@signspecialists.com

CLIENT

Gingerich
Construction, Inc.
800 N. Alameda St.
Los Angeles, CA

CONTACT

Rick Tilcock
562.944.5009
FX: 562.944.8020
rtilcock@gingerichconstruction.com

SALES PERSON

Dave Flynn
714.641.0064
FX: 714.641.0065
dave.flynn@signspecialists.com

CLIENT APPROVAL: Please confirm all artwork, specifications, pricing, typesetting and positioning. By approving the specifications as outlined, you accept responsibility for all errors and/or omissions made in the final product.

- ☐ APPROVED AS IS:
- ☐ APPROVED WITH CHANGES NOTED ABOVE, PROCEED WITH FABRICATION:
- ☐ MAKE REVISIONS AND SUBMIT NEW PROOF:

SIGNATURE: _____

DATE: _____

for
CITY OF HANFORD

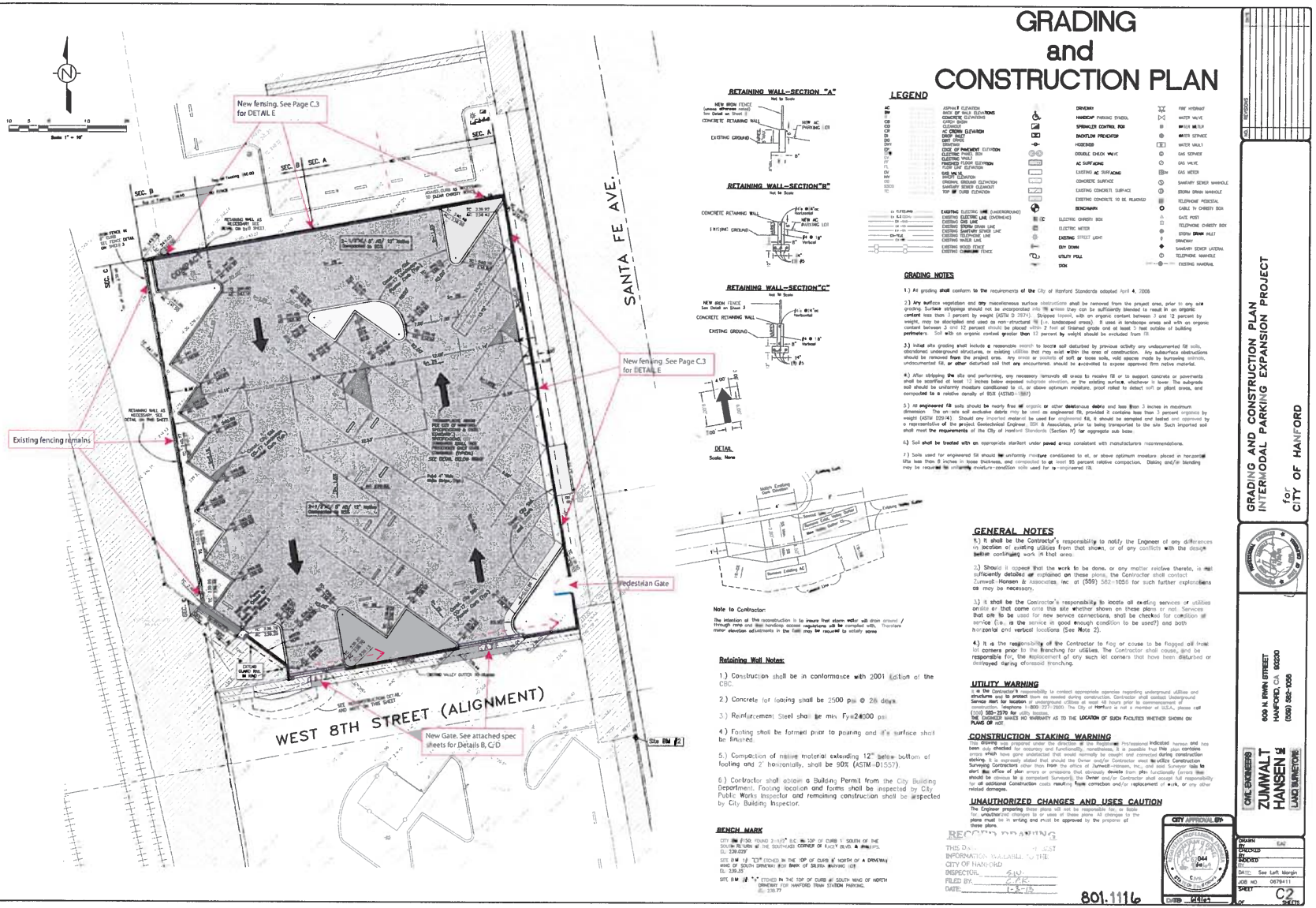
GRADING AND CONSTRUCTION PLAN
INTERMODAL PARKING EXPANSION PROJECT

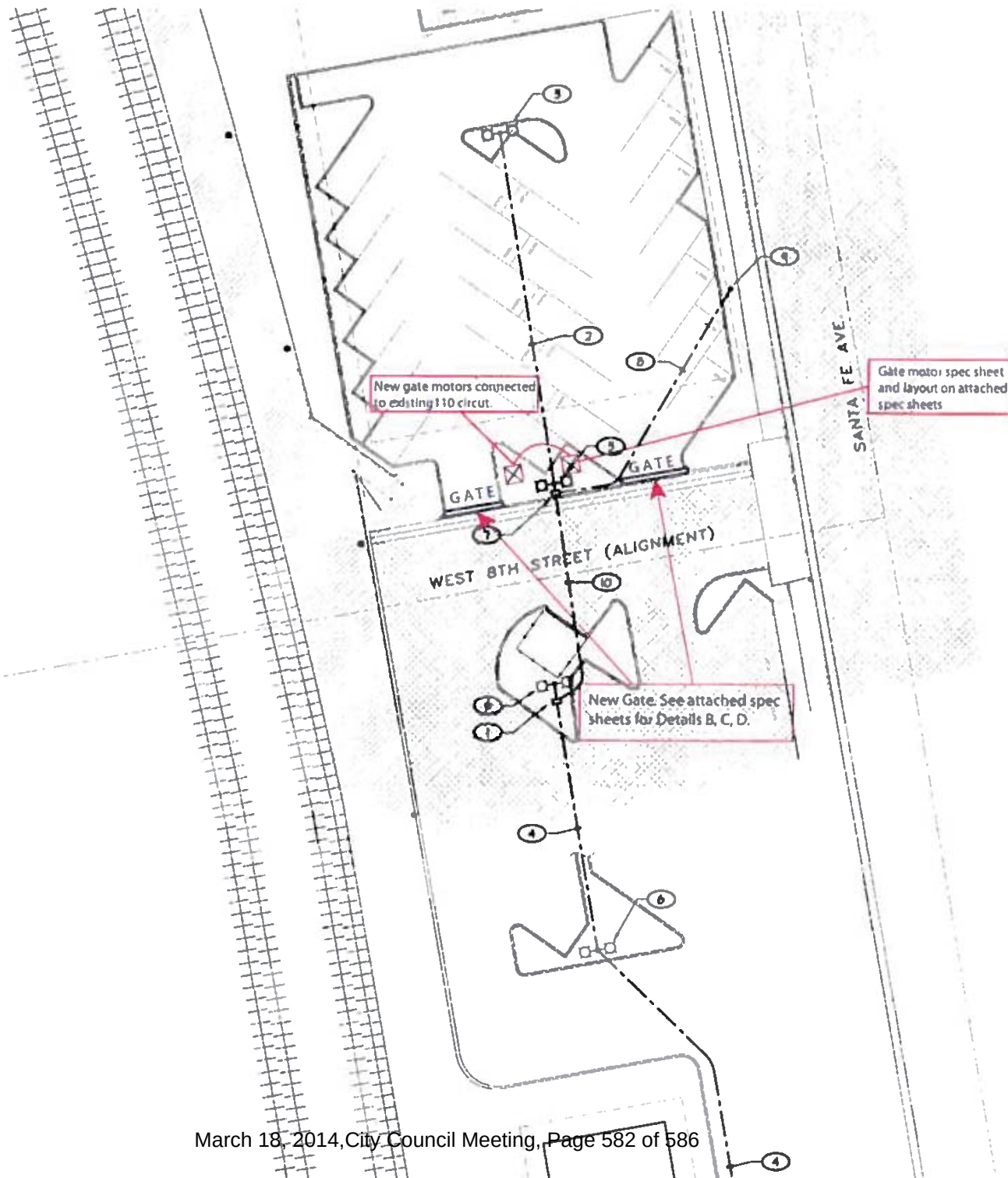


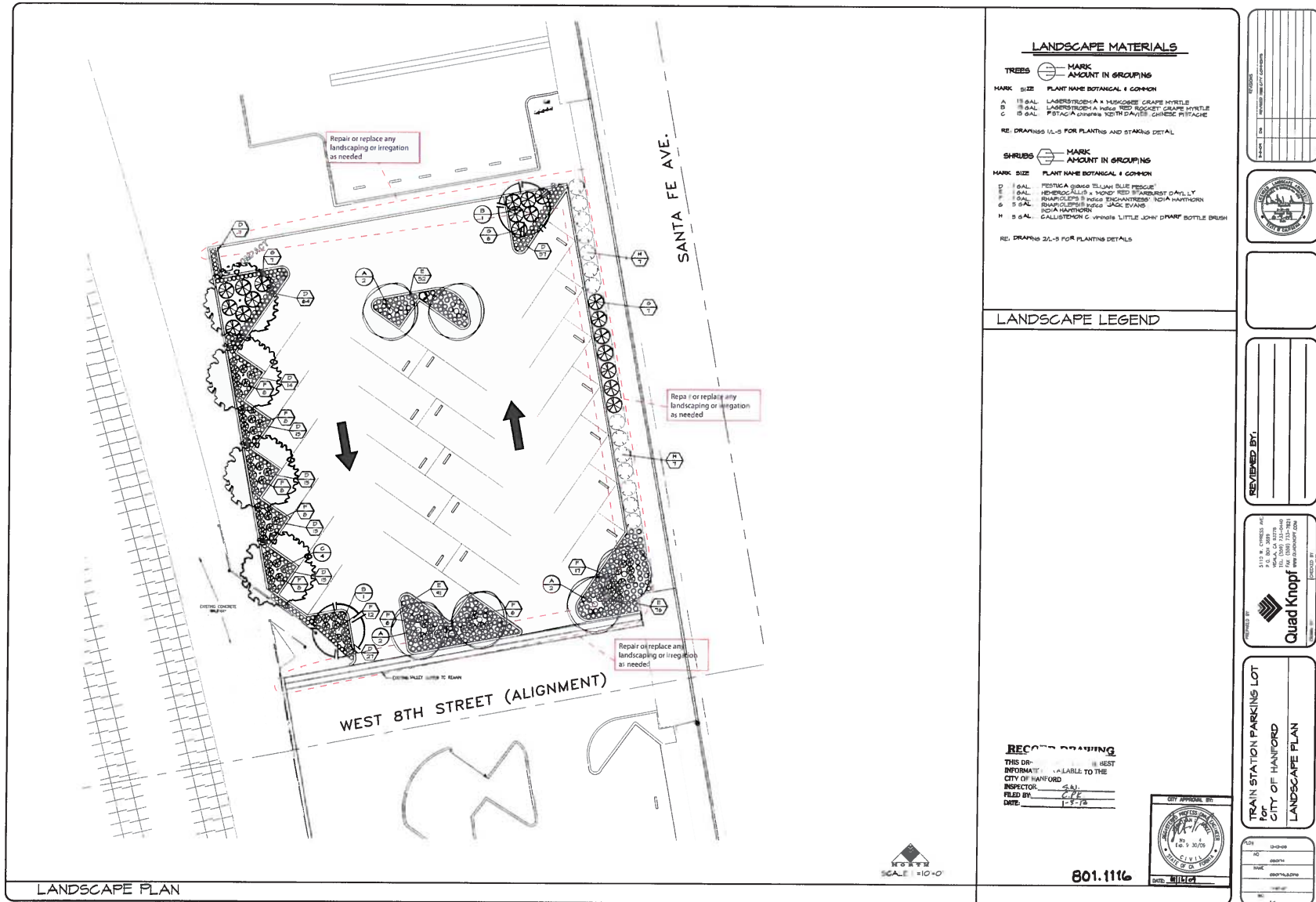
809 N. IRWIN STREET
HANFORD, CA 90230
(559) 582-1058

CIVIL ENGINEERS
ZUMWALT
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LANG BURNETT

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THE SL-3000-UL SERIES SLIDE GATE OPERATIONS

City of Hanford

609 N. Irwin St.

Hanford CA, 93230

POWER WHEELS

The 4", 5" and 6" Power Wheels™ are manufactured by a computer controlled lathe machine and made from solid, cold rolled steel. They can be used on heavy gates and never require any maintenance. Power Wheels™ are 30% more efficient in torque transfer from wheels to operator than other wheels such as cast iron or plastic. They are available in two models, the gold zinc plated Power Wheel™ or the heated treated Power Wheel 2™, for extra durability and rust resistance.

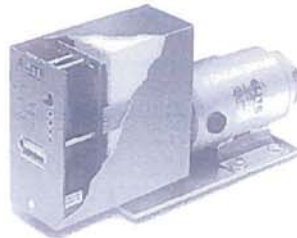


THE DC-1000 POWER BACKUP

Don't be a prisoner of your own gate. Using the DC-1000U™ keeps traffic moving during a power failure.

Set up A: In case of a power failure, the gate will open automatically. When the power is restored, the operator will return to normal condition.

Set up B: Gate will not open automatically until activated by a key switch, push button, or dry contact adjustable command.



NOTE: Included w/ up-graded operator

1

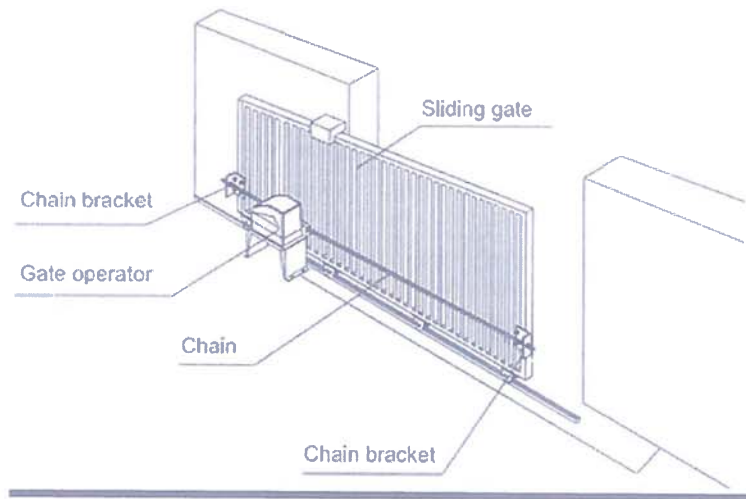
DETAIL A

2

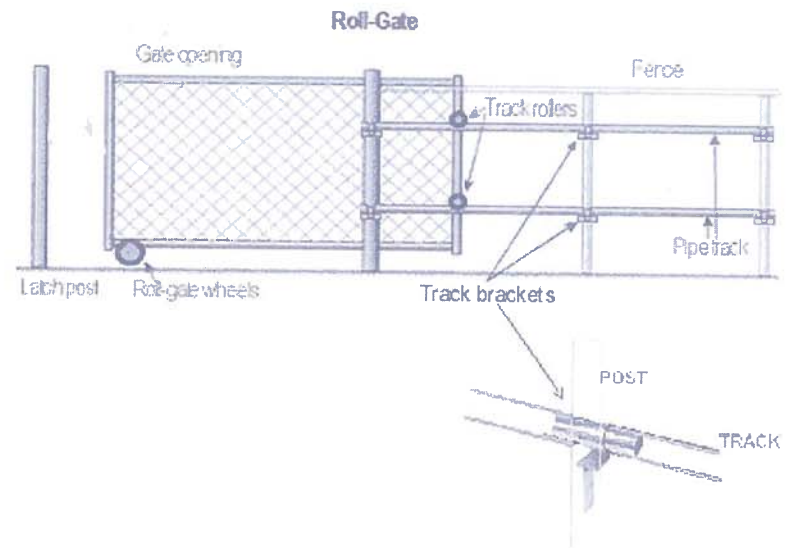
DETAIL B

A. 1

THE SL-3000-UL SERIES SLIDE GATE OPERATIONS



City of Hanford
609 N. Irwin St.
Hanford CA, 93230



3 DETAIL C

4 DETAIL D

A. 2

