

THE CITY OF HANFORD

OVERSIGHT BOARD AGENDA

January 11, 2017
11:00 AM – Special Meeting
Council Chambers
400 N. Douty St.

CALL TO ORDER:

ROLL CALL:

FLAG SALUTE:

PUBLIC COMMENT:

This is the time for citizens to comment on subject matters not on the agenda and that are within the jurisdiction of the Hanford City Council. This is also the public's opportunity to request an item from the Consent Calendar be pulled for discussion purposes or to comment on any item on the agenda. Comments related to Public Hearing items will be heard at the time the item is discussed.

*A maximum of **five minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence*

GENERAL BUSINESS:

- A. City Clerk: Approve Minutes from January 19, 2016 meeting
- B. Adopt Resolution 17-01-OBR approving the Purchase and Sale Agreement and Escrow Instructions with Helena Chemical Company for Helena's purchase of 9.81 acres of RDA property

ADJOURNMENT:

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available to public inspection in the City Clerk's Office located at 319 N. Douty Street, Hanford, California 93230, during normal business hours. Such agendas 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: 1/11/2017

AGENDA SECTION: A

SUBJECT:

City Clerk: Approve Minutes from January 19, 2016 meeting

RECOMMENDATION:

That the Board, by motion, approve the minutes from the January 19, 2016 meeting.

FISCAL IMPACT:

ATTACHMENTS:

2016-01-19 OB Minutes



**OVERSIGHT BOARD MEETING
MINUTES
January 19, 2016 2:00 PM
Council Chambers
400 N. Douty St.**

CALL TO ORDER:

Chairman Lehn called the meeting to order at 2:25 p.m.

ROLL CALL:

Attendee Name	Title	Status	Arrived
Melody Haigh	Board Member	Present	
John Lehn	Chairman	Present	
Steve Corl	Vice Chair	Present	
Craig Pedersen	Board Member	Absent	
Michael Cavanagh	Board Member	Absent	
Christine Statton	Board Member	Present	

FLAG SALUTE:

PUBLIC COMMENT:

This is the time for citizens to comment on subject matters not on the agenda within the jurisdiction of the Hanford City Council or to comment on items listed under the Consent Calendar or to request an item from the Consent Calendar be pulled for discussion purposes. Comments related to General Business items or Public Hearing items will be heard at the time the item is discussed.

*A maximum of **five minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

There were no comments given.

GENERAL BUSINESS:

1. Approve minutes of September 21, 2015 meeting

Motion to approve as presented.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Christine Statton
SECONDER:	Melody Haigh, Senior Planner
AYES:	Haigh, Lehn, Corl, Statton
ABSENT:	Pedersen, Cavanagh

2. Review and Approval of Administrative Budgets for the two six month periods July 1, 2016 to December 31, 2016, and January 1, 2017 to June 30, 2017 by adopting resolution 16-04-OBR.

Finance Director Tom Dibble briefly discussed the Administrative Budgets and responded to questions by the Board Members.

Motion to approve Resolution 16-04-OBR.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Christine Statton
SECONDER:	Melody Haigh, Senior Planner
AYES:	Haigh, Lehn, Corl, Statton
ABSENT:	Pedersen, Cavanagh

3. Review and approval of the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2016 to June 30, 2017 by adopting resolution 16-03-OBR

Finance Director Tom Dibble briefly commented on the ROPS for the next two periods and responded to questions and comments by the Board Members.

Motion to adopt Resolution 16-03-OBR.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Melody Haigh, Senior Planner
SECONDER:	Christine Statton
AYES:	Haigh, Lehn, Corl, Statton
ABSENT:	Pedersen, Cavanagh

ADJOURNMENT:

Chairman Lehn adjourned the meeting at 2:38 p.m.

Respectfully submitted,

Jennifer Gomez
City Clerk

Attachment: 2016-01-19 OB Minutes (1774 : Minutes 01/19/16)



**AGENDA
STAFF REPORT**

MEETING DATE: 1/11/2017

AGENDA SECTION: B

SUBJECT:

Adopt Resolution 17-01-OBR approving the Purchase and Sale Agreement and Escrow Instructions with Helena Chemical Company for Helena's purchase of 9.81 acres of RDA property

RECOMMENDATION:

The Successor Agency (SA) recommends that the Board, by motion, adopt the attached Resolution approving the Purchase and Sale Agreement and Escrow Instructions (PSA) with Helena Chemical Company (“Helena”) for Helena’s purchase of 9.81 acres of RDA property located in the Kings Industrial Park.

BACKGROUND:

Helena submitted an offer to the SA for the final remaining RDA parcel located within the Kings Industrial Park. The location of the subject property is identified on the attached plat map. The attached PSA was prepared based upon negotiations between Helena and the SA.

The following is a summary of the key deal points of the PSA:

- **Acres: 9.81 acres of unimproved land.**
- **Purchase Price: \$392,400.00**
- **Initial Deposit: \$500.00 upon signature of the PSA.**
- **Close of Escrow: Closing to occur on or before the 100th day following the parties’ signature of the PSA.**

The SA had the subject property appraised in 2013 during the SA's preparation of its Long-Range Property Plan (LRPMP). The appraised value at that time was \$345,000.00. A copy of the LRPMP is attached.

The SA had the property reappraised in October 2016. The new appraisal, a copy of which is attached, identifies the property's value as \$392,400.00 (see pg. 21 of the October 2016 appraisal).

The SA has not received any other offers on the subject property and is not currently in discussions with any other party that may be interested in purchasing the 9.81 acres.

Through the attached Resolution, the OB will approve the sale to Helena and payment of the remaining balance owed under the Shared Appreciation Secured Promissory Note (KEDC Note) held by the Kings Economic Development Corporation (KEDC). The KEDC Note is secured by a Deed of Trust (KEDC Deed of Trust). Helena will want to acquire the subject property free and clear of the KEDC Deed of Trust. KEDC will reconvey the KEDC Deed of Trust (thereby removing it from the subject property's chain of title) in exchange for the balance owed under the KEDC Note. 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. Copies of the KEDC Note and KEDC Deed of Trust are attached.

KEDC will receive a total of \$151,437.40, which consists of \$30,361.95 in unpaid principal for the 9.81 acre property plus \$103,053.85 for shared appreciation plus \$18,021.60 in unpaid principal attributable to the land utilized for public infrastructure improvements.

Per the KEDC Note, upon the sale of the last portion of the RDA's property that secured the KEDC Note, KEDC is entitled to a principal payment of \$3,095.00 per acre for those portions of the RDA's property that secured the KEDC Note and which "were used for the construction of streets, storm drainage basins and other public improvements. . . ." The land used for public infrastructure includes a 2.53+/- acre storm drainage basin parcel and 3.29+/- acres used for streets and other public improvements.

In accordance with the LRPMP previously approved by the Oversight Board, KEDC assisted with the marketing of the 9.81 acre parcel and is entitled to compensation equal to four percent (4%) of the sales price. This amount will be paid to KEDC out of escrow at closing.

FISCAL IMPACT:

That portion of the sales proceeds not used by the Successor Agency to pay for RDA's enforceable obligations will be paid to Kings County for distribution to the taxing agencies.

ATTACHMENTS:

Parcel Map 018-242-067 (9.81 acres)

2016.12.15 Purchase and Sale Agreement

Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13)

2016.10.07 Appraisal Industrial Land at 11th and Energy Hanford

12-28-1999 Shared Appreciation Secured Promissory Note (\$300,533)

12-28-1999 Shared Appreciation Deed of Trust

2017.01.05 OB Resolution - Sale of 9.81 acres to Helena Chemical with Exhibits

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (“**Agreement**”) is made and entered into this ____ day of _____, 2016 (“**Effective Date**”), by and between the Successor Agency to the Community Redevelopment Agency of the City of Hanford and its Successor Oversight Board (“**RDA**”) (“**Seller**”), and HELENA CHEMICAL COMPANY, a Delaware corporation (“**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. The RDA owns approximately 9.81 acres situated within the Kings Industrial Park (“**RDA Parcel**”), all as more particularly described in the attached Exhibit “**A**”, which is incorporated herein by reference (RDA Parcel shall be referred to as the “**Real Property**”).

B. As a separate but related transaction, Buyer is purchasing property owned by the City of Hanford with the closing of that transaction to occur simultaneous with, and contingent upon, the closing of the escrow for the purchase and sale set forth in this agreement.

C. 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 FIRST AMERICAN TITLE COMPANY (“**Escrow Holder**”) located at 7625 N. Palm Ave., Fresno, 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 Three Hundred Ninety-Two Thousand Four Hundred Dollars (\$392,400.00) (“**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 Five Hundred Dollars (\$500.00) (“**Deposit**”) with Escrow Holder.

(b) At least one (1) 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 thirty (30) days within which to notify Seller and Escrow Holder in writing of any exceptions to title shown therein that Buyer disapproves ("**Objectionable Exceptions**") plus any endorsements to title Buyer requires for the subject title policy. If Buyer notifies Seller and Escrow Holder of one or more Objectionable Exceptions, Seller shall have thirty (30) days from receipt of such written notice to (i) remove the Objectionable Exception(s), or (ii) refuse to remove the Objectionable 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 Objectionable Exceptions within said thirty (30) 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), 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) Buyer, during the Feasibility Period and at its own expense, shall maintain: (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 thirty (30) 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) 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) Seller has not entered into any leasehold agreements with third parties to this Agreement that would convey a tenancy interest of any kind in the Real Property.

(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.

(j) Seller represents that Buyer's proposed land use of the Real Property is a permitted use in the HI zone district and that the City of Hanford's current land use designation for the Real Property is HI.

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 Oversight Board 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) The abandonment and closure of Energy Street by Seller pursuant to Buyer's Application for Street Abandonment Number 2015-01 filed April 23, 2015.

(g) Entry into an Industrial Track and Operations Agreement, satisfactory to Buyer, between Buyer, BNSF Railroad, Lakeside Irrigation Water District, and Tessengerlo Kerley, Inc.

(h) Buyer shall have obtained the approval of its Board of Directors for the execution and delivery of this Agreement, and consummation of the transactions contemplated hereby.

(i) Buyer shall have obtained execution of the BNSF Agreement(s) by all parties thereto, and in form and content acceptable to Buyer.

(j) The escrow for purchase of that real property being purchased by the Buyer from the City of Hanford shall close simultaneous with the within Escrow.

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 one hundredth (100th) 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 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:	HELENA CHEMICAL COMPANY David Hawkins 225 Schilling Blvd., Ste. 300 Collierville, TN 38017 FAX: (901) 537-8677
To Buyer's Legal Counsel:	Jan L. Kahn, Esq. Kahn, Soares & Conway, LLP 219 North Douty Street Hanford, CA 93230 FAX: (559) 584-3348
To Seller:	Darrel Pyle SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD 119 North Douty Street Hanford, CA 93230 FAX: (559) 585-2595
To Seller's Legal Counsel:	Robert M. Dowd and Ty N. Mizote Griswold LaSalle Cobb Dowd & Gin LLP 111 East 7 th 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.

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

“SELLER”

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

By: _____
DARREL PYLE
City Manager

Dated: _____, 2016

“BUYER”

HELENA CHEMICAL COMPANY
a Delaware corporation

By: _____
_____ [name]
_____ [title]

Dated: _____, 2016

By: _____
_____ [name]
_____ [title]

Dated: _____, 2016

EXHIBIT A
LEGAL DESCRIPTION

PARCEL 9

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 and the TRUE POINT OF BEGINNING;

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, 632.15 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, 645.84 feet, to the beginning of a tangent curve, concave Northeasterly, having a radius of 30.00 feet;

Thence, Northwesterly, along said 30.00 foot radius curve, through a central angle of 91°15'25", an arc distance of 47.78 feet, to the TRUE POINT OF BEGINNING;

Parcel 9 contains 9.81 acres

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

LONG-RANGE PROPERTY MANAGEMENT PLAN



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-Range 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 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.

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 prepare a Purchase & Sale Agreement for sale of the property to TKI; 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.

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 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 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.

APN 018-242-071, a 2.53 acre parcel, consists of a public storm drain basin for runoff from 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”

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

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 :

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..
	Environmental 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.

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 :

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 Tessengerlo 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.

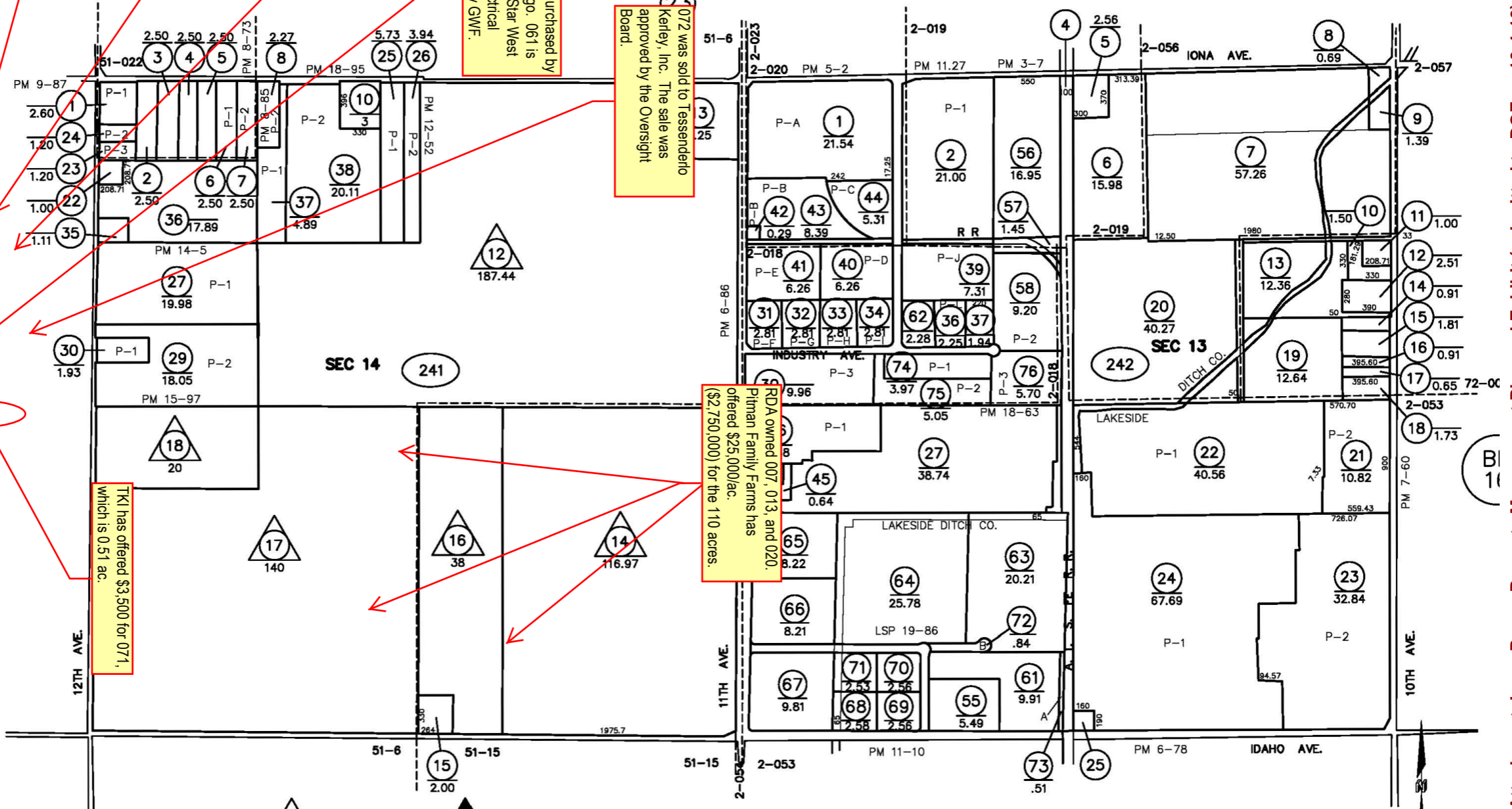
Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 :

EXHIBIT “B”

KINGS COUNTY ASSESSOR'S MAP

S. 13 & 14-19-21

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



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.

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

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

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

069 has been offered to a party interested in purchasing 070.

and portion of 067 have been offered to an interested party.

of 068

basin is

LAND PRESERVE (triangle symbol) NON-RENEWAL (triangle with dot symbol)

BK 28

1" = 800'

EXHIBIT “C”

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

Serving the Central Valley for 20 years – 1992-2012

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

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

SCOPE OF WORK

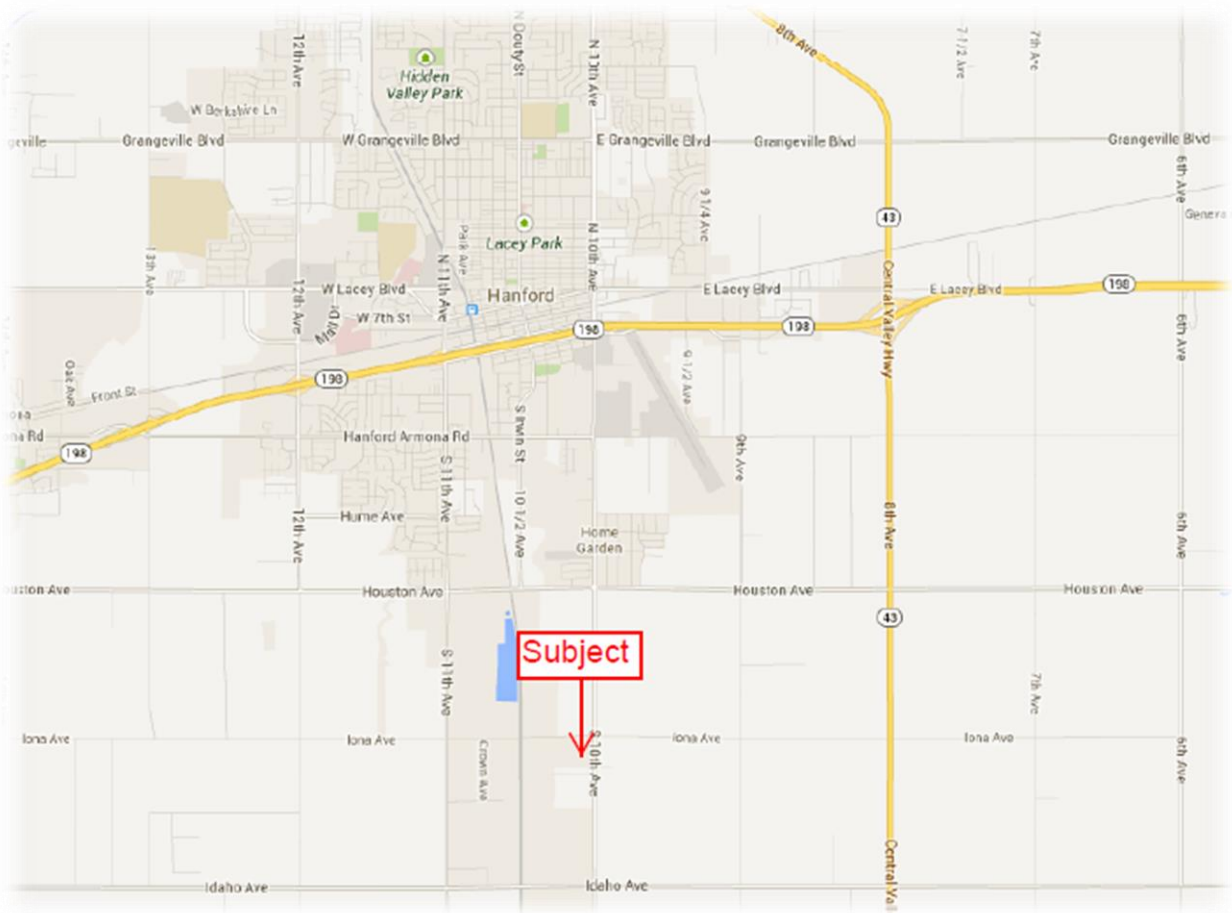
- The subject sites were viewed by the appraiser.
- Gathered, analyzed and utilized comparable sales and listings; all sales were confirmed with reliable parties involved in the transactions.
- The sales comparison approach was utilized to value all parcels.
- Jacob I. Hower participated in the preparation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

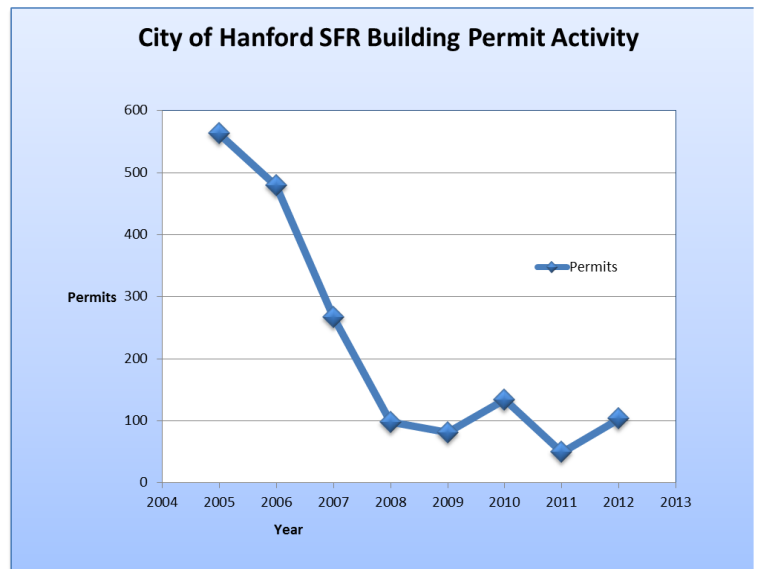
2006	48,744
2007	50,459
2008	51,965
2009	52,687
2010	53,967
2013 Projection	56,552
2020 Projection	70,177
5-Year Annual Growth Rate	10.21%

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.



Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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.

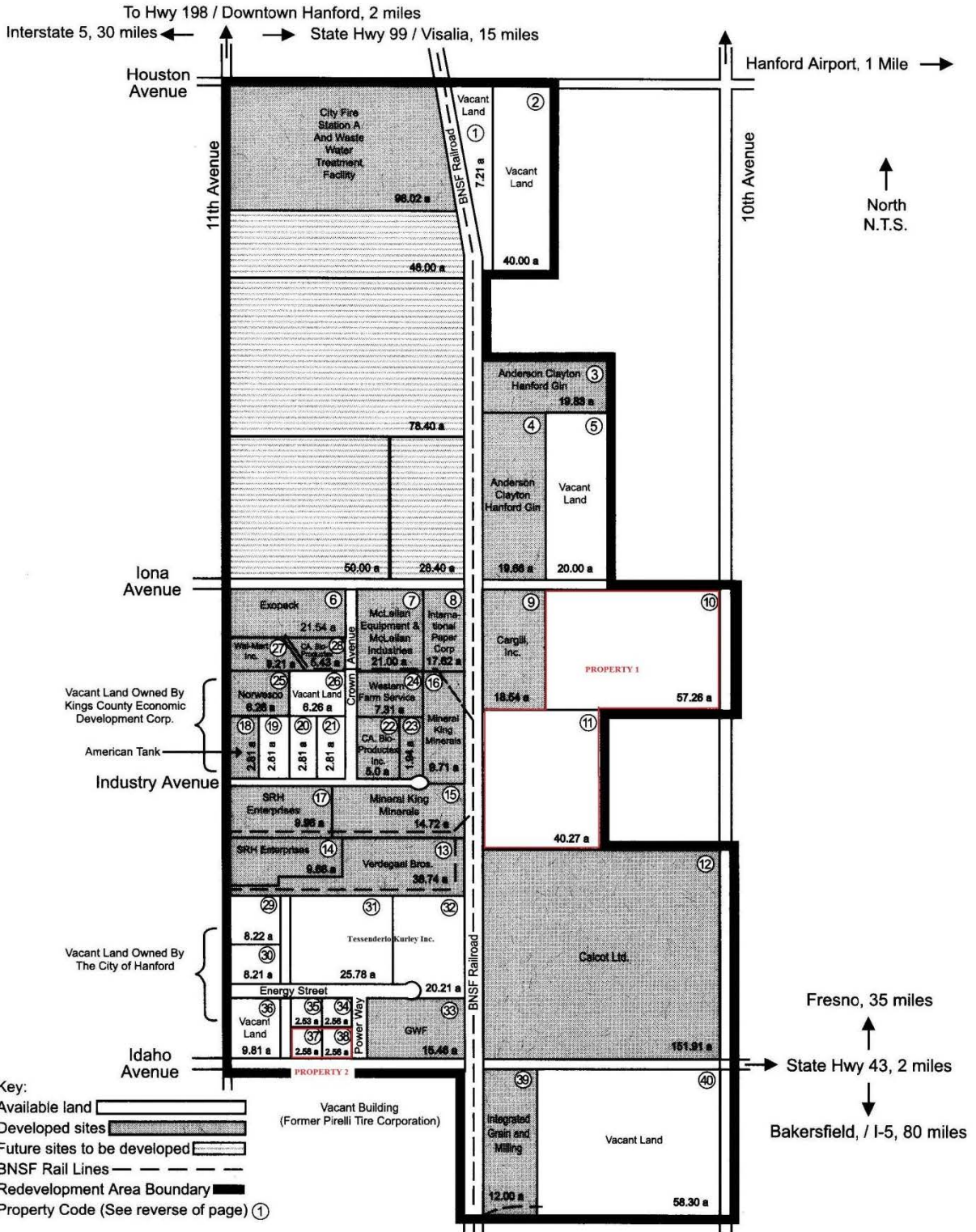
Both 10th and 11th Avenues are primary north-south arterials through Hanford. They carry moderate to heavy traffic volume. Houston and Jackson Avenues are two-lane, east-west rural roadways that carry light to moderate traffic volume. Highway access is adequate. State Highway 43 is two and one-half miles 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, 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



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*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.

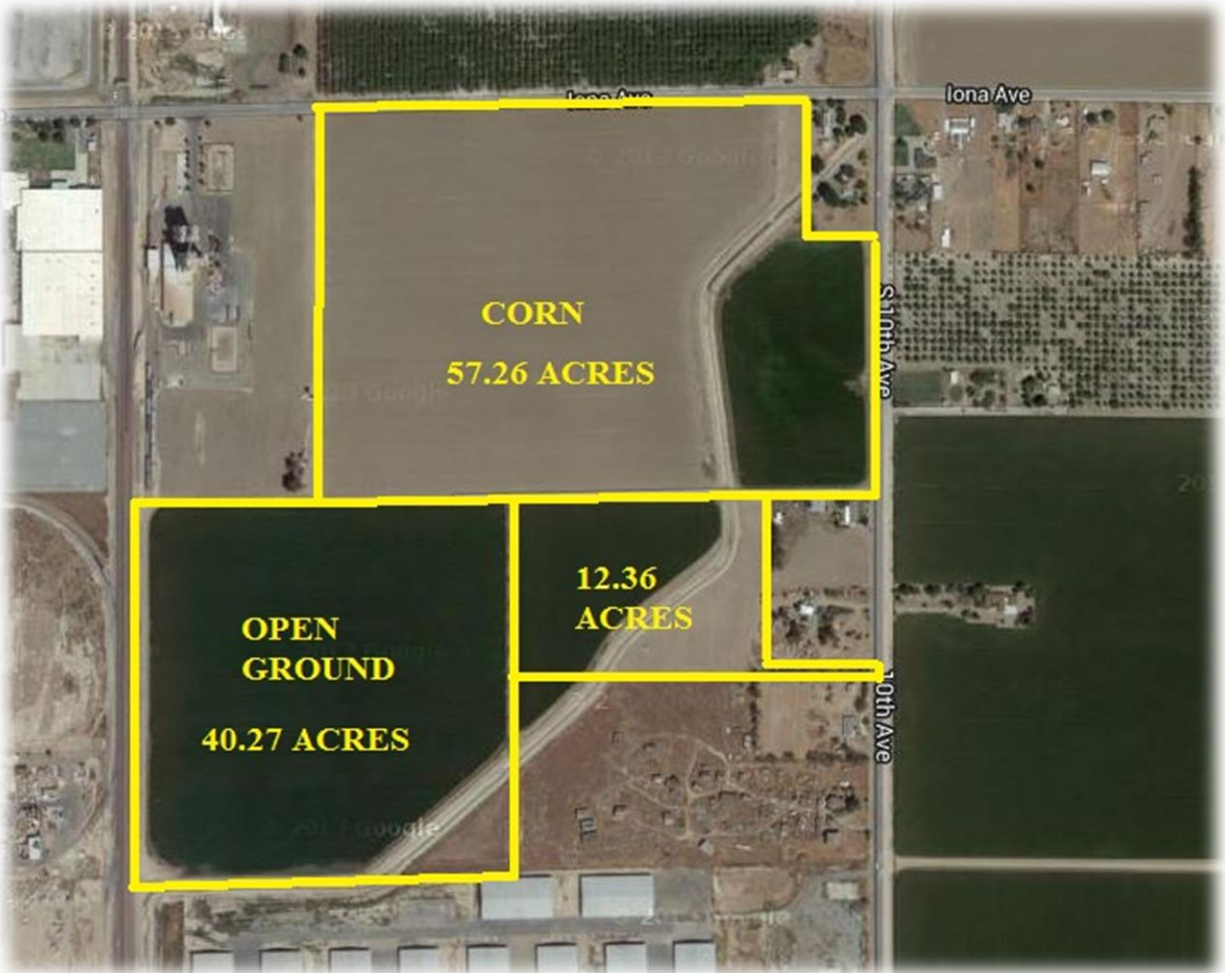
In summary, the subject is located in an industrial district of average character but below average location. The growth pattern in the industrial park has been fairly static over the past five years and a significant amount of vacant land remains. Slow growth for the Kings Industrial Sector is anticipated 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:	<p>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.</p> <p>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.</p>
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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.			



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VALUATION

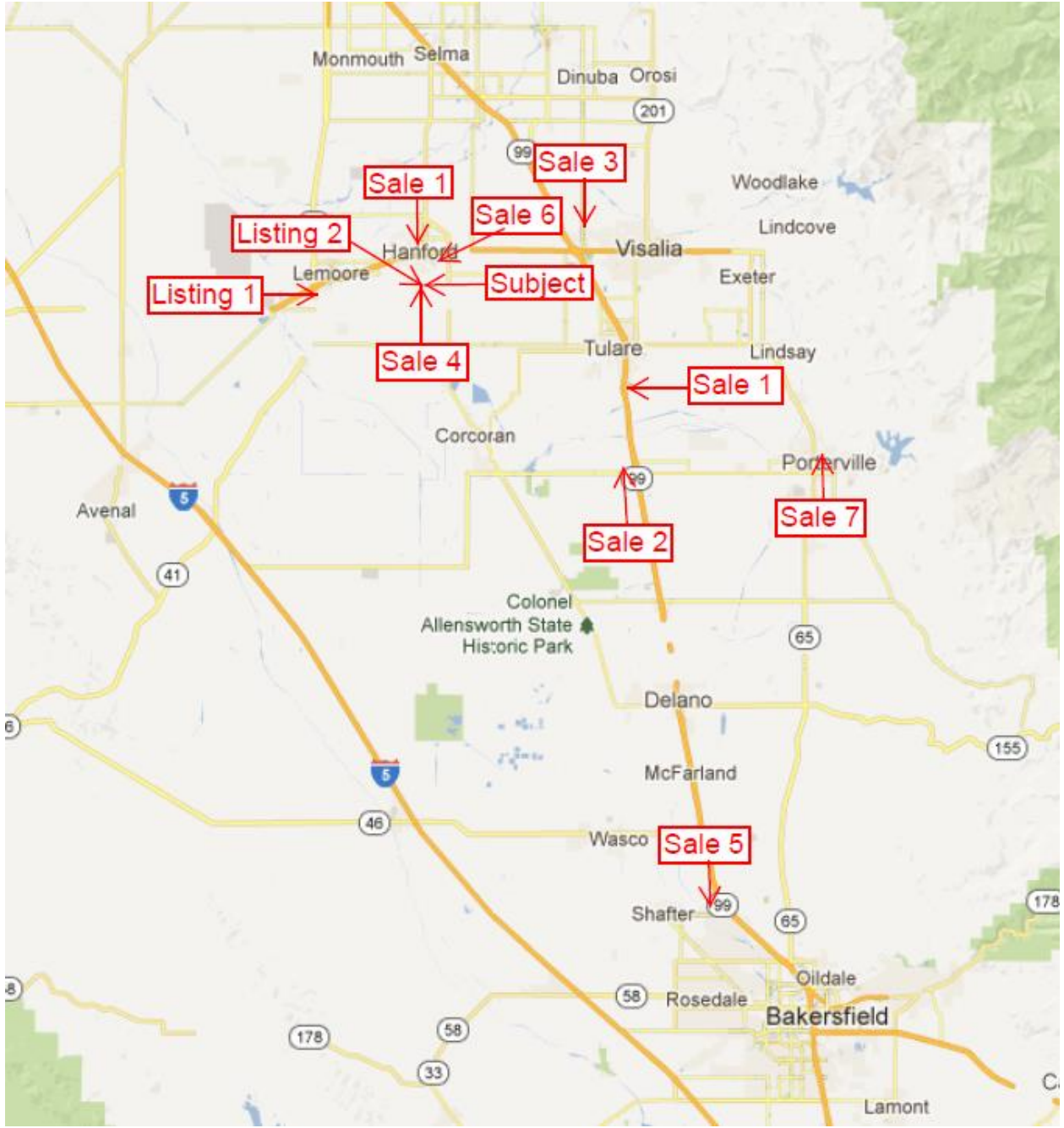
HIGHEST & BEST USE

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	Feb-11	\$3,720,000	\$0.91	\$39,829	93.40	M-1	Yes	No
	Tulare, CA	Buyer	RB Brothers						
	Multiple	Seller:	Crabtree						
2	433 North Westling Road	Jun-11	\$300,000	\$1.07	\$46,584	6.44	M-1	No	No
	Tipton, CA	Buyer	Garza/Lopez						
	228-180-011	Seller:	Alsup						
3	SEC of Plaza Dr. & Rigin Ave.	Mar-12	\$2,270,000	\$0.93	\$40,471	56.09	I-H	Yes	Yes
	Visalia, CA	Buyer	Exeter 12152, LLC & Coldy Bay, LLC						
	077-360-028; 030	Seller:	Chicago Title Company, Trustee on behalf of Bank of America						
4	N. of Idaho east of 11th Ave.	Jun-12	\$1,380,000	\$0.69	\$30,007	45.99	H-1	Yes	Yes
	Hanford, CA	Buyer	Tessenderlo Kurley Inc.						
	018-242-064	Seller:	Community Redevelopment Agency						
5	300 Carsen Way	Jun-12	\$690,000	\$1.50	\$65,465	10.54	M-1	Yes	Yes
	Shafter, CA	Buyer	Antonio						
	091-171-32	Seller:	Citizen's Business Bank						
6	NS of Hanf. Arm. Rd. E of 9th Ave.	Jul-12	\$2,000,000	\$0.57	\$25,000	80.00	AG-20 GP-UR	No	No
	Hanford, CA	Buyer	Tri West Investments						
	016-060-012	Seller:	Rhoden et al						
7	SEC of Main St. & Linda Vista	Mar-2013	\$505,660	\$0.53	\$23,174	21.82	M-1	Yes	No
	Porterville, CA	Buyer	Immodo California 1 LLC						
	243-180-008	Seller:	Tevet						
Listings									
1	Lemoore Industrial Park	Listing	Varies	\$1.00	\$43,560	1-100 Acres	M-1, M-2	Yes	Yes
	Lemoore, CA	Buyer	Listing						
	Numerous	Seller:	Listing						
2	Kings Industrial Park	Listing	Varies	\$0.69-\$1.15	\$30,000-\$50,000	1-100 Acres	HI	Yes	Yes
	Hanford, CA	Buyer	Listing						
	Numerous	Seller:	Listing						

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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

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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

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

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

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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

Serving the Central Valley for 20 years – 1992-2012

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

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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.

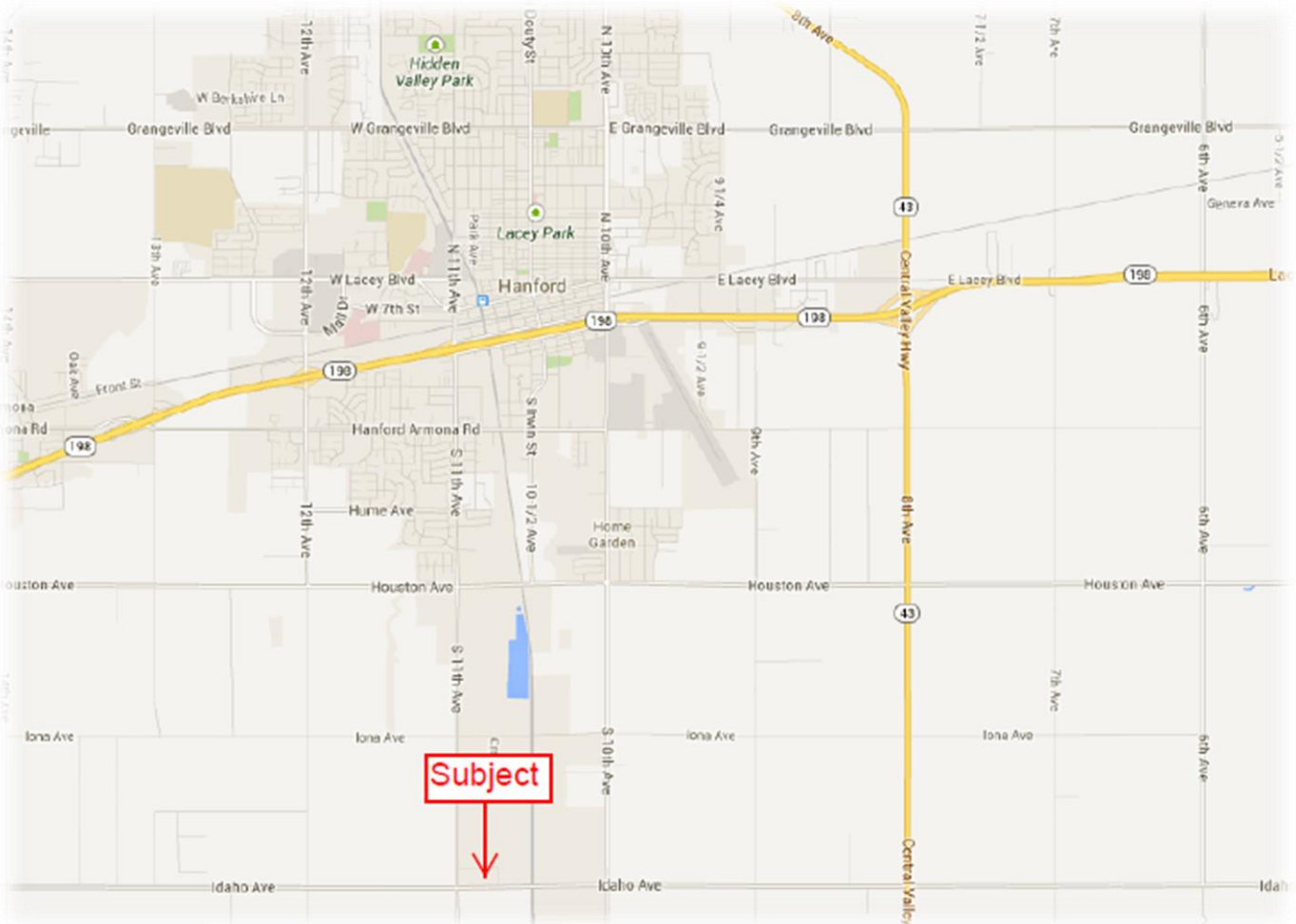
Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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.

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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.

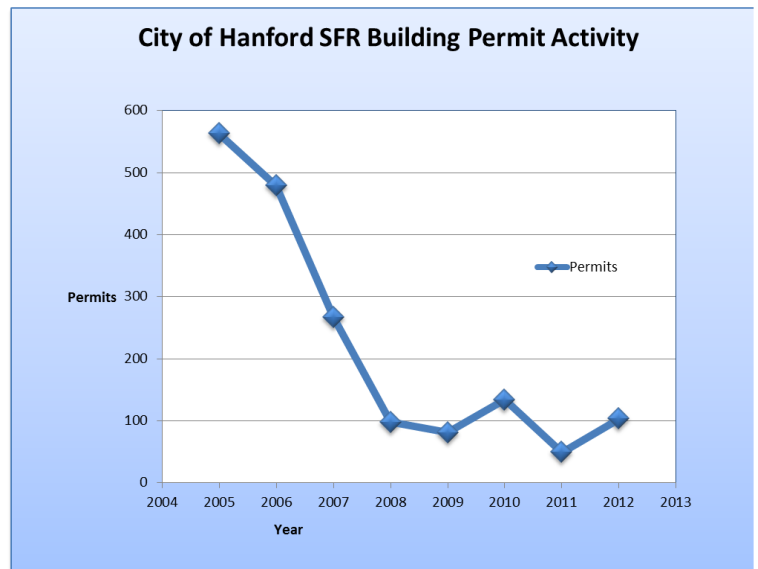
Another large employment draw locally is the Pleasant Valley State Prison in Coalinga, which opened in 2005. The mental health and treatment hospital was slated to include 1.2 million square feet with a total of 1,500 beds.

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.



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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.

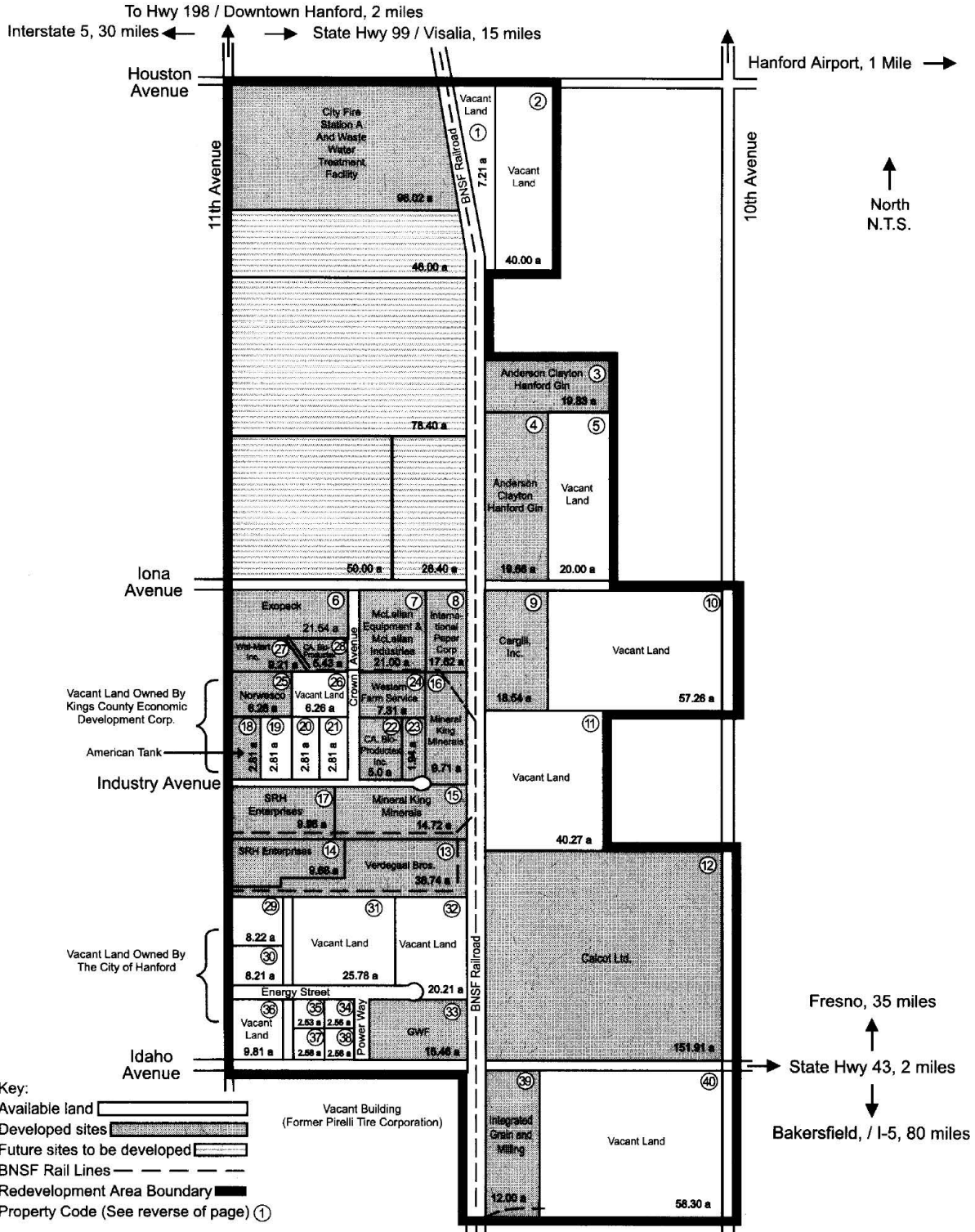
Idaho Avenue is a rural roadway with lighter traffic. It mainly services industrial and agricultural users. Flanking the subject to the west is another vacant parcel zoned for similar uses. To the north are numerous industrial and Ag related businesses. South of Idaho is a large multitenant distribution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

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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

<p>Property History:</p>	<p>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.</p> <p>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.</p>																							
<p>Site:</p>	<table border="1"> <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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<p>Access:</p>	<p>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.</p>																							

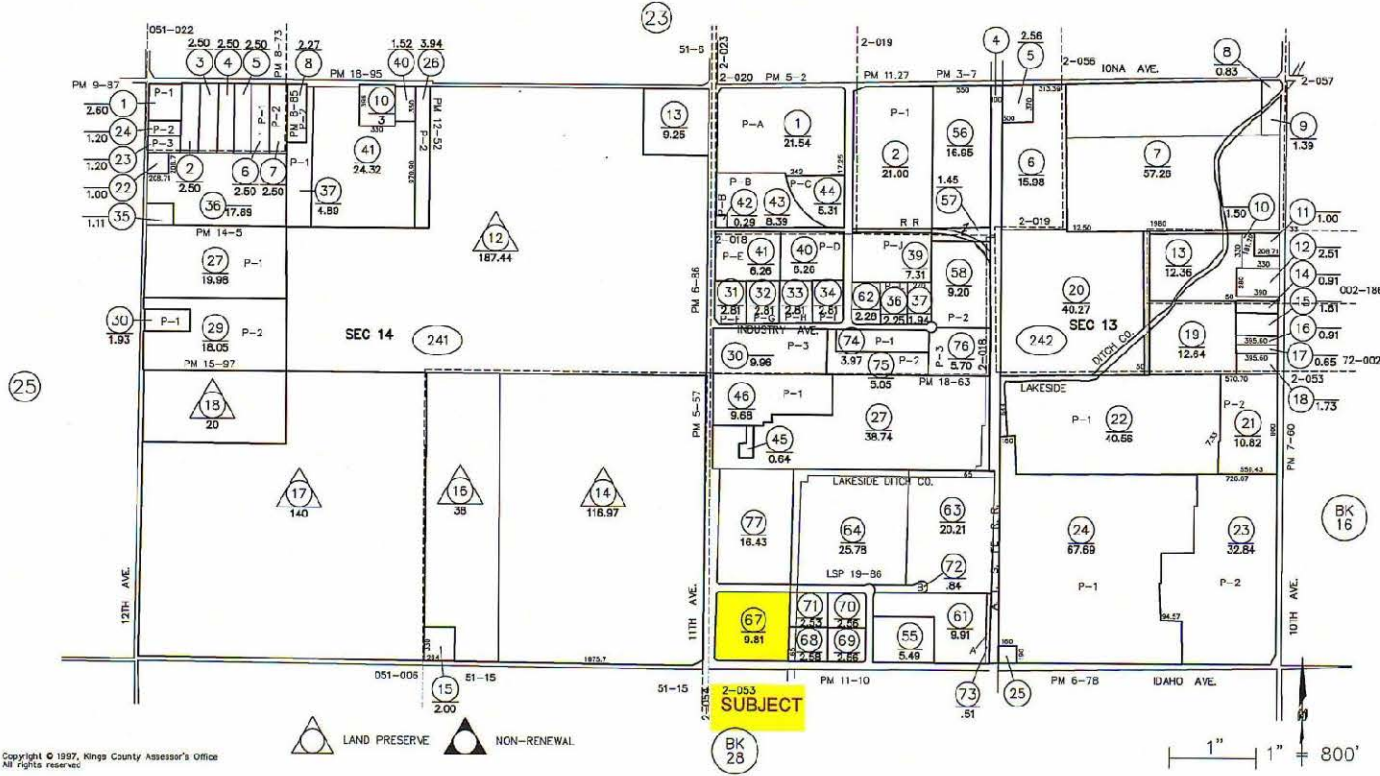
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Kings, CA, 2013-2014 - 018-242-075-000, 10565 INDUSTRIAL AVE, HANFORD, CA 93230-9694, Sheet: 1 of 1

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 LAWS,
MAY 2012

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

18-24



PARCEL MAP

VALUATION

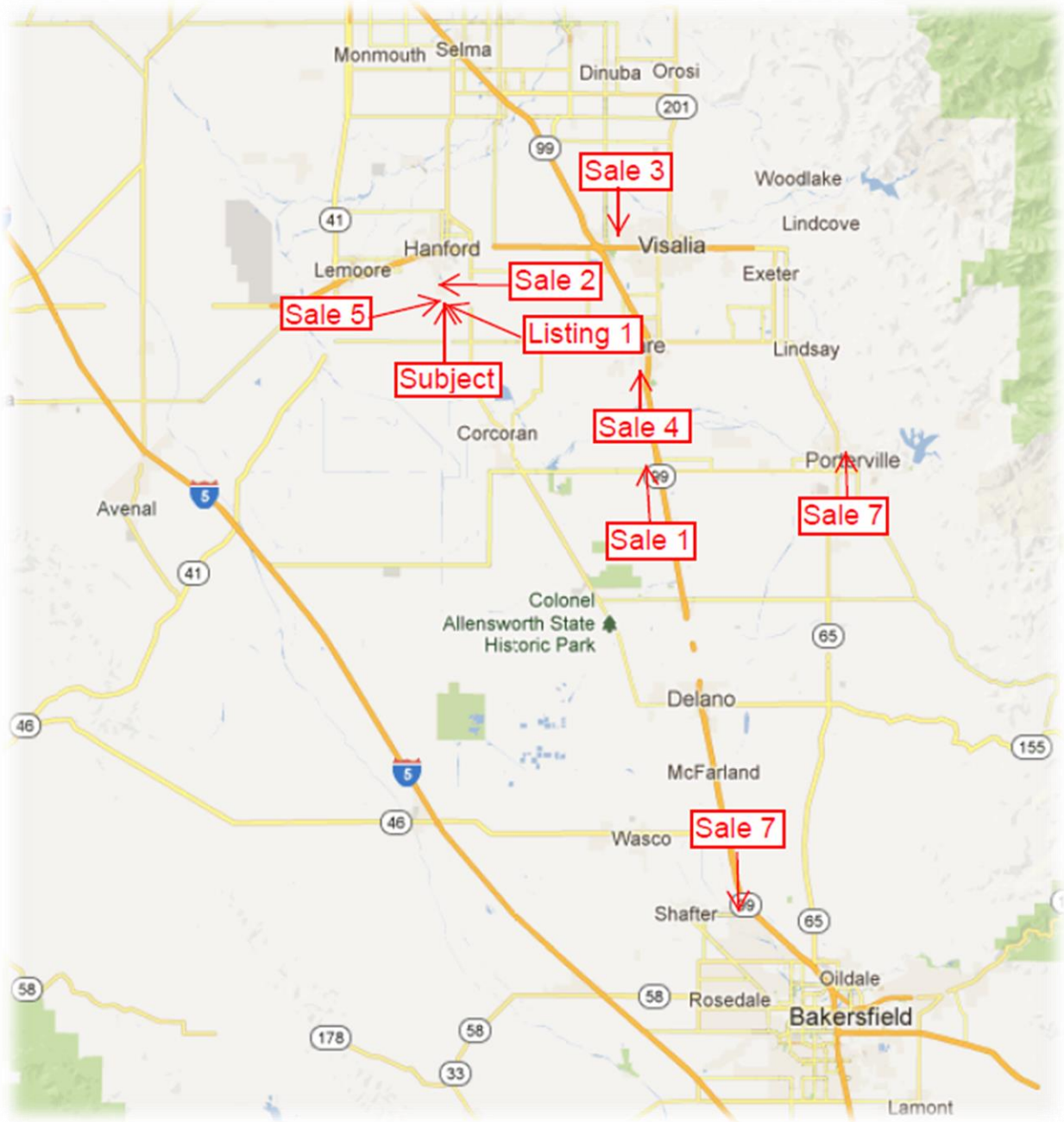
HIGHEST & BEST USE

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 Aksup	\$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-1	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 Tessengerlo Kurley Inc. Community Redevelopment Agency	\$0.69	\$30,007	45.99	H-1	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-1	Yes	Yes

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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:

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

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

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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

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

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

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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

Serving the Central Valley for 20 years – 1992-2012

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)

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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.

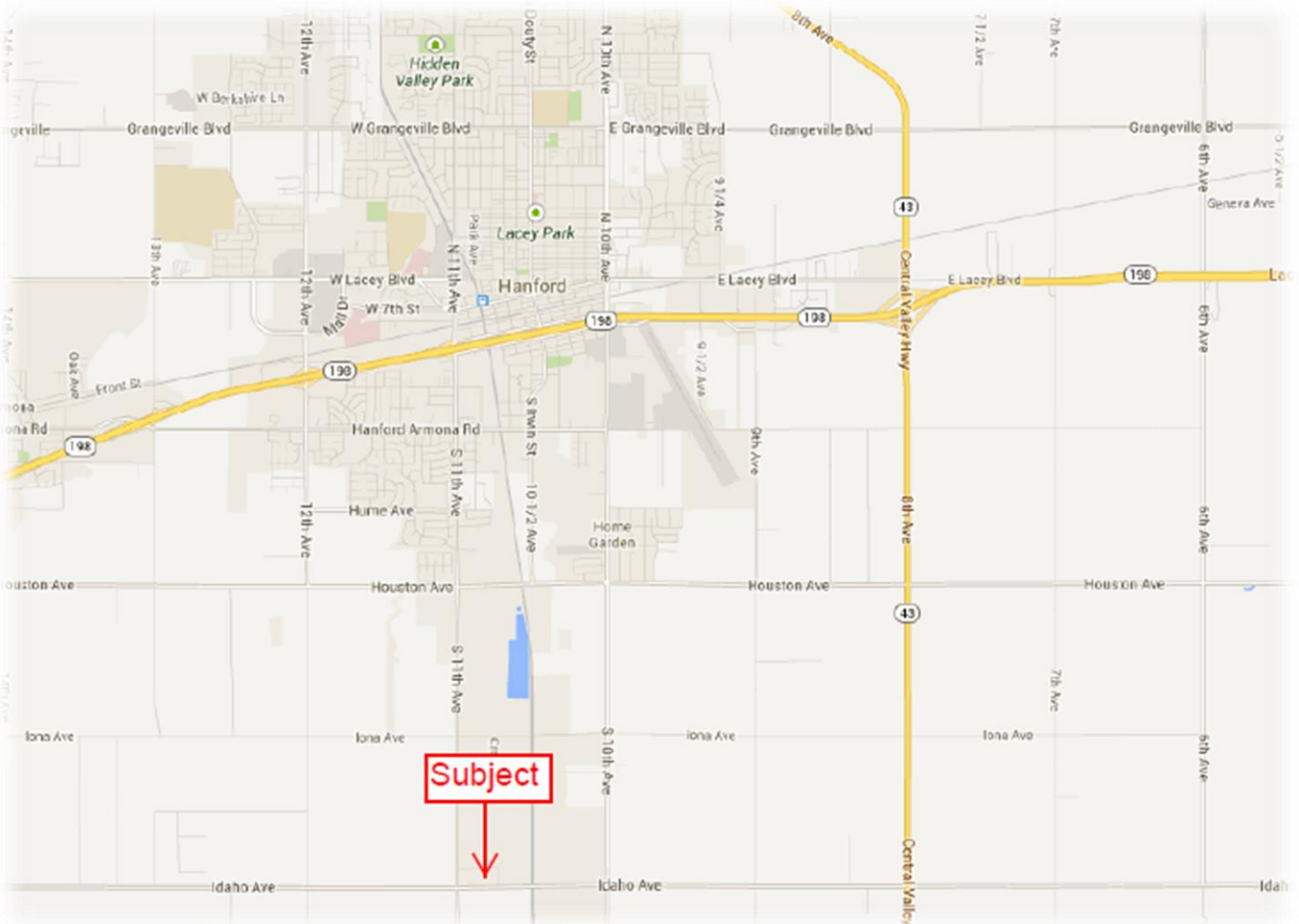
Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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.

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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.

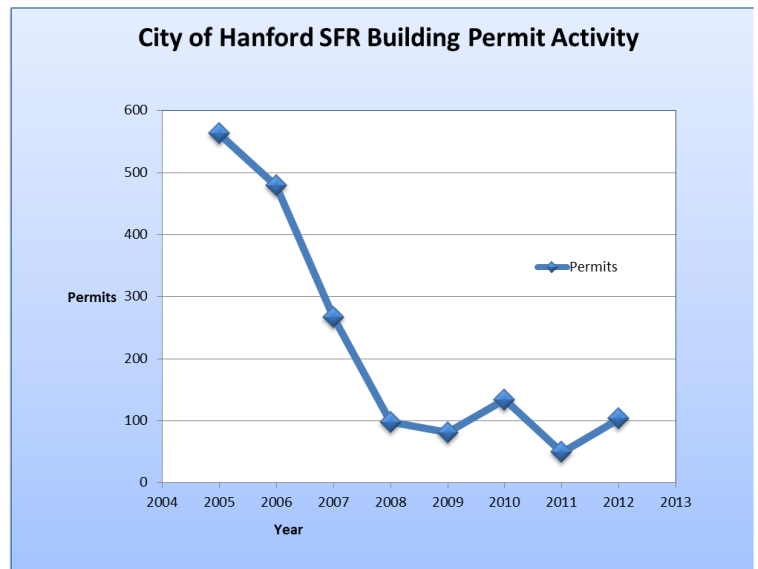
Another large employment draw locally is the Pleasant Valley State Prison in Coalinga, which opened in 2005. The mental health and treatment hospital was slated to include 1.2 million square feet with a total of 1,500 beds.

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.



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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.



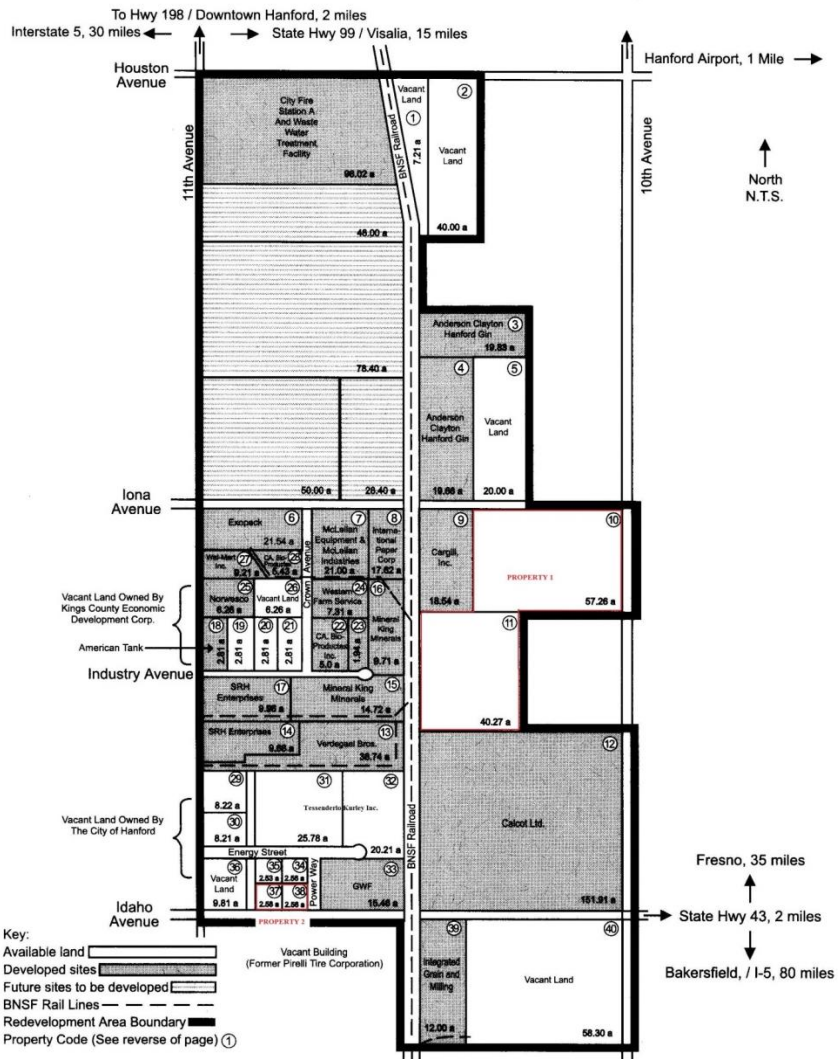
The Kings Industrial Park houses some 1,100 acres and the majority of Hanford’s industrial base is located within this sector. Exopack, Cargill, Norwesco, Verdegal Brothers, Wal-Mart and Calcot all have locations within the park. The former Pirelli Tire Plant was purchased by an investor and is offered 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.

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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

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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:	<p>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.</p> <p>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.</p>																				
Site:	<table border="1"> <tr> <td>APN</td> <td>018-242-068</td> <td>018-242-069</td> </tr> <tr> <td>Size</td> <td>2.58</td> <td>2.56</td> </tr> <tr> <td>Zoning</td> <td>HI</td> <td>HI</td> </tr> <tr> <td>Idaho Frontage</td> <td>345’ est.</td> <td>345’ est.</td> </tr> <tr> <td>Power St. Frontage</td> <td>0’</td> <td>320’ est.</td> </tr> <tr> <td>Rail Frontage</td> <td>No</td> <td>No</td> </tr> </table>	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		
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	Off-sites	Yes	Yes	
	Plantings	None	None	
	Well	None Noted	None Noted	
Access:	<p>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.</p>			

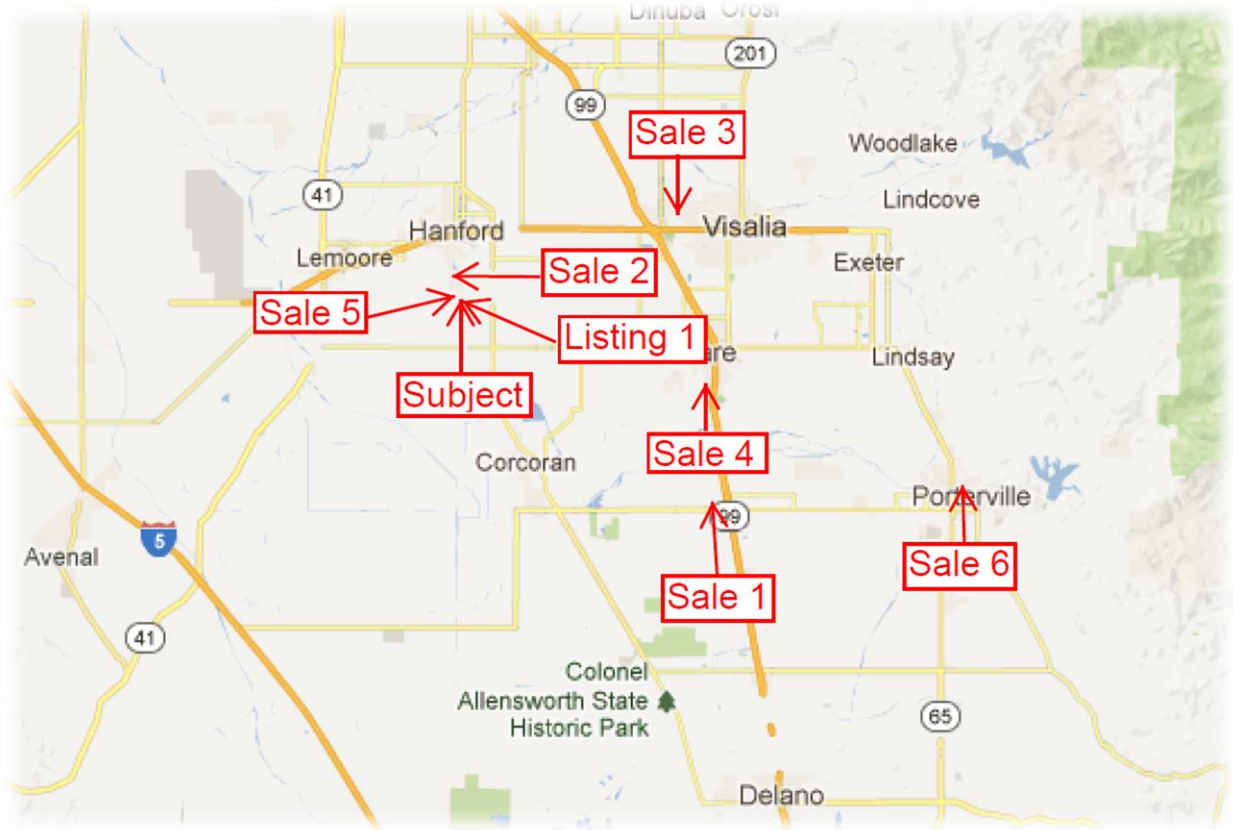
VALUATION

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 Aksup	\$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-1	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 Tessengerlo Kurley Inc. Community Redevelopment Agency	\$0.69	\$30,007	45.99	H-1	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-1	Yes	Yes



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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

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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

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

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

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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

Serving the Central Valley for 20 years – 1992-2012

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

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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.

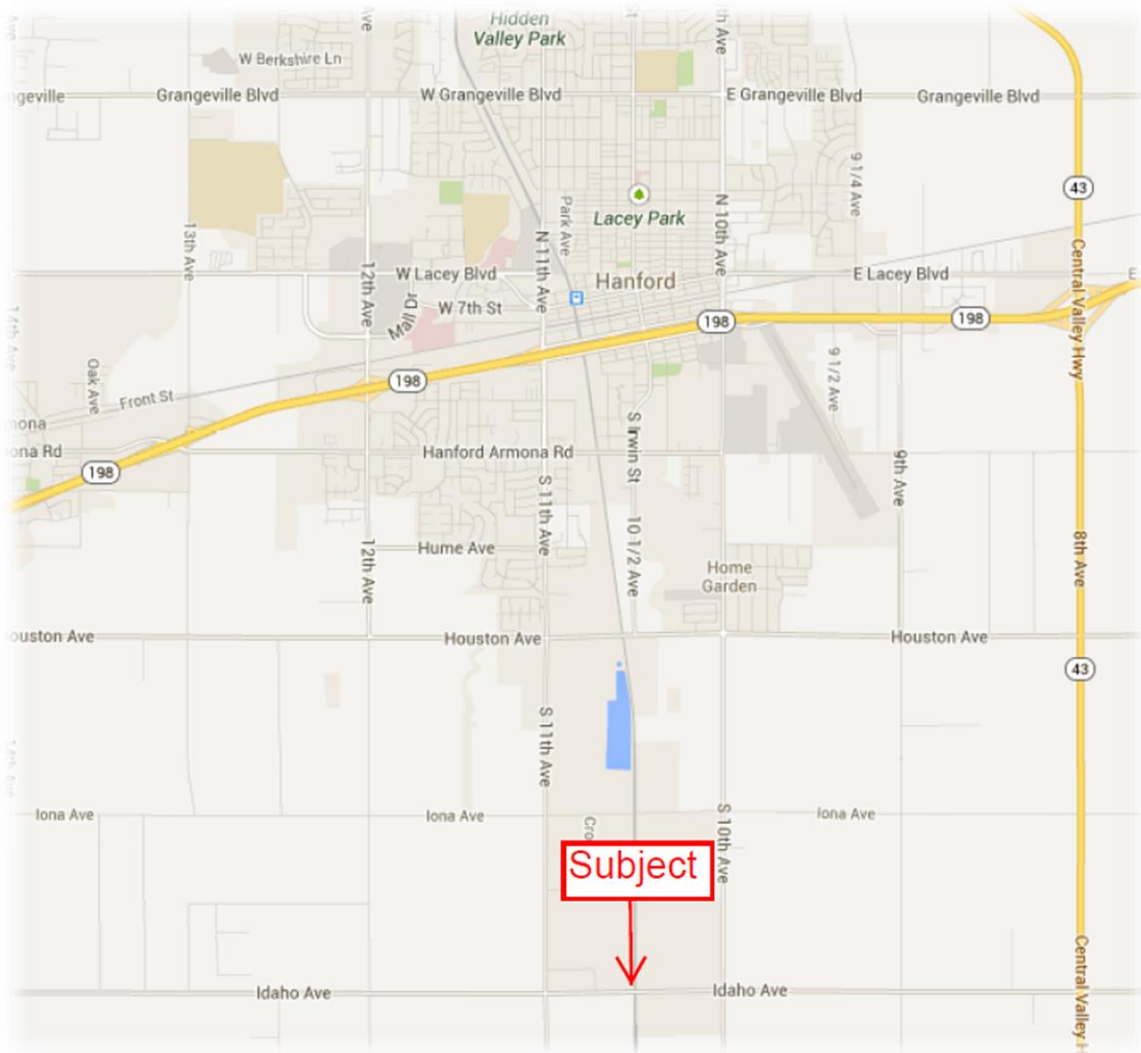
Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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.

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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.

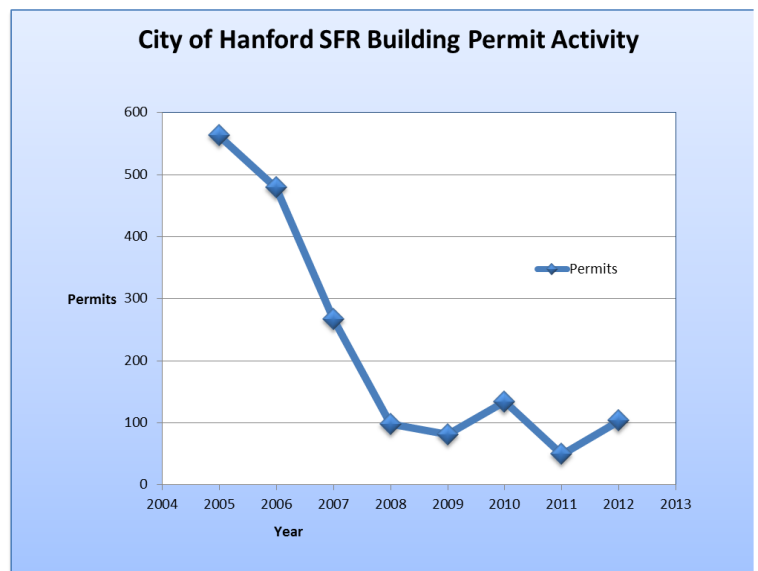
Another large employment draw locally is the Pleasant Valley State Prison in Coalinga, which opened in 2005. The mental health and treatment hospital was slated to include 1.2 million square feet with a total of 1,500 beds.

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.



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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.

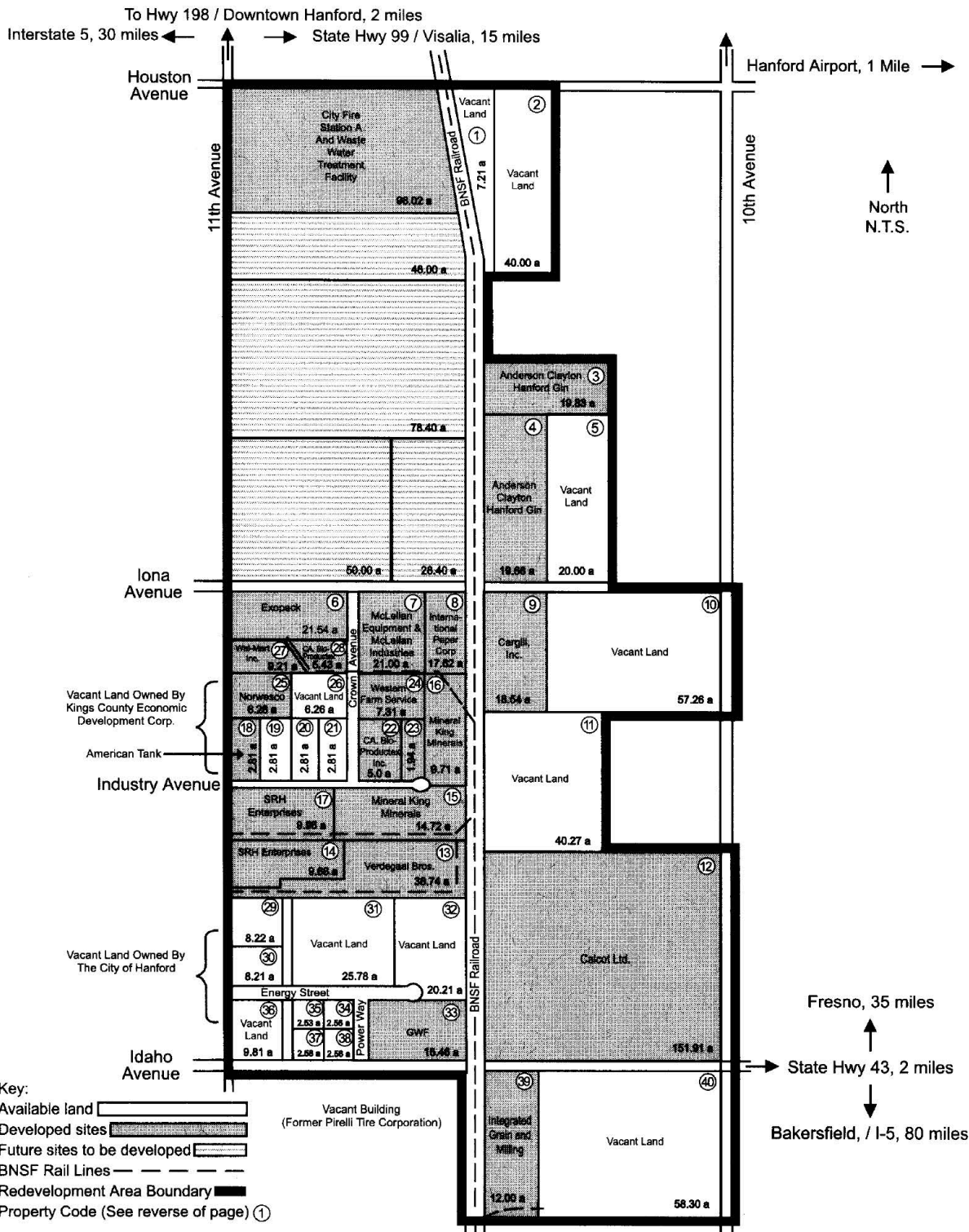
Idaho Avenue is a rural roadway with lighter traffic. It mainly services industrial and agricultural users. Flanking the subject to the west is another vacant parcel zoned for similar uses. To the north are numerous industrial and Ag related businesses. South of Idaho is a large multitenant distribution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

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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

<p>Property History:</p>	<p>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.</p> <p>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.</p>																			
<p>Site:</p>	<table border="1"> <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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Rail Frontage	Yes																			
Off-sites	No																			
Plantings	None																			
Terrain	Near street grade; level																			
Well	None Noted																			
<p>Access:</p>	<p>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.</p>																			

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

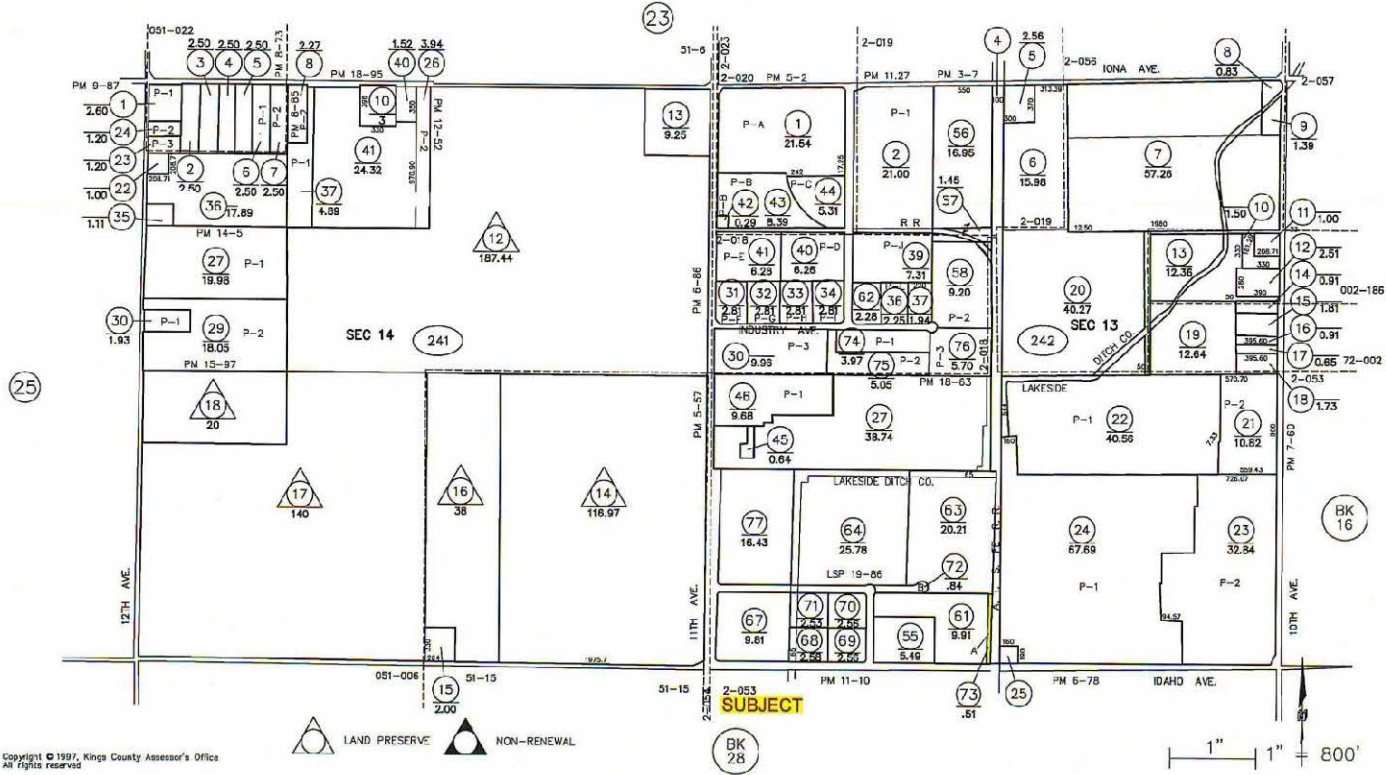
Kings, CA, 2013-2014 - C18-242-C75-000, 16585 INDUSTRIAL AVE, HANFORD, CA 93220-9584, Sheet 1 of 1

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



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PARCEL MAP

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

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

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

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

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:

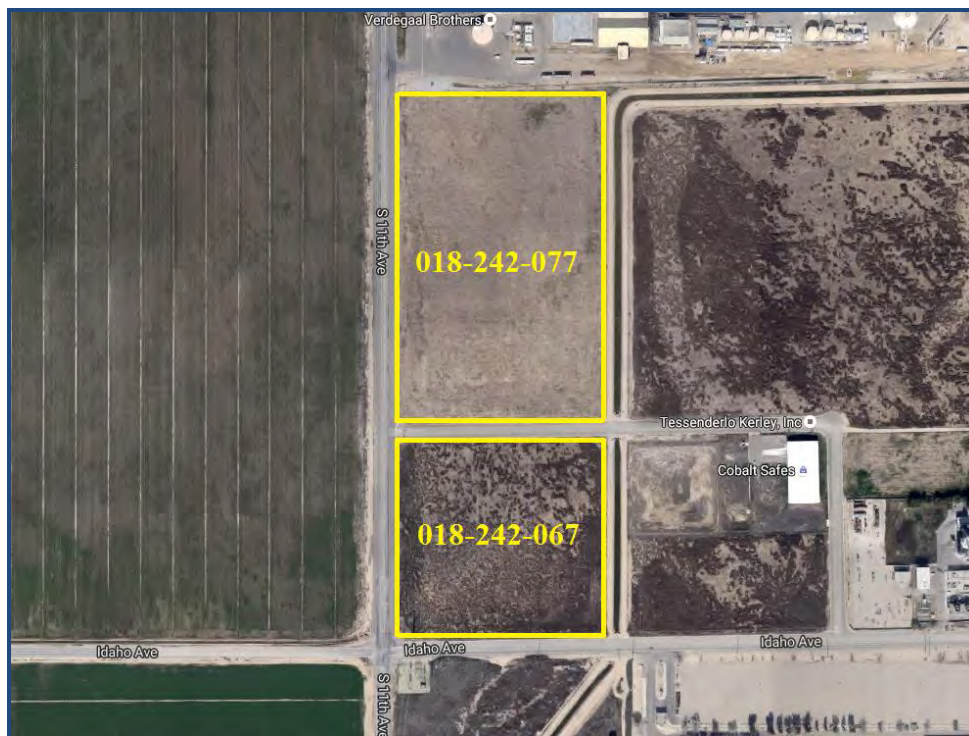
- Kahn, Soares & Conway – Hanford, CA
- Griswold, LaSalle, Cobb, Dowd & Gin –Hanford, CA
- Maroot, Hardcastle & Hatherley – Hanford & Visalia, CA
- Lazano Smith – Fresno, CA
- Horsewill Mederos & Dorman – Tulare, CA

Attachment: Long-Range Property Management Plan and Exhibit (submitted to DOF on 10-4-13) (1775 : Helena Chemical Company)

APPRAISAL REPORT

Industrial Land
11th Avenue and Energy Street
Hanford, CA

As of: October 7, 2016



Prepared For:
Darrel Pyle,
City Manager
City of Hanford
319 North Douty 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

Simon Company, Inc.

Timothy J. Simon, MAI
Jeremy J. Hansen
Jacob I. Hower
www.simonco.net

October 12, 2016

Darrel Pyle,
City Manager
City of Hanford
319 North Douty Street
Hanford, CA 93230

RE: Vacant Land
11th Avenue & Energy Street
Hanford, CA

At your request, we have appraised a real property interest for the above captioned real estate. Our objective was to form a value opinion about the market value for a 100% ownership interest in the subject property's fee simple estate, assuming 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. Unauthorized users do so at their own risk. The appraisal is communicated in the attached narrative 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.

The value opinion is affected by all the information, 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 fee simple opinion for the subject property as of October 7, 2016:

Market Value As Is, APN 018-242-067, 9.81 Acres =	\$390,000
Market Value As Is, APN 018-242-077, 16.43 Acres =	\$660,000

Respectfully Submitted,



Timothy J. Simon, MAI
CA License AG010007
License Expiration Date: 5/7/2017



CERTIFICATION

- The statements of fact contained in this report are true and correct. Reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions contained within this report, and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The appraiser has no present or prospective interest in the property that is the subject of this report, or personal interest with the parties involved. The appraiser has no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- The appraiser previously appraised the subject as of July 16, 2015. The appraiser has not performed any other services as an appraiser or in any other capacity, regarding the subject property that is the subject the appraisal assignment within the three-year period immediately preceding acceptance of this assignment.
- This engagement was not contingent upon developing or reporting predetermined results. Compensation paid to the appraiser 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 the appraisal.
- Reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation.
- The appraiser is a designated member of the Appraisal Institute who declares he has completed the continuing education program prior to this report's preparation date. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice.
- The appraiser personally inspected the exterior of the subject property only, and has considered all of the pertinent facts affecting the value thereof. This viewing, if any, did not attempt to probe, investigate study, detect, or discover unfavorable physical features.
- Jeremy J. Hansen participated in the preparation of this report in the areas of research, field inspection, and analysis.

Timothy J. Simon, MAI
 California License AG010007
 Expiration Date: 5/7/2017

❖ CONTINGENT & LIMITING CONDITIONS

1. No survey was made of the property. 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 report of title was secured, and it is presumed to be marketable, and that any liens or encumbrances can be removed.
3. No separation of land and building values may be used for any other purpose than that delineated elsewhere in this report.
4. 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.
5. 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.
6. No responsibility is assumed for matters legal in nature.
7. No survey or soil tests of the land have been made by the appraiser.
8. 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.
9. 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.
10. 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.
11. The appraiser has no personal interest or bias with respect to the subject matter of this appraisal or the parties involved.

12. 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.
13. 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.
14. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
15. 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.
16. 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.
17. 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.
18. 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.

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Attachment: 2016.10.07 Appraisal Industrial Land at 11th and Energy Hanford (1775 : Helena Chemical Company)



Scope of Work

Introduction

The subject of this appraisal consists of two parcels of vacant land that are located in the southern portion of the city of Hanford in Kings County. Both parcels are zoned for industrial uses and are suitable for development. The client has requested this appraisal to evaluate the subject for internal planning purposes.

Assignment Elements

1.	The Client <i>(the person who engaged the appraisal and an intended user)</i>	City of Hanford; Care of Darrel Pyle, City Manager
	Client's Interest In Property Appraised	Owner
2.	Other Intended Users	None
3.	Intended Use Of Report	To establish a value basis for the subject property to be used for internal planning purposes.
4.	Standard / Definition Of Value Used	Market Value
5.	Key Dates	
	Effective Value Date <i>(point in time the value applies)</i>	October 7, 2016
	Report Preparation Date <i>(date the report was prepared)</i>	October 12, 2016
	Observation Date <i>(date the property was inspected)</i>	October 7, 2016
6.	Assignment Conditions	
	Extraordinary Assumptions	Not Applicable
	Hypothetical Conditions	Not Applicable

Relevant Characteristics

Physical

Existing Property Use	Vacant Land
Property Use Reflected In One Or More Value Opinions	As Is
Sources of Information About the Property Appraised Included	Public Records; Personal Observation; Prior Appraisal

Legal

Category Of Property Appraised	Real Property
Estate Appraised	Fee Simple
Environmental Concerns	No Known Environmental Concerns

Economic

Effect Of Leases On Value	Not Applicable
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	Narrative
Report Preparation Complies With Requirements Set Forth In USPAP Standard Rule	2-2(a) Appraisal Report
Extent Of Data Research	Adequate
Data Sources	Local MLS; Real Quest; Online Public Records; Other Appraisers; Real Estate Brokers; Buyers and / or Sellers

Documents Considered	Legal Descriptions
Data Verification	Direct Method
Extent Of Subject Observation	Personal Observation; Sub-Market Area

Other Intended Use Considerations

Appraiser's Prior Experience With Subject Property	The appraiser previously appraised the subject as of July 16, 2016.
Name and Extend of Person Providing Assistance to the Appraisal Process	Jeremy J. Hansen 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

The report is communicated in a summary, narrative format. It is the intent that the report is written in such a way that the reader will be able to logically follow the appraiser's methodology and conclusion of value. Pertinent information such as the market area, conditions, subject property, market data, analysis, and conclusions are summarized.

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 subject property is not subject to a long-term lease. As such, we have appraised the Fee Simple Estate. The following definition is quoted *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.”

Property Data

City of Hanford

The city of Hanford is located in the northeastern portion of Kings County and represents the county seat. 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 0.76% per year increase. This is less than the State of California Average at 0.95% over the same timeframe.

Attachment: 2016.10.07 Appraisal Industrial Land at 11th and Energy Hanford (1775 : Helena Chemical Company)

5 Year Population Trend

2012	54,541
2013	54,513
2014	54,727
2015	55,337
2016	55,840
5-Year Annual Growth Rate	3.80%

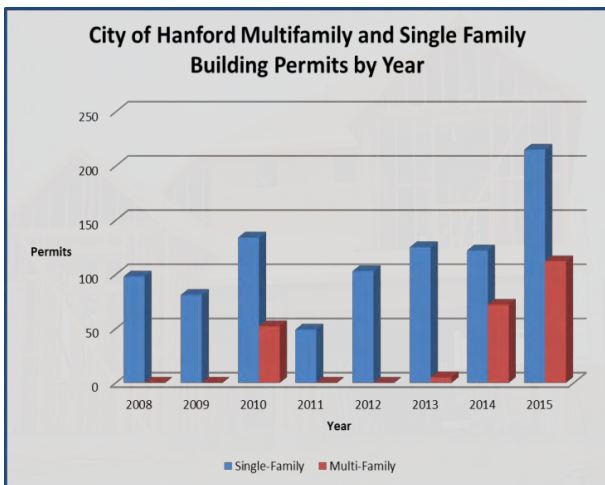
The State of California prisons in Corcoran, Coalinga and Avenal have had a strong impact on the population trends in Hanford. Hanford has attracted a large percentage of this workforce. Most of the workforce is commuters who choose to live outside the prison cities. All three are within one hour of 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 of employment.

Residential Housing: Over the past few years the housing market hit bottom and has been climbing. Since 2012 the market has risen 31.89% according to the Kings County MLS. The chart provided on the right indicates a stabilizing trend moving into 2016 with only 3.61% increase in values throughout 2015.

Year	Total Sales	Average Price	Average DOM
2015	610	\$204,752	51
2014	492	\$197,618	64
2013	545	\$179,849	61
2012	618	\$155,234	68

Builders, speculators and developers have taken an interest in some of Hanford’s existing paper and finished lots over the past couple years and large tracts of land have been purchased and developed into subdivisions.



Like most central valley communities, building permit activity peaked during the 2005-2006 time-frame. A dramatic reduction occurred in the following years due to the residential market decline. Multi-family development has been stifled by the gap between market rent feasible rent; however, that trend is reversing with several new apartment developments within the Hanford and Lemoore markets currently under construction. Construction in 2015 nearly doubled in the single family residential market.

There are many apartment options available from subsidized rent levels to the luxury segment. Most of the larger apartment complexes added over the last 20 years have been low income or subsidized. However, a new apartment complex opened this year in northwest Hanford that has no rent restrictions. After several years of stagnant building permit activity in the multi-family sector, 2014 and 2015 both showed a substantial increase in new building permits.

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 August 2016 was 8.0%, which has been slowly improving since 2010.

Industry: 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 the industrial park include Tessengerlo Kerley Inc. (fertilizer plant) and Pitman Family Farms (poultry processing). The Pitman Family Farms facility is currently under construction while the Tessengerlo Kerley plant opened last year.

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: 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 Duty Street. The project broke 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%.

Retail: 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. Kohl's leased the former Mervyn's space while the Gottschalk's store had been occupied by Forever 21. However, Forever 21 closed their store earlier this year and that space is now vacant.

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 developed on 37 acres at the northwest quadrant of 12th Avenue and State Highway 198. A Toyota and Hyundai dealership were the first to open.

A new shopping center is being constructed at the intersection of Highway 43 and Highway 198 in East Hanford. The center piece is a new Costco store, which will open in fall of 2016. This center represents the first significant new growth in that sector of town.

Office: Offices within the Hanford market have a strong presence in two locations and generally include the downtown district and the district east of 12th Avenue along Lacey Boulevard. Tenants and owner users include medical, 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 the downtown district of Hanford is owner-occupied. The strong owner-user influence promotes elevated pricing when good quality properties become available. 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. 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 and Kings County. A newer 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 and was renovated as their newer office space.

The higher quality developments along Lacey Boulevard are mostly tenant-occupied. These buildings set the upper tier for quality and condition within the county. A wide range of professional and medical users are present. This location offers excellent access and exposure

along with proximity to the Kings County Government Center and the new Hanford Community Medical Center. New offices are being added in a mature residential sector along Seventh Street east of Campus Drive as doctors seek to relocate near the new hospital campus.

Summary: 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. Home prices have been on the rise supported by limited supply. Continued improvements in unemployment will further stabilize the local economy. This trend is likely to continue through 2016.

Industrial Park Sub-Market

The subject property is located in the southern portion of the city of Hanford. More specifically, the subject is positioned at the intersection of 11th Avenue and Idaho Avenue in the southern portion of town. This location is part of the primary industrial park, which is generally located between 10th and 11th Avenues, south of Houston Avenue, and north of Jackson Avenue.

Highway 198 is about 3.5 miles to the north and is accessible at both 10th and 11th Avenues. Highway 43 is about 3 miles to the east and is accessible via multiple roadways. The highways provide linkage to larger thoroughfares such as Interstate 5 and Highway 99. In addition, the Burlington Northern Santa Fe railroad line passes through the industrial park in a north-south direction providing rail access.



The broader area surrounding the subject features a mixture of industrial oriented uses. Smaller users are present such as Crop Production Services, Norvesco, Mineral King Minerals, Simplot, and Verdegaal Brothers. Larger users include Del Monte, Exopack, Frye's Electronics, McClellan, Wal-Mart, and the former Pirelli facility. The most recent addition is a new fertilizer plant operated by Tessengerlo Kerley, which is just east of the subject on Energy Street. Pitman Family Farms is currently under construction.

Of note is the former Cargill feed facility, which was purchased by a poultry producer known as Pitman Family Farms. The same buyer then purchased 110 acres from the City of Hanford for \$25,000 per acre. A new poultry processing plant is currently under construction at the site. The former Pirelli plant was converted to multi-tenant warehouse space and still houses a substantial amount of vacancy. However, there is a proposal to convert the plant to a medicinal marijuana growing facility. This proposal is in the very early stages with it set to go before the city council. The Calcot warehouse site is also largely vacant.

There is over 300 acres of vacant land zoned for industrial uses within this sector. Available sites range from 2.5 acres to over 50 acres. The area benefits from municipal infrastructure and rail access. The main limitation is that Hanford is not located along the Highway 99 corridor. With that said, access is adequate and rail access is a plus.

Historically, demand has been stagnant and growth has been slow. This may be a function of the location and smaller rural market when compared to Fresno and Visalia, which have captured the bulk of the industrial base in the region. As a result of low activity, land values have traditionally been fairly stable with most transactions in the \$25,000 to \$35,000 per acre range.

Property Data

Property Data

Location:	The subject is located at the northeast corner of 11 th Avenue and Idaho Avenue, in the City of Hanford, County of Kings, State of California. There is no known site address.
Ownership Info:	Official Records of the County of Kings show fee ownership is vested as City of Hanford, a municipal corporation. There have been no sales transactions on this property within the last three years. It is not currently listed for sale or lease. The subject has consisted as vacant industrial land for many years.
APN:	018-242-067 & 018-242-077; Kings County
Legal Description:	Reviewed and contained in work-file.
Zoning:	The subject property is situated within a planned heavy industrial district (H-I) by the City of Hanford. Permitted uses include manufacturing, warehousing, food processing, and cold storage. Additional uses are allowed with a conditional use permit.
Site Description:	<p>The subject property consists of two separate parcels. APN 018-242-067 sits at the northeast corner of 11th Avenue and Idaho Avenue. It contains 9.81 acres, or 427,324 square feet. APN 018-242-077 sits at the northeast corner of 11th Avenue and Energy Street. It contains 16.43 acres, or 715,691 square feet. Both parcels have a rectangular shape with a level topography.</p> <p>The parcels have frontage on 11th Avenue, Idaho Avenue, and Energy Street. All three frontages are two-lane asphalt-paved city maintained roadways. Each frontage is improved with concrete curb, gutter, and street lighting. All municipal utilities are available.</p>
Access & Visibility:	Eleventh Avenue is a north-south arterial roadway that carries above average traffic volume. It links to Highway 198 about 3.5 miles to the north. Idaho Avenue is a two-lane connector street carrying moderate traffic volume. It links to Highway 43 about 3

miles to the east. Energy Street borders the north property line, and is a two-lane collector street.

- Exceptions to Title:** No apparent adverse easements or encroachments were noted upon inspection of the subject property. However, this cannot be verified without review of a title report, which was not provided to us. Review of a title report is a contingency of this report.
- Flood Zone:** The subject is within Zone X and flood insurance is not required. Source: FEMA Panel No. 06031C-0195C, dated June 16, 2009.
- Earthquake Zone:** The subject is not within an Alquist-Priolo special studies zone.
- Other Considerations:** The subject is not located within a land preserve, wetlands area or environmentally sensitive area. No onsite hazardous waste conditions were noted by the appraiser during the observation. The reader is directed to the Item 13 of the *Contingent and Limiting Conditions* for the environmental limitations of this appraisal.
- Improvements:** None.

APN 018-242-067



View along 11th Avenue

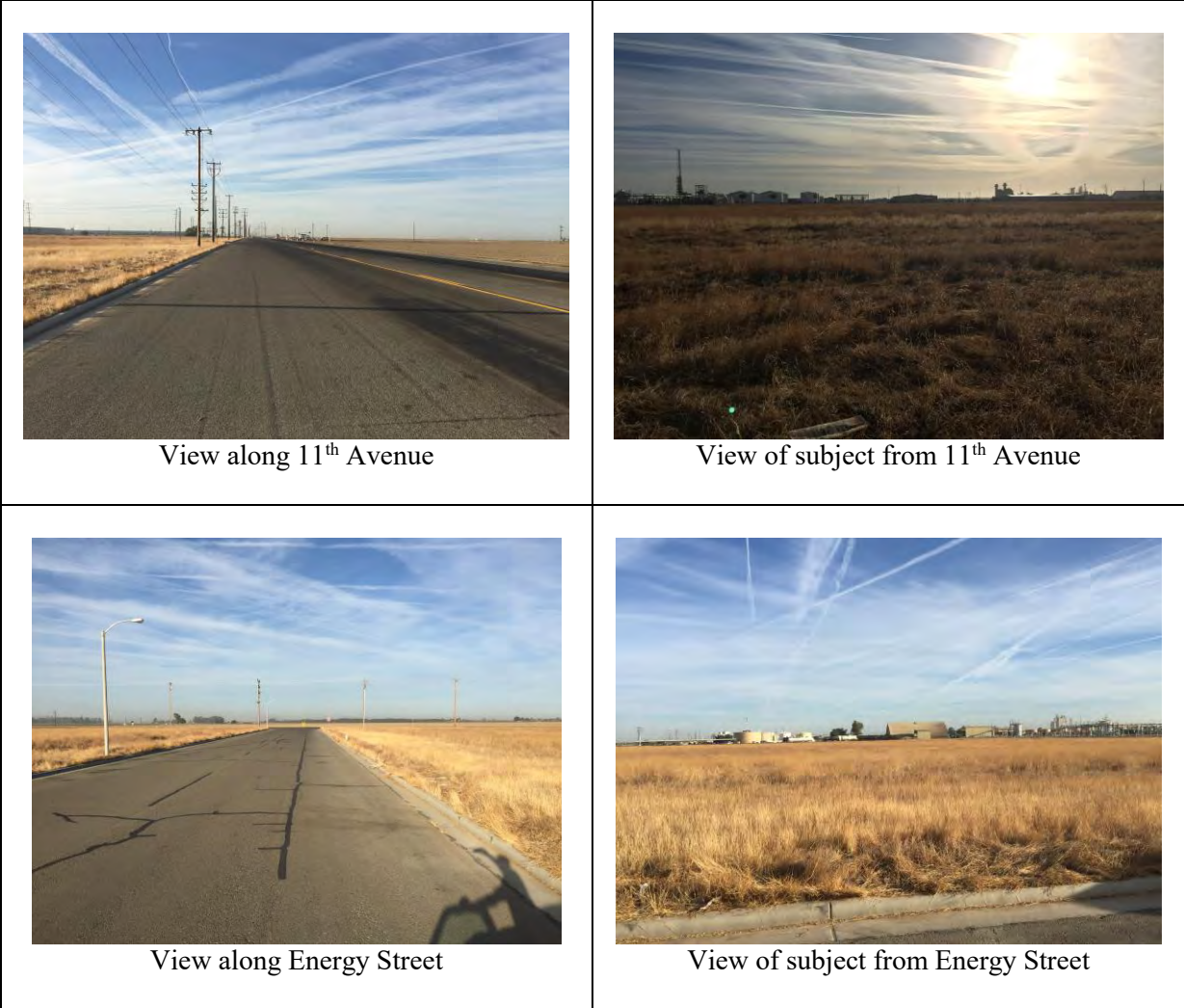
View of subject from 11th Avenue

View along Idaho Avenue

View of subject from Idaho Avenue

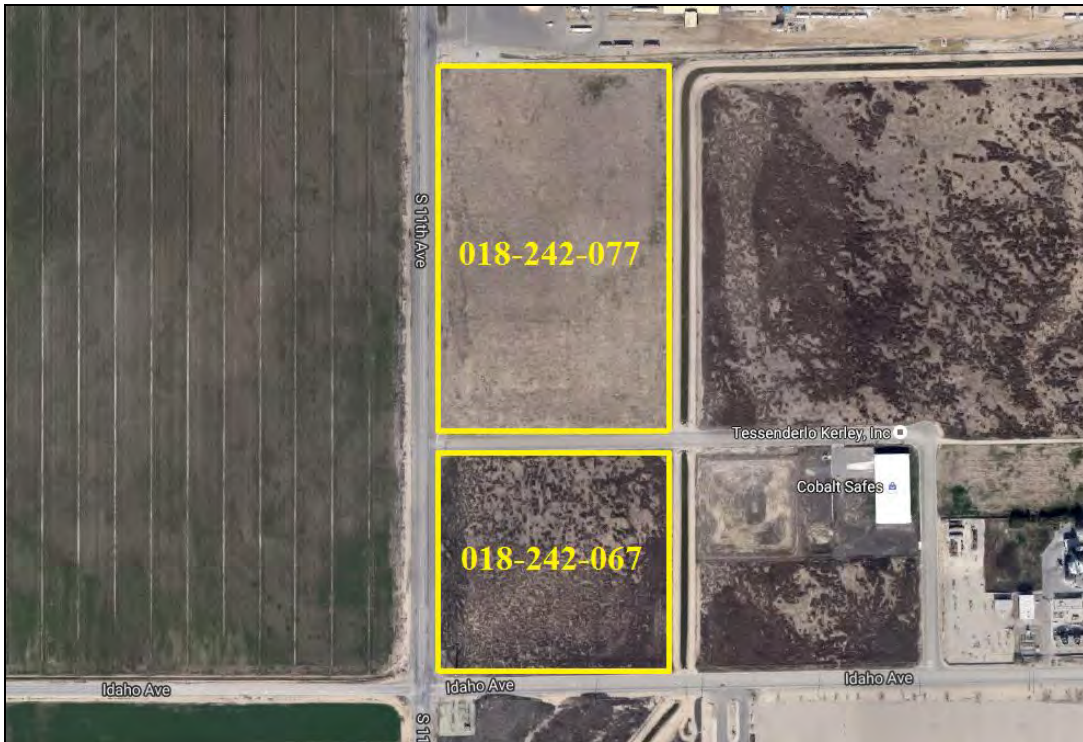
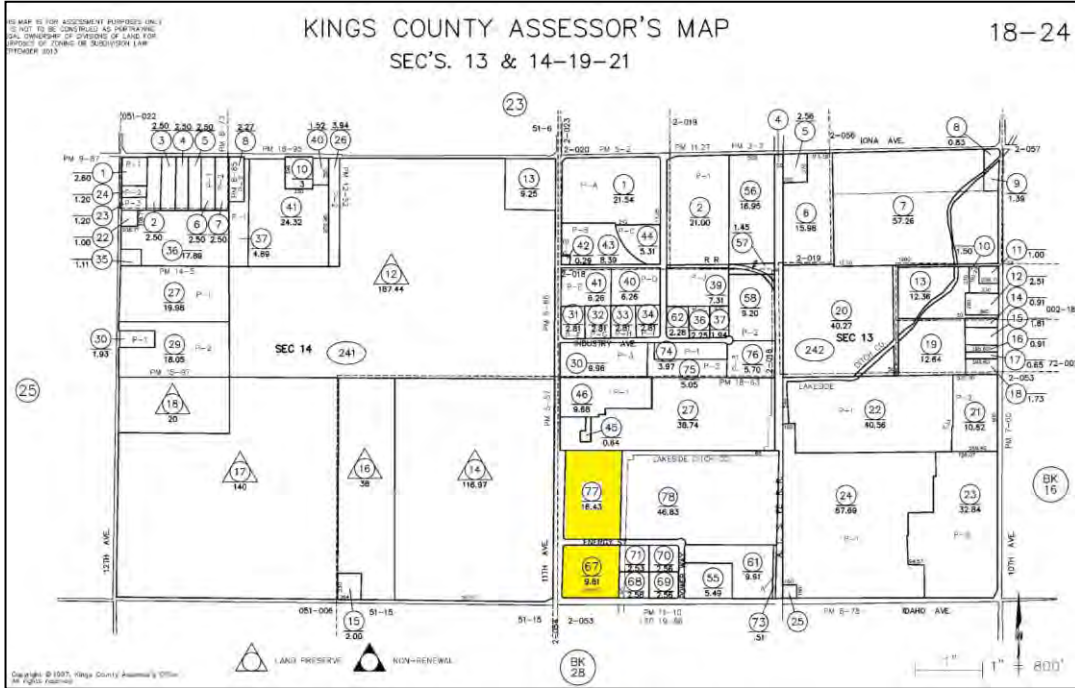
Attachment: 2016.10.07 Appraisal Industrial Land at 11th and Energy Hanford (1775 : Helena Chemical Company)

APN 018-242-077



Attachment: 2016.10.07 Appraisal Industrial Land at 11th and Energy Hanford (1775 : Helena Chemical Company)

Subject Maps



Attachment: 2016.10.07 Appraisal Industrial Land at 11th and Energy Hanford (1775 : Helena Chemical Company)



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.

The subject parcels are zoned H-I, which is a planned heavy industrial district by the City of Hanford. Nearby lands are compatibly zoned. Permitted uses include manufacturing, warehousing, food processing, and cold storage. Additionally, a wide range of uses can be allowed with a conditional use permit.

Physically, the subject is comprised of two separate parcels containing 9.81 acres and 16.43 acres. The topography is rough level and at street grade. All municipal utilities are available and all three frontages are improved with curb and gutter. Access and visibility are rated average. The subject has all of the qualities necessary for development with few limitations.

Physical attributes of the property appraised are well suited to serve the use selected below. Usage of the property in this manner produces a positive reward with acceptable risk. There is no significant potential for rezoning to a significantly different use. Based upon legalities, physical elements, as well as economic factors, the highest and best use of the subject is for industrial development.

Sales Comparison Approach

Introduction: The sales comparison approach is the most applicable approach when valuing vacant land. In this approach, the subject property is compared directly with recent sales of similar properties in the marketplace. This comparison is typically accomplished by extracting "units of comparison," for example, price per acre, then adjusting these units of comparison for the comparable sales for differences between the subject and the comparable.

Market Data: The local market area was searched for sales of vacant land parcels zoned for industrial uses. Numerous conveyances were considered on a preliminary basis. Those cited in this appraisal report were judged most comparable. Six sales and one listing were identified and compared with the subject. Each sale has been verified with a reliable source and visually observed by the appraiser. The data indicates a unit price range of \$26,911 to \$90,000 per acre with a median of \$55,594 per acre. The market data is summarized as follows:



Attachment: 2016.10.07 Appraisal Industrial Land at 11th and Energy Hanford (1775 : Helena Chemical Company)

Sale 1 is located in the southwest portion of the city of Porterville. It is located on Hope Avenue, west of Newcomb Street within the airport industrial park. The property consists of 9.3 acres of land that is improved with curb and gutter. All municipal utilities are available. The property is currently in escrow. It is being purchased by a firm that plans to build a new 150,000 square foot manufacturing plant for environmentally friendly buses. The purchase price is \$660,000 or \$70,968 per acre. The seller is the City of Porterville.

Sale 2 is located along the Manning Avenue corridor north of Selma. It is a small parcel of farmland zoned for agriculture. However, it is within Selma's sphere of influence with a future land use of industrial. Several large industrial properties are one-quarter mile to the west.

Sale 3 is located in the city of Tulare on the south side of Paige Avenue, east of "K" Street. This location is in the heart of Tulare's industrial sector. The property includes 18.96 acres of land that also includes a house and a shop. All utilities are available, but there are no off-site improvements. It is zoned for light industrial uses. It was listed for \$1,520,000 and was on the market for 22 months. The buyer is a local investor that paid \$1,275,000 or \$67,247 per acre. No value was assigned to the buildings.

Sale 4 is also located in Tulare's industrial sector on the east side of "K" Street, north of Commercial Avenue. The property consists of 19.85 acres of land that is zoned for heavy industrial uses. It had all utilities, but no off-site improvements. There is an auto wrecking yard on a portion of the property that includes a small shop building. The property was not exposed on the market. The buyer is a local investor who has been active in purchasing property in this area. There may have been some motivation to acquire this site due to assemblage. The price was \$1,786,500 or \$90,000 per acre.

Sale 5 is located in the neighboring city of Lemoore. It consists of 3.03 acres of land that is located on the west side of Commerce Street at Iona Avenue. The property has frontage along Highway 198 and has all municipal utilities available. It is finished with curb and gutter. This property was purchased from the City of Lemoore by a neighboring property owner for future expansion. The purchase price was \$125,000 or \$40,850 per acre.

Sale 6 is located immediately east of the subject on Energy Avenue at Power Way. It consists of 45.99 acres of industrial land improved with curb and gutter. All municipal utilities were available. Additionally, a new rail spur was included in the purchase price. The seller was the City of Hanford. The site was purchased for the development of a new fertilizer plant.

Listing 1 is located just north of the subject at the northwest corner of Crown Avenue and Industry Avenue. It is part of a tract of industrial lots with primarily smaller to mid-size industrial users. The property consists of three lots that are improved with curb and gutter. All municipal utilities are available and a rail spur is present along the north property line. The entire assemblage can be purchased for \$63,175 per acre, or the smaller individual lots can be purchased for \$73,571 per acre. These lots have been on the market for several years.

COMPARABLE INDUSTRIAL LAND SALES								
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Listing 1
Location	11th Avenue & Energy Street, Hanford	N.S. of Hope Avenue, west of Newcomb Street, Porterville	SWC of Manning Avenue & Leonard Avenue, Selma	S.S. of Paige Avenue, east of "K" Street, Tulare	E.S. of "K" Street, north of Commercial Avenue, Tulare	W.S. of Commerce at Iona Avenue, Lemoore	N.S. of Energy Street, east of 11th Avenue, Hanford	NWC of Crown Avenue & Industrial Avenue, Hanford
APN	018-242-67, 77	302-390-015 & 024	348-050-25	191-050-039	191-340-001	024-051-32, 33	018-242-064	018-242-033, 034 & 040
Date of Sale	-----	In Escrow	Apr-2016	Dec-2015	Dec-2015	Jul-2014	Jun-2012	Listing
Doc. Number	-----	-----	16-44514	15-76197	15-76199	14-10296	12-10386	-----
Buyer	-----	Green Power Motor Co.	Crossings LP	Five Star Dairy	Five Star Dairy	Amber Investments	Tessenderlo Kerley Inc.	-----
Seller	-----	City of Porterville	Campbell	Harris	Chavez	Community Redevelopment Agency	Community Redevelopment Agency	Koster
Sale Price	-----	\$660,000	\$250,000	\$1,275,000	\$1,786,500	\$125,000	\$1,380,000	\$760,000
Price/Acre	-----	\$70,968	\$26,911	\$67,247	\$90,000	\$40,850	\$30,007	\$63,175
Price/S.F.	-----	\$1.63	\$0.62	\$1.54	\$2.07	\$0.94	\$0.69	\$1.45
Site Size (Ac.)	9.81 & 16.43	9.30	9.29	18.96	19.85	3.06	45.99	12.03
Site Size (S.F.)	427,324 & 715,691	405,108	404,672	825,898	864,666	133,294	2,003,324	524,027
Zoning	H-1	A-1	AE-20	M-1	M-2	M-L	H-1	H-1
Off-sites	Curb & gutter	Curb & gutter	None	None	None	Curb & gutter	Curb & gutter	Curb & gutter
Utilities	All Municipal	All Municipal	Septic, G & E	All Municipal	All Municipal	All Municipal	All Municipal	All Municipal
Orientation	Corner	Interior	Corner	Interior	Interior	Interior	Interior	Corner
On-Sites	None	None	None	None	None	None	Rail Spur	None
Adjustments								
Time of Sale	Current	0%	0%	0%	0%	5%	15%	0%
Sale Conditions	Normal	0%	0%	0%	-10%	0%	0%	-10%
Location	Average	0%	0%	-25%	-15%	0%	0%	0%
Site Size	9.81 & 16.43	0%	0%	0%	0%	-5%	10%	0%
Zoning	H-1	0%	10%	0%	0%	0%	0%	0%
Off-sites	Yes	0%	10%	10%	10%	0%	0%	0%
Utilities	Yes	0%	10%	0%	0%	0%	0%	0%
On-Sites	None	0%	0%	0%	0%	0%	-15%	0%
Total Adj. %	-----	0%	30%	-15%	-15%	0%	10%	-10%
Price/Sq. Ft.		\$70,968	\$34,984	\$57,160	\$76,500	\$40,850	\$33,007	\$56,858

Conclusion: The comparables are considered to be pertinent indicators of value. Observations of market conditions indicate that adjustments may be required for property rights conveyed, conditions of sale, time of sale, location, size, zoning, off-sites and utilities. The adjustments are summarized in the lower half of the sales chart on the preceding page. After adjustment the sales range from \$33,007 to \$76,500 per acre with a median of \$56,858 per acre.

Sale 4 sets the high end at \$76,500 per acre. Tulare is a superior market due to its location along the Highway 99 corridor. Additionally, this sale was influenced by a motivated buyer accumulating land in this area. Sale 1 is also at the upper end of the range. The Porterville location is considered more comparable, as Porterville and Hanford have tended to have comparable raw industrial land values. However, given the higher price point, it is possible this sale is not typical and may include a motivated buyer.

The low end of the range is influenced by Sales 2 and 6. Sale 2 is more transitional in nature and is given less weight. While located near the subject, Sale 6 is quite dated. Both of these sales are given less weight.

The remaining sales bracket a range of \$40,850 to \$57,160 per acre.

Local listing activity was also considered. Only a few private party listings in Hanford were found with Listing 1 being the most similar. This property has had considerable market exposure at that price point with no success. This could suggest that the asking price of \$63,175 per acre is too high. The economic development agencies of Hanford and Lemoore have historically sold finished sites in the \$30,000 to \$45,000 per acre range. This trend coupled with other market factors already discussed has led to fairly stagnant land values locally. It is difficult to foresee land value patterns substantially changing over the short-term.

All factors considered; a unit value of \$40,000 per acre is best supported for the subject. By the sales comparison approach, it is my opinion that the value of the subject is as follows:

APN 018-242-067
9.81 Acres @ \$40,000 / Acre = \$392,400
Rounded = \$390,000

APN 018-242-077
16.43 Acres @ \$40,000 /Acre = \$657,200
Rounded = \$660,000

Reasonable Exposure Time: The assumptions and conclusions reached in the valuation section of this report were considered. A review was made of actual exposure times from the comparable sales data as well as a survey of real estate brokers knowledgeable in this market. It is my opinion that an exposure time of twelve months or less is reasonable for the subject at the appraised value.

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, 2017.

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
- Rabo Bank
- Valley Business Bank
- Premier Valley Bank
- Suncrest Bank

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

Attachment: 2016.10.07 Appraisal Industrial Land at 11th and Energy Hanford (1775 : Helena Chemical Company)

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Hanford, California 93230
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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

072199

**SHARED APPRECIATION
SECURED PROMISSORY NOTE**

"This is to certify that this is a full, true and correct copy of the original."
FIRST AMERICAN TITLE COMPANY
[Signature]

\$300,533.00

December 28, 1999
Hanford, California

FOR VALUE RECEIVED the undersigned, COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD ("Maker") promises to pay in lawful money of the United States to KINGS COUNTY ECONOMIC DEVELOPMENT CORPORATION, a California Non-Profit Public Benefit corporation ("Holder") or order, at Hanford, California, or such other location designated by Holder, the principal sum of Three Hundred Thousand Five Hundred Thirty-three Dollars (\$300,533.00) with no interest thereon.

Maker and Holder acknowledge and agree that this Promissory Note represents a shared appreciation loan by Holder to Maker. The loan funds will be used by Maker to fund thirty-four percent (34%) of the purchase price of real property located in Hanford, California, purchased by Maker from Pirelli Tire, LLC, a Delaware limited liability company, for a total purchase price of Eight Hundred Eighty-three Thousand Nine Hundred Twenty-three Dollars (\$883,923.00) ("Purchase Price"). The real property purchased by Maker ("Real Property") is more particularly described in the Shared Appreciation Deed of Trust of same date herewith and which secures Maker's performance under this Promissory Note ("Deed of Trust").

The principal balance of this Promissory Note shall be paid to Holder as portions of the Real Property is sold by Maker. Prior to the close of escrow for the sale of any portion of the Real Property, Holder shall provide to the escrow holder, on or before the date of close of escrow, a partial reconveyance of the Deed of Trust as to the portion of the Real Property sold by Maker. In consideration of providing a partial reconveyance, Maker shall pay to Holder Three Thousand Ninety-five Dollars (\$3,095.00) per acre ("Principal Installment") for each acre subject to Holder's partial reconveyance on the date of close of escrow for the sale of that portion of the Real Property.

Payments of Principal Installments shall continue in this fashion until the sale of the last portion of the Real Property at which time the remaining principal balance of this Promissory Note shall be paid in full. Should Maker elect to transfer title to any portion of the Real Property for consideration other than cash, Holder shall remain entitled to payment of the Principal Installment for that portion of the Real Property transferred unless Holder elects to waive payment of such Principal Installment. Holder and Maker agree to perform their obligations under this Promissory Note and the Deed of Trust in good faith and to deal fairly with each other. Maker agrees that the sale or lease of any portion of the Real Property will be through an arms length transaction unless otherwise consented to by Holder.

Holder and Maker agree that the principal balance of this Promissory Note shall not accrue fixed rate interest but instead, Maker shall pay Holder contingent deferred interest ("CDI") which shall be calculated as follows. Should Maker sell any portion of the Real Property for a price in excess of Nine Thousand One Hundred and Three Dollars (\$9,103.00) per acre, Holder shall receive on the date of close of escrow for the sale of that portion of the Real Property, an amount

Attachment: 12-28-1999 Shared Appreciation Secured Promissory Note (\$300,533) (1775 : Helena Chemical Company)

equal to thirty-four percent (34%) of that portion of the Purchase Price for that portion of the Real Property in excess of Nine Thousand One Hundred and Three Dollars (\$9,103.00) per acre. For purposes of example only, should Maker sell an acre of the Real Property for Fifteen Thousand One Hundred and Three Dollars (\$15,103.00) per acre, Fifteen Thousand One Hundred and Three Dollars (\$15,103.00) per acre less Nine Thousand One Hundred and Three Dollars (\$9,103.00) equals Six Thousand Dollars (\$6,000.00). Holder would receive Two Thousand Forty Dollars (\$2,040.00) of the Six Thousand Dollars (\$6,000.00) as CDI and Maker would receive the remaining Three Thousand Nine Hundred and Sixty Dollars (\$3,960.00). The CDI received by Holder will be in addition to the Principal Installment due upon the sale of that portion of the Real Property.

On the sale of the last portion of the Real Property, Holder shall provide to escrow holder, on or before the date of close of escrow, a full reconveyance of the Deed of Trust. On the date of close of escrow for the sale of the last portion of the Real Property, Holder shall receive any remaining Principal Installments that may be due and were not waived by Holder plus any CDI Holder may be entitled to receive plus an amount equal to Three Thousand Ninety-five Dollars (\$3,095.00) per acre for those portions of the Real Property that were used for the construction of streets, storm drainage basins and any other public improvements constructed by Maker. On the date of close of escrow for the sale of the last portion of the Real Property and the payment to Holder of all remaining Principal Installments and CDI, this Promissory Note shall terminate.

Maker shall have the right to prepay all or any part of the outstanding unpaid principal balance of this Promissory Note at any time without penalty. Should Maker prepay all or any portion of the outstanding principal balance of this Promissory Note before all of the Real Property is sold, the Deed of Trust shall remain a lien against title to the Real Property only to secure Maker's payment of any CDI due to Holder from the sale of the remainder of the Real Property. However, prior to the close of escrow for the sale of any portion of the Real Property occurring after the principal balance of this Promissory Note has been paid in full, Holder shall provide to the escrow holder, on or before the date of close of escrow, a partial reconveyance of the Deed of Trust as to the portion of the Real Property sold, subject to payment to Holder on the date of close of escrow of CDI, if any, due to Holder for the sale of that portion of the Real Property.

In the event of Maker's failure to perform when due any obligation, covenant or agreement of this Promissory Note or the Deed of Trust which secures Maker's performance under this Promissory Note, Holder may accelerate this Promissory Note and demand immediate payment of all unpaid principal. In such event, the Deed of Trust shall remain a lien against title to the Real Property only to secure Maker's payment of any CDI due to Holder from the sale of the remainder of the Real Property. However, prior to the close of escrow for the sale of any portion of the Real Property occurring after Holder's acceleration of payment under this Promissory Note, Holder shall provide to escrow holder, on or before the date of close of escrow, a partial reconveyance of the Deed of Trust as to the portion of the Real Property sold, subject to payment to Holder on the date of close of escrow of CDI, if any, due to Holder for the sale of that portion of the Real Property.

Should Maker default under any of the terms and conditions of this Promissory Note or the Deed of Trust securing Maker's performance hereunder, and an attorney is hired for collection, or if

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copy of the original
THIS IS TO CERTIFY THAT THIS IS A TRUE, CORRECT AND VALID COPY

Attachment: 12-28-1999 Shared Appreciation Secured Promissory Note (\$300,533) (1775 : Helena Chemical Company)

suit is filed hereon, Maker agrees to pay to Holder all reasonable costs of collection, including attorneys' fees. The amounts due Holder hereunder shall have equal priority with, and be secured by, the Deed of Trust securing this Promissory Note.

The breach by Maker of any term or condition of the Deed of Trust shall also constitute a material breach of this Promissory Note and as a result of such breach, the payment of principal shall be accelerated and shall become immediately due and payable.

Should Holder fail to perform when due any obligation, covenant or agreement it is required to perform under this Promissory Note, including, without limitation, providing any partial release of the Deed of Trust within the time period required under this Promissory Note, and Maker is not in breach of any provision of this Promissory Note or the Deed of Trust, Maker shall be relieved of all its obligations under this Promissory Note, including, without limitation, the payment to Holder of any Principal Installment or CDI until Holder completes its required performance.

In the event of any breach or default by Holder or Maker of their respective obligations under this Promissory Note, the non-defaulting party may maintain an action at law or in equity, including without limitation an action for damages or specific performance. Because the Real Property is unique and the amount thereof limited for sale to purchasers, irreparable harm could result if the Promissory Note was not strictly enforced. Therefore, the rights and obligations of the parties hereto may be enforced by a court of equity by a decree of specific performance and/or appropriate injunctive relief. Such remedies shall be cumulative and not exclusive and shall be in addition to all other remedies which any party may have under this Promissory Note or otherwise.

Holder and Maker acknowledge and agree that the relationship between Holder and Maker is one of lender and borrower and no other. Nothing contained in this Promissory Note or the Deed of Trust shall create or be construed as creating a partnership, joint venture or any other relationship other than lender and borrower.

Maker shall have the right to lease any portion of the Real Property ("Lease Property"). Should Maker elect to lease any portion of the Real Property, Maker shall pay to Holder on or before the date the lease term commences, a Principal Installment for each acre of Lease Property. In such event, the Deed of Trust shall remain a lien against title to the Real Property only to secure Maker's payment of any CDI due Holder upon the sale of the Lease Property. Holder agrees to subordinate the Deed of Trust to: (1) deeds of trust or other security instruments recorded against the Lease Property securing construction and permanent financing obtained by Maker or any lessee of the Lease Property for the development and improvement of the Lease Property; and (2) any lease of the Lease Property.

Should Maker sell the Lease Property, any CDI due Holder from the sale of the Lease Property shall be based upon the sale of the Lease Property as bare land without any on-site improvements ("Bare Land Price"). Maker and Holder shall have fifteen (15) days from the date of written notice from Maker to Holder advising Holder of Maker's election to sell the Lease Property to agree on the Bare Land Price. Should Maker and Holder fail to agree on the Bare Land Price within said fifteen (15) day period, Maker and Holder will have ten (10) days from the end of the fifteen (15) day period to attempt to agree on a single appraiser to appraise the

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copy of the original.

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Attachment: 12-28-1999 Shared Appreciation Secured Promissory Note (\$300,533) (1775 : Helena Chemical Company)

Lease Property and determine the Bare Land Price. Should Maker and Holder fail to agree on a single appraiser within the ten (10) day period, Maker and Holder shall have five (5) days to each select an appraiser to appraise the Lease Property and determine the Bare Land Price. If either Holder or Maker fails to select an appraiser within said five (5) day period, the appraiser selected by the other shall act as the sole appraiser to determine the Bare Land Price, Once selected, the appraiser or appraisers will have thirty (30) days to issue a final appraisal identifying the Bare Land Price. If the appraisers cannot agree on a Bare Land Price, they shall each provide an appraisal of the Bare Land Price. The Bare Land Price shown in each appraisal will be added together and divided by 2 and that number will constitute the Bare Land Price to be used to determine whether any CDI is owed to Holder. Prior to the close of escrow for the sale of the Lease Property, Holder shall provide to escrow holder, on or before the date of close of escrow, a partial reconveyance of the Deed of Trust for the Lease Property sold, subject to payment to Holder on the date of close of escrow of CDI, if any, due Holder for the sale of the Lease Property.

This Promissory Note shall be governed and construed in accordance with the laws of the State of California as those laws are applied to written contracts between residents of said jurisdiction to be performed within said jurisdiction.

Time is of the essence in the performance of the obligations of Maker under this Promissory Note.

All payments under this Promissory Note shall be made in lawful money of the United States of America to Kings County Economic Development Corporation, 1200 W. Lacey Blvd. Hanford, California 93230 or at such other address as Holder may designate in writing from time to time.

Any notices or other communication required or permitted under this Agreement shall be in writing, and shall be (a) personally delivered, or sent by certified or registered United States mail, postage prepaid, return receipt requested, to the address of the party set forth in this paragraph; or (b) telecopied to the Fax number of the party set forth below. Such notice or communication shall be deemed given when delivered in person, when the telecopy is received or, in the case of the mailed notice, at the time of deposit in the United States mail to the addresses shown below:

To Holder: Kings County Economic Development Corporation
1200 W. Lacey Blvd.
Hanford, California 93230
Fax # (559) 582-7908

With a copy to: K. Phillip Maroot,
MAROOT, HARDCASTLE & HATHERLEY
429 N. Redington
Hanford, California 93230
Fax # (559) 584-7625

copy of the original.
FIRST AMERICAN TITLE COMPANY

Attachment: 12-28-1999 Shared Appreciation Secured Promissory Note (\$300,533) (1775 : Helena Chemical Company)

"This is to certify that this is a true, true and correct copy of the original."
FIRST AMERICAN TITLE COMPANY

To Maker: Community Redevelopment Agency
of the City of Hanford
315 N. Douty Street
Hanford, CA 93230
Attn: Jan Reynolds
Fax # (559) 582-1152

With a copy to: Michael J. Noland
KAHN, SOARES & CONWAY, LLP
P. O. Box 1376
Hanford, CA 93232
Fax #(559) 584-3348

Any party may designate a new address for notice by written notice to the other properly mailed or transmitted as herein provided.

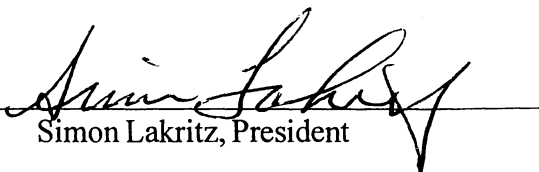
Maker expressly waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, bringing of suit, and diligence in making any action to collect any amounts called for hereunder.

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 such matter. 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 promises shall be valid or binding.

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

This Promissory Note is secured by a Deed of Trust of same date herewith.

COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF HANFORD

BY: 
Simon Lakritz, President

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RECORDING REQUESTED BY:
First American Title Company

WHEN RECORDED MAIL TO:
Kings County Economic Development Corp.
120 N. Irwin Street
Hanford, CA. 93230

attn: John Lehn
escrow no. 104717RB

RECORDED IN OFFICIAL RECORDS OF
KINGS COUNTY, CALIFORNIA
AT 11 A M
MIN PAST
FIRST AMERICAN TITLE CO.
MAY 05 2000
GEORGE J. MISNER
County Clerk and Recorder

FEE
20

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**SHARED APPRECIATION
DEED OF TRUST WITH ASSIGNMENT OF RENTS**
(This Deed of Trust contains an acceleration clause)

This DEED OF TRUST, made December 28, 1999, between
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD, herein called TRUSTOR,

whose address is 319 N. Douty Street Hanford California 93230
(Number and Street) (City) (State)

FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called TRUSTEE, and
KINGS COUNTY ECONOMIC DEVELOPMENT CORPORATION, herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in Trust, with Power of Sale, that property in the CITY OF HANFORD
County of Kings, State of California, described as:

SEE EXHIBIT "A", which is attached hereto and made a part hereof.

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits, for the purpose of securing (1) payment of the sum of \$300,533.00 with contingent deferred interest thereon according to the terms of a Shared Appreciation Promissory Note of same date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the

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Attachment: 12-28-1999 Shared Appreciation Deed of Trust (1775 : Helena Chemical Company)

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office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely.

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	1-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	91	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Fuolunne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego	SERIES 5 Book 1964, Page 149774				

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

If the trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the beneficiary being first had and obtained, beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

Signature of Trustor

STATE OF CALIFORNIA)
COUNTY OF Kings) ss.

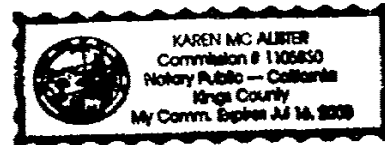
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD

On DECEMBER 28, 1999, before me, KAREN MC ALISTER, Notary Public, personally appeared SIMON LAKRITZ, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) 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

BY: Simon Lakritz
Simon Lakritz, President

WITNESS my hand and official seal.

Signature Karen McAlister



(This area for official notarial seal)

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Attachment: 12-28-1999 Shared Appreciation Deed of Trust (1775 : Helena Chemical Company)

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PARCEL 1:

Parcel B of Parcel Map, Document number 8811900 in the City of Hanford, filed August 26, 1988, in Book 11 at Page 10 of Parcel Maps in the Office of the County Recorder of Kings County, State of California, EXCEPTING THEREFROM THE FOLLOWING:

BEGINNING at the Southwest corner of Parcel A, as shown on that certain Parcel Map recorded in Book 11 at Page 10 of Parcel Maps, in the Office of the Kings County Recorder, State of California, said corner being 40.00 feet Northerly of the South line of the Southwest Quarter of Section 13, Township 19 South, Range 21 East, Mount Diablo Base and Meridian, thence North 89°47'05" West along a line 40.00 feet Northerly of and parallel with last said South line of said Southwest Quarter a distance of 205.75 feet, to a 1/2" rebar, 30" long, down 6", tagged LS 4375, thence North 00° 12'55" East, a distance of 421.75 feet to a 1/2" rebar, 30" long, down 6", tagged LS 4375; thence South 89°47'05" East, a distance of 205.75 feet to the Northwest corner of last said Parcel A, thence South 00°12'55" West, along the Westerly line of last said Parcel A, a distance of 421.75 feet to the Point of Beginning.

PARCEL 2:

Parcels C and D of Parcel Map, Document No. 8811990 in the City of Hanford, filed August 26, 1988, in Book 11 at Page 10 of Parcel Maps in the Office of the County Recorder of Kings County, State of California.

EXHIBIT "A"

[REDACTED]

RESOLUTION NO. _____

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD APPROVING THE PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS WITH HELENA CHEMICAL COMPANY

At a special meeting of the members of the Oversight Board (“Oversight Board”) to the Successor Agency the Community Redevelopment Agency of the City of Hanford (“Successor Agency”), duly called and held on January 11, 2017, at 11:00 a.m., and upon a motion by Member _____ and seconded by Member _____ and duly carried, the following resolution was adopted:

WHEREAS, the Community Redevelopment Agency of the City of Hanford (RDA) owned 9.81 acres of unimproved land (“the Property”) located in the Kings Industrial Park;

WHEREAS, Helena Chemical Company (“Helena”) wishes to purchase the Property on the terms and conditions set forth in the Purchase and Sale Agreement and Escrow Instructions (“PSA”) attached hereto as Exhibit “A,” the terms of which are incorporated herein by reference; and

WHEREAS, the Successor Agency had the subject property appraised by Simon Company, Inc. (Simon) in October 2016; and

WHEREAS, Simon’s appraisal identifies the value of the property \$392,400.00, which exceeds the value identified in the Successor Agency’s Long Range Property Management Plan (“LRPMP”); and

WHEREAS, Helena has offered \$392,400.00 for the Property; and

WHEREAS, the Property is subject to a Deed of Trust (“KEDC Deed of Trust”) held by the Kings Economic Development Corporation (“KECD”), which secures a Shared Appreciation Secured Promissory Note dated December 28, 1999 (“KEDC Note”); and

Attachment: 2017.01.05 OB Resolution - Sale of 9.81 acres to Helena Chemical with Exhibits (1775 : Helena Chemical Company)

WHEREAS, true and correct copies of the KEDC Note and KEDC Deed of Trust are attached hereto as Exhibit “B” and “C,” respectively, and are incorporated herein by reference; and

WHEREAS, Helena will require that the KEDC Deed of Trust be removed from the Property’s chain of title as a condition of the close of escrow; and

WHEREAS, removal of the KEDC Deed of Trust from the Property’s chain of title will be accomplished through KEDC’s reconveyance of the Deed of Trust; and

WHEREAS, KEDC’s reconveyance of the Deed of Trust is conditioned on its receipt of payment per the terms of the KEDC Note; and

WHEREAS, in addition to the payment of principal and shared appreciation attributable to the 9.81 acre property, upon the sale of the last portion of the RDA’s property that secured the KEDC Note, KEDC is entitled to a principal payment of \$3,095.00 per acre for those portions of the RDA’s property that secured the KEDC Note and which “were used for the construction of streets, storm drainage basins and other public improvements . . .”; and

WHEREAS, the land used for public infrastructure improvements includes a 2.53+/- acre storm drainage basin parcel and 3.29+/- acres used for streets and other public improvements, for a total of 5.82 acres; and

WHEREAS, the principal amount payable to KEDC for the 5.82 acres utilized for public infrastructure improvements totals \$18,021.60 (5.82 acres X \$3,095 per acre = \$18,021.60); and

WHEREAS, KEDC is entitled to a total of \$151,437.40, which consists of \$30,361.95 in unpaid principal for the 9.81 acre property, plus \$103,053.85 for shared appreciation, plus \$18,021.60 in unpaid principal attributable to the land utilized for public infrastructure improvements; and

WHEREAS, per the LRPMP, KEDC is entitled to compensation equal to four percent (4%) of the amount for which the Property is sold as compensation for its efforts in assisting the SA with the sale of the Property.

NOW, THEREFORE, BE IT RESOLVED, that the Successor Agency’s execution of the PSA attached hereto as Exhibit “A” is hereby approved and ratified, and the SA is further directed to carry out the terms of that document.

BE IT FURTHER RESOLVED, that the Successor Agency is further authorized and directed to execute all other documents required to complete the sale to Helena on the terms and conditions set forth in the PSA.

BE IT FURTHER RESOLVED, that the Successor Agency is authorized and directed to instruct the escrow holder, at the close of escrow, to make payment to KEDC in accordance with: (i) the KEDC Note, which payment will occur in exchange for KEDC’s reconveyance of the KEDC Deed of Trust; and (ii) the LRPMP for KEDC’s assistance in the SA’s sale of the Property.

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Attachment: 2017.01.05 OB Resolution - Sale of 9.81 acres to Helena Chemical with Exhibits (1775 : Helena Chemical Company)

Passed and adopted at a special meeting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Hanford duly called and held on January 11, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JENNIFER GOMEZ
CITY CLERK
Oversight Board of the Successor Agency
to the Community Redevelopment Agency
of the City of Hanford

APPROVED:

JOHN LEHN
Chairperson of the Oversight Board of
The Successor Agency to the Community Redevelopment
Agency of the City of Hanford

Attachment: 2017.01.05 OB Resolution - Sale of 9.81 acres to Helena Chemical with Exhibits (1775 : Helena Chemical Company)

EXHIBIT "A"

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (“**Agreement**”) is made and entered into this ____ day of _____, 2016 (“**Effective Date**”), by and between the Successor Agency to the Community Redevelopment Agency of the City of Hanford and its Successor Oversight Board (“**RDA**”) (“**Seller**”), and HELENA CHEMICAL COMPANY, a Delaware corporation (“**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. The RDA owns approximately 9.81 acres situated within the Kings Industrial Park (“**RDA Parcel**”), all as more particularly described in the attached Exhibit “**A**”, which is incorporated herein by reference (RDA Parcel shall be referred to as the “**Real Property**”).

B. As a separate but related transaction, Buyer is purchasing property owned by the City of Hanford with the closing of that transaction to occur simultaneous with, and contingent upon, the closing of the escrow for the purchase and sale set forth in this agreement.

C. 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 FIRST AMERICAN TITLE COMPANY (“**Escrow Holder**”) located at 7625 N. Palm Ave., Fresno, 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 Three Hundred Ninety-Two Thousand Four Hundred Dollars (\$392,400.00) (“**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 Five Hundred Dollars (\$500.00) (“**Deposit**”) with Escrow Holder.

(b) At least one (1) 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 thirty (30) days within which to notify Seller and Escrow Holder in writing of any exceptions to title shown therein that Buyer disapproves ("**Objectionable Exceptions**") plus any endorsements to title Buyer requires for the subject title policy. If Buyer notifies Seller and Escrow Holder of one or more Objectionable Exceptions, Seller shall have thirty (30) days from receipt of such written notice to (i) remove the Objectionable Exception(s), or (ii) refuse to remove the Objectionable 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 Objectionable Exceptions within said thirty (30) 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), 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) Buyer, during the Feasibility Period and at its own expense, shall maintain: (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 thirty (30) 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) 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) Seller has not entered into any leasehold agreements with third parties to this Agreement that would convey a tenancy interest of any kind in the Real Property.

(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.

(j) Seller represents that Buyer's proposed land use of the Real Property is a permitted use in the HI zone district and that the City of Hanford's current land use designation for the Real Property is HI.

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 Oversight Board 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) The abandonment and closure of Energy Street by Seller pursuant to Buyer's Application for Street Abandonment Number 2015-01 filed April 23, 2015.

(g) Entry into an Industrial Track and Operations Agreement, satisfactory to Buyer, between Buyer, BNSF Railroad, Lakeside Irrigation Water District, and Tessengerlo Kerley, Inc.

(h) Buyer shall have obtained the approval of its Board of Directors for the execution and delivery of this Agreement, and consummation of the transactions contemplated hereby.

(i) Buyer shall have obtained execution of the BNSF Agreement(s) by all parties thereto, and in form and content acceptable to Buyer.

(j) The escrow for purchase of that real property being purchased by the Buyer from the City of Hanford shall close simultaneous with the within Escrow.

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 one hundredth (100th) 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 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:	HELENA CHEMICAL COMPANY David Hawkins 225 Schilling Blvd., Ste. 300 Collierville, TN 38017 FAX: (901) 537-8677
To Buyer's Legal Counsel:	Jan L. Kahn, Esq. Kahn, Soares & Conway, LLP 219 North Douty Street Hanford, CA 93230 FAX: (559) 584-3348
To Seller:	Darrel Pyle SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD 119 North Douty Street Hanford, CA 93230 FAX: (559) 585-2595
To Seller's Legal Counsel:	Robert M. Dowd and Ty N. Mizote Griswold LaSalle Cobb Dowd & Gin LLP 111 East 7 th 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.

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

“SELLER”

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

Dated: _____, 2016

By: _____
DARREL PYLE
City Manager

“BUYER”

HELENA CHEMICAL COMPANY
a Delaware corporation

Dated: _____, 2016

By: _____
_____ [name]
_____ [title]

Dated: _____, 2016

By: _____
_____ [name]
_____ [title]

EXHIBIT A
LEGAL DESCRIPTION

PARCEL 9

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 and the TRUE POINT OF BEGINNING;

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, 632.15 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, 645.84 feet, to the beginning of a tangent curve, concave Northeasterly, having a radius of 30.00 feet;

Thence, Northwesterly, along said 30.00 foot radius curve, through a central angle of 91°15'25", an arc distance of 47.78 feet, to the TRUE POINT OF BEGINNING;

Parcel 9 contains 9.81 acres

EXHIBIT “B”

072199

**SHARED APPRECIATION
SECURED PROMISSORY NOTE**

"This is to certify that this is a full, true and correct copy of the original."
BY *[Signature]*
FIRST AMERICAN TITLE COMPANY

\$300,533.00

December 28, 1999
Hanford, California

FOR VALUE RECEIVED the undersigned, COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD ("Maker") promises to pay in lawful money of the United States to KINGS COUNTY ECONOMIC DEVELOPMENT CORPORATION, a California Non-Profit Public Benefit corporation ("Holder") or order, at Hanford, California, or such other location designated by Holder, the principal sum of Three Hundred Thousand Five Hundred Thirty-three Dollars (\$300,533.00) with no interest thereon.

Maker and Holder acknowledge and agree that this Promissory Note represents a shared appreciation loan by Holder to Maker. The loan funds will be used by Maker to fund thirty-four percent (34%) of the purchase price of real property located in Hanford, California, purchased by Maker from Pirelli Tire, LLC, a Delaware limited liability company, for a total purchase price of Eight Hundred Eighty-three Thousand Nine Hundred Twenty-three Dollars (\$883,923.00) ("Purchase Price"). The real property purchased by Maker ("Real Property") is more particularly described in the Shared Appreciation Deed of Trust of same date herewith and which secures Maker's performance under this Promissory Note ("Deed of Trust").

The principal balance of this Promissory Note shall be paid to Holder as portions of the Real Property is sold by Maker. Prior to the close of escrow for the sale of any portion of the Real Property, Holder shall provide to the escrow holder, on or before the date of close of escrow, a partial reconveyance of the Deed of Trust as to the portion of the Real Property sold by Maker. In consideration of providing a partial reconveyance, Maker shall pay to Holder Three Thousand Ninety-five Dollars (\$3,095.00) per acre ("Principal Installment") for each acre subject to Holder's partial reconveyance on the date of close of escrow for the sale of that portion of the Real Property. Payments of Principal Installments shall continue in this fashion until the sale of the last portion of the Real Property at which time the remaining principal balance of this Promissory Note shall be paid in full. Should Maker elect to transfer title to any portion of the Real Property for consideration other than cash, Holder shall remain entitled to payment of the Principal Installment for that portion of the Real Property transferred unless Holder elects to waive payment of such Principal Installment. Holder and Maker agree to perform their obligations under this Promissory Note and the Deed of Trust in good faith and to deal fairly with each other. Maker agrees that the sale or lease of any portion of the Real Property will be through an arms length transaction unless otherwise consented to by Holder.

Holder and Maker agree that the principal balance of this Promissory Note shall not accrue fixed rate interest but instead, Maker shall pay Holder contingent deferred interest ("CDI") which shall be calculated as follows. Should Maker sell any portion of the Real Property for a price in excess of Nine Thousand One Hundred and Three Dollars (\$9,103.00) per acre, Holder shall receive on the date of close of escrow for the sale of that portion of the Real Property, an amount

Attachment: 2017.01.05 OB Resolution - Sale of 9.81 acres to Helena Chemical with Exhibits (1775 : Helena Chemical Company)

equal to thirty-four percent (34%) of that portion of the Purchase Price for that portion of the Real Property in excess of Nine Thousand One Hundred and Three Dollars (\$9,103.00) per acre. For purposes of example only, should Maker sell an acre of the Real Property for Fifteen Thousand One Hundred and Three Dollars (\$15,103.00) per acre, Fifteen Thousand One Hundred and Three Dollars (\$15,103.00) per acre less Nine Thousand One Hundred and Three Dollars (\$9,103.00) equals Six Thousand Dollars (\$6,000.00). Holder would receive Two Thousand Forty Dollars (\$2,040.00) of the Six Thousand Dollars (\$6,000.00) as CDI and Maker would receive the remaining Three Thousand Nine Hundred and Sixty Dollars (\$3,960.00). The CDI received by Holder will be in addition to the Principal Installment due upon the sale of that portion of the Real Property.

On the sale of the last portion of the Real Property, Holder shall provide to escrow holder, on or before the date of close of escrow, a full reconveyance of the Deed of Trust. On the date of close of escrow for the sale of the last portion of the Real Property, Holder shall receive any remaining Principal Installments that may be due and were not waived by Holder plus any CDI Holder may be entitled to receive plus an amount equal to Three Thousand Ninety-five Dollars (\$3,095.00) per acre for those portions of the Real Property that were used for the construction of streets, storm drainage basins and any other public improvements constructed by Maker. On the date of close of escrow for the sale of the last portion of the Real Property and the payment to Holder of all remaining Principal Installments and CDI, this Promissory Note shall terminate.

Maker shall have the right to prepay all or any part of the outstanding unpaid principal balance of this Promissory Note at any time without penalty. Should Maker prepay all or any portion of the outstanding principal balance of this Promissory Note before all of the Real Property is sold, the Deed of Trust shall remain a lien against title to the Real Property only to secure Maker's payment of any CDI due to Holder from the sale of the remainder of the Real Property. However, prior to the close of escrow for the sale of any portion of the Real Property occurring after the principal balance of this Promissory Note has been paid in full, Holder shall provide to the escrow holder, on or before the date of close of escrow, a partial reconveyance of the Deed of Trust as to the portion of the Real Property sold, subject to payment to Holder on the date of close of escrow of CDI, if any, due to Holder for the sale of that portion of the Real Property.

In the event of Maker's failure to perform when due any obligation, covenant or agreement of this Promissory Note or the Deed of Trust which secures Maker's performance under this Promissory Note, Holder may accelerate this Promissory Note and demand immediate payment of all unpaid principal. In such event, the Deed of Trust shall remain a lien against title to the Real Property only to secure Maker's payment of any CDI due to Holder from the sale of the remainder of the Real Property. However, prior to the close of escrow for the sale of any portion of the Real Property occurring after Holder's acceleration of payment under this Promissory Note, Holder shall provide to escrow holder, on or before the date of close of escrow, a partial reconveyance of the Deed of Trust as to the portion of the Real Property sold, subject to payment to Holder on the date of close of escrow of CDI, if any, due to Holder for the sale of that portion of the Real Property.

Should Maker default under any of the terms and conditions of this Promissory Note or the Deed of Trust securing Maker's performance hereunder, and an attorney is hired for collection, or if

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suit is filed hereon, Maker agrees to pay to Holder all reasonable costs of collection, including attorneys' fees. The amounts due Holder hereunder shall have equal priority with, and be secured by, the Deed of Trust securing this Promissory Note.

The breach by Maker of any term or condition of the Deed of Trust shall also constitute a material breach of this Promissory Note and as a result of such breach, the payment of principal shall be accelerated and shall become immediately due and payable.

Should Holder fail to perform when due any obligation, covenant or agreement it is required to perform under this Promissory Note, including, without limitation, providing any partial release of the Deed of Trust within the time period required under this Promissory Note, and Maker is not in breach of any provision of this Promissory Note or the Deed of Trust, Maker shall be relieved of all its obligations under this Promissory Note, including, without limitation, the payment to Holder of any Principal Installment or CDI until Holder completes its required performance.

In the event of any breach or default by Holder or Maker of their respective obligations under this Promissory Note, the non-defaulting party may maintain an action at law or in equity, including without limitation an action for damages or specific performance. Because the Real Property is unique and the amount thereof limited for sale to purchasers, irreparable harm could result if the Promissory Note was not strictly enforced. Therefore, the rights and obligations of the parties hereto may be enforced by a court of equity by a decree of specific performance and/or appropriate injunctive relief. Such remedies shall be cumulative and not exclusive and shall be in addition to all other remedies which any party may have under this Promissory Note or otherwise.

Holder and Maker acknowledge and agree that the relationship between Holder and Maker is one of lender and borrower and no other. Nothing contained in this Promissory Note or the Deed of Trust shall create or be construed as creating a partnership, joint venture or any other relationship other than lender and borrower.

Maker shall have the right to lease any portion of the Real Property ("Lease Property"). Should Maker elect to lease any portion of the Real Property, Maker shall pay to Holder on or before the date the lease term commences, a Principal Installment for each acre of Lease Property. In such event, the Deed of Trust shall remain a lien against title to the Real Property only to secure Maker's payment of any CDI due Holder upon the sale of the Lease Property. Holder agrees to subordinate the Deed of Trust to: (1) deeds of trust or other security instruments recorded against the Lease Property securing construction and permanent financing obtained by Maker or any lessee of the Lease Property for the development and improvement of the Lease Property; and (2) any lease of the Lease Property.

Should Maker sell the Lease Property, any CDI due Holder from the sale of the Lease Property shall be based upon the sale of the Lease Property as bare land without any on-site improvements ("Bare Land Price"). Maker and Holder shall have fifteen (15) days from the date of written notice from Maker to Holder advising Holder of Maker's election to sell the Lease Property to agree on the Bare Land Price. Should Maker and Holder fail to agree on the Bare Land Price within said fifteen (15) day period, Maker and Holder will have ten (10) days from the end of the fifteen (15) day period to attempt to agree on a single appraiser to appraise the

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BIRMINGHAM, ALABAMA

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Lease Property and determine the Bare Land Price. Should Maker and Holder fail to agree on a single appraiser within the ten (10) day period, Maker and Holder shall have five (5) days to each select an appraiser to appraise the Lease Property and determine the Bare Land Price. If either Holder or Maker fails to select an appraiser within said five (5) day period, the appraiser selected by the other shall act as the sole appraiser to determine the Bare Land Price, Once selected, the appraiser or appraisers will have thirty (30) days to issue a final appraisal identifying the Bare Land Price. If the appraisers cannot agree on a Bare Land Price, they shall each provide an appraisal of the Bare Land Price. The Bare Land Price shown in each appraisal will be added together and divided by 2 and that number will constitute the Bare Land Price to be used to determine whether any CDI is owed to Holder. Prior to the close of escrow for the sale of the Lease Property, Holder shall provide to escrow holder, on or before the date of close of escrow, a partial reconveyance of the Deed of Trust for the Lease Property sold, subject to payment to Holder on the date of close of escrow of CDI, if any, due Holder for the sale of the Lease Property.

This Promissory Note shall be governed and construed in accordance with the laws of the State of California as those laws are applied to written contracts between residents of said jurisdiction to be performed within said jurisdiction.

Time is of the essence in the performance of the obligations of Maker under this Promissory Note.

All payments under this Promissory Note shall be made in lawful money of the United States of America to Kings County Economic Development Corporation, 1200 W. Lacey Blvd. Hanford, California 93230 or at such other address as Holder may designate in writing from time to time.

Any notices or other communication required or permitted under this Agreement shall be in writing, and shall be (a) personally delivered, or sent by certified or registered United States mail, postage prepaid, return receipt requested, to the address of the party set forth in this paragraph; or (b) telecopied to the Fax number of the party set forth below. Such notice or communication shall be deemed given when delivered in person, when the telecopy is received or, in the case of the mailed notice, at the time of deposit in the United States mail to the addresses shown below:

To Holder: Kings County Economic Development Corporation
1200 W. Lacey Blvd.
Hanford, California 93230
Fax # (559) 582-7908

With a copy to: K. Phillip Maroot,
MAROOT, HARDCASTLE & HATHERLEY
429 N. Redington
Hanford, California 93230
Fax # (559) 584-7625

copy of the original.
FIRST AMERICAN TITLE COMPANY

Attachment: 2017.01.05 OB Resolution - Sale of 9.81 acres to Helena Chemical with Exhibits (1775 : Helena Chemical Company)

copy of the original.
FIRST AMERICAN TITLE COMPANY

"This is to certify that this is a true, true and correct

To Maker: Community Redevelopment Agency
of the City of Hanford
315 N. Douty Street
Hanford, CA 93230
Attn: Jan Reynolds
Fax # (559) 582-1152

With a copy to: Michael J. Noland
KAHN, SOARES & CONWAY, LLP
P. O. Box 1376
Hanford, CA 93232
Fax #(559) 584-3348

Any party may designate a new address for notice by written notice to the other properly mailed or transmitted as herein provided.

Maker expressly waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, bringing of suit, and diligence in making any action to collect any amounts called for hereunder.

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 such matter. 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 promises shall be valid or binding.

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

This Promissory Note is secured by a Deed of Trust of same date herewith.

COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF HANFORD

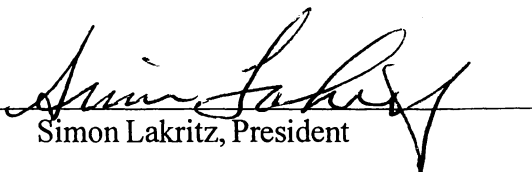
BY: 
Simon Lakritz, President

EXHIBIT “C”

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RECORDING REQUESTED BY:
 First American Title Company

WHEN RECORDED MAIL TO:
 Kings County Economic Development Corp.
 120 N. Irwin Street
 Hanford, CA. 93230

attn: John Lehn
 escrow no. 104717RB

RECORDED IN OFFICIAL RECORDS OF
 KINGS COUNTY, CALIFORNIA
 AT 11 A M
 MIN PAST
 FIRST AMERICAN TITLE CO.
 MAY 05 2000

GEORGE J. MISNER
 County Clerk and Recorder

FEE 20

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**SHARED APPRECIATION
 DEED OF TRUST WITH ASSIGNMENT OF RENTS**
 (This Deed of Trust contains an acceleration clause)

This DEED OF TRUST, made December 28, 1999, between
 COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD, herein called TRUSTOR,
 whose address is 319 N. Douty Street Hanford California 93230
 (Number and Street) (City) (State)

FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called TRUSTEE, and
 KINGS COUNTY ECONOMIC DEVELOPMENT CORPORATION, herein called BENEFICIARY.

106,000

WITNESSETH: That Trustor grants to Trustee in Trust, with Power of Sale, that property in the CITY OF HANFORD
 County of Kings, State of California, described as:

SEE EXHIBIT "A", which is attached hereto and made a part hereof.

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits, for the purpose of securing (1) payment of the sum of \$300,533.00 with contingent deferred interest thereon according to the terms of a Shared Appreciation Promissory Note of same date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the

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office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely.

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	1-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	91	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Fuolunne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego	SERIES 5 Book 1964, Page 149774				

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

If the trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the beneficiary being first had and obtained, beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

Signature of Trustor

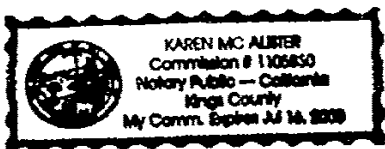
STATE OF CALIFORNIA)
COUNTY OF Kings) ss.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD

On DECEMBER 28, 1999, before me, KAREN MC ALISTER, Notary Public, personally appeared SIMON LAKRITZ, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) 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

BY: Simon Lakritz
Simon Lakritz, President

WITNESS my hand and official seal.
Signature Karen McAlister



(This area for official notarial seal)

gbi44714 251Wedrus

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PARCEL 1:

Parcel B of Parcel Map, Document number 8811900 in the City of Hanford, filed August 26, 1988, in Book 11 at Page 10 of Parcel Maps in the Office of the County Recorder of Kings County, State of California, EXCEPTING THEREFROM THE FOLLOWING:

BEGINNING at the Southwest corner of Parcel A, as shown on that certain Parcel Map recorded in Book 11 at Page 10 of Parcel Maps, in the Office of the Kings County Recorder, State of California, said corner being 40.00 feet Northerly of the South line of the Southwest Quarter of Section 13, Township 19 South, Range 21 East, Mount Diablo Base and Meridian, thence North 89°47'05" West along a line 40.00 feet Northerly of and parallel with last said South line of said Southwest Quarter a distance of 205.75 feet, to a 1/2" rebar, 30" long, down 6", tagged LS 4375, thence North 00° 12'55" East, a distance of 421.75 feet to a 1/2" rebar, 30" long, down 6", tagged LS 4375; thence South 89°47'05" East, a distance of 205.75 feet to the Northwest corner of last said Parcel A, thence South 00°12'55" West, along the Westerly line of last said Parcel A, a distance of 421.75 feet to the Point of Beginning.

PARCEL 2:

Parcels C and D of Parcel Map, Document No. 8811990 in the City of Hanford, filed August 26, 1988, in Book 11 at Page 10 of Parcel Maps in the Office of the County Recorder of Kings County, State of California.

EXHIBIT "A"

ENCLOSURE

Attachment: 2017.01.05 OB Resolution - Sale of 9.81 acres to Helena Chemical with Exhibits (1775 : Helena Chemical Company)