

# THE CITY OF HANFORD

## OVERSIGHT BOARD AGENDA

January 31, 2017  
2:00 PM – 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 11, 2017 meeting.
- B. Review and Approval of Administrative Budgets for the two six month periods July 1, 2017 to December 31, 2017, and January 1, 2018 to June 30, 2018 by adopting resolution 17-03-OBR.
- C. Adopt Resolution 17-04-OBR approving preexisting loan agreements between the Redevelopment Agency and the City of Hanford
- D. Review and approval of the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2017 to June 30, 2018 by adopting resolution 17-02-OBR

### 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](http://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:** 1/31/2017

**AGENDA SECTION:** A

**SUBJECT:**

City Clerk: Approve Minutes from January 11, 2017 meeting.

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**RECOMMENDATION:**

That the Board, by motion, approve the minutes from the January 11, 2017 meeting.

**FISCAL IMPACT:**

**ATTACHMENTS:**

2017-01-11 OB Minutes



**OVERSIGHT BOARD MEETING  
MINUTES  
January 11, 2017 11:00 AM  
Council Chambers  
400 N. Douty St.**

**CALL TO ORDER:**

Chairman John Lehn called the meeting to order at 11:01 a.m.

**ROLL CALL:**

Attendee Name	Title	Status	Arrived
John Lehn	Chairman	Present	11:00 AM
Steve Corl	Vice Chairman	Present	11:00 AM
Craig Pedersen	Board Member	Present	11:00 AM
Michael Cavanagh	Board Member	Present	11:00 AM
Christine Statton	Board Member	Present	11:00 AM

**FLAG SALUTE:**

Vice Chairman Steve Corl led the 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:**

- A. City Clerk: Approve Minutes from January 19, 2016 meeting  
Motion to approve the minutes as presented.

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Craig Pedersen
<b>SECONDER:</b>	Christine Statton
<b>AYES:</b>	Lehn, Corl, Pedersen, Cavanagh, Statton

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

Chairman Lehn stated that due to the relationship with Kings County EDC, he would abstain from this item and turned the meeting over to Vice Chairman Corl.

City Manager Darrel Pyle provided background information for the Board's review and consideration.

Motion to adopt Resolution 17-01-OBR.

<b>RESULT:</b>	<b>APPROVED [4 TO 0]</b>
<b>MOVER:</b>	Michael Cavanagh
<b>SECONDER:</b>	Craig Pedersen
<b>AYES:</b>	Corl, Pedersen, Cavanagh, Statton
<b>ABSTAIN:</b>	Lehn

**ADJOURNMENT:**

Chairman Lehn adjourned the meeting at 11:08 a.m.

Respectfully submitted,

Jennifer Gomez  
City Clerk

Attachment: 2017-01-11 OB Minutes (1801 : Minutes 011117)



## AGENDA STAFF REPORT

<b>MEETING DATE:</b> 1/31/2017	<b>AGENDA SECTION:</b> B
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**SUBJECT:**

Review and Approval of Administrative Budgets for the two six month periods July 1, 2017 to December 31, 2017, and January 1, 2018 to June 30, 2018 by adopting resolution 17-03-OBR.

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**RECOMMENDATION:**

That the Oversight Board review and approve the Successor Agency Administrative Budgets for the two six month periods July 1, 2017 to December 31, 2017 and January 1, 2018 to June 30, 2018 by adopting resolution 17-03-OBR.

**BACKGROUND:**

AB 1X 26 dissolved redevelopment agencies. The City of Hanford Successor Agency assumed the wind down responsibilities of the RDA. AB 1434 provides that budgets of the Successor Agency must be approved every six months by the Oversight Board by a majority vote. The attached two six month budgets have been prepared to cover the two six month periods of July 1, 2017 to December 31, 2017 and January 1, 2018 to June 30, 2018. The proposed budget costs include:

- City of Hanford Staff Services
- Attorney Fees (City)
- Attorney Fees (Oversight Board)
- Land Sales Costs such as appraisals, escrow fees, reconveyance fees, and legal fees

Staff has prepared the proposed budgets for the two six month periods based on the number of land sales that may occur and the related marketing, preparation of staff reports and agendas, and attorney fees related to land sales.

**FISCAL IMPACT:**

Actual cost under the two six month budget will be paid from the RPTTF Administrative Cost Allowance Funds.

**ATTACHMENTS:**  
RESOLUTION 17-03-OBR  
PROPOSED BUDGET

**RESOLUTION NO. 17-03-OBR**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD REGARDING  
ADMINISTRATIVE COSTS BUDGETS  
FOR THE TWO SIX MONTH PERIODS JULY 1, 2017 TO DECEMBER 31, 2017 AND JANUARY  
1, 2018 TO JUNE 30, 2018**

At a special meeting of the members of the Successor Agency to the Community Redevelopment Agency of the City of Hanford (“Successor Agency”), duly called and held on January 31, 2017, at 2:00 P.M. and upon motion by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, and duly carried, the following resolution was adopted:

WHEREAS, AB 1X 26 effectively dissolved all redevelopment agencies in the State of California “the Dissolution Act” effective February 1, 2012; and

WHEREAS, on June 27, 2012 the California State Legislature passed and the Governor signed AB 1484 of which the primary purpose is to make technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local levels in implementing that act; and

WHEREAS, AB 1484 requires the Successor Agency to prepare a proposed administrative costs budget for the six month periods July through December and January through June and submit it to the Oversight Board for approval; and

WHEREAS, proposed administrative cost budgets have been submitted for Oversight Board approval; and

WHEREAS, the Oversight Board has reviewed the proposed administrative costs budgets and approves the budgets for the two six month periods July 1, 2017 through December 31, 2017 and January 1, 2018 to June 30, 2018.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Hanford that the Successor Agency administrative costs budgets for the two six month periods July 1, 2017 to December 31, 2017 and January 1, 2018 to June 30, 2018, are hereby approved.

Attachment: RESOLUTION 17-03-OBR (1803 : OVERSIGHT-ADM BUD)

Passed and adopted at a meeting of the Oversight Board of the Successor Agency of the Community Redevelopment Agency of the City of Hanford duly called and held on the 31<sup>st</sup> day of January, 2017, by the following vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

**APPROVED**

\_\_\_\_\_  
JOHN LEHN  
**Chairperson** of the Oversight Board of  
the Successor Agency to the Community Redevelopment  
Agency of the City of Hanford

Attest:

\_\_\_\_\_  
JENNIFER GOMEZ  
**CITY CLERK**

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

**I, JENNIFER GOMEZ**, City Clerk of the City of Hanford, do hereby certify that the foregoing Resolution was passed and adopted by the Members of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Hanford at a special meeting thereof held on January 31, 2017.

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

Attachment: RESOLUTION 17-03-OBR (1803 : OVERSIGHT-ADM BUD)

CITY OF HANFORD RDA SUCCESSOR AGENCY  
BUDGET  
JULY 1, 2017 TO DECEMBER 31, 2017

City of Hanford Staff Services	2,500
Attorney Fees - City	2,500
Attorney Fees - Oversight Board	1,000
	<u>6,000</u>
Proposed Source of Funding - RPTTF Admin Allowance	<u>6,000</u>

Attachment: PROPOSED BUDGET (1803 : OVERSIGHT-ADM BUD)

CITY OF HANFORD RDA SUCCESSOR AGENCY  
BUDGET LINE ITEM DETAIL  
JULY 1, 2017 TO DECEMBER 31, 2017

	<u>Hours</u>	<u>Hourly Rate</u>		
Staff Services				
- City Clerk	4.00	73.66	=	295
- City Manager	4.00	143.99	=	576
- Finance Director	10.00	106.81	=	1,068
- Accounting Technician	2.00	40.07	=	80
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				2,019
	23.8% Overhead			481
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				2,500
				<hr/>
Attorney Fees				
- City Attorney				2,500
- Oversight Board				1,000
				<hr/>
				6,000
				<hr/>

Attachment: PROPOSED BUDGET (1803 : OVERSIGHT-ADM BUD)

CITY OF HANFORD RDA SUCCESSOR AGENCY  
BUDGET  
JANUARY 1, 2018 TO JUNE 30, 2018

City of Hanford Staff Services	2,500
Attorney Fees - City	2,500
Attorney Fees - Oversight Board	<u>1,000</u>
	<u>6,000</u>
Proposed Source of Funding - RPTTF Admin Allowance	<u>6,000</u>

Attachment: PROPOSED BUDGET (1803 : OVERSIGHT-ADM BUD)

CITY OF HANFORD RDA SUCCESSOR AGENCY  
BUDGET LINE ITEM DETAIL  
JANUARY 1, 2018 TO JUNE 30, 2018

	<u>Hours</u>	<u>Hourly Rate</u>	=	
Staff Services				
- City Clerk	4.00	73.66	=	295
- City Manager	4.00	143.99	=	576
- Finance Director	10.00	106.81	=	1,068
- Accounting Technician	2.00	40.07	=	80
				<hr/>
				2,019
	23.8% Overhead			481
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				2,500
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Attorney Fees				
- City Attorney				2,500
- Oversight Board				1,000
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				6,000
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Attachment: PROPOSED BUDGET (1803 : OVERSIGHT-ADM BUD)



## AGENDA STAFF REPORT

<b>MEETING DATE:</b> 1/31/2017	<b>AGENDA SECTION:</b> C
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**SUBJECT:**

Adopt Resolution 17-04-OBR approving preexisting loan agreements between the Redevelopment Agency and the City of Hanford

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**RECOMMENDATION:**

That the Board, by motion, adopt the attached Resolution approving certain preexisting loan agreements between the Community Redevelopment Agency of the City of Hanford and the City of Hanford.

**BACKGROUND:**

The City of Hanford (City) created the Community Redevelopment Agency of the City of Hanford (RDA) in 1974. In 1975 the City adopted a Redevelopment Plan pursuant to Community Redevelopment Law - Sections 33000 et seq of the California Health and Safety Code for redevelopment of the Kings Industrial Park Project Area. A copy of the plan is attached. The Redevelopment Project Plan proposed that the RDA undertake and carry out redevelopment activity through acquisition, development and sale of real property and installation, construction, or reconstruction of streets, utilities, and other improvements related to the Project Area.

In order for the RDA to carry out redevelopment activities, in 1975 and 1984 the RDA contracted with the City wherein the City provided operational, legal, engineering, contractual, and other services for the RDA on a reimbursement basis. The City advanced services and money to the RDA for the RDA to carry out its functions and the RDA was to repay the City with interest from any funds available to the RDA up to the beginning of the RDA dissolution process. The RDA never possessed sufficient funds to repay the City for funds advanced to the RDA.

Specific sections of the Health and Safety Code provide that only certain loans between the RDA and the City may be reimbursed through the Recognized Payment Obligation Schedule (ROPS) process if findings are made by the Oversight Board that the loans were for legitimate

redevelopment purposes. The loans described in the attached Resolution 17-04-OBR have been identified by staff as satisfying the criteria pursuant to the Health and Safety Code. The Board may make these findings by approving Resolution 17-04-OBR which resolution describes loans related to real property transactions for a Purchase and Sale Agreement with Pirelli Tire, LLC and the Purchase and Sale Agreement with Edward Hill as well as loans made for infrastructure construction. Approved preexisting loans will be listed in the FY2017-18 ROPS.

**FISCAL IMPACT:**

None.

**ATTACHMENTS:**

Resolution - Approval of Loan Agreements v.2

EXHIBIT 1

EXHIBIT 2

EXHIBIT 3

EXHIBIT A

EXHIBIT A-1

EXHIBIT A-2

EXHIBIT B

EXHIBIT B-1

EXHIBIT C

EXHIBIT D

EXHIBIT E

RESOLUTION NO. 17-04-OBR

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD APPROVING PREEXISTING LOAN AGREEMENTS**

At a special meeting of the members of the Oversight Board to the Community Redevelopment Agency of the City of Hanford (Oversight Board), duly called and held on January 31, 2017, at 2:00 P.M., and upon a motion by Member \_\_\_\_\_ and seconded by Member \_\_\_\_\_ and duly carried, the following resolutions were adopted:

**Loans to Purchase Real Property**

**WHEREAS**, Health & Safety Code Section 34191.4 (b)(1) indicates, “[U]pon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city. . . that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.”; and

**WHEREAS**, per Health and Safety Code Section 34292.4(b)(2)(B), the term “loan agreement” includes an “agreement between the former redevelopment agency and the city. . . that created the former redevelopment agency under which the city. . . that created the former redevelopment agency transferred a real property interest to the former redevelopment agency for use by the former redevelopment agency for a lawful purpose and the former redevelopment agency was obligated to pay the city. . . that created the former redevelopment agency for the real property interest; and

**WHEREAS**, the City of Hanford (the City) created the Community Redevelopment Agency of the City of Hanford (the RDA); and

Attachment: Resolution - Approval of Loan Agreements v.2 (1804 : ADOPT RES 17-04-OBR)

**WHEREAS**, the City executed a Purchase and Sale Agreement with Pirelli Tire, LLC (Pirelli Purchase Agreement) for the purchase of approximately one hundred (100) acres (Pirelli Property); and

**WHEREAS**, a true and correct copy of the Pirelli Purchase Agreement is attached hereto as Exhibit “A”; and

**WHEREAS**, as part of the Pirelli Tire, LLC (Pirelli) transaction, Pirelli carried back a Promissory Note in the amount of One Hundred Seventy-Three Thousand, Nine Hundred Dollars (\$173,900.00) that identifies the RDA and the City as debtors, which the City paid in full; and

**WHEREAS**, a true and correct copy of Pirelli’s Secured Promissory Note is attached hereto as Exhibit “A-1”; and

**WHEREAS**, a true and correct copy of the Buyer’s Closing Statement issued by First American Title Company for the Pirelli transaction is attached hereto as Exhibit “A-2”; and

**WHEREAS**, the City executed a Purchase and Sale Agreement with Edward Monroe Hill (Hill Purchase Agreement) for the purchase of approximately one hundred ten (110) acres (Hill Property); and

**WHEREAS**, a true and correct copy of the Hill Purchase Agreement is attached hereto as Exhibit “B”; and

**WHEREAS**, a true and correct copy of the Buyer’s Final Closing Statement issued by Chicago Title Company for the Hill transaction is attached hereto as Exhibit “B-1”; and

**WHEREAS**, the City assigned its rights under the Pirelli Purchase Agreement to the RDA and loaned Five Hundred Seventy-Four Thousand, Nine Hundred Dollars (\$574,900.00) to the RDA for the purchase of the Pirelli Property; and

**WHEREAS**, a copy of the City’s ledger entries reflecting the loan is attached hereto as Exhibit “C”; and

**WHEREAS**, the City is currently owed Eight Hundred Thirty-Six Thousand, Four Hundred Fifty-One Dollars (\$836,451.00) which includes interest at the rate of three percent (3%) per annum, with respect to the loan that it extended to the RDA for the purchase of the Pirelli Property; and

**WHEREAS**, the City assigned its rights under the Hill Purchase Agreement to the RDA and loaned Eight Hundred Thirty-Two Thousand, One Hundred Eight Dollars (\$832,108.00) to the RDA for the purchase of the Hill Property; and

**WHEREAS**, a copy of the City’s ledger entries reflecting the loan is attached hereto as Exhibit “D”; and

**WHEREAS**, the City is currently owed One Million, Six Thousand, Eight Hundred Fifty Dollars (\$1,006,850.00), which includes interest at the rate of three percent (3%) per annum, with respect to the loan that it extended to the RDA for the purchase of the Hill Property; and

**WHEREAS**, the RDA would have owed money to the City had the City purchased the Hill Property and the Pirelli Property and conveyed ownership thereof to the RDA; and

**WHEREAS**, the RDA purchased the Pirelli Property and Hill Property with the intent that the RDA would work with private parties who would develop the properties for industrial uses.

**NOW, THEREFORE, BE IT RESOLVED**, the loans extended by the City to the RDA for the purchase of the Hill Property and the Pirelli Property are loan agreements for purposes of Health and Safety Code Section 34191.4 and the City is entitled to payment on such loan agreements.

**Loans for Infrastructure Construction**

**WHEREAS**, per Health and Safety Code Section 34191.4(b)(2)(C)(i), a loan agreement includes an “agreement between the former redevelopment agency and the city. . . that created the former redevelopment agency under which the city. . . that created the former redevelopment agency contracted with a third party on behalf of the former redevelopment agency for the development of infrastructure in connection with a redevelopment project as identified in a redevelopment project plan and the former redevelopment agency was obligated to reimburse the city. . . that created the former redevelopment agency for the payments made by the city. . . to the third party.”; and

**WHEREAS**, the construction of public infrastructure improvements (RDA Infrastructure Improvements), including, without limitation, street, water, and sewer improvements, was part of the redevelopment project plan for the Kings Industrial Park and other improvements associated with the Hanford Joint Educational Center; and

**WHEREAS**, a true and correct copy of the Redevelopment Plan for Kings Industrial Park (Plan) and Amendment No. 5 to the Redevelopment Plan for the Hanford Community Redevelopment Project (Amendment No. 5) are attached hereto as Exhibit “E”; and

**WHEREAS**, the Plan’s project area was expanded through Amendment No. 5; and

**WHEREAS**, the City and the RDA executed agreements dated March 4, 1975, January 17, 1984, and June 19, 1984, true and correct copies of which are attached hereto as Exhibits “E-1” through “E-3,” under which the City agreed to provide services and advance funds on the RDA’s behalf and the RDA agreed to compensate the City for such services and funds advanced; and

**WHEREAS**, the City advanced funds on the RDA’s behalf for the construction of infrastructure improvements associated with the Hanford Joint Educational Center;

**WHEREAS**, vocational training of residents of the City is one (1) of the purposes of the Hanford Joint Educational Center;

**WHEREAS**, the City contracted with and paid third parties for the construction of RDA Infrastructure Improvements; and

**WHEREAS**, true and correct copies of the City’s ledger entries reflecting the amounts paid to third parties for the RDA Infrastructure Improvements are attached hereto as Exhibit “E”; and

**WHEREAS**, it was the intent of the City and the RDA that, as funds became available to the RDA, the RDA would pay over time the funds advanced by the City for the construction of the RDA Infrastructure Improvements; and

**WHEREAS**, the RDA never possessed sufficient funds to compensate the City for the construction of the RDA Infrastructure Improvements, and the City is currently owed Four Million, Seven Hundred Eight Thousand, Two Hundred Twenty-One Dollars (\$4,708,221.00), which includes interest at the rate of 3% per annum.

**NOW, THEREFORE, BE IT RESOLVED**, the mutual understanding between the City and the RDA under which the RDA was to pay the City for the funds advanced by the City that were used to pay third parties who constructed RDA Infrastructure Improvements are loan agreements for purposes of Health and Safety Code Section 34191.4 and that the City is entitled to payment on such loan agreements.

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**I HEREBY CERTIFY** that the foregoing Resolution was passed and adopted by the Members of the Oversight Board to the Community Redevelopment Agency of the City of Hanford at a special meeting thereof held on January 31, 2017, by the following vote:

MEMBERS

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
JENNIFER GOMEZ  
**CITY CLERK**  
Oversight Board of the Community  
Redevelopment Agency of the City of Hanford

**APPROVED**

\_\_\_\_\_  
JOHN LEHN  
**Chairperson** of the Oversight Board  
to the Community Redevelopment  
Agency of the City of Hanford

Attachment: Resolution - Approval of Loan Agreements v.2 (1804 : ADOPT RES 17-04-OBR)

Exhibit "1"

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AGREEMENT

THIS AGREEMENT, made and entered into this 4th day of March, 1975, by and between the CITY OF HANFORD, a municipal corporation, hereinafter called the "City", and the REDEVELOPMENT AGENCY OF THE CITY OF HANFORD, a public agency duly organized and existing in accordance with the Community Redevelopment Law of the State of California, hereinafter called the "Agency".

W I T N E S S E T H:

WHEREAS, Agency is undertaking the redevelopment of a certain area in City commonly known as the Kings Industrial Park Redevelopment Project pursuant to the redevelopment plan therefore adopted by City Ordinance No. 845, duly enacted on January 14, 1975, and,

WHEREAS, pursuant to the redevelopment plan, City has and will expend certain monies for site improvements, (including but not limited to various street improvements, and public off-street parking facilities) in the said project, which monies are to be repaid to City by Agency from increased property taxes accruing to Agency as a result of the redevelopment plan (the "tax increment revenues"), which accrual to Agency and repayment to City of such tax increment revenues is authorized by Article XIII, Section 19 of the Constitution of the State of California, and Article 6, Chapter VI of the Community Redevelopment Law, Division 24 of the California Health and Safety Code (commencing with Section 33670); and,

WHEREAS, the provisions of Article XIII, Section 19 of the Constitution of the State of California, and Article 6, Chapter VI of the Community Redevelopment Law, Division 24 of the California Health and Safety Code are incorporated in said redevelopment plan;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Agency hereby agrees to pay to City after obligations to satisfy any tax allocation bonds which from time-to-time may be outstanding, the sum of \$1,205,553.00 as detailed in Exhibit 1

LAW OFFICES  
ION AND JENNINGS  
ACEY BOULEVARD  
ORD. CALIFORNIA  
93230

Attachment: EXHIBIT 1 (1804 : ADOPT RES 17-04-0BR)

1 attached hereto and by this reference incorporated herein, as soon  
2 as tax increment revenues become available from property taxes which  
3 are to be collected and allocated in accordance with the provisions  
4 of said redevelopment plan. Said payments shall be made each year  
5 out of tax increment revenues received by the Agency and shall  
6 continue until said sum has been paid in full.

7 2. In the event that the total amount expended by City  
8 shall be other than the sum of \$1,205,553.00 for the items listed  
9 in attached Exhibit 1 the parties agree that the repayment obligation  
10 of the Agency hereunder shall be modified to equal the total amount  
11 expended by City. The parties also agree that any other authorized  
12 expenditures falling under the purview of aforesaid Article XIII,  
13 Section 19 of the Constitution of the State of California and  
14 Article 6 of Chapter VI of the Community Redevelopment Law, Division  
15 of California Health and Safety Code, shall be paid out of the same  
16 tax increment revenues.

17 IN WITNESS WHEREOF, the City and the Agency have executed  
18 this Agreement as of the date first above written.

19 CITY OF HANFORD, a municipal  
20 corporation  
21 ATTEST: [Signature] BY [Signature]  
22 City Clerk

23 REDEVELOPMENT AGENCY OF THE CITY  
24 OF HANFORD, a public agency  
25 ATTEST: [Signature] BY [Signature]  
26 Secretary

26 Approved As to Form and  
27 Legal Adequacy  
28 BY [Signature]  
29 City Attorney

30 /  
31 /  
32 /

LAW OFFICES  
MOON AND JENNINGS  
LACEY BOULEVARD  
HANFORD, CALIFORNIA  
93230

Attachment: EXHIBIT 1 (1804 : ADOPT RES 17-04-OBR)

## EXHIBIT NO. 1

## ANALYSIS OF KINGS INDUSTRIAL PARK REDEVELOPMENT PROJECT

	Costs Incurred to <u>3/4/75</u>	Estimated Future Costs	Total Estimate & Incurred Costs
<u>I. LAND</u>			
Incidental Land Costs	\$ 150.00	\$ 50.00	\$ 200.
<u>II. SITE IMPROVEMENTS</u>			
A. Preliminary Expenses	3,640.88	2,359.12	6,000.
B. Construction	-	424,450.00	424,450.
C. Project Contingency	-	48,150.00	48,150.
<u>III. INCIDENTAL EXPENSES</u>			
Interest on Funds Advanced \$588,075 at 7% for 15 yrs.	30,972.00	586,506.00	617,478.
<u>IV. ENGINEERING &amp; INSPECTION</u>			
	47,221.95	22,478.05	69,700.
<u>V. CASH IN AID</u>			
Project costs beyond EDA Participation	-	32,000.00	32,000.
<u>VI. OTHER</u>			
Legal and Administrative Fees	1,060.51	5,939.49	7,000.
Other Administrative Costs	<u>575.00</u>	-	<u>575.</u>
<u>TOTAL INCURRED AND ESTIMATED COSTS</u>	83,620.34	1,121,932.66	1,205,553.

Attachment: EXHIBIT 1 (1804 : ADOPT RES 17-04-0BR)

Exhibit "2"

AGREEMENT  
(Agency-City Relationships)

THIS AGREEMENT is entered into this 17th day of January, 1984, by and between th CITY OF HANFORD, herein-  
after referred to as "CITY", and the COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF HANFORD, hereinafter referred to as "AGENCY".

RECITALS

1. Creation: Pursuant to the California Community Redevelopment law (California Health & Safety Code, Section 33000 et seq.) the Hanford City Council, by Ordinance No. 825 declared that there was a need for a redevelopment agency to function in the City.
2. Appointment of Agency Members: The City Council by said Ordinance No. 825 declared itself to be the Agency and such Council Members are serving as Agency Members.
3. Executive Director of Agency: The Agency has appointed an Executive Director of the Agency. As a portion of his duties and functions, he shall have ultimate day-to-day administrative responsibility to carry out Agency programs and affairs.
4. Agency Officers, Employees, Agents, Consultants and Contractors: The officers of the Agency shall be City officials as established in the Bylaws of the Agency. The Executive Director, after approval by the City Manager and with the approval of the Agency Members, may select, appoint, employ, and contract for such permanent and temporary

Attachment: EXHIBIT 2 (1804 : ADOPT RES 17-04-0BR)

consultants, contractors, agents and employees as it requires, and determine their qualifications, duties, benefits and compensation subject to the other provisions of this Agreement and the law.

5. The City and The Agency desire to enter into this Agreement:

- (1) To set forth activities, services and facilities which the City will render for and make available to the Agency in furtherance of the activities and functions of the Agency under the Community Redevelopment Law; and
- (2) To provide that the Agency will reimburse the City for actions undertaken and costs and expenses incurred by it for and on behalf of the Agency.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

6. Services to be Provided:

(a) The City, its officers, employees, and special consultants shall perform services for the Agency in carrying out its functions under the Community Redevelopment Law. The Agency shall also have access to the facilities of the departments and offices of the City.

(b) Those City officers and employees who are also appointed to positions or offices with or related to the Agency shall perform services for the Agency in a dual capacity. The Executive Director shall perform services in his capacity as a City employee and also as Executive Director of the Agency.

(c) The City Manager, Executive Director, and other appropriate City officials and the Agency shall determine and establish the procedures to be followed in the request for, and the rendering of such services.

7. Compensation by the Agency for Services Rendered:

The Agency shall reimburse the City for all cost incurred by City officers and employees in rendering services to the Agency commencing July 1, 1979. The Agency shall reimburse the City for all personal services performed on an hourly basis at rates, including overhead established by the City Manager plus interest thereon at the annual rate of 10%.

8. Method of Payment:

(a) Costs under this Agreement shall commence on the date that the services were or are begun, and shall accrue on the basis established by the City Manager for the services being performed. The Agency, however, shall not be responsible for the payment of accrued costs for services until funds are available to the Agency for this purpose.

(b) Records of activities and services undertaken pursuant to this Agreement and the costs thereof will be recorded by the City in order that an accurate record of the Agency's liability to the City can be ascertained. The City shall, at least annually, submit to the Agency a statement of the costs incurred by the City in rendering activities and services of the City to the Agency pursuant to this Agreement; costs may include a proration of the City's administrative and salary expense attributable to services of City officials,

employees and departments rendered for the Agency.

(c) Agency revenues may come from many sources, many of which may be available to the Agency only for limited and special purposes. It is expected that any funds which may become available to the Agency for the reimbursement of costs for services rendered by the City will be used to pay the accrued costs. The Agency shall reimburse the City for such costs only if funds become available. Once funds become available from which the Agency may pay costs for services, then all costs theretofore accrued shall be paid in a time and manner consistent with the needs of the Agency.

(d) The City agrees to include the Agency within the terms of the City's insurance policy. The agency shall pay to the City its pro rata share of the costs of insurance applicable to its activities resulting from the Agency's inclusion in the City's policy.

(e) The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 et seq. of the Community Redevelopment Law, to be repaid to the City by the Agency with interest at ten percent (10%) per annum.

(f) It is recognized by both parties that the City shall be entitled to repayment of City expenses under this Agreement, consistent with Agency's financial ability, so that the City may be made whole.

9. Agency Offices: The principal office of the Agency shall be located in the City Hall of the City of Hanford, The City agrees

to provide to the Agency necessary and ample space for business offices and meeting rooms of the Agency. Said space shall also include use of the City Council Chambers or other space for meetings of the Agency.

10. Agency Bylaws and Regulations: The agency has adopted bylaws and other regulations to carry into effect the powers, purposes and functions of the Agency and to establish the policies of the Agency Members for the Guidance of the City Manager and Agency Executive Director. The Agency shall supply such information and reports to the City as may be required.

The parties hereto have executed this Agreement the day and year first above written.

CITY OF HANFORD

By:   
(Mayor)

ATTEST:

By:   
(City Clerk)

By: \_\_\_\_\_  
(City Attorney)

COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF HANFORD

By:   
(Chairman)

ATTEST:

By:   
(Secretary)

Attachment: EXHIBIT 2 (1804 : ADOPT RES 17-04-OBR)

Exhibit "3"

AGREEMENT BETWEEN THE CITY OF HANFORD  
AND THE REDEVELOPMENT AGENCY OF THE  
CITY OF HANFORD  
FOR THE CONSTRUCTION OF PUBLIC IMPROVEMENTS

THIS AGREEMENT is entered into this 19th day of  
June, 1984, by and between the City of Hanford, a municipal  
corporation, hereinafter ("City"), and the Redevelopment Agency of the City  
of Hanford, a public body corporate and politic hereinafter ("Agency").

RECITALS

A. Agency has undertaken certain activities necessary for the imple-  
mentation of a Redevelopment Project hereinafter ("Project") under the pro-  
visions of the California Community Redevelopment Law and pursuant to the  
adopted Plan hereinafter ("Plan"), for the Project.

B. Agency desires to contract with City in order to cause the acquisition  
and construction of certain public improvements described herein.

C. Agency and City have determined that said improvements are essential  
to implementation of the Plan and have a general benefit to City.

D. City proposes to advance the cost of acquisition and construction of  
public improvements on condition that Agency reimburse City for its advances and  
services in connection therewith.

E. Agency and City have determined that the certain agreement dated March  
4, 1975 between the City and the Agency for redevelopment of that certain area  
in the City commonly known as the Kings Industrial Park shall be superseded  
by this agreement.

NOW, THEREFORE, in consideration of the recitals and the mutual objectives  
of the parties hereto, City and Agency mutually agree as follows:

I. PUBLIC IMPROVEMENT WORK

City shall cause to be designed, constructed and installed within the Project the following public improvements in a satisfactory and proper manner pursuant to plans and specifications prepared by City in accordance with City and Agency standards;

A. Original Project Area

Balance due under City/Agency agreement dated March 4, 1975 for construction and related redevelopment costs associated with site improvements, (including but not limited to various street, water, and sewer improvements and public off street parking facilities) in the said original project area, together with interest from date hereof at 10% per annum until paid.

Estimated Cost \$ 925,144

B. Amended Project Area

- 1. Irrigation Ditch - Acquisition and construction of relocated and lowered irrigation ditch running generally from a point near the intersection of Iona Avenue and 10th Avenue to a point on 11th Avenue south of Idaho Avenue.

Estimated Cost \$ 90,000

- 2. Sewer System and Water System - Extension of trunk sewer system south from Iona Avenue; construction of water reservoir and pumping system on City owned property east of 11th Avenue and north of Iona Avenue plus extension of water mains southerly from Iona Avenue.

Estimated Cost \$ 803,801

- 3. Acquisition and Construction of public improvements attendant to industrial site development

Estimated Cost \$ 400,000

II. COMPENSATION AND METHOD OF PAYMENT

A. Compensation

Agency shall pay City for the actual as-built costs incurred by City for the public improvement work set forth in I. hereof and the costs to City of preparation of plans and specifications and supervisory and engineering work at City's actual costs including payroll costs, material, travel, and other related

Attachment: EXHIBIT 3 (1804 : ADOPT RES 17-04-OBR)

expenses, together with interest on said sums at the rate of ten percent (10%) from the time of City's accrual of such costs, to date of payment of said sum by Agency. The Agency also shall pay for the costs of consultants necessary in the preparation, construction and completion of the projects set forth in I. hereof, together with interest at 10% per annum from date of such payment.

B. Method of Payment

City shall maintain records showing payments for performance of work, design and supervision costs and any acquisition costs.

Agency shall pay City from any funds which may be legally available to Agency for such repayment, including, but not limited to, tax increments accruing to Agency pursuant to the Plan for the Project in accordance with Sections 33670-33674 of the California Redevelopment Law and Section 19, Article XIII of the California Constitution, or from the proceeds of future bond issues.

III. LIABILITY AND INDEMNIFICATION

In contemplation of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Section 895 of said Code, the parties hereto, as between themselves, pursuant to the authorization contained in Section 895.4 and 895.6 of said Code, will each assume the full liability imposed upon it, or any of its officers, agents or employees by law for injury caused by negligent or wrongful act or omission occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code.

To achieve the above stated purpose each party indemnifies and holds harmless the other party for any loss, costs or expense that may be imposed upon such other party by virtue of said Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part hereof as if fully set forth herein.

IV. TIME OF PERFORMANCE

The services required pursuant to I. hereof shall be diligently prosecuted by City to completion. The improvements are listed in tentative order of priority, which priority may be changed at the discretion of the City Manager.

IN WITNESS WHEREOF, the parties have executed the AGREEMENT as of the date first set out herein.

ATTEST:

By *Deborah A. Motto*  
City Clerk

CITY OF HANFORD  
By *Bill Hill*  
Mayor

By *Deborah A. Motto*  
Secretary

REDEVELOPMENT AGENCY OF THE  
CITY OF HANFORD  
By *Bill Hill*  
Chairman

Attachment: EXHIBIT 3 (1804 : ADOPT RES 17-04-OBR)

AMENDMENT TO AGREEMENT

This Amendment to Agreement is made on the 8th day of March, 2011, by and between the CITY OF HANFORD, a municipal corporation ("City") and the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD ("Agency") with respect to that Agreement (Agency-City Relationships) dated June 19, 1984 ("the Agreement"), the terms of which are incorporated herein by reference.

The parties agree to amend the Agreement as follows:

1. The City and the Agency acknowledge that as of June 30, 2010, the Agency owed the City Six Million, Three Hundred Forty-Four Thousand, Five Hundred Fifteen and 31/100 Dollars (\$6,344,515.31) and the City has advanced an additional Six Hundred Twenty-Eight Thousand, Nine Hundred Forty-Seven and No/100 Dollars (\$628,947.00) through March 3, 2011. The Agency, accordingly, owes a total of Six Million, Nine Hundred Seventy-Three Thousand, Four Hundred Sixty-Two and 31/100 Dollars (\$6,973,462.31) to the City under the Agreement.
2. The deadline for payment of the entire Six Million, Nine Hundred Seventy-Three Thousand, Four Hundred Sixty-Two and 31/100 Dollars (\$6,973,462.31) balance, plus any additional amounts that the Agency may owe to the City in the future, shall be due on March 8, 2021.
3. All other provisions of the Agreement not specifically modified by this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Agreement the day and year first above written at Hanford, Kings County, California.

THE COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF HANFORD

By:   
HILARY M. STRAUS  
Executive Director

CITY OF HANFORD

By:   
DAN CHIN  
Mayor

ATTEST:

  
KAREN MADRUGA  
City Clerk

Attachment: EXHIBIT 3 (1804 : ADOPT RES 17-04-0BR)

Exhibit "A"

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is entered into this 4th day of May, 1999, by and between PIRELLI TIRE LLC, a Delaware limited liability company ("Seller") and the CITY OF HANFORD, a Municipal corporation ("Purchaser").

### RECITALS

A. Seller is the owner of certain real property located in the County of Kings, State of California, consisting of approximately 100 acres, and having Assessor Parcel Numbers 18-242-47, 18-242-48 and 18-242-54, as more particularly described in Exhibit A attached hereto and made a part hereof ("Property").

B. Purchaser desires to purchase the Property, including that portion of the Property subject to an easement granted to Lakeside Ditch Company, and Seller desires to sell the Property on the terms and conditions in this Agreement.

Now, therefore, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **Purchase and Sale.** (a) Seller agrees to sell and Purchaser agrees to purchase the Property together with: (i) all rights, easements and appurtenances belonging or appurtenant thereto; (ii) all right, title and interest of Seller in and to any and all roads, streets, and ways bounding the Property; and (iii) all improvements thereon, if any, subject to the terms and conditions in this Agreement.

2. **Use.** If it acquires the Property pursuant hereto, Purchaser or any subsequent owner, may use the Property for any lawful purpose.

3. **Purchase Price.** The purchase price for the Property shall be \$9,000.00 per acre ("**Purchase Price**"). The total purchase price for the Property shall be based upon the acreage of the Property as determined by a survey of the Property performed by Purchaser at Purchaser's Expense. Upon completion, the survey shall be forwarded to Seller for their review. The Purchase Price shall be paid as follows:

(a) Within 5 business days after the execution of this Agreement by both parties, Purchaser shall deposit with Escrow Agent (as hereinafter defined) the sum of \$10,000.00 as earnest money ("**Deposit**"), which shall be held in an interest-bearing account with all interest credited to Purchaser, and applied in accordance with the terms of this Agreement.

(b) On the Closing Date (as hereinafter defined), Purchaser shall deposit with Escrow Agent the sum of \$690,000.00 in cash or in immediately available funds.

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (“**Agreement**”) is entered into this 4<sup>th</sup> day of May, 1999, by and between PIRELLI TIRE LLC, a Delaware limited liability company (“**Seller**”) and the CITY OF HANFORD, a Municipal corporation (“**Purchaser**”).

### RECITALS

A. Seller is the owner of certain real property located in the County of Kings, State of California, consisting of approximately 100 acres, and having Assessor Parcel Numbers 18-242-47, 18-242-48 and 18-242-54, as more particularly described in Exhibit A attached hereto and made a part hereof (“**Property**”).

B. Purchaser desires to purchase the Property, including that portion of the Property subject to an easement granted to Lakeside Ditch Company, and Seller desires to sell the Property on the terms and conditions in this Agreement.

Now, therefore, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **Purchase and Sale.** (a) Seller agrees to sell and Purchaser agrees to purchase the Property together with: (i) all rights, easements and appurtenances belonging or appurtenant thereto; (ii) all right, title and interest of Seller in and to any and all roads, streets, and ways bounding the Property; and (iii) all improvements thereon, if any, subject to the terms and conditions in this Agreement.

2. **Use.** If it acquires the Property pursuant hereto, Purchaser or any subsequent owner, may use the Property for any lawful purpose.

3. **Purchase Price.** The purchase price for the Property shall be \$9,000.00 per acre (“**Purchase Price**”). The total purchase price for the Property shall be based upon the acreage of the Property as determined by a survey of the Property performed by Purchaser at Purchaser’s Expense. Upon completion, the survey shall be forwarded to Seller for their review. The Purchase Price shall be paid as follows:

(a) Within 5 business days after the execution of this Agreement by both parties, Purchaser shall deposit with Escrow Agent (as hereinafter defined) the sum of \$10,000.00 as earnest money (“**Deposit**”), which shall be held in an interest-bearing account with all interest credited to Purchaser, and applied in accordance with the terms of this Agreement.

(b) On the Closing Date (as hereinafter defined), Purchaser shall deposit with Escrow Agent the sum of \$690,000.00 in cash or in immediately available funds.

(c) On the Closing Date (as hereinafter defined), Purchaser shall deposit with Escrow a promissory note secured by a first deed of trust in a form agreed to by Seller and Purchaser in a principal amount equal to the remaining portion of the Purchase Price. The promissory note shall be non-interest bearing, with all principal to be paid at the end of two years from the Closing Date ("Promissory Note"). The date of the Promissory Note and the due date for payment of the principal amount shall be entered on the Promissory Note by Escrow Agent on the Closing Date.

(d) On the Closing Date (as hereinafter defined), Purchaser shall deposit with Escrow Agent, a deed of trust in a form agreed to by Seller and Purchaser, securing Purchaser's performance of the provisions of the Promissory Note, including, without limitation, the payment of the principal amount thereof. Seller and Purchaser agree that Seller as Beneficiary of the deed of trust shall provide Purchaser as Trustor of the deed of trust partial reconveyances of the deed of trust in accordance with the following provision which will be added to the deed of trust prior to Seller's execution of the deed of trust:

"So long as at least fifty (50) acres of the property described herein remains subject to this deed of trust and so long as Trustor is not in default of any provision under the terms of this deed of trust or the promissory note secured hereby, it is agreed by Trustor and Beneficiary that Trustor shall be entitled to demand and receive and Beneficiary shall provide to Trustee within ten (10) days of receipt of such demand, requests for partial reconveyances of this deed of trust to any portions of the property herein described and as identified in Trustor's demand. Trustor shall pay any escrow and recording fees or costs associated with any such demand for a partial reconveyance. Should Trustor make a demand for a partial reconveyance which would reduce the size of the property described herein to less than fifty (50) acres, Beneficiary may, at its option, require Trustor to pay all or a specified portion, as determined by Beneficiary, of the principal balance owed under the promissory note secured hereby, as a condition precedent to providing the partial reconveyance."

4. **Escrow.** By this Agreement, Purchaser and Seller establish an escrow ("Escrow") with First American Title Company, Hanford, California 93230, Attn: Noni Gillum ("**Escrow Agent**").

5. **Feasibility Period.** (a) During the period commencing on the date this Agreement is executed by Seller, and terminating on the date 60 days from that date ("**Feasibility Period**"), Purchaser may undertake at Purchaser's expense an inspection of the Property, including, without limitation, reviewing the physical condition of the Property, including its income and development potential, market position, uses and other economic aspects, the location and adequacy of utilities, subdivision report and engineering studies and performing inspections, examinations and testing of soils and other environmental factors, including, without limitation, Hazardous Substances (as hereinafter defined). Within 5 days of Purchaser's request, Seller shall deliver to Purchaser copies of all information in Seller's possession or control pertaining to the Property, including, without limitation, surveys,

specifications, environmental reports, copies of all past and present leases and rental agreements of the Property, the name, address and telephone numbers of any past or present lessees, tenants and renters and other documents pertaining to the physical, geological or environmental condition of the Property that are owned by or in the possession of Seller. Hazardous Substances are defined as any and all petroleum, asbestos, polychlorinated biphenyls, radioactive materials, radon gas or any chemical, material or substance now or hereafter defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic substances" or words of similar import under any Environmental Laws. Environmental Laws are defined as any and all laws, statutes, ordinances, requirements, restrictions, rules, regulations, consent decrees or administrative orders of any federal, state or local governmental agency relating to the use, generation, manufacture, installation, release, discharge, storage or disposal of Hazardous Substances, or relating to public health and safety and the protection of the environment,

(b) If Purchaser's environmental consultant requires additional time to determine the existence and extent of any Hazardous Substances on or about the Property, Purchaser shall have the right, exercisable by delivering written notice to Seller prior to the expiration of the Feasibility Period, to extend the Feasibility Period and the last day on which the Closing Date may occur for up to 30 days to complete its review.

(c) If Purchaser disapproves of the results of the inspection and review in its sole and absolute discretion, Purchaser may elect to terminate this Agreement by giving Seller written notification prior to the expiration of the Feasibility Period, and the Deposit, together with all interest accrued thereon and any additional funds in Escrow, shall be returned to Purchaser and all parties hereto shall be relieved of all further liabilities and obligations hereunder, except as otherwise provided herein. If Purchaser fails to properly notify Seller of its intent to terminate this Agreement, Purchaser shall be deemed to be satisfied with the results of the inspection and review and shall be deemed to have waived the right to terminate this Agreement pursuant to this provision.

6. **Access.** Purchaser and Purchaser's contractors, agents, representatives and consultants shall have the right, from the date of this Agreement until the Closing Date, to enter onto the Property, at their own cost and risk, for any purpose of such inspection and review, including without limitation, inspecting the Property, surveying the Property, taking samples of the soil, and conducting an environmental audit (including an investigation of past and current uses of the Property). In addition, Purchaser shall have the right to contact any governmental authority to investigate any matters relating to the Property. Seller agrees to cooperate reasonably with Purchaser in the inspection of the Property. Purchaser shall indemnify, defend and hold Seller harmless from any and all damages, losses and claims resulting from the activities of Purchaser or Purchaser's contractors, agents, representatives and consultants while on the Property.

7. **Conditions to Purchaser's Performance.** Purchaser's obligation to perform under this Agreement is subject to the following conditions:

- (a) Purchaser's approval of the Property as provided in Section 5:
- (b) Receipt by Purchaser of EDA funding for Purchaser's development project for the Property on or before July 1, 1999.
- (c) Seller's representations and warranties in this Agreement being correct as of the date of this Agreement and as of the Closing Date;
- (d) Seller's performance of all obligations under this Agreement; and
- (e) Escrow Agent's being prepared to issue the Title Policy (as hereinafter defined) on the Closing Date, insuring the Property for the full amount of the Purchase Price, and subject only to the Approved Exceptions (as hereinafter defined).

8. **Title.** (a) As soon as practicable, Seller, at its sole cost and expense, shall cause Escrow Agent to issue to Purchaser, a preliminary report for the Property ("**Preliminary Report**"), together with complete and legible copies of all documents relating to title exceptions referred to in the Preliminary Report.

(b) Purchaser shall approve or disapprove each exception shown on the Preliminary Report and any other matter that affects title to the Property (each an "**Exception**") within 15 days following the receipt of the Preliminary Report.

(c) If any Exception is disapproved (each a "**Disapproved Exception**"), Seller shall, within 30 days following expiration of the 15 day period provided under Section 8(b) above, use its best efforts to cause each Disapproved Exception to be discharged, satisfied, released or terminated, as the case may be, of record, and in a form that is reasonably satisfactory to Purchaser, all at Seller's sole cost and expense. If Seller is unable to obtain a discharge, satisfaction, release or termination of a Disapproved Exception within the time period specified in this paragraph (c), Purchaser shall have the right to:

(i) waive the Disapproved Exception and proceed with Closing, accepting title to the Property subject to the Disapproved Exception, or

(ii) terminate this Agreement, in which event Seller shall pay all cancellation charges of the title company, and Escrow Agent; both Purchaser and Seller shall be relieved of all further obligation and liability to each other under this Agreement, except as otherwise provided herein; and the Deposit, together with all interest accrued thereon and any additional funds in Escrow shall be returned to Purchaser and all documents deposited with Escrow Agent shall be promptly returned by Escrow Agent to the depositing party.

9. **Close of Escrow.** The conveyance of the Property and the closing of this transaction shall take place on August 1, 1999 ("**Closing Date**").

(a) Simultaneously with the Closing Date, Escrow Agent shall issue an ALTA Owner's Policy of Title Insurance (Purchaser shall have the option to require that Escrow Agent issue a Survey and ALTA Extended Policy of Title Insurance) (collectively "Title Policy") insuring the Property and any easements appurtenant to or located at the Property, in an amount equal to the Purchase Price, subject only to exceptions approved by Purchaser in accordance with Section 8 ("Approved Exceptions").

(b) Seller shall deposit with Escrow Agent on or prior to the Closing Date the following documents:

(i) A grant deed executed and acknowledged by Seller conveying to Purchaser good, insurable and marketable fee simple title to the Property, free, clear and unencumbered, subject only to the Approved Exceptions ("Deed");

(ii) Seller's affidavit of nonforeign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended;

(iii) Seller's Affidavits stating that (1) vacant possession of the Property is being delivered, (2) there are no unrecorded leases or agreements affecting the Property, and (3) there are no mechanic's or statutory liens against the Property;

(iv) Such additional documentation as Escrow Agent may reasonably deem necessary in order to effectuate the transaction set forth in this Agreement.

(c) Escrow Agent shall allocate the following costs at the Closing Date.

(i) Seller shall pay:

(A) All real property and documentary transfer taxes due upon transfer of the Property;

(B) All charges in connection with issuance of a standard ALTA Owners Policy of Title Insurance in the amount of the Purchase Price;

(C) One-half(1/2) of the escrow fee charged by Escrow Agent;  
and

(D) All existing bonds and assessments levied or assessed with respect to the Property.

(ii) Purchaser shall pay:

(A) the recording charges in connection with recordation of the Deed;

(B) one-half (1/2) of the escrow fee charged by Escrow Agent;  
and

(C) All charges in excess of the cost of a Standard ALTA Owners Policy of Title Insurance should Purchaser elect to require issuance of a Survey and ALTA Extended Coverage Policy of Title Insurance.

(iii) Because Purchaser does not pay real property taxes, there will not be any proration of taxes, assessments or any other charges associated with the Property. Seller shall pay any and all taxes, including without limitation, supplemental taxes related to the period of its ownership of the Property.

**10. Possession and Maintenance.** (a) Possession of the Property shall be delivered to Purchaser at the Closing Date, unobstructed and free and clear of all tenants and other occupants.

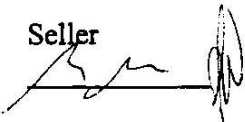
(b) Seller shall be responsible for normal and customary maintenance of the Property in its present condition, and shall pay any and all expenses incurred in connection therewith prior to the Closing Date.

**11. Damage and Destruction.** (a) In the event of damage or destruction of the Property or any portion of the Property prior to the Closing Date in an amount not exceeding \$10,000.00, Seller shall promptly notify Purchaser and Purchaser and Seller shall consummate this Agreement and the Purchase Price shall be reduced by the amount of such damage or destruction.

(b) In the event of damage or destruction of the Property or any portion of the Property prior to the Closing Date in an amount in excess of \$10,000.00, Seller shall promptly notify Purchaser and Purchaser may either, at its option, elect to terminate this Agreement upon written notice to Seller and Escrow Agent or consummate this Agreement and the Purchase Price shall be reduced by the amount of such damage or destruction. If Purchaser elects to terminate this Agreement pursuant to this provision, Escrow Agent shall, within 5 days following receipt of Purchaser's notice, return the Deposit, together with accrued interest, and any additional funds in Escrow, to Purchaser. Upon termination, neither party shall have any further obligations and liabilities under this Agreement except as otherwise provided in this Agreement.

**12. Liquidated Damages.** (a) IF PURCHASER FAILS TO COMPLETE THE PURCHASE PROVIDED FOR IN THIS AGREEMENT BY REASON OF ANY DEFAULT OF PURCHASER, SELLER SHALL BE RELEASED FROM SELLER'S OBLIGATION TO SELL THE PROPERTY TO PURCHASER AND MAY PROCEED AGAINST PURCHASER UPON ANY CLAIM OR REMEDY THAT SELLER MAY HAVE IN LAW OR EQUITY; PROVIDED, HOWEVER, THAT, BY INITIALING THIS SECTION 12 PURCHASER AND SELLER AGREE THAT IN EVENT OF ANY DEFAULT BY PURCHASER, (A) IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX ACTUAL DAMAGES; (B) AN AMOUNT EQUAL TO THE DEPOSIT MADE BY PURCHASER PURSUANT TO SECTION

3(A) OF THIS AGREEMENT, PLUS ANY INTEREST ACCRUED ON THE DEPOSIT SHALL CONSTITUTE LIQUIDATED DAMAGES PAYABLE TO SELLER; (C) THE PAYMENT OF THE LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF SELLER FOR ANY DEFAULT OR BREACH BY PURCHASER; (D) SELLER MAY RETAIN THE DEPOSIT ON ACCOUNT OF PURCHASE PRICE FOR THE PROPERTY AS LIQUIDATED DAMAGES; AND (E) PAYMENT OF THOSE SUMS TO 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.

Seller  


Purchaser  


(b) If Escrow fails to close by reason of any default by Seller, Purchaser shall be entitled to: (1) exercise all of its rights and remedies available at law and equity, including, without limitation, the remedy of specific performance; or (2) terminate this Agreement and receive the return of the Deposit and all accrued interest, and any additional funds in Escrow. If Purchaser elects to terminate this Agreement, Seller shall pay all cancellation charges of the title company and escrow agent.

13. **Seller Warranties.** Seller represents and warrants to Purchaser that as of the date hereof and as of the Closing Date:

(a) There are no leases, licenses, permits, concessions or other agreements affecting the Property.

(b) There is no pending or threatened litigation, administrative proceeding or other legal or governmental action with respect to the Property, or which may impair Seller's ability to sell the Property.

(c) Any information that Seller has delivered to Purchaser, either directly or through Seller's agents, is accurate, to the best of its knowledge and belief, and Seller has disclosed all material facts with respect to the Property.

(d) There are no deeds of trust, restrictions, liens or other encumbrances affecting the Property other than as set forth in the Preliminary Title Report.

14. **Seller Covenants.** Commencing on the date hereof and until the Closing Date, Seller shall not: (i) permit any act of waste or act that would tend to diminish the value of the Property for any reason, except that caused by ordinary wear and tear; (ii) store, manufacture, use or sell any Hazardous Substances on, in or under the Property; or (iii) permit any liens, encumbrances or easements to be placed on the Property, other than the Approved Exceptions, or enter into any agreement regarding the sale, rental, management, repair, improvement or any

Attachment: EXHIBIT A (1804 : ADOPT RES 17-04-OBR)

other matter affecting the Property that would be binding on Purchaser or the Property after the Closing Date.

15. **Indemnification.** (a) Seller agrees to indemnify, defend (with counsel selected by Seller) and hold Purchaser harmless from and against any and all liability, damages, claims, judgments, losses, actions, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) with respect to:

i) all claims arising out of or related to any facts or circumstances with respect to the period prior to the Closing Date.

ii) any breach of the representations, warranties and covenants in Sections 13 and 14.

Without limiting the generality of the foregoing, this indemnification shall specifically include fines, penalties, sums paid in settlement of claims or litigation, fees for attorneys, consultants and experts (to be selected by Seller), lost profits and costs for investigation, clean-up, removal, remediation and restoration.

(b) The obligations set forth in this Section 15 shall survive until one (1) year after the Closing Date.

16. **Brokers.** Each party warrants and represents to the other that, no brokers have been retained or consulted in connection with this transaction. Each party agrees to defend, indemnify and hold harmless the other party from any claims, losses, damages, expenses, costs or liabilities (including, without limitation, reasonable attorneys' fees) arising in connection with a breach of that party's representations, warranties, or covenants under this Section. The provisions of this paragraph shall survive until one (1) year after the Closing Date or an earlier termination of this Agreement.

17. **Assignment.** Purchaser shall have the right to assign all rights and liabilities under this Agreement to any party, however, Purchaser shall remain liable under this Agreement and any promissory note or deed of trust executed by Purchaser.

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

19. **Notices.** All notices to be given under this Agreement shall be in writing and sent by:

(a) certified mail, return receipt requested, in which case notice shall be deemed delivered 3 business days after deposit, postage prepaid in the United States Mail,

(b) a nationally recognized overnight courier, in which case notice shall be deemed delivered 1 business day after deposit with that courier, or

(c) hand delivery, in which case notice shall be deemed delivered on the date received, all as follows:

If to Purchaser: City of Hanford  
City Manager  
318 N. Douty Street  
Hanford, CA 93230

with a copy to: Michael J. Noland  
KAHN, SOARES & CONWAY, LLP  
219 N. Douty Street  
Hanford, CA 93230

If to Seller: Pirelli Tire LLC  
500 Sargent Drive  
P. O. Box 2001  
New Haven, Connecticut 06536-0201

Any party may change its address for notice purposes by giving the other parties notice of its new address as provided herein. A "business day" is any day other than a Saturday, Sunday or a day in which banks in California are authorized to close.

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

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

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

23. **Waivers.** A waiver of a breach of a covenant or other provision of this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement,

and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it.

24. **Counterparts.** This Agreement may be executed in one or more counterparts. Each shall be deemed an original and all, taken together, shall constitute one and the same instrument.

25. **Time of the Essence.** Time is of the essence in this Agreement.

26. **Successors.** This Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors and assigns.

27. **Governing Law.** This Agreement shall be governed and construed by the laws of the State of California.

28. **Exhibits.** This Agreement contains the following Exhibits which are attached hereto and made a part of this Agreement:

Exhibit A - Legal Description of Property.

The parties have executed this Agreement as of the date first written above.


SELLER:

PIRELLI TIRE LLC,  
a Delaware limited liability company

BY: 

PURCHASER:

CITY OF HANFORD,  
a municipal corporation

BY:   
Simon Lakritz, Mayor

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Attachment: EXHIBIT A (1804 : ADOPT RES 17-04-0BR)

**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.

Attachment: EXHIBIT A (1804 : ADOPT RES 17-04-0BR)

**EXHIBIT "A"**

Exhibit "A-1"

## SECURED PROMISSORY NOTE

\$173,900.00

5/4/2000  
 "This is to certify that this is a full, true and correct copy of the original."  
 IRS AMERICAN TITLE COMPANY

May 4, 2000  
 Hanford, California

FOR VALUE RECEIVED the undersigned, COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD and the CITY OF HANFORD, jointly and severally ("Maker") promises to pay in lawful money of the United States to PIRELLI TIRE, LLC, a Delaware limited liability company ("Holder") or order, at New Haven, Connecticut, or such other location designated by Holder, the principal sum of ONE HUNDRED SEVENTY-THREE THOUSAND NINE HUNDRED DOLLARS (\$173,900.00) with no interest thereon. Principal to be paid in full on May 4, 2002.

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.

In the event either Maker fails to perform when due any obligation, covenant or agreement of this Promissory Note or the Deed of Trust which secures each Maker's performance under this Promissory Note, Holder may accelerate this Promissory Note and demand immediate payment of all unpaid principal.

Should either 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 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.

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 of the performance of the obligations of each Maker under this Promissory Note.

All payments under this Promissory Note shall be made in lawful money of the United States of America to Pirelli Tire, LLC, 300 George Street, New Haven, Connecticut, or at such other address as Holder may designate in writing from time to time.

Attachment: EXHIBIT A-1 (1804 : ADOPT RES 17-04-OBR)

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:           Pirelli Tire, LLC  
 300 George Street  
 New Haven, Connecticut  
 Fax # (203) 284-2378

With a copy to:     Neil A. Holding  
 P. O. Box 1190  
 Hanford, CA 93232  
 Fax # (559) 584-6601

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

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

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

Each 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 even date herewith. The Partial Release provisions contained in the Deed of Trust are incorporated by reference into this Promissory Note and made a part hereof.

**MAKER:**

COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF HANFORD

BY: Simon Lakritz  
Simon Lakritz, Chairperson

CITY OF HANFORD

BY: Simon Lakritz  
Simon Lakritz, Mayor

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

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Attachment: EXHIBIT A-1 (1804 : ADOPT RES 17-04-OBR)

Exhibit "A-2"

FIRST AMERICAN TITLE COMPANY  
1479 W. LACEY BLVD. \* HANFORD, CA 93230  
(209) 585-3300

ESCROW NUMBER: 104717RB

TODAY'S DATE: 5/05/2000

PROPERTY: Vacant Land

CLOSING DATE: 5/05/2000

Hanford, CA 93230

ptn Parcel B of PM 11-10, parcel 1/ptn Parcel C of PM 11-10

ESCROW CLOSING STATEMENT OF:

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD

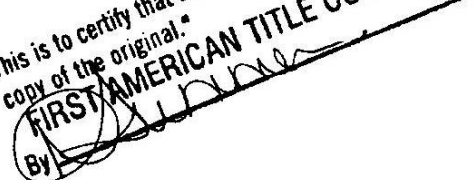
OTHER PARTY:

Pirelli Tire, LLC, a Delaware Limited Liability Company

BUYER'S CLOSING STATEMENT

DESCRIPTION		DEBITS	CREDITS
Sales Price	97.10 AC.	873,900.00	
DEPOSIT	CITY		391,000.00
Deposit from Escrow #104717NG			10,439.59
First Deed of Trust (New)	TO SELLER		173,900.00
Second Deed of Trust (New)	Kings County Econ. Development		300,533.00
addn'l Policy fee (2)	FIRST AMERICAN TITLE	250.00	
Title Policy Fee	FIRST AMERICAN TITLE INS. CO.	603.00	
Escrow Fee	First American Title Company	600.00	
Drawing Documents	First American Title Company	20.00	
Recording fees: Deed \$	Mtg \$ Releases \$	65.00	
Balance Due To Buyer		434.59	
TOTALS		875,872.59	875,872.59

This statement should be retained by you for Income Tax purposes.

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

Attachment: EXHIBIT A-2 (1804 : ADOPT RES 17-04-OBR)

Exhibit "B"

**PURCHASE AND SALE AGREEMENT**

This Purchase and Sale Agreement ("Agreement") is entered into this 29<sup>th</sup> day of October, 2009, by and between EDWARD MONROE HILL, a married man, as his sole and separate property, and the CITY OF HANFORD, a Municipal corporation ("Purchaser").

**RECITALS**

A. Seller is the owner of certain real property ("Property") located in the County of Kings, State of California, consisting of approximately 110 acres, and having Assessor Parcel Numbers 018-242-007, 018-242-013, and 018-242-020, as more particularly described in the attached Exhibit A, which is incorporated by reference.

B. Purchaser desires to purchase the Property, and Seller desires to sell the Property on the terms and conditions of this Agreement.

Now, therefore, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **Purchase and Sale.** (a) Seller agrees to sell and Purchaser agrees to purchase the Property together with: (i) all rights, easements and appurtenances belonging or appurtenant thereto; (ii) all right, title and interest of Seller in and to any and all roads, streets, and ways bounding the Property; and (iii) all improvements thereon, if any, subject to the terms and conditions in this Agreement.

2. **Use.** If it acquires the Property pursuant hereto, Purchaser or any subsequent owner, may use the Property for any lawful purpose.

3. **Purchase Price.** The purchase price for the Property shall be one million, six hundred fifty thousand dollars (\$1,650,000.00). The Purchase Price shall be paid as follows:

(a) Within 5 business days after the execution of this Agreement by both parties, Purchaser shall deposit with Escrow Agent (as hereinafter defined) the sum of \$10,000.00 as earnest money ("**Deposit**"), which shall be held in an interest-bearing account with all interest credited to Purchaser, and applied in accordance with the terms of this Agreement.

(b) On the Closing Date (as hereinafter defined), Purchaser shall deposit with Escrow Agent the sum of \$1,640,000.00 in cash or in immediately available funds.

4. **Escrow.** By this Agreement, Purchaser and Seller establish an escrow (escrow) with Chicago Title Company, Hanford, California 93230 ("**Escrow Agent**").

5. **Feasibility Period.** (a) During the period commencing on the date this Agreement is executed by Seller, and terminating on the date fifteen (15) calendar days from the date ("**Feasibility Period**"), Purchaser may undertake at Purchaser's expense an inspection of the Property, including, without limitation, reviewing the physical condition of the Property, including its income and development potential, market position, uses and other economic aspects, the location and adequacy of utilities, subdivision report and engineering studies and performing inspections, examinations and testing of soils and other environmental factors, including, without limitation, Hazardous Substances (as hereinafter defined).

(b) Within three (3) calendar days of the parties' execution of this Agreement, Seller shall deliver to Purchaser copies of all information in Seller's possession or control pertaining to the Property, including, without limitation, surveys, specifications, environmental reports, copies of all past and present leases and rental agreements of the Property, the name, address and telephone numbers of any past or present lessees, tenants and renters and other documents pertaining to the physical, geological or environmental condition of the Property that are owned by or in the possession of Seller or Seller's contractors or agents.

(c) For purposes of this Agreement, "Hazardous Substances" are defined as any and all petroleum, asbestos, polychlorinated biphenyls, radioactive materials, radon gas or any chemical, material or substance now or hereafter defined as or included in the definition of "hazardous substances", "hazardous wastes", hazardous materials", or "toxic substances" or words of similar import under any Environmental Laws. Environmental Laws are defined as any all laws, statutes, ordinances, requirements, restrictions, rules, regulations, consent decrees or administrative orders of any federal, state, or local governmental agency relating to the use, generation, manufacture, installation, release, discharge, storage or disposal of Hazardous Substances, or relating to public health and safety and the protection of the environment,

(d) If Purchaser's environmental consultant requires additional time to determine the existence and extent of any Hazardous Substances on or about the Property, Purchaser shall have the right, exercisable by delivering written notice to Seller prior to the expiration of the Feasibility Period, to extend the Feasibility Period and the last day on which the Closing Date may occur for up to fifteen (15) calendar days to complete its review.

(e) If Purchaser disapproves of the results of the inspection and review in its sole and absolute discretion, Purchaser may elect to terminate this Agreement by giving Seller written notification prior to the expiration of the Feasibility Period, and the Deposit, together with all interest accrued thereon and any additional funds in Escrow, shall be returned to Purchaser and all parties

hereto shall be relieved of all further liabilities and obligations hereunder, except as otherwise provided herein. If Purchaser fails to properly notify Seller of its intent to terminate this Agreement, Purchaser shall be deemed to be satisfied with the results of the inspection and review and shall be deemed to have waived the right to terminate this Agreement pursuant to this provision.

(f) Purchaser has previously identified objectionable conditions affecting the Property through a letter dated October 23, 2009 from Purchaser's legal counsel, Ty N. Mizote of Griswold, LaSalle, Cobb, Dowd & Gin, L.L.P. Purchaser's acquisition of the Property is contingent upon Seller complying with the requests and addressing the conditions outlined in the letter, the terms of which are incorporated herein by reference.

6. **Access.** Purchaser and Purchaser's contractors, agents, representatives and consultants shall have the right, from the date of this Agreement until the Closing Date, to enter onto the Property, at their own cost and risk, for any purpose of such inspection and review, including without limitation, inspecting the Property, surveying the Property, taking samples of the soil, and conducting an environmental audit (including an investigation of past and current uses of the Property). In addition, Purchaser shall have the right to contact any governmental authority to investigate any matters relating to the Property. Seller agrees to cooperate reasonably with Purchaser in the inspection of the Property. Purchaser shall indemnify, defend and hold Seller harmless from any and all damages, losses and claims resulting from the activities of Purchaser or Purchaser's contractors, agents, representatives and consultants while on the Property.

7. **Conditions to Purchaser's Performance.** Purchaser's obligation to perform under this Agreement is subject to the following conditions:

- (a) Purchaser's approval of the Property as provided in Section 5 above;
- (b) Seller's representations and warranties in this Agreement being correct as of the date of this Agreement as of the Closing Date;
- (c) Seller's performance of all obligations under this Agreement; and
- (d) Escrow Agent's being prepared to issue the Title Policy (as hereinafter defined) on the Closing Date, insuring the Property for the full amount of the Purchase Price, and subject only to the Approved Exceptions (as hereinafter defined).

8. **Title.** (a) As soon as practicable, Purchaser, at its sole cost and expense, shall cause Escrow Agent to issue to Purchaser, a preliminary report for the Property ("**Preliminary Report**"), together with complete and legible copies of all documents relating to title exceptions referred to in the Preliminary Report.

(b) Purchaser shall approve or disapprove each exception shown on the Preliminary Report and any other matter that affects title to the Property (each and "Exception") within 10 days following the receipt of the Preliminary Report.

(c) If any Exception is disapproved (each a "Disapproved Exception"), Seller shall within ten (10) calendar days following expiration of the ten (10) calendar day period proved under Section 8(b) above, use its best efforts to cause each Disapproved Exception to be discharged, satisfied, released or terminated, as the case may be, of record, and in a form that is reasonably satisfactory to Purchaser, all at Seller's sole cost and expense. If Seller is unable to obtain a discharge, satisfaction, release or termination of a Disapproved Exception within the time period specified in this subsection (c), Purchaser shall have the right to:

(i) waive the Disapproved Exception and proceed with Closing, accepting title to the Property subject to the Disapproved Exception, or

(ii) terminate this Agreement, in which event Seller shall pay all cancellation charges of the title company and Escrow Agent; both Purchaser and Seller shall be relieved of all further obligation and liability to each other under this Agreement, except as otherwise provided herein; and the Deposit, together with all interest accrued thereon and any additional funds in Escrow shall be returned to Purchaser and all documents deposited with Escrow Agent shall be promptly returned by Escrow Agent to the depositing part.

9. **Close of Escrow.** The conveyance of the Property and the closing of this transaction shall take place on or before December 1, 2009 ("Closing Date").

(a) Simultaneously with the Closing Date, Escrow agent shall issue a CLTA Owner's Policy of Title Insurance (Purchaser shall have the option to require that Escrow Agent issue, at Purchaser's sole cost, a Survey and ALTA Extended Policy of Title Insurance) (collectively "Title Policy") insuring the Property and any easements appurtenant to or located at the Property, in an amount equal to the Purchase Price, subject only to exceptions approved by Purchaser in accordance with Section 8 above ("Approved Exceptions").

(b) Seller shall deposit with Escrow Agent on or prior to the Closing Date the following documents:

(i) A grant deed executed and acknowledged by Seller conveying to Purchaser good, insurable and marketable fee simple title to the Property, free, clear and unencumbered, subject only to the Approved Exceptions ("Deed");

(ii) Seller's affidavit of nonforeign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended;

(iii) Affidavits stating that, except as disclosed herein, (1) vacant possession of the Property is being delivered, (2) there are no unrecorded leases or agreements affecting the Property, and (3) there are no mechanic's or statutory liens against the Property;

(iv) Such additional documentation as Escrow Agent may reasonably deem necessary in order to effectuate the transaction set forth in this Agreement; and

(v) Such additional documents required hereunder.

(c) Escrow Agent shall allocate the following costs at the Closing Date.

(i) Seller shall pay:

*SMA  
+ TAXES*

(A) All real property due upon transfer of the Property;

(ii) Purchaser shall pay:

(A) The recording charges in connection with the recordation of the Deed and applicable documentary transfer taxes ;

(B) All escrow fees charged by Escrow Agent; and

(C) All charges in connection with issuance of a standard CLTA Owners Policy of Title Insurance, or an ALTA Policy of Title Insurance if Purchaser so desires, in the amount of the Purchase Price.

(iii) Because Purchaser does not pay real property taxes, there will not be any proration of taxes, assessments or any other charges associated with the Property. Seller shall pay any and all taxes, including without limitation, supplemental taxes related to the period of its ownership of the Property.

10. **Possession and Maintenance.** (a) Possession of the Property shall be delivered to Purchaser at the Closing Date, subject to that lease disclosed herein.


(b) Seller shall be responsible for normal and customary maintenance of the Property in its present condition, and shall pay any and all expenses incurred in connection therewith prior to the Closing Date.

11. **Damage and Destruction.** (a) In the event of damage or destruction of the Property or any portion of the Property prior to the closing Date in an amount not exceeding ten thousand dollars (\$10,000.00), Seller shall promptly notify Purchaser and Purchaser and Seller shall consummate this Agreement and the Purchase Price shall be reduced by the amount of such damage or destruction.

(b) In the event of damage or destruction of the Property or any portion of the Property or any portion of the Property prior to the Closing Date in amount in excess of \$10,000.00, Seller shall promptly notify Purchaser and Purchaser may either, at its option, elect to terminate this Agreement upon written notice to Seller and Escrow Agent or consummate this Agreement and the Purchase Price shall be reduced by the amount of such damage or destruction. If Purchaser elects to terminate this Agreement pursuant to this provision, Escrow Agent shall, within five (5) calendar days following receipt of Purchaser's notice, return the Deposit, together with accrued interest, and any additional funds in Escrow, to Purchaser. Upon termination, neither party shall have any further obligations and liabilities under this Agreement except as otherwise provided in this Agreement.

12. **Liquidated Damages.** (a) IF PURCHASER FAILS TO COMPLETE THE PURCHASE PROVIDED FOR IN THIS AGREEMENT BY REASON OF ANY DEFAULT OF PURCHASER, SELLER SHALL BE RELEASED FROM SELLER'S OBLIGATION TO SELL THE PROPERTY TO PURCHASER AND MAY PROCEED AGAINST PURCHASER UPON ANY CLAIM OR REMEDY THAT SELLER MAY HAVE IN LAW OR EQUITY; PROVIDED, HOWEVER, THAT, BY INITIALING THIS SECTION 12 PURCHASER AND SELLER AGREE THAT IN EVENT OF ANY DEFAULT BY PURCHASER, (A) IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX ACTUAL DAMAGES; (B) AN AMOUNT EQUAL TO THE DEPOSIT MADE BY PURCHASER PURSUANT TO SECTION 3(A) OF THIS AGREEMENT, PLUS ANY INTEREST ACCRUED ON THE DEPOSIT SHALL CONSTITUTE LIQUIDATED DAMAGES PAYABLE TO SELLER; (C) THE PAYMENT OF THE LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF SELLER FOR ANY DEFAULT OR BREACH BY PURCHASER; (D) SELLER MAY RETAIN THE DEPOSIT ON ACCOUNT OF PURCHASE PRICE FOR THE PROPERTY AS LIQUIDATED DAMAGES; AND (E) PAYMENT OF THOSE SUMS TO 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.

Seller  
\_\_\_\_\_

Purchaser  
  
\_\_\_\_\_

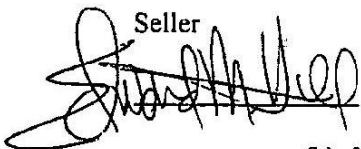
(b) If escrow fails to close by reason of any default by Seller, Purchaser shall be entitled to: (1) exercise of all its rights and remedies available at law and equity, including, without limitation, the remedy of specific performance; or (2) terminate this Agreement and receive the return of the Deposit and all accrued interest, and any additional funds in Escrow. If Purchaser elects to terminate this Agreement as a result of Seller's default, Seller shall pay all cancellation charges of the title company and escrow agent.

13. **Seller Warranties.** Seller represents and warrants to Purchaser that as of the date hereof and as of the Closing Date:

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-OBR)

(b) In the event of damage or destruction of the Property or any portion of the Property or any portion of the Property prior to the Closing Date in amount in excess of \$10,000.00, Seller shall promptly notify Purchaser and Purchaser may either, at its option, elect to terminate this Agreement upon written notice to Seller and Escrow Agent or consummate this Agreement and the Purchase Price shall be reduced by the amount of such damage or destruction. If Purchaser elects to terminate this Agreement pursuant to this provision, Escrow Agent shall, within five (5) calendar days following receipt of Purchaser's notice, return the Deposit, together with accrued interest, and any additional funds in Escrow, to Purchaser. Upon termination, neither party shall have any further obligations and liabilities under this Agreement except as otherwise provided in this Agreement.

12. **Liquidated Damages.** (a) IF PURCHASER FAILS TO COMPLETE THE PURCHASE PROVIDED FOR IN THIS AGREEMENT BY REASON OF ANY DEFAULT OF PURCHASER, SELLER SHALL BE RELEASED FROM SELLER'S OBLIGATION TO SELL THE PROPERTY TO PURCHASER AND MAY PROCEED AGAINST PURCHASER UPON ANY CLAIM OR REMEDY THAT SELLER MAY HAVE IN LAW OR EQUITY; PROVIDED, HOWEVER, THAT, BY INITIALING THIS SECTION 12 PURCHASER AND SELLER AGREE THAT IN EVENT OF ANY DEFAULT BY PURCHASER, (A) IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX ACTUAL DAMAGES; (B) AN AMOUNT EQUAL TO THE DEPOSIT MADE BY PURCHASER PURSUANT TO SECTION 3(A) OF THIS AGREEMENT, PLUS ANY INTEREST ACCRUED ON THE DEPOSIT SHALL CONSTITUTE LIQUIDATED DAMAGES PAYABLE TO SELLER; (C) THE PAYMENT OF THE LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF SELLER FOR ANY DEFAULT OR BREACH BY PURCHASER; (D) SELLER MAY RETAIN THE DEPOSIT ON ACCOUNT OF PURCHASE PRICE FOR THE PROPERTY AS LIQUIDATED DAMAGES; AND (E) PAYMENT OF THOSE SUMS TO 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.

Seller  


Purchaser  
\_\_\_\_\_

(b) If escrow fails to close by reason of any default by Seller, Purchaser shall be entitled to: (1) exercise of all its rights and remedies available at law and equity, including, without limitation, the remedy of specific performance; or (2) terminate this Agreement and receive the return of the Deposit and all accrued interest, and any additional funds in Escrow. If Purchaser elects to terminate this Agreement as a result of Seller's default, Seller shall pay all cancellation charges of the title company and escrow agent.

13. **Seller Warranties.** Seller represents and warrants to Purchaser that as of the date hereof and as of the Closing Date:

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

(a) Except as otherwise disclosed by Seller, there are no leases, licenses, permits, concessions or other agreements affecting the Property.

(b) There is no pending or threatened litigation, administrative proceeding or other legal or governmental action with respect to the Property, or which may impair Seller's ability to sell the Property.

(c) To the best of Seller's actual knowledge, the Property is not affected by any Hazardous Substances.

(d) Any information that Seller has delivered to Purchaser, either directly or through Seller's agents, is accurate, to the best of its actual knowledge and belief, and Seller has disclosed all material facts with respect to the Property.

(d) There are no deeds of trust, restrictions, liens or other encumbrances affecting the Property other than as set forth in the Preliminary Title Report.

**14. Seller Covenants.** Commencing on the date hereof and until the Closing Date, Seller shall not: (i) permit any act or waste or act that would tend to diminish the value of the Property for any reason, except that caused by ordinary wear and tear; (ii) store, manufacture, use or sell any Hazardous Substances on, in or under the Property; or (iii) permit any liens, encumbrances or easements to be placed on the Property, other than the Approved Exceptions, or enter into any agreement regarding the sale, rental, management, repair, improvement or any other matter affecting the Property that would be binding on Purchaser or the Property after the Closing Date.

**15. Indemnification.** (a) Seller agrees to indemnify, defend (with counsel selected by Seller) and hold Purchaser harmless from and against any and all liability, damages, claims, judgments, losses, actions, costs and expenses (including, without limitations, reasonable attorneys' fees and expenses) with respect to:

(i) all claims arising out of or related to any facts or circumstances with respect to the period prior to the Closing Date.

(ii) any breach of the representations, warranties and covenants in Sections 13 and 14 above.

Without limiting the generality of the foregoing, this indemnification shall specifically include fines, penalties, sums paid in settlement of claims or litigation, fees for attorneys, consultants and experts (to be selected by Seller), lost profits and costs for investigation, clean-up, removal, remediation and restoration.

16. **Option Agreement.** (a) Seller entered into an Option Agreement for Purchase of Real Property ("Option Agreement") dated August 29, 2006 with Great Valley Ethanol, LLC ("GVE") that granted GVE an option to purchase the Property. The Option Agreement was amended through an Addendum to Option Agreement for Purchase of Real Property ("Addendum") dated May 1, 2009. True and correct copies of the Option Agreement and the Addendum are attached hereto as Exhibit "B" and incorporated by reference. The Option Agreement and the Addendum are hereinafter collectively referred to as the "Option Agreement".

(b) Purchaser agrees to be bound by the terms of the Option Agreement.

(c) Purchaser agrees that, following the close of escrow, Seller will be entitled to all payments to be rendered under the Option Agreement by GVE. Seller acknowledges that Purchaser will have no duty or responsibility to collect any payments under the Option Agreement to which Seller is entitled pursuant to this Section 16.

(d) In the event GVE exercises its option and purchases the Property prior to the fourth (4<sup>th</sup>) quarter of the 2010 calendar year, Purchaser shall be responsible for paying to Seller those un-accrued and unpaid option fee installments for the portion of the option period following GVE's close of escrow. For example, if GVE purchases the Property and its escrow closes during the third quarter of 2010, Purchaser will be responsible for paying the fourth (4<sup>th</sup>) quarter installment. Purchaser shall render any payment required under this subsection (d) within sixty (60) calendar days of the close of GVE's escrow through which GVE acquires the Property. Purchaser will *not* be responsible for any delinquent option payments that GVE has failed to pay to Seller. For example, if GVE seeks to close escrow during the third (3<sup>rd</sup>) quarter of 2010 but has failed to render the option payment for that quarter, Purchaser will not be responsible for the third (3<sup>rd</sup>) quarter payment and will only be obligated to pay the option fee for the fourth (4<sup>th</sup>) quarter of 2010.

(e) Since GVE's right to purchase is contingent upon its satisfaction of the Option Agreement's terms and since Purchaser is purchasing the Property subject to GVE's option to buy the Property, Seller will notify Purchaser if GVE fails to render a payment in accordance with the Option Agreement. Seller will provide written notice to Purchaser within seven (7) calendar days of any date on which GVE fails to render a required payment under the Option Agreement.

(f) Seller will not, prior to the close of escrow, amend the Option Agreement without first obtaining Purchaser's prior written consent.

(g) Seller and GVE will execute an Estoppel Certificate in a form reasonably acceptable to Purchaser and shall deposit the same with the escrow holder. Through the Estoppel Certificate, Seller and GVE will confirm, without limitation, that: (i) the Option Agreement remains in full force and effect; (ii) GVE has not exercised the option to purchase; and (iii) both parties are in full compliance with the Option Agreement and that there are no uncured defaults or breaches thereunder.

(h) Seller will indemnify, defend, and hold Purchaser harmless with respect to any real estate agent or broker commissions that would be payable by Seller to Seller's or GVE's agents or brokers under the Option Agreement. Purchaser will have no liability with respect to any such commissions. Seller's duty to indemnify, defend, and hold Purchaser harmless under this subsection (g) will not apply to any commissions charged by an agent or broker hired by Purchaser for the sale of the Property to GVE.

(i) Seller will indemnify, defend, and hold Purchaser harmless from any and all claims, liabilities, damages, and injuries accruing under the Option Agreement prior to the close of escrow.

17. Farm Lease. (a) Seller entered into a Farm Lease Agreement ("Lease") with Larry Davis ("Tenant"), a true and correct copy of which is attached hereto as Exhibit "C" and incorporated by reference.

(b) Purchaser agrees to be bound by the terms of the Lease.

(c) Purchaser agrees that, following the close of escrow, Seller will be entitled to all rent payments under the Lease. Seller acknowledges that Purchaser will have no duty or responsibility to collect any rent payments under the Lease to which Seller is entitled pursuant to this Section 17. Furthermore, Purchaser will not be obligated to evict the tenant or seek any other remedy in the event the Tenant fails to pay rent or otherwise breaches the Lease.

(d) Since Tenant's rights as a lessee of the Property are contingent upon its payment of rent, Seller will notify Purchaser if Tenant fails to render a rent payment in accordance with the Lease. Seller will provide written notice to Purchaser within seven (7) calendar days of any date on which Tenant fails to render a rent payment.

(e) Seller will not, prior to the close of escrow, amend the Lease without first obtaining Purchaser's prior written consent.

(f) Seller and Tenant will execute an Estoppel Certificate in a form reasonably acceptable to Purchaser and shall deposit the same with the escrow holder. Through the Estoppel Certificate, Seller and Tenant will confirm, without limitation, that: (i) the Lease remains in full force and effect; (ii) both parties are in full compliance with the Lease and that there are no uncured defaults or breaches thereunder.

(g) Prior to the close of escrow, Seller will cause the current tenant under the Lease to deposit with the escrow holder a Certificate of Insurance evidencing that Purchaser and its elected or appointed officers, officials, employees, agents and volunteers shall be covered as additional insureds.

(h) Seller will indemnify, defend, and hold Purchaser harmless from any and all claims, liabilities, damages, and injuries accruing under the Lease prior to the close of escrow.

18. **Brokers.** (a) Purchaser is not represented by any real estate agent or broker.

(b) Seller will be solely responsible for any and all commissions charged by its real estate agent or broker, if Seller is represented by an agent or broker. Seller will indemnify, defend, and hold seller harmless from any such commissions owed.

19. **Assignment.** Purchaser shall have the right to assign all rights and liabilities under this Agreement to any party of its choosing.

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

21. **Notices.** All notices to be given under this Agreement shall be in writing and sent by:

(a) certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the United States Mail,

(b) a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, or

(c) hand delivery, in which case notice shall be deemed delivered on the date received, all as follows:

If to Purchaser: City of Hanford  
Attn: City Manager  
318 N. Douty Street  
Hanford, CA 93230

with a copy to: Robert M. Dowd  
Ty N. Mizote  
GRISWOLD, LaSALLE, COBB, DOWD & GIN, LLP  
111 E. Seventh Street  
Hanford, CA 93230

If to Seller: Ed Hill  
3200 Boxley Valley Road

Franklin, TN 37064

Any party may change its address for notice purposes by giving the other parties notice of its new address as provided herein. A "business day" is any day other than a Saturday, Sunday or a day in which banks in California are authorized to close.

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

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

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

25. **Waivers.** A waiver of a breach of a covenant or other provision of this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it.

26. **Counterparts.** This Agreement may be executed in one or more counterparts. Each shall be deemed an original and all, taken together, shall constitute one and the same instrument.

27. **Time of the Essence.** Time is of the essence in this Agreement.

28. **Successors.** This Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors and assigns.

29. **Governing Law.** This Agreement shall be governed and construed by the laws of the State of California.

The parties have executed this Agreement as of the date first written above.

SELLER:

PURCHASER:

CITY OF HANFORD  
a Municipal Corporation

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-OBR)

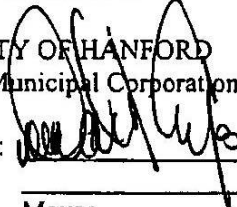
The parties have executed this Agreement as of the date first written above.

SELLER:

PURCHASER:


CITY OF HANFORD  
a Municipal Corporation

By: \_\_\_\_\_  
EDWARD MONROE HILL

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

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11-03-09 wpd

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-OBR)

By:   
EDWARD MONROE HILL

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

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Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-OBR)

**EXHIBIT A****PARCEL 1:**

The North 22-1/2 acres of the East 60 acres of the North half of the Northeast Quarter of Section 13, Township 19 South, Range 21 East, Mount Diablo Base and Meridian, EXCEPTING therefrom the East 2-1/2 acres thereof; and the South 37.5 acres of the East 60 acres of the North one half (N ½) of the Northeast one Quarter (NE 1/4) of Section Thirteen (13) Township Nineteen (19) South, Range Twenty one (21) East, M.D.B. & M. EXCEPTING THEREFROM the East 25.0 feet thereof, heretofore conveyed, declared and/or dedicated to County of Kings for road purposes.

APN: 018-242-007

**PARCEL 2:**

The North Half of the Southeast Quarter of the Northeast Quarter of Section 13, Township 19 South, Range 21 East, Mount Diablo Base and Meridian, in the County of Kings, State of California; EXCEPTING THEREFROM THE FOLLOWING PARCELS:

1. The North 45.5 feet thereof.
2. The West 50 feet thereof.
3. That portion conveyed to the County of Kings, by Deed recorded September 6, 1960 in Book 764, Official Records, Page 960, as Document No. 9601.
4. The North 330 feet of the East 330 feet thereof, as conveyed by Deed recorded March 11, 1965 in Book 869, Official Records, Page 487, as Document No. 3557 and by Deed recorded March 22, 1965 in Book 869, Official Records, page 995, as Document No. 4012.
5. That portion of the North Half of the Southeast Quarter of the Northeast Quarter of Section 13, Township 14 South, Range 21 East, Mount Diablo Base and Meridian, in the County of Kings, State of California, described as follows:

Beginning at the intersection of the West line of the property described in the Deed from Niebes Garcia, et ux, to the County of Kings, recorded September 6, 1960 in Book 764 at Page 960, Official Records of Kings County, with the Southerly line of the property described in the Deed to John B. Garcia, et ux, recorded March 22, 1965, in Book 869 at Page 995 Official Records of Kings and running thence Westerly, along the Southerly line and its Westerly extension of said last referred to Garcia property, 390 feet, to a point; thence Southerly, and parallel to the West line of the County of Kings Property herein above referenced

to, 280 feet, more or less, to a point 50 feet Northerly (along said line as Southerly extended) from the Southerly line of the North half of the Southeast Quarter of the Northeast Quarter of said Section; thence Easterly, parallel with said last referred to South line, 390 feet, more or less, to a point in the West line of the County of Kings property herein above referred to; thence Northerly, along said last referred to Kings County West property line, 280 feet, more or less, to the POINT OF BEGINNING.

APN: 018-242-013

PARCEL 3:

The Southwest Quarter of the Northeast Quarter, and the West 50 feet of the Southeast Quarter of the Northeast Quarter of Section 13, Township 19 South, Range 21 East, Mount Diablo Base and Meridian, EXCEPTING THEREFROM the interest in the North 12-1/2 feet of the East half of the Southwest Quarter of the Northeast Quarter and the North 12-1/2 feet of the West 50 feet of the Southeast Quarter of the Northeast Quarter of said Section 13, which was conveyed by A. G. Park by that certain Deed dated January 29, 1890, recorded in Book 39 at Page 263 of Deeds, Tulare County Records, which Deed recites "for roadway purposes";

TOGETHER with a right of way for road purposes over a strip of land described as follows: BEGINNING at a point 12-1/2 feet South and 50 feet East of the Northwest corner of the Southeast Quarter of the Northeast Quarter of said Section 13; running thence South 33 feet; thence East to the East line of said Section 13; thence North 33 feet; thence West to the POINT OF BEGINNING; EXCEPTING oil reservations in said property as reserved by A. S. Lemos and Belvina S. Lemos.

APN: 018-242-020

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

# EXHIBIT “B”

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-OBR)

Oct 10 06 09:36P

P. 1

**OPTION AGREEMENT FOR PURCHASE OF REAL PROPERTY**

THIS OPTION AGREEMENT ("Agreement") made and entered into this 29<sup>th</sup> day of August, 2006, by and between

Ed Hill, whose principal address is 3200 Boxley Valley Road, Franklin, TN 37064

Hereinafter referred to as "Seller" and

Great Valley Ethanol, LLC, a Delaware Limited Liability Corporation whose principal address is 305 Ahum Bay Court, Bakersfield, CA 93312,

Hereinafter referred to as "Purchaser" or "Buyer"

**WITNESSETH:**

WHEREAS, Seller has a fee simple interest in certain real property, hereafter referred to as "Property" being, lying and situated in the City of Hanford, County of Kings, State of California, and such property being more particularly described as follows:

Equivalent of approximately 110 acres. APNs 018-242-007, 018-242-020 and 018-242-013. Also described as the area east of the BNSF rail line, west of 10th Avenue, and south of Iona. The legal description and assessor's parcel map is included as Exhibit A to this agreement.

And, WHEREAS, Purchaser desires to procure an option to purchase the Property from Seller upon the terms and provisions as hereinafter set forth;

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the parties hereto and for the mutual covenants contained herein, Seller and Purchaser hereby agree as follows:

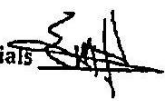
1. **DEFINITIONS.** For the purposes of this Agreement, the following terms shall have the following meanings:

(a) "Execution Date" shall mean the day upon which the last party to this Agreement shall duly execute this Agreement;

(b) "Option Fee" shall mean the total sum of a down payment of:

- (1) Ten-thousand Dollars (US) (\$10,000) per 3-month period during the "Initial Option Term",
- (2) Twelve-thousand five hundred Dollars (US) (\$12,500) per 3-month period during the "First Extension Term", or
- (3) Fifteen-thousand Dollars (US) (\$15,000) per 3-month period during the "Second Extension Term."

Seller Initials



Buyer Initials



Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

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Great Valley Ethanol - Hill Option Agreement  
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- (c) "Option Term" shall mean the period of time between execution of this agreement by buyer and seller and the "Closing Date." The option term includes the "Initial Option Term," "First Extension Term," and "Second Extension Term" as defined below.
- (d) "Initial Option Term" shall mean that period of time commencing on the Execution Date and ending on or before December 31, 2007; however, upon notice of extension by Purchaser, the Initial Option Term will be extended and the "First Extension Term" shall begin.
- (e) "First Extension Term" shall mean that period of time commencing at the end of the Initial Option Term and ending on or before December 31, 2008; however, upon notice of extension by Purchaser, the Option Term will be extended and the "Second Extension Term" will begin.
- (f) "Second Extension Term" shall mean that period of time commencing at the end of the First Extension Term and ending on or before December 31, 2009.
- (g) "Option Exercise Date" shall mean that date, within the Option Term, upon which the Purchaser shall send its written notice to Seller exercising its Option to Purchase;
- (h) "Closing Date" shall mean the last day of the closing term or such other date during the closing term selected by Purchaser.
2. **GRANT OF OPTION.** For and in consideration of the Option Fee payable to Seller as set forth herein, Seller does hereby grant to Purchaser the exclusive right and Option ("Option") to purchase the Property upon the terms and conditions as set forth herein.
3. **PAYMENT OF OPTION FEE.** Purchaser agrees to pay the Seller the Option Fee within 91 days of the Execution Date. Payment of Option Fee by Purchaser will continue throughout the option term and will be paid every 91 days thereafter. Buyer will pay Option Payments (the Initial Option Payments, the First Extension Option Payments and the Second Extension Option Payments, collectively, the "Option Fee" payments) to Seller until Buyer exercises the Option or the Option expires. The Option Payments made by Buyer during the Initial Option Term will be credited towards the Purchase Price.
4. **EXERCISE OF OPTION.** Purchaser may exercise its exclusive right to purchase the Property pursuant to the Option, at any time during the Option Term, by giving 60 days written notice thereof to Seller. As provided for above, the date of sending of said notice shall be the Option Exercise Date. In the event the Purchaser does not exercise its exclusive right to purchase the Property granted by

Seller Initials



Buyer Initials



Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

Oct 10 06 09:37p

P. 3

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the Option during the Option Term, Seller shall be entitled to retain the Option Fee, and this agreement shall become absolutely null and void and neither party hereto shall have any other liability, obligation or duty herein under or pursuant to this Agreement.

- 5. **PURCHASE PRICE ESCALATION.** If the Buyer exercises the Option after the end of the Initial Option Term, the Purchase Price of the Property to be paid by the Buyer at the time of closing of the purchase of the Property ("Closing") will be increased by the product of: I) the Purchase Price, multiplied by II) 0.020%, multiplied by III) the number of days elapsed between the last day of the Initial Option Term and the date of Closing (which product, for example, would equal 7.30% times the Purchase Price, if 365 days had so elapsed).
- 6. **COOPERATION.** Seller agrees to: (i) cooperate with Buyer during the Option Term; (ii) cooperate with Buyer during permitting and obtaining of local approvals; (iii) not publicly disparage the project or Buyer during the Option Term and at any time thereafter; (iv) provide Buyer with reasonable access to the Property during the Option Term for site condition assessment; (v) permit Buyer to assign the Option Agreement pursuant to customary assignment rights; (vi) permit Buyer to terminate the Option Agreement upon thirty (30) days notice to Seller; (vii) assist and cooperate with Buyer in Buyer's obtaining necessary water or water rights, easements and rights of way for rail, pipelines, and other necessary utility interconnections, and local zoning approvals, or other approvals reasonably required to develop the Property
- 7. **CONTRACT FOR PURCHASE & SALE OF REAL PROPERTY.** In the event that the Purchaser exercises its exclusive Option to purchase as provided for in this agreement, Seller agrees to sell and Purchaser agrees to buy the Property and both parties agree to execute a contract for such purchase and sale of the Property in accordance with the following terms and conditions. A separate contract for the purchase and sale of the Property will be executed and will incorporate the following terms in addition to, but not limited to, terms related to investigations by Purchaser, indemnity, title and vesting, contingencies, liquidated damages, dispute resolution, agency, escrow instructions, or other terms and conditions as desired by Seller, Purchaser, their agents, lenders, or shareholders.

(a) Purchase Price. The purchase price for the Property shall be as follows:

Two Million Seven Hundred Fifty Thousand Dollars (US) (\$2,750,000) for the properties to total +/- 110 acres in area (approximately \$25,000 per acre). Purchaser shall receive a credit toward such purchase price in the face value amount of the Option Fee paid during the Initial Option Term. In addition, after the Initial Option Term, the purchase price will be escalated as specified herein. The purchase price includes payment of all real estate commissions associated with this transaction, totaling 5% of the purchase price, to be paid by the Seller and split evenly between the Seller's and Buyer's agents.

Seller Initials

Buyer Initials

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

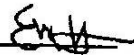
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P. 4.

Great Valley Ethanol - Hill Option Agreement  
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- (b) Closing Date. The closing date shall be any date during the Option Term as may be selected by Purchaser;
- (c) Closing Costs. Purchaser and Seller's costs of closing the Contract shall be borne by Purchaser, unless otherwise specified in this agreement;
- (d) Seller shall provide and pay for Owner's title insurance.
- (e) Seller shall pay current on a daily pro rata basis any Real Property taxes and assessments, Mollo-Roos and other special assessment district bonds.
- (f) Seller agrees to provide access at reasonable times and with notice to allow Purchaser or Purchaser's agents to conduct any investigations deemed necessary as a condition of funding loans, underwriting insurance or other actions as may be required to close Purchaser's purchase of the subject property.
- (g) The subject property may have active water production facilities on site that may serve other properties. To maintain water supply to other properties and at Buyer's sole discretion, Buyer will either: 1) fund removal and/or relocation of water collection lines, tanks, wells and appurtenant facilities as necessary to accommodate Buyer's use of the property and maintain supply to other properties, or 2) provide reasonable funds to Seller for permitting and installation of similar water production well and appurtenant facilities on Seller's other property located immediately east of the subject property, east of 10<sup>th</sup> avenue. However, at Purchaser's request, Seller will fund closure of any inactive wells located on the subject properties in accordance with applicable laws of the United States and/or the State of California.
- (h) Buyer understands based on representations from Seller's agent that the properties are currently used for agricultural production. In addition, Seller's agent represents and Seller agrees that the properties are currently leased for use in agricultural production and that the current lease will end prior to 12/31/2006. Buyer and seller agree that should the Buyer complete a purchase of the properties prior to 12/31/2006, the current lessee shall continue to have full use of the property as allowed under the current lease including any irrigation and harvesting necessary to remove the lessee's current crop until 12/31/2006. Buyer also understands that upon harvesting the current crop, the remaining agricultural residues will be tilled into the soil by the lessee. Buyer understands and Seller agrees that after 12/31/2006, agricultural operations on the properties will cease. In addition, Seller will take all actions necessary to ensure that no new crops will be planted under any lease agreement after the date of execution of this Option Agreement unless separately agreed to by Buyer in writing.

Seller Initials



Buyer Initials



Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

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Great Valley Ethanol – Hill Option Agreement  
Page 5 of 10

- (i) **Default by Purchaser; Remedies of Seller.** In the event Purchaser, after exercise of the Option, fails to proceed with the closing of the purchase of the Property pursuant to the terms and provisions as contained herein and/or under the Contract, Seller shall be entitled to retain the Option Fee paid as liquidated damages and shall have no further recourse against Purchaser;
- (j) **Default by Seller; Remedies of Purchaser.** In the event Seller fails to close the sale of the Property pursuant to the terms and provisions of this Agreement and/or under the Contract, Purchaser shall be entitled to either sue for specific performance of the option agreement or real estate purchase and sale contract or terminate such Contract and sue for money damages.
- (k) **Indemnity.** Seller shall indemnify and defend Purchaser against any actions taken by governmental or quasi-governmental agencies related to environmental conditions caused by or related to past use(s) of the Property.
- (l) **Tax deferred exchanges.** Buyer will participate in Seller's tax deferred exchange, if desired, at no cost to Buyer, provided that such exchange does not interfere with the Buyer's schedule for purchasing and developing the Property.
- (m) **Form of Purchase Agreement.** The Purchase Agreement will contain customary terms and conditions for a transaction of this nature. Specifically, without limitation, the Purchase Agreement will provide for the following: (i) Buyer will take possession of the Property after satisfaction of conditions precedent to the Closing, as set forth in the Purchase Agreement; and (ii) Seller will use its best efforts to cooperate in completing and executing all such documentation required by the Purchase Agreement.
- (n) Escrow holder shall be First American Title Company.
8. **SELLER DISCLOSURE.** Upon Seller' execution of this agreement, if Seller has actual knowledge, Seller shall disclose and provide to Purchaser in writing, the following information:
- (a) **Legal Proceedings:** any lawsuits by or against seller(s) individually or severally, threatening or affecting the property, including any lawsuits alleging a defect or deficiency in the property or any known notices of abatement or citations filed or issued against the property.
- (b) **Agricultural Use:** Whether the property is subject to restrictions for agricultural use pursuant to the Williamson Act.
- (c) **Deed Restrictions:** Any deed restrictions or obligations

Seller Initials                     Buyer Initials                     

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

Oct 10 08 09:37P

P. 6

Great Valley Ethanol – Hill Option Agreement  
Page 6 of 10

- (d) **Farm Rights:** Whether the Property is in, or adjacent to any area with Right to Farm rights (Civil Code 3482.5 and 3482.6)
  - (e) **Endangered Species:** Presence of endangered, threatened, "Candidate" Species, or wetlands on the property.
  - (f) **Environmental Hazards:** Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or groundwater on site or below ground.
  - (g) **Common Features:** Any features of the property shared in common with adjoining landowners or properties, such as walls, fences, roads, and wells, whose use and or maintenance may have an affect on the property.
  - (h) **Landlocked:** the absence of legal or physical access to the property
  - (i) **Easements/encroachments:** Any encroachments, easements, or similar matters that may affect the Property.
  - (j) **Soil Fill:** Any fill (compacted or otherwise), or abandoned oil or mining operations on the property.
  - (k) **Soil Problems:** any slippage, sliding, flooding, drainage, grading or other soil problems.
  - (l) **Earthquake damage:** major damage to the property or any structure from fire, earthquake, floods, or landslides.
  - (m) **Zoning issues:** Any zoning violations, non-conforming uses, or violations of zoning or building codes.
  - (n) **Other:** Any other conditions that may impede or prohibit developing of the Properties for the intended use by the Buyer.
9. **CONFIDENTIALITY.** Seller and Buyer and their respective agents will maintain the strict confidentiality of the terms of this Option Agreement, and the Purchase Agreement, the substance of any materials exchanged by Buyer and Seller and the substance of any information obtained by either party in connection with this transaction.
10. **MISCELLANEOUS.**

Seller Initials

Buyer Initials

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

Oct 10 06 09:38p

P. 7

Great Valley Ethanol - Hill Option Agreement  
Page 7 of 10

- (a) Execution by Both Parties. This Agreement shall not become effective and binding until fully executed by both Purchaser and Seller.
- (b) Notice. All notices, demands and/or consents provided for in this Agreement shall be in writing and shall be delivered to the parties hereto by hand or by United States Mail with postage pre-paid. Such notices shall be deemed to have been served on the date mailed, postage pre-paid. All such notices and communications shall be addressed to the Seller at:

Mr. Ed Hill  
3200 Boxley Valley Road,  
Franklin, TN 37064

and to Purchaser at:

Great Valley Ethanol  
305 Alum Bay Court  
Bakersfield, CA 93312

or at such other address as either may specify to the other in writing.

- (c) Fee Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- (d) Successors and Assigns. This Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against the parties hereto and their respective heirs, successors, and or assigns, to the extent as if specified at length throughout this Agreement.
- (e) Time. Time is of the essence of this Agreement.
- (f) Headings. The headings inserted at the beginning of each paragraph and/or subparagraph are for convenience of reference only and shall not limit or otherwise affect or be used in the construction of any terms or provisions hereof.
- (g) Cost of this Agreement. Any cost and/or fees incurred by the Purchaser or Seller in executing this Agreement shall be borne by the respective party incurring such cost and/or fee.
- (h) Agency. Seller and Purchaser hereby acknowledge disclosure that Brian M. Pellens and Jojack Property Management, Inc. d/b/a DB Realty are licensed to conduct Real Estate Brokerage activities in the State of California under regulations of the Department of Real Estate. Brian M. Pellens and/or Jojack Property Management, Inc. may each severally and jointly become parties to this transaction either directly or indirectly, now or in the future.

Seller Initials

EH

Buyer Initials

PEA

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

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P. 8.

Great Valley Ethanol - Hill Option Agreement  
Page 8 of 10

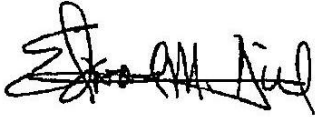
Additionally, Brian M. Pellens, Jojack Property Management, Inc., DB Realty, do not represent Seller's interests in this transaction due to inherent conflicts of interest which cannot be resolved. Seller and Purchaser hereby agree to hold harmless Brian M. Pellens, Jojack Property Management, Inc and DB Realty any damages directly or indirectly arising out of or in any way related to this agreement, and any future property transaction that may occur. All parties agree that this release continues beyond expiration of this agreement and extends to any and all parties which may have an interest in this transaction or future transactions after the date of execution.

- (i) Entire Agreement. This Agreement contains all of the terms, promises, covenants, conditions and representations made or entered into by or between Seller and Purchaser and supersedes all prior discussions and agreements whether written or oral between Seller and Purchaser with respect to the Option and all other matters contained herein and constitutes the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and executed by both Seller and Purchaser with the formalities hereof.

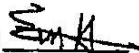
SIGNATURE

PAGE

FOLLOWS



Seller Initials



Buyer Initials



Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-OBR)

Oct 10 06 09:38P


P. 9

Great Valley Ethanol - Hill Option Agreement  
Page 9 of 10

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under proper authority:


As to Purchaser this 22<sup>nd</sup> day of August, 2006. Witnesses:

"Purchaser"

  
D. Edward Settle  
President  
Great Valley Ethanol, LLC

As to Seller this 22 day of August, 2006 Witnesses:

"Seller"

  
Mr. Ed Hill  
3200 Boxley Valley Road,  
Franklin, TN 37064

AGENT CONFIDENTIALITY


Seller's and Buyer's agents will maintain the strict confidentiality of the terms of this Option Agreement, and the Purchase Agreement, the substance of any materials exchanged by Buyer and Seller and the substance of any information obtained by either party in connection with this transaction. Seller's and Buyer's agents are not parties to this agreement, but agree to be bound by the confidentiality provisions contained herein.

Buyer's Agent

  
DB Realty/Brian Pellens

Seller's Agent

  
Don Barnett

Seller Initials 

Buyer Initials 

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

Oct 10 06 09:39p

P. 10

Great Valley Ethanol – Hill Option Agreement  
Page 10 of 10

Exhibit A

Legal description and assessor's parcel map

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-OBR)

Seller Initials *[Handwritten Signature]*

Buyer Initials *[Handwritten Signature]*

Oct 10 06 08:39p

P. 11

187-21

9324105

Order No.  
Entry No.  
Loan No.

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:  
Edward Hanson Hill  
13351 10th Avenue  
Manford, CA 93230

RECORDED AT  
SAN JOSE, CALIFORNIA  
DEC 30 1993  
CHALLENGE

MAIL TAX STATEMENTS TO:  
same as above

EXCESSIVE THE LAW FOR RECORDERS USE

DECLARATORY TRANSFER TAX 8. - 2 - Under Family  
Computed on the consideration or value of property conveyed, OR  
Computed on the consideration or value for that of consideration  
used if it is less than that of the consideration used for that of the transferor.

**GRANT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
RUSSELL V. HILL and EVELYN HILL, husband and wife

have GRANTED to  
EDWARD HANSON HILL, a married man, as his sole and separate property

the real property in the City of  
County of EDGOS  
State of California, described as  
per attached EXHIBIT "A"

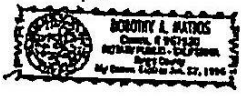
APN 021-242-013

Dated December 15, 1993  
STATE OF CALIFORNIA  
COUNTY OF EDGOS  
On Dec 17 1993  
personally appeared Russell V. Hill  
Evelyn Hill

Notary Public  
[Signature]  
My Comm. Expires Jan 27, 1996

MAIL TAX STATEMENTS AS DIRECTED ABOVE

[Signature]  
RUSSELL V. HILL  
[Signature]  
EVELYN HILL



Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-OBR)

Oct 10 06 09:39p

P. 12

9324105 2

EXHIBIT "A"

The North Half of the Southwest Quarter of the Northeast Quarter of Section 17, Township 33 South, Range 21 East, Mount Diablo Meridian, in the County of Kings, State of California; DESCRIBED HEREON THE FOLLOWING PARCELS;

1. The North 66.6 feet thereof.
2. The West 50 feet thereof.
3. That portion conveyed to the County of Kings, by deed recorded September 6, 1968 in book 164, Official Records, Page 888, as Document No. 9241.
4. The North 330 feet of the East 330 feet thereof, as conveyed by deed recorded March 11, 1957 in book 85, Official Records, Page 481, as Document No. 3157 and by deed recorded March 11, 1941 in book 55, Official Records, page 471, as Document No. 4811.
5. That portion of the North Half of the Southeast Quarter of the Southwest Quarter of Section 17, Township 33 South, Range 21 East, Mount Diablo Meridian, in the County of Kings, State of California, described as follows: Beginning at the intersection of the West line of the property described in the deed from Richard Garcia, et al, to the County of Kings, recorded September 6, 1968 in book 164, Official Records of Kings County, with the southerly line of the property described in the deed to John H. Garcia, et al, recorded March 11, 1957, in book 85 of said Official Records of Kings County and running thence westerly, along the southerly line and 180 feet, more or less, to a point, thence southerly, and parallel to the west line of the County of Kings property herein above referenced to, 330 feet, more or less, to a point 18 feet westerly along said line 330 feet, more or less, from the southerly line of the North Half of the Southwest Quarter of the Northeast Quarter of said Section; thence westerly, parallel with said last referred to south line, 330 feet, more or less, to a point in the West line of the County of Kings property herein above referred to; thence northerly, along said last referred to Kings County West property line, 180 feet, more or less, to the point of beginning.

END OF DOCUMENT

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

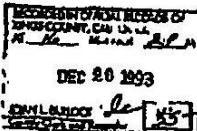
Oct 10 06 09:39p

P. 13

13-19-21

9324106

Order No.  
Entry No.  
Loan No.  
RECORDING REQUESTED BY and  
WHEN RECORDED MAIL TO:  
Edwards Moore Hill  
13351 19th Avenue  
Marford, CA 91230



MAIL TAX STATEMENTS TO:  
same as above

POST APPLY THIS SIDE FOR PROPERTY TAX  
DOCUMENTARY TRANSFER TAX 2-2-1/2 (Joint-Entity)  
Prepared on the execution or date of property transfer, OR  
Delivered on the publication of notice of sale or foreclosure  
whichever is later of the above dates.

**GRANT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
RUSSELL V. HILL and EVELYN HILL, husband and wife

havey GRANTED to  
EDWARD MOORE HILL, a married man, as his sole and separate property,

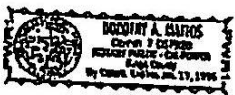
the real property in the City of  
County of KINGS State of California, described as

The Southwest Quarter of the Northwest Quarter, and the West 50 feet of the  
Southeast Quarter of the Northwest Quarter of Section 13, Township 19 South,  
Range 21 East, Mount Diablo Base and Meridian, EXCEPTING THEREFROM the interest  
in the North 12-1/2 feet of the East half of the Southwest Quarter of the  
Northwest Quarter and the North 12-1/2 feet of the West 50 feet of the Southwest  
Quarter of the Northwest Quarter of said Section 13, which was conveyed by  
A. S. Park by trust herein Deed dated January 29, 1990, recorded in Book 39  
of Page 253 of Deeds, Tulare County Records, which Deed recites "for roadway  
purposes";  
TOGETHER with a right of way for road purposes over a strip of land described  
as follows: BEGINNING at a point 12-1/2 feet South and 50 feet East of the  
Northwest corner of the Southwest Quarter of the Northwest Quarter of said  
Section 13; running thence South 33 feet; thence East to the West line of said  
Section 13; thence North 33 feet; thence West to the POINT OF BEGINNING;  
EXCEPTING all reservations in said property as reserved by A. S. Lemon and  
Belvina S. Lemons.

APN 018-242-020

Dated December 12, 1993  
STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_  
on Dec. 12, 1993  
personally appeared Russell V. Hill  
and Evelyn Hill

*Russell V. Hill*  
RUSSELL V. HILL  
*Evelyn Hill*  
EVELYN HILL



Witnessed by me, County Clerk, and  
Signed *Douglas A. Saaths*  
County Clerk

File this form for official records and

MAIL TAX STATEMENTS AS DIRECTED ABOVE  
END OF DOCUMENT

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-OBR)

Oct 10 06 09:40P

P.14

AUG 16, 2006 15:47 Don Barnett

559-562-7221

Page 1

ANSEL - FOR Ed Hill  
THANKS

9407327

DATE NO.  
SERIAL NO.  
LAPSE NO.

RECORDING REQUESTED BY  
WITH RECORDED MAIL TO:

Edward Hill  
1351 10th Avenue  
Hanford, CA 93230

APR 08 1994

JOAN BLOCH  
County Clerk

MAIL STATEMENTS TO:  
same as above

MAIL STATEMENTS TO:  
SOCIAL SECURITY NUMBER TAX N. - R. SPIDER-CHILL  
- Deleted on the termination of interest property conveyed OR  
- Deleted on the termination of interest in the property  
- Deleted on the termination of interest in the property

Correctory GRANT DEED

FOR A VALUABLE CONSIDERATION, much of which is hereby acknowledged.

EDWARD HILL (also RUSSELL V. HILL) and EVELYN HILL, husband and wife

have GRANTED to

EDWARD HENRIK HILL, a married man, as his sole and separate property

the real property in the City of Kings County of Kings State of California, described as

The North 2 1/2 acres of the East 60 acres of the North half of the Northwest Quarter of Section 13, Township 19 South, Range 11 East, Mount Diablo Base and Meridian, EXCEPTING therefrom the East 2 1/2 acres thereof and the South 37.5 acres of the East 60 acres of the North one half (1/2) of the Northwest one quarter (1/4) of Section Thirtynine (39) Township Nineteen (19) South, Range Twenty one (21) East, N.S.E. & M. EXCEPTING therefrom the East 2 1/2 acres thereof, heretofore conveyed, declared and/or dedicated to convey of Easement for road purposes.

BNV 016-247-807

Dated: March 18, 1994  
STATE OF CALIFORNIA  
COUNTY OF Kings  
on March 18, 1994  
personally appeared Russell V. Hill

*Russell V. Hill*  
RUSSELL V. HILL  
EVELYN HILL

Witness my hand and seal of the County of Kings, California, this 18th day of March, 1994.

JOSEPH A. BAUER  
COUNTY CLERK  
KINGS COUNTY, CALIFORNIA  
My Comm. Expires 12/31/94  
Joseph A. Bauer  
18th day of March 1994

MAIL TAX STATEMENTS AS DIRECTED ABOVE  
END OF DOCUMENT

Description: Kings, CA Document-Year.DocID 1894.7327 Page: 1 of 1  
Order: 1 Comment:

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-OBR)

FROM : HILLHITMAKER

FRX NO. : 5916638

May. 01 2009 05:35PM P1

**ADDENDUM TO OPTION AGREEMENT  
FOR PURCHASE OF REAL PROPERTY**

THIS ADDENDUM ("Addendum") entered into this 1 day of May, 2009 and is in addition to the OPTION AGREEMENT ("Agreement") made and entered into on the 26th day of August, 2006, by and between

Ed Hill, whose principal address is 3200 Boxley Valley Road, Franklin, TN 37064

Hereinafter referred to as "Seller" and

Great Valley Ethanol, LLC, a Delaware Limited Liability Corporation whose principal address is 15102 Henderson Avenue, Bakerfield, CA 93314,

Hereinafter referred to as "Purchaser" or "Buyer"

The terms of this addendum provide terms whereby the Buyer's option to purchase the Property described below is extended and amends certain other terms. Where terms are in conflict, the terms of this Addendum shall govern.

**WITNESSETH:**

WHEREAS, Seller has a fee simple interest in certain real property, hereafter referred to as "Property" being, lying and situated in the City of Hanford, County of Kings, State of California, and such property being more particularly described as follows:

Equivalent of approximately 110 acres. APNs 018-242-007, 018-242-020 and 018-242-013. Also described as the area east of the BNSF rail line, west of 10th Avenue, and south of Iona.

And, WHEREAS, Purchaser and Seller have entered into an Option Agreement for Purchase of Real Property ("Option Agreement") dated August 26th, 2006;

And WHEREAS, Purchaser and Seller wish to modify the Option Agreement to accommodate land use permitting and annexation delays as well as national and industry-wide economic difficulties, for the mutual benefit of Purchaser and Seller;

And WHEREAS, Purchaser and Seller wish to re-affirm their mutual desire to develop the Property to include an ethanol production facility;

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the parties hereto and for the mutual covenants contained herein, Seller and Purchaser hereby agree as follows:

1. **DEFINITIONS.** For the purposes of this Addendum, the following terms shall have the following meanings:

Seller Initials EH

Buyer Initials GV

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-OBR)

00702/2009 11.14 FAX

002/004

FROM HILLHITMAKER

FAX NO. 15916239

May. 01 2009 05:36PM P2

Great Valley Ethanol -- Hill Option Agreement  
Page 2 of 4

- (a) "Execution Date" shall mean the day upon which the last party to this Addendum shall duly execute this Addendum;
  - (b) "Option Term" shall mean the period of time between execution of the Option Agreement by Buyer and Seller and the "Closing Date." The option term includes the "Initial Option Term," "First Extension Term", "Second Extension Term" and "Third Extension Term" as defined below.
  - (c) "Third Extension Term" shall mean that period of time commencing at the end of the Second Extension Term and ending on or before December 31, 2010.
  - (d) "Option Exercise Date" shall mean that date, within the Option Term, upon which the Purchaser shall send its written notice to Seller exercising its Option to Purchase under conditions of Buyer purchase as defined in the Option agreement and below in Paragraph 3 of the Addendum;
  - (e) "Closing Date" shall mean the last day of the closing term or such other date during the closing term selected by Purchaser.
2. **PAYMENT OF OPTION FEE.** The parties recognize that option fee payments have been made throughout the initial, first extension and second extension periods. In lieu of applying these option fees toward the purchase price, the parties agree that option payments made through the date of this Addendum will not apply toward the final purchase. For the remainder of payments due under the Second Extension Term (third and fourth quarters, 2009) and the Third Extension Term beginning January 1, 2010 and ending December 31, 2010, the Option Fee shall be \$6,000 per quarter. Any land lease and payments collected from a land lease shall be negotiated and paid directly between the seller and lessee. The land lease payments have no effect on Option payments due under this extension.
- The Buyer shall forward to Seller the Option Payments for the third and fourth quarters of the Second Extension Term as soon as practicable, but in no case later than September 30, 2009. This schedule is contemplated between the Parties to allow the Buyer to conduct additional fundraising activities. The option payments for the Third Extension Term shall be paid by the first day of the second month of each calendar quarter.
3. **EXERCISE OF OPTION.** In the event that Buyer exercises its option to purchase prior to harvesting of crops planted under a land lease, Buyer shall compensate the lessee of the land for the fair market value of the crops currently planted and which may not be maintained and harvested. The fair market value of the crop planted shall be determined as the land lessee's actual costs (including but not limited to pro-rated lease cost, seed, water, labor, and equipment rental) plus a profit allowance of \$100 per acre planted. At Buyer's discretion, in lieu of

Seller Initials

Purchaser Initials

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

FROM : HILLHITMAKER

FAX NO. : 5916838

May. 01 2009 05:38PM P1

Great Valley Ethanol - Hill Option Agreement  
Page 3 of 4

compensating the land lessee for the crop, the Buyer may allow the current crop to be maintained and harvested by the land lessee.

- 4. **PURCHASE PRICE.** The purchase price of the property shall be Two Million Two Hundred Thousand Dollars (\$US 2,200,000.00). Option payments made to date and option payments made under this extension do not offset or count toward the purchase price.
- 5. **CONFIDENTIALITY.** Seller and Buyer and their respective agents will maintain the strict confidentiality of the terms of the Option Agreement, Addendum, and the Purchase Agreement, the substance of any materials exchanged by Buyer and Seller and the substance of any information obtained by either party in connection with this transaction.
- 6. **MISCELLANEOUS.**
  - (a) **Execution by Both Parties.** This Amendment shall not become effective and binding until fully executed by both Purchaser and Seller.
  - (b) **Notice.** All notices, demands and/or consents provided for in this Addendum shall be in writing and shall be delivered to the parties hereto by hand or by United States Mail with postage pre-paid. Such notices shall be deemed to have been served on the date mailed, postage pre-paid. All such notices and communications shall be addressed to the Seller at:

Mr. Ed Hill  
3200 Beckley Valley Road,  
Franklin, TN 37064

and to Purchaser at:

Great Valley Ethanol  
15102 Henderson Ave.  
Bakersfield, CA 93314

or at such other address as either may specify to the other in writing.

- (c) **Cost of this Agreement.** Any cost and/or fees incurred by the Purchaser or Seller in executing this Agreement shall be borne by the respective party incurring such cost and/or fee.
- (d) **Agency.** Seller and Purchaser hereby acknowledge disclosure that Brian M. Pellens and Jojack Property Management, Inc. d/b/a DB Realty are licensed to conduct Real Estate Brokerage activities in the State of California under regulations of the Department of Real Estate. Brian M. Pellens and/or Jojack Property Management, Inc. may each severally and jointly become parties to

Seller Initials 

Purchaser Initials 

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

FROM : HILLHITMAKER

FAX NO. : 5915538

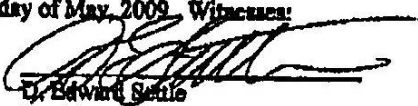
May 01 2009 03:35PM P2

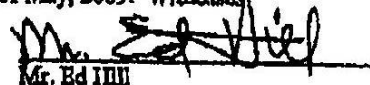
Great Valley Ethanol - Hill Option Agreement  
Page 4 of 4

this transaction either directly or indirectly, now or in the future. Additionally, Brian M. Pellens, Jojack Property Management, Inc., DB Realty, do not represent Seller's interests in this transaction due to inherent conflicts of interest which cannot be resolved. Seller and Purchaser hereby agree to hold harmless Brian M. Pellens, Jojack Property Management, Inc and DB Realty any damages directly or indirectly arising out of or in any way related to this agreement, and any future property transaction that may occur. All parties agree that this release continues beyond expiration of this agreement and extends to any and all parties which may have an interest in this transaction or future transactions after the date of execution.

(e) Entire Agreement. This Amendment along with the Option agreement dated August 26, 2006 contains all of the terms, promises, covenants, conditions and representations made or entered into by or between Seller and Purchaser and supersedes all prior discussions and agreements whether written or oral between Seller and Purchaser with respect to the Option, the Amendment and all other matters constitutes the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and executed by both Seller and Purchaser with the formalities hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed under proper authority:

As to Purchaser this 1 day of May, 2009. Witnesses:  
"Purchaser"  
  
D. Edward Settle  
President  
Great Valley Ethanol, LLC

As to Seller this 1 day of May, 2009. Witnesses:  
"Seller"  
  
Mr. Ed Hill  
3200 Boxley Valley Road,  
Franklin, TN 37064

Seller Initials EMH Purchaser Initials \_\_\_\_\_

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

# EXHIBIT “C”

Assignment And Assumption Agreement

\*\*\*\*\*

This Assignment and Assumption Agreement ("Assumption Agreement") is entered into this 10<sup>th</sup> day of DECEMBER, 2009 by and among THE CITY OF HANFORD, a municipal corporation ("the City"), the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD ("RDA"), and EDWARD MONROE HILL ("Hill").

**RECITALS**

WHEREAS, Hill owns approximately one hundred ten (110) acres of land in the County of Kings, State of California ("the Property");

WHEREAS, the City and Hill have entered into a Purchase and Sale Agreement ("PSA") for the Property, under which Hill agreed to sell the Property to the City and the City agreed to purchase the Property from Hill;

WHEREAS, the City desires to assign to the RDA all of the City's rights, duties and obligations under the PSA;

WHEREAS, the RDA desires to assume all of the City's rights, duties, and obligations under the PSA; and

WHEREAS, Section 19 of the PSA allows the City to assign its rights, duties, and obligations under the PSA to any party of its choosing.

NOW, THEREFORE, the undersigned hereby agree as follows:

**Section 1. Assignment and Assumption of PSA.**

- (a) The City hereby assigns to the RDA, and the RDA hereby fully and unconditionally accepts and assumes, all of the rights, duties and obligations of the City in and under the PSA.
- (b) Hill hereby acknowledges the City's assignment of its rights, duties, and obligations under the PSA to the RDA.
- (c) The undersigned acknowledge that, upon the execution of this document, the RDA shall be, for purposes of the PSA, the party purchasing the Property and that the City will have no further rights, duties, or obligations under the PSA.

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

- (d) With the exception of the identity of the purchasing party, the undersigned do not intend to modify or amend the PSA and all other terms and conditions contained therein, as previously amended, shall remain in full force and effect.

**Section 2. Miscellaneous Provisions**

- (a) This Assumption Agreement may be executed in one or more duplicate counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- (b) This Assumption Agreement shall be governed exclusively by and construed in accordance with the laws of the State of California. The undersigned agree that the venue for any legal action to interpret or enforce this Agreement shall be the Superior Court for the County of Kings, State of California, if in state court, or the United States District Court, Eastern District of California, if in federal court.
- (c) In the event any party commences a legal action to interpret or enforce this Assumption Agreement, the party prevailing in such litigation shall be entitled to its attorneys' fees and costs, which shall be paid by the non-prevailing party.
- (d) No change, amendment, or modification of this Assumption Agreement shall be valid unless the same shall be in writing and signed by the parties hereto.

IN WITNESS THEREOF, this Assumption Agreement has been executed by the parties hereto as of the day and year first hereinabove written.

CITY

THE CITY OF HANFORD,  
a municipal corporation

By: *Dan Chin*  
DAN CHIN  
Mayor

RDA

COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF HANFORD

By: *Dan Chin*  
DAN CHIN  
President

HILL

\_\_\_\_\_  
EDWARD MONROE HILL

C:\Users\Ty\Documents\Wizote\Hanford, City of\Community Development\Purchase from Ed Hill\Assignment Agreement - Purchase and Sale Agreement.wpd

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

- (d) With the exception of the identity of the purchasing party, the undersigned do not intend to modify or amend the PSA and all other terms and conditions contained therein, as previously amended, shall remain in full force and effect.

**Section 2. Miscellaneous Provisions**

- (a) This Assumption Agreement may be executed in one or more duplicate counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- (b) This Assumption Agreement shall be governed exclusively by and construed in accordance with the laws of the State of California. The undersigned agree that the venue for any legal action to interpret or enforce this Agreement shall be the Superior Court for the County of Kings, State of California, if in state court, or the United States District Court, Eastern District of California, if in federal court.
- (c) In the event either party commences a legal action to interpret or enforce this Assumption Agreement, the party prevailing in such litigation shall be entitled to its attorneys' fees and costs, which shall be paid by the non-prevailing party.
- (d) No change, amendment, or modification of this Assumption Agreement shall be valid unless the same shall be in writing and signed by the parties hereto.

IN WITNESS THEREOF, this Assumption Agreement has been executed by the parties hereto as of the day and year first hereinabove written.

CITY

THE CITY OF HANFORD,  
a municipal corporation

RDA

COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF HANFORD

By: \_\_\_\_\_  
DAN CHIN  
Mayor

By: \_\_\_\_\_  
DAN CHIN  
President

HILL

  
EDWARD MONROE HILL

C:\Users\Ty\Documents\Misc\Hanford, City of\Community Development\Purchase from Ed Hill\Assignment Agreement - Purchase and Sale Agreement.wpd

Attachment: EXHIBIT B (1804 : ADOPT RES 17-04-0BR)

Exhibit "B-1"



# Chicago Title Company

1460 West Seventh Street, #102, Hanford, CA 93230  
559 584-3381 • FAX 559 584-2978

**DATE:** December 17, 2009  
**ESCROW NO.:** 09-41004547-MMS  
**LOCATE NO.:** CACTI7754-7754-4410-0041004547  
**ESCROW OFFICER:** Metta Spiller

**TIME:** 9:27 AM

**CLOSING DATE:** December 16, 2009

## BUYER FINAL CLOSING STATEMENT

**SELLER:** Edward Monroe Hill  
**BUYER:** Community Redevelopment Agency Of The City Of Hanford  
**PROPERTY:** APN's: 018-242-007, 013 & 020, Hanford, CA 93230

	\$ DEBITS	\$ CREDITS
<b>FINANCIAL:</b>		
Total Consideration	1,650,000.00	
Deposit - City of Hanford		10,000.00
Deposit - City of Hanford Finance Department		822,469.73
New 1st Trust Deed to Kings County Economic Development Corporation, a California Non-Profit Public Benefit corporation		825,000.00
<b>TITLE CHARGES:</b>		
01-O-CLTA Standard - 1990 for \$1,650,000.00	3,957.50	
01-L-CLTA Standard - 1990 for \$825,000.00	727.88	
<b>ESCROW CHARGES:</b>		
Escrow Fee to Chicago Title	2,350.00	
Draw Deed	50.00	
Overnight Delivery Fee	22.90	
<hr/>		
BUYERS REFUND	\$361.45	
<b>TOTALS</b>	<b>\$1,657,469.73</b>	<b>\$1,657,469.73</b>

**SAVE THIS STATEMENT FOR INCOME TAX PURPOSES**

Attachment: EXHIBIT B-1 (1804 : ADOPT RES 17-04-0BR)

Exhibit "C"

06/30/05

CITY OF HANFORD

PAGE 12

ACCOUNTING PERIODS: 1-13/99

PERIOD EXPENDITURE AUDIT TRAIL

SELECTION CRITERIA: expledgr.fund='502'

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
 DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C ENCUMBR	REFERENCE VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	BALANCE
897858	PY-IND PRK SWR PRETREATMT		.00	.00	.00	BEGINNING BALANCE	
10/27/98	11		.00			FY99 APPROPRIATIONS	
10/30/98	21	3194 20200-CAROLLO ENGINEERS		2,159.50	.00	PRETREAT PMT #10	
TOTAL	PY-IND PRK SWR PRETREATMT		.00	2,159.50	.00		-2,159.50
899632	INDUSTRIAL PRK-LAND SURVY		.00	.00	.00	BEGINNING BALANCE	
06/29/98	11		1,000.00			FY99 APPROPRIATIONS	
TOTAL	INDUSTRIAL PRK-LAND SURVY		1,000.00	.00	.00		1,000.00
899633	INDUSTRIAL PRK-DVLPR IMPR		.00	.00	.00	BEGINNING BALANCE	
06/29/98	11		75,000.00			FY99 APPROPRIATIONS	
05/13/99	21	6366 00000081-FIRST AMERICAN TIT		10,000.00	.00	FIRST AMER TITL-PIRELLI	
06/17/99	21	7018 T0000316-CITY OF HANFORD-B		21,140.71	.00	HFD BLDG-NORWESCO PHASE I	
08/26/99	17 99CIPE	99-CIP ENCUMBRANCES			25,640.00	ENC CONTRACT BALANCES	
TOTAL	INDUSTRIAL PRK-DVLPR IMPR		75,000.00	31,140.71	25,640.00		18,219.29
899671	IND PRK INFRST GRANT APPL		.00	.00	.00	BEGINNING BALANCE	
07/31/98	11		30,000.00			COUNCIL BUD AMEND 7/7/98	
TOTAL	IND PRK INFRST GRANT APPL		30,000.00	.00	.00		30,000.00
TOTAL	RDA GEN CAP-INDUSTRL PRK		106,000.00	33,300.21	25,640.00		47,059.79
TOTAL	RDA GEN FUND-INDUSTRL PRK		363,470.44	282,560.37	28,849.53		52,060.54
TOTAL REPORT			363,470.44	282,560.37	28,849.53		52,060.54

Attachment: EXHIBIT C (1804 : ADOPT RES 17-04-0BR)

RUN DATE 02/27/12 TIME 07:31:19

PEI

- FUND ACCOUNTANT

06/30/05

CITY OF HANFORD

PAGE 14

ACCOUNTING PERIODS: 1-13/00

PERIOD EXPENDITURE AUDIT TRAIL

SELECTION CRITERIA: expledgr.fund between '502' and '505'

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
 DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBR	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	BALANCE
800669				11TH AV-WD E/SD IONA-INDU CONT'D					
06/30/00	19		527			253.98		CA-ENGR PP6-13 FY00	
06/30/00	19		528			943.28		C/A-ENGR OH FY2000	
TOTAL				11TH AV-WD E/SD IONA-INDU	238,390.00	216,500.26	.00		21,889.74
800670				INDUSTRIAL PARK EXPANSION	.00	.00	.00	BEGINNING BALANCE	
07/06/99	11				2,312,510.00			POSTED FROM BUDGET SYSTEM	
07/19/99	17	001097-01		50600-KLEINFELDER INC			5,875.00	ENV ASSMNT-PIRELLI PROPER	
07/30/99	21		7716	50600-KLEINFELDER INC		2,800.00		PREPARE PHASE I-PIRELLI	
08/31/99	21	001097-01	8307	50600-KLEINFELDER INC		5,875.00	-5,875.00	ENV ASSMNT-PIRELLI PROPER	
08/31/99	21		8399	77820-PROVOST & PRITCHA		2.32		INDUSTRIAL PARK/PIRELLI	
11/30/99	19		148			26.57		PROJ CHRGS-ENG PP#14-24	
03/31/00	19		349			388.35		PROJ CHRGS-ENG PP25-05	
05/04/00	21		12498	00000081-FIRST AMERICAN TI		391,000.00		PIRELLI LAND PUR-100 AC	
05/15/00	24					-434.59		CASH RECEIPTS INTERFACE	
05/31/00	19		457			434.59		RECLS 5/15 DEP TO 4400	
05/31/00	19		457			-391,000.00		RECLS EXP TO ASSET	
06/30/00	21		13581	63730-QUAD KNOPF, INC		2,815.00		FYT #1 5/1-5/31/00	
06/30/00	19		527			211.74		CA-ENGR PP6-13 FY00	
06/30/00	19		544			5.00		PW COPY 1/1/00-6/30/00	
06/30/00	19		528			146.89		C/A-ENGR OH FY2000	
07/28/00	21		14114	63730-QUAD KNOPF, INC		8,462.70		DESIGN SVC #1 6/1-6/30/00	
08/25/00	17	00CIPE*		00-CIP ENCUMBRANCES			2,291,780.00	ENC CONTRACT BALANCES	
TOTAL				INDUSTRIAL PARK EXPANSION	2,312,510.00	20,733.57	2,291,780.00		-3.57
899633				INDUSTRIAL PRK-DVLPR IMPR	.00	.00	.00	BEGINNING BALANCE	
07/06/99	11				.00			POSTED FROM BUDGET SYSTEM	
08/12/99	21		7845	00000370-NORWESCO		1,557.56		NORWESCO-BLD PRM FEES 8/13	
08/13/99	20		7845	00000370-NORWESCO		-1,557.56		NORWESCO-BLD PRM FEES 8/13	
08/13/99	21		7935	T0000316-CITY OF HANFORD B		1,557.56		NORWESCO PHASE I 8/13/99	
08/26/99	17	99CIPE		99-CIP ENCUMBRANCES			25,640.00	ENCUMB CARRIED FORWARD	
08/26/99	11				25,640.00			PRIOR YEAR ENCUMBRANCE	
08/27/99	18	99CIPE		99-CIP ENCUMBRANCES			-25,640.00	ENC CONTRACT BALANCES	
08/27/99	18	99CIPE		99-CIP ENCUMBRANCES				ENC CONTRACT BALANCES	
TOTAL				INDUSTRIAL PRK-DVLPR IMPR	25,640.00	1,557.56	.00		24,082.44
TOTAL				RDA GEN CAP-INDUSTRL PRK	2,682,540.00	239,339.81	2,291,780.00		151,420.19
TOTAL				RDA GEN FUND-INDUSTRL PRK	2,917,009.53	480,447.85	2,291,780.00		144,781.68

Attachment: EXHIBIT C (1804 : ADOPT RES 17-04-0BR)

RUN DATE 02/27/12 TIME 07:33:53

PEI

- FUND ACCOUNTANT

06/30/05

CITY OF HANFORD

PAGE 13

ACCOUNTING PERIODS: 1-13/02

PERIOD EXPENDITURE AUDIT TRAIL

SELECTION CRITERIA: expldgr.fund between '502' and '505'

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
 DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C ENCUMBR	REFERENCE VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	BALANCE
800670	INDUSTRIAL PARK EXPANSION CONT'D						
06/30/02	19	598		772.03		02 ENGR CA TO CIP PP4-13	
06/30/02	19	599		2,602.81		02 ENGR OH TO CP PPI-13	
TOTAL	INDUSTRIAL PARK EXPANSION		2,414,910.00	1,673,424.02	.00		741,485.98
801657	RDA PLAN AMENDMENT #5		.00	.00	.00	BEGINNING BALANCE	
07/01/01	17 01CIPE	01-CIP ENCUMBRANCES			21,380.00	ENCUMB CARRIED FORWARD	
07/01/01	18 01CIPE	01-CIP ENCUMBRANCES			-21,380.00	LIQ PY CONTRACT ENC	
07/01/01	11		21,380.00			PRIOR YEAR ENCUMBRANCE	
07/01/01	18 01CIPE	01-CIP ENCUMBRANCES			.00	LIQ PY CONTRACT ENC	
07/24/01	11		.00			SET UP 01 CIP ENC ACCTS	
08/03/01	21	21941 53541-BARBARA MCCURDY M		25.00	.00	REIM/FILING FEE-GAME, FISH	
11/16/01	19	201		750.53	.00	URBAN PUTR 7/01 FR 004	
TOTAL	RDA PLAN AMENDMENT #5		21,380.00	775.53	.00		20,604.47
802667	IND PK-LAND SURVEY		.00	.00	.00	BEGINNING BALANCE	
07/02/01	11			.00		POSTED FROM BUDGET SYSTEM	
07/03/01	11		6,000.00			POSTED FROM BUDGET SYSTEM	
11/02/01	21	23705 78830-VISALIA TIMES DEL		27.26	.00	PUBLISH NOTICE	
TOTAL	IND PK-LAND SURVEY		6,000.00	27.26	.00		5,972.74
802668	IND PK DEVLPR IMPRVMTS		.00	.00	.00	BEGINNING BALANCE	
07/02/01	11			.00		POSTED FROM BUDGET SYSTEM	
07/03/01	11		100,000.00			POSTED FROM BUDGET SYSTEM	
09/07/01	21	22623 T0000650-CITY OF HANFORD		549.34	.00	FEES/INT GRAIN/BOILER BLD	
09/07/01	21	22622 T0000650-CITY OF HANFORD		320.48	.00	FEES/INT GRAIN/CONTAINMNT	
10/12/01	21	23238 T0000650-CITY OF HANFORD		347.29	.00	FEES/INT GRAIN/STRGE TANK	
10/19/01	21	23406 T0000650-CITY OF HANFORD		1,992.44	.00	FEES/INT GRAIN/BOILER RM	
TOTAL	IND PK DEVLPR IMPRVMTS		100,000.00	3,209.55	.00		96,790.45
802669	IND PK EXPNSN RR SDG/SPUR		.00	.00	.00	BEGINNING BALANCE	
07/02/01	11			.00		POSTED FROM BUDGET SYSTEM	
07/03/01	11		108,600.00			POSTED FROM BUDGET SYSTEM	
06/30/02	19	570		178.75		PW COPIER 1/1-6/30/02	
06/30/02	17 02CIPE	02-CIP ENCUMBRANCES			108,420.00	ENCUMBER PROJECT BALANCE	
TOTAL	IND PK EXPNSN RR SDG/SPUR		108,600.00	178.75	108,420.00		1.25
802670	IND PK-DEFERRED LND PYMT		.00	.00	.00	BEGINNING BALANCE	
07/02/01	11			.00		POSTED FROM BUDGET SYSTEM	
07/03/01	11		173,900.00			POSTED FROM BUDGET SYSTEM	
05/02/02	21	27087 00001056-PIRELLI TIRE LLC		173,900.00	.00	SECURED PROM NOTE/PIRELLI	
06/21/02	19	508		-173,900.00		RCLS TO NOTE PD 3210-001	
TOTAL	IND PK-DEFERRED LND PYMT		173,900.00	.00	.00		173,900.00
TOTAL	RDA GEN CAP-INDUSTRL PRK		2,824,790.00	1,677,615.11	108,420.00		1,038,754.89
TOTAL	RDA GEN FUND-INDUSTRL PRK		3,074,009.25	1,921,834.67	108,420.00		1,043,754.58

Attachment: EXHIBIT C (1804 : ADOPT RES 17-04-0BR)

RUN DATE 02/27/12 TIME 07:37:24

PEI

- FUND ACCOUNTANT

06/30/05

CITY OF HANFORD

PAGE 12

ACCOUNTING PERIODS: 1-13/99

PERIOD EXPENDITURE AUDIT TRAIL

SELECTION CRITERIA: expledgr.fund='502'

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
 DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C ENCUMBR	REFERENCE VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	BALANCE
897858	PY-IND PRK SWR PRETREATMT		.00	.00	.00	BEGINNING BALANCE	
10/27/98	11		.00			FY99 APPROPRIATIONS	
10/30/98	21	3194 20200-CAROLLO ENGINEERS		2,159.50	.00	PRETREAT PMT #10	
TOTAL	PY-IND PRK SWR PRETREATMT		.00	2,159.50	.00		-2,159.50
899632	INDUSTRIAL PRK-LAND SURVY		.00	.00	.00	BEGINNING BALANCE	
06/29/98	11		1,000.00			FY99 APPROPRIATIONS	
TOTAL	INDUSTRIAL PRK-LAND SURVY		1,000.00	.00	.00		1,000.00
899633	INDUSTRIAL PRK-DVLPR IMPR		.00	.00	.00	BEGINNING BALANCE	
06/29/98	11		75,000.00			FY99 APPROPRIATIONS	
05/13/99	21	6366 00000081-FIRST AMERICAN, TI		10,000.00	.00	FIRST AMER-TITLE-PIRELLI	
06/17/99	21	7018 T0000316-CITY OF HANFORD B		21,140.71	.00	HFD BLDG-NORMESCO PHASE I	
08/26/99	17 99CIPE	99-CIP ENCUMBRANCES			25,640.00	ENC CONTRACT BALANCES	
TOTAL	INDUSTRIAL PRK-DVLPR IMPR		75,000.00	31,140.71	25,640.00		18,219.29
899671	IND PRK INFRST GRANT APPL		.00	.00	.00	BEGINNING BALANCE	
07/31/98	11		30,000.00			COUNCIL BUD AMEND 7/7/98	
TOTAL	IND PRK INFRST GRANT APPL		30,000.00	.00	.00		30,000.00
TOTAL	RDA GEN CAP-INDUSTRL PRK		106,000.00	33,300.21	25,640.00		47,059.79
TOTAL	RDA GEN FUND-INDUSTRL PRK		363,470.44	282,560.37	28,849.53		52,060.54
TOTAL REPORT			363,470.44	282,560.37	28,849.53		52,060.54

Attachment: EXHIBIT C (1804 : ADOPT RES 17-04-0BR)

06/30/05

CITY OF HANFORD

PAGE 14

ACCOUNTING PERIODS: 1-13/00

PERIOD EXPENDITURE AUDIT TRAIL

SELECTION CRITERIA: expledgr.fund between '502' and '505'

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
 DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBR	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	BALANCE
800669				11TH AV-WD E/SD IONA-INDU CONT'D					
06/30/00	19		527			253.98		CA-ENGR PP6-13 FY00	
06/30/00	19		528			943.28		C/A-ENGR OH FY2000	
<b>TOTAL</b>				11TH AV-WD E/SD IONA-INDU	238,390.00	216,500.26	.00		21,889.74
800670				INDUSTRIAL PARK EXPANSION	.00	.00	.00	BEGINNING BALANCE	
07/06/99	11				2,312,510.00			POSTED FROM BUDGET SYSTEM	
07/19/99	17	001097-01		50600-KLEINFELDER INC			5,875.00	ENV ASSMNT-PIRELLI PROPER	
07/30/99	21		7716	50600-KLEINFELDER INC		2,800.00		PREPARE PHASE I-PIRELLI	
08/31/99	21	001097-01	8307	50600-KLEINFELDER INC		5,875.00	-5,875.00	ENV ASSMNT-PIRELLI PROPER	
08/31/99	21		8399	77820-PROVOST & PRITCHA		2.32		INDUSTRIAL PARK/PIRELLI	
11/30/99	19		148			26.57		PROJ CHRGS-ENG-PP#14-24	
03/31/00	19		349			388.35		PROJ CHRGS-ENG-PP#25-06	
05/04/00	21		12498	00000081-FIRST AMERICAN TI		391,000.00		PIRELLI LAND PUR-100 ACR	
05/15/00	24					-434.59		CASH RECEIPTS INTERFACE	
05/31/00	19		457			434.59		RECLS 5/15 DEP TO 4400	
05/31/00	19		457			-391,000.00		RECLS EXP TO ASSET	
06/30/00	21		13581	63730-QUAD KNOPF, INC		2,815.00		FYT #1 5/1-5/31/00	
06/30/00	19		527			211.74		CA-ENGR PP6-13 FY00	
06/30/00	19		544			5.00		PW COPY 1/1/00-6/30/00	
06/30/00	19		528			146.89		C/A-ENGR OH FY2000	
07/28/00	21		14114	63730-QUAD KNOPF, INC		8,462.70		DESIGN SVC #1 6/1-6/30/00	
08/25/00	17	00CIPE*		00-CIP ENCUMBRANCES			2,291,780.00	ENC CONTRACT BALANCES	
<b>TOTAL</b>				INDUSTRIAL PARK EXPANSION	2,312,510.00	20,733.57	2,291,780.00		-3.57
899633				INDUSTRIAL PRK-DVLPR IMPR	.00	.00	.00	BEGINNING BALANCE	
07/06/99	11				.00			POSTED FROM BUDGET SYSTEM	
08/12/99	21		7845	00000370-NORWESCO		1,557.56		NORWESCO-BLD PRM FEES 8/13	
08/13/99	20		7845	00000370-NORWESCO		-1,557.56		NORWESCO-BLD PRM FEES 8/13	
08/13/99	21		7935	T0000316-CITY OF HANFORD B		1,557.56		NORWESCO PHASE I 8/13/99	
08/26/99	17	99CIPE		99-CIP ENCUMBRANCES			25,640.00	ENCUMB CARRIED FORWARD	
08/26/99	11				25,640.00			PRIOR YEAR ENCUMBRANCE	
08/27/99	18	99CIPE		99-CIP ENCUMBRANCES			-25,640.00	ENC CONTRACT BALANCES	
08/27/99	18	99CIPE		99-CIP ENCUMBRANCES			.00	ENC CONTRACT BALANCES	
<b>TOTAL</b>				INDUSTRIAL PRK-DVLPR IMPR	25,640.00	1,557.56	.00		24,082.44
<b>TOTAL</b>				RDA GEN CAP-INDUSTRL PRK	2,682,540.00	239,339.81	2,291,780.00		151,420.19
<b>TOTAL</b>				RDA GEN FUND-INDUSTRL PRK	2,917,009.53	480,447.85	2,291,780.00		144,781.68

Attachment: EXHIBIT C (1804 : ADOPT RES 17-04-0BR)

RUN DATE 02/27/12 TIME 07:33:53

PEI

- FUND ACCOUNTANT

06/30/05

CITY OF HANFORD

PAGE 13

ACCOUNTING PERIODS: 1-13/02

PERIOD EXPENDITURE AUDIT TRAIL

SELECTION CRITERIA: expledgr.fund between '502' and '505'

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
 DIVISION 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBR	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	BALANCE
800670								INDUSTRIAL PARK EXPANSION CONT'D	
06/30/02	19		598			772.03		02 ENGR CA TO CIP PP4-13	
06/30/02	19		599			2,602.81		02 ENGR OH TO CP PP1-13	
TOTAL					2,414,910.00	1,673,424.02	.00		741,485.98
801657					.00	.00		RDA PLAN AMENDMENT #5	
07/01/01	17	01CIPE		01-CIP ENCUMBRANCES			21,380.00	ENCUMB CARRIED FORWARD	
07/01/01	18	01CIPE		01-CIP ENCUMBRANCES			-21,380.00	LIQ PY CONTRACT ENC	
07/01/01	11				21,380.00			PRIOR YEAR ENCUMBRANCE	
07/01/01	18	01CIPE		01-CIP ENCUMBRANCES			.00	LIQ PY CONTRACT ENC	
07/24/01	11				.00			SET UP 01 CIP ENC ACCTS	
08/03/01	21		21941	53541-BARBARA MCCURDY M		25.00	.00	REIM/FILING FEE-GAME, FISH	
11/16/01	19		201			750.53		URBAN FUTR 7/01 FR 004	
TOTAL					21,380.00	775.53	.00		20,604.47
802667					.00	.00		IND PK-LAND SURVEY	
07/02/01	11				.00		.00	BEGINNING BALANCE	
07/03/01	11				6,000.00			POSTED FROM BUDGET SYSTEM	
11/02/01	21		23705	78830-VISALIA TIMES DEL		27.26	.00	POSTED FROM BUDGET SYSTEM	
TOTAL					6,000.00	37.26	.00	PUBLISH NOTICE	5,972.74
802668					.00	.00		IND PK DEVLPR IMPRVMTS	
07/02/01	11				.00		.00	BEGINNING BALANCE	
07/03/01	11				100,000.00			POSTED FROM BUDGET SYSTEM	
09/07/01	21		22623	T0000650-CITY OF HANFORD		549.34	.00	POSTED FROM BUDGET SYSTEM	
09/07/01	21		22622	T0000650-CITY OF HANFORD		320.48	.00	FEEES/INT GRAIN/BOILER BLD	
10/12/01	21		23238	T0000650-CITY OF HANFORD		347.29	.00	FEEES/INT GRAIN/CONTAINMNT	
10/19/01	21		23406	T0000650-CITY OF HANFORD		1,992.44	.00	FEEES/INT GRAIN/STRGE TANK	
TOTAL					100,000.00	3,209.55	.00	FEEES/INT GRAIN/BOILER RM	96,790.45
802669					.00	.00		IND PK EXPNSN RR SDG/SPUR	
07/02/01	11				.00		.00	BEGINNING BALANCE	
07/03/01	11				108,600.00			POSTED FROM BUDGET SYSTEM	
06/30/02	19		570			178.75		POSTED FROM BUDGET SYSTEM	
06/30/02	17	02CIPE		02-CIP ENCUMBRANCES			108,420.00	FW COPIER 1/1-6/30/02	
TOTAL					108,600.00	178.75	108,420.00	ENCUMBER PROJECT BALANCE	1.25
802670					.00	.00		IND PK-DEFERRED LND PYMT	
07/02/01	11				.00		.00	BEGINNING BALANCE	
07/03/01	11				173,900.00			POSTED FROM BUDGET SYSTEM	
05/02/02	21		27087	00001056-PIRELLI TIRE LLC		173,900.00	.00	POSTED FROM BUDGET SYSTEM	
06/21/02	19		508			-173,900.00	.00	SECURED PROM NOTE/PIRELLI	
TOTAL					173,900.00	.00	.00	RCLS TO NOTE PD 3210-002	173,900.00
TOTAL					2,824,790.00	1,677,615.11	108,420.00		1,038,754.89
TOTAL					3,074,009.25	1,921,834.67	108,420.00		1,043,754.58

RUN DATE 02/27/12 TIME 07:37:24

PEI

FUND ACCOUNTANT

Attachment: EXHIBIT C (1804 : ADOPT RES 17-04-0BR)

Exhibit "D"

PAGE NUMBER: 4  
AUDIT21

CITY OF HANFORD  
EXPENDITURE AUDIT TRAIL

SPI  
DATE: 01/25/2017  
TIME: 12:12:17

SELECTION CRITERIA: expldgr.key\_crgn='1461'  
ACCOUNTING PERIODS: 1/10 THRU 13/10

SORTED BY: FUND, DIVISION, ACCOUNT

TOTALLED ON: FUND, DIVISION

PAGE-BREAKS ON: FUND, DIVISION

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
810654	01/26/10	21-7		INDUSTRL PARK-WTR TANK 4 (cont'd)					
	02/09/10	21-8		81432	08234 * USE VENDOR 110	113.75	113.75	-113.75 VOC 502.2 CHECK SAMPLE #1	
	02/23/10	21-8		81593	08234 * USE VENDOR 110	113.75	227.50	-113.75 VOC 502.2 CHECK SAMPLE #2	
	03/17/10	19-9		81850	00001751 ERIC DODD DBA	244.38	471.88	.00 RECONNECT CATHODIC	
	03/17/10	19-9		294		1,289.92	1,761.80	10 ENGR COSTS PP14-20	
	03/17/10	19-9		295		3,125.52	4,887.32	10 ENGR COSTS PP21-01	
	03/18/10	21-9		82-63	14700 F. D THOMAS, INC	17,100.00	18,987.32	.00 10% RETAINAGE	
	07/29/10	19-13		491		1,473.44	20,460.76	10 ENGR COSTS PP02-13	
	07/29/10	19-13		495		1,046.22	21,506.98	10 ENG OVERHD PP02-13	
TOTAL				INDUSTRL PARK-WTR TANK 4	208,000.00	185,758.17			22,241.83
810655	07/01/09	11-1		INDSTRL PARK-PAVE VARI ST		.00	.00	.00 BEGINNING BALANCE	
TOTAL				INDSTRL PARK-PAVE VARI ST	40,000.00	40,000.00	.00	POSTED FROM BUDGET SYSTEM	40,000.00
810672	11/03/09	11-5		IND ACO-E HILL-LND PRK		.00	.00	.00 BEGINNING BALANCE	
	11/04/09	21-5		80263	22210 CHICAGO TITLE CO	10,000.00	10,000.00	ACCOUNT ADD 11/3/09	
	12/10/09	21-6		80861	22210 CHICAGO TITLE CO	823,469.73	833,469.73	.00 ESCROW/ED HILL-ID PUR	
	12/18/09	24-6				-361.45	472,108.28	.00 RDA BAL-ED-HILL ESCRW	
TOTAL				IND ACO-E HILL-LND PRK		.00	472,108.28	CASH RECEIPTS INTERFACE	-832,105.28
888599	07/01/09	11-1		PRIOR YEAR-FIXED ASSETS		.00	.00	.00 BEGINNING BALANCE	
TOTAL				PRIOR YEAR-FIXED ASSETS		.00	.00	POSTED FROM BUDGET SYSTEM	.00
TOTAL DIVISION - RDA GEN CAP-INDUSTRL PRK					432,853.44	258,797.62	.00		174,055.82
TOTAL FUND - RDA GEN FUND-INDUSTRL PRK					432,853.44	258,797.62	.00		174,055.82
TOTAL REPORT					432,853.44	258,797.62	.00		174,055.82

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

Attachment: EXHIBIT D (1804 : ADOPT RES 17-04-OBR)

Exhibit "E"

06/30/05  
ACCOUNTING PERIODS: 1-13/01

CITY OF HANFORD  
PERIOD EXPENDITURE AUDIT TRAIL

SELECTION CRITERIA: expledgr.fund between '502' and '505'

FUND - 502 - RDA GEN FUND-INDUSTRY PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRY PRK

ACCOUNT DATE	T/C	ENCUMBR	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	BALANCE
800670				INDUSTRIAL PARK EXPANSION CONT'D					
800670				INDUSTRIAL PARK EXPANSION	.00	.00	.00	BEGINNING BALANCE	
06/30/00	11				.00			POSTED FROM BUDGET SYSTEM	
08/29/00	21		14718	63730-QUAD KNOPF, INC		314.20	.00	DESIGN SVC #2 7/1-7/31/00	
08/31/00	17	00CIPE*		00-CIP ENCUMBRANCES			2,291,780.00	ENCUMB CARRIED FORWARD	
08/31/00	11					2,291,780.00		PRIOR YEAR ENCUMBRANCE	
09/25/00	21		15092	63730-QUAD KNOPF, INC		9,189.40	.00	DESIGN #3 8/1-8/31/00	
11/03/00	21		15937	63730-QUAD KNOPF, INC		10,058.62	.00	DESIGN #4 9/1-9/30/00	
12/15/00	21		16604	63730-QUAD KNOPF, INC		15,744.10	.00	DESIGN #5 10/1-10/31/00	
12/20/00	18	00CIPE*		00-CIP ENCUMBRANCES			.00	LIQ PY CONTRACT ENC	
12/20/00	18	00CIPE*		00-CIP ENCUMBRANCES			-2,291,780.00	LIQ PY CONTRACT ENC	
12/29/00	21		16820	T0000265-GOVERNING		6,917.20	.00	DESIGN #6 11/1-11/30/00	
12/31/00	19		216			927.91		PROJ CHRGS-ENG PP 14-26	
01/04/01	20		16820	T0000265-GOVERNING		-6,917.20	.00	DESIGN #6 11/1-11/30/00	
01/12/01	21		17077	T0000837-PACIFIC GAS & ELE		750.00	.00	DEPOSIT/INSTALL SVC	
01/12/01	21		17085	63730-QUAD KNOPF, INC		52.28	.00	REIMBURSABLE EXPENSES	
01/12/01	21		17085	63730-QUAD KNOPF, INC		6,917.20	.00	DESIGN #6 11/1-11/30/00	
01/18/01	21		17172	T0000841-STAUACH AGENT FO		250.00	.00	APPLICATION/PIPE LINE	
02/02/01	21		17374	50600-KLEINFELDER INC		2,481.25	.00	GEOTECH INVESTIGATION	
02/02/01	21		17418	63730-QUAD KNOPF, INC		5,557.60	.00	DESIGN #7 12/1-12/31/00	
02/28/01	19		261			67.50		PW COPY 7/1/00-12/31/00	
03/02/01	21		17875	63730-QUAD KNOPF, INC		4,425.18	.00	DESIGN #8 1/1-1/31/01	
04/13/01	21		18642	63730-QUAD KNOPF, INC		4,758.15	.00	DESIGN #9 2/1-2/28/01	
04/25/01	17	012071-01		42000-HANFORD SENTINEL-			100.00	CONTRACTORS NTC 5/13,5/20	
04/27/01	21		18858	63730-QUAD KNOPF, INC		7,206.92	.00	DESIGN #10 3/1-3/31/01	
05/09/01	24			-		-40.00		SMITH CONSTRUCTION	
05/10/01	24			-		-40.00		CENTRAL VALLEY ASPHALT	
05/10/01	24			-		-40.00		FLOYD JOHNSTON CONST	
05/10/01	24			-		-40.00		RJ BERRY JR, INC-PLANS	
05/11/01	24			-		-40.00		MAULDIN-DORFMEIER	
05/11/01	24			-		-40.00		SCHEIDT,HAYDON & HALL	
05/11/01	24			-		-40.00		AMERICAN PAVING	
05/11/01	24			-		-80.00		GRANITE CONSTRUCTION	
05/11/01	24			-		-40.00		DAVE CHRISTIAN CONST CO	
05/11/01	24			-		-40.00		DAVID A BUSH, INC-PLANS	
05/15/01	24			-		-40.00		P & G COMMUNICATIONS, INC	
05/15/01	24			-		-40.00		BILL NELSON GEN ENG	
05/15/01	24			-		-40.00		LEE'S PAVING	
05/15/01	24			-		-40.00		WOOD BROS, INC	
05/15/01	24			-		-40.00		CONST & DEVEL SYSTEMS	
05/15/01	24			-		-40.00		FOSTER & SONS GEN ENG	
05/15/01	24			-		-40.00		SHEFFIELD UNDERGROUND	
05/17/01	24			-		-40.00		TROXELL ELEC-PLANS	
05/18/01	24			-		-40.00		J EMMETT-PLANS INDUS PARK	
05/18/01	24			-		-40.00		SUMMIT ELEC-PLANS/INDUS	
05/18/01	24			-		-40.00		VILLA ELECTRIC	
05/18/01	24			-		-40.00		A-C ELECTRIC CO	
05/21/01	24			-		-40.00		WM LYLES CO-PLANS/INDUS	
05/23/01	24			-		-40.00		TURNIPSEED ELEC-PLANS	
05/23/01	24			-		-40.00		MP ELECTRIC SERVICE	

Attachment: EXHIBIT E (1804 : ADOPT RES 17-04-0BR)

06/30/05

CITY OF HANFORD

ACCOUNTING PERIODS: 1-13/01

PERIOD EXPENDITURE AUDIT TRAIL

SELECTION CRITERIA: expledgr.fund between '502' and '505'

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
 DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBR	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	BALANCE
800670								INDUSTRIAL PARK EXPANSION CONT'D	
05/23/01	24					-40.00		TESCO CONTROLS-IND PARK	
05/24/01	24					-40.00		MCGRAW-HILL COMPANY	
05/31/01	21	012071-01	19318	42000-HANFORD SENTINEL-		55.58	-100.00	CONTRACTORS NTC 5/13,5/20	
05/31/01	21		19382	63730-QUAD KNOFF, INC		10,402.44	.00	DESIGN #11 4/1-4/30/01	
06/05/01	13				210,120.00			CNCL BUD AMEND 6/5/01	
06/15/01	21		21227	77820-PROVOST & PRITCHA		1,372.85	.00	INDUSTRIAL PARK EXPANSION	
06/15/01	21		21137	47950-KINGS CO CENTRAL		62.50	.00	INDUSTRIAL PARK PRINTS	
06/29/01	21		21483	63730-QUAD KNOFF, INC		7,506.83	.00	DESIGN #12 5/1-5/31/01	
06/30/01	19		528			12.50		FW COPIER 1/1/01-6/30/01	
06/30/01	19		573			662.55		CA ENGR PP14-26 FY01	
06/30/01	19		574			360.89		C/A ENGR OH 2001	
07/24/01	17	01CIPE		01-CIP ENCUMBRANCES			2,414,910.00	ENCUMBER PROJECT BALANCE	
TOTAL				INDUSTRIAL PARK EXPANSION	2,501,900.00	88,016.45	2,414,910.00		-1,026.45
801642						.00	.00	IND PK LAND SURVEY	.00
06/30/00	11				6,000.00			POSTED FROM BUDGET SYSTEM	
TOTAL				IND PK LAND SURVEY	6,000.00	.00	.00		6,000.00
801643						.00	.00	IND PK DEVLPR IMPR	.00
06/30/00	11				100,000.00			POSTED FROM BUDGET SYSTEM	
03/06/01	21		17935	T0000650-CITY OF HANFORD		14,034.50	.00	FEES/INTEGRATED ROLLING	
04/26/01	21		18751	T0000650-CITY OF HANFORD		4,868.96	.00	FEES/INTEGRATED GRAIN	
06/15/01	21		21121	T0000650-CITY OF HANFORD		3,081.41	.00	FEES/INTEGRATED ROLLING	
TOTAL				IND PK DEVLPR IMPR	100,000.00	21,984.97	.00		78,015.03
801644						.00	.00	IND PK-ID SIGNS	.00
06/30/00	11				7,500.00			POSTED FROM BUDGET SYSTEM	
TOTAL				IND PK-ID SIGNS	7,500.00	.00	.00		7,500.00
801657						.00	.00	RDA PLAN AMENDMENT #5	.00
07/06/00	11					.00		CNCL BUD AMEND 7/6/00	
07/07/00	13				70,000.00			CNCL BUD AMEND 7/5/00	
12/15/00	21		16640	77590-URBAN FUTURES INC		3,355.00	.00	RDA AMEND #5 SVC 11/00	
12/29/00	21		16807	33621-FEDERAL EXPRESS		9.92	.00	11/29 URBAN FUTURES	
12/31/00	19		216			56.74		PROJ CHRGS-ENG PP 14-26	
02/02/01	21		17440	77590-URBAN FUTURES INC		5,601.93	.00	DEC 2000	
02/23/01	21		17684	77590-URBAN FUTURES INC		5,827.34	.00	CONSULT FEE 1/01	
03/15/01	21		18156	77590-URBAN FUTURES INC		3,972.51	.00	CONSULT FEE 2/01	
04/27/01	21		18887	77590-URBAN FUTURES INC		4,553.18	.00	CONSULT FEE 3/01	
05/31/01	21		19421	77590-URBAN FUTURES INC		13,659.22	.00	CONSULT FEE 4/01	
06/15/01	21		21226	77590-URBAN FUTURES INC		9,129.32	.00	CONSULT FEE 5/01	
06/30/01	19		574			12.87		C/A ENGR OH 2001	
07/13/01	21		21701	77590-URBAN FUTURES INC		2,457.02	.00	CONSULT FEE 6/01	
07/24/01	17	01CIPE		01-CIP ENCUMBRANCES			21,380.00	ENCUMBER PROJECT BALANCE	
TOTAL				RDA PLAN AMENDMENT #5	70,000.00	48,635.05	21,380.00		-15.05
TOTAL				RDA GEN CAP-INDUSTRL PRK	2,685,400.00	158,636.47	2,436,290.00		90,473.53
TOTAL				RDA GEN FUND-INDUSTRL PRK	2,940,915.00	405,182.92	2,439,079.25		96,652.83

Attachment: EXHIBIT E (1804 : ADOPT RES 17-04-0BR)

06/30/05

CITY OF HANFORD

PAGE 12

ACCOUNTING PERIODS: 1-13/02

PERIOD EXPENDITURE AUDIT TRAIL

SELECTION CRITERIA: expledgr.fund between '502' and '505'

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
 DIVISION - 1491 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBR	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	BALANCE
800670			INDUSTRIAL PARK EXPANSION		.00	.00		.00 BEGINNING BALANCE	
07/01/01	17	01CIPE		01-CIP ENCUMBRANCES			2,414,910.00	ENCUMB CARRIED FORWARD	
07/01/01	11				2,414,910.00			PRIOR YEAR ENCUMBRANCE	
07/01/01	18	01CIPE		01-CIP ENCUMBRANCES			-2,414,910.00	LIQ PY CONTRACT ENC	
07/01/01	18	01CIPE		01-CIP ENCUMBRANCES			.00	LIQ PY CONTRACT ENC	
07/24/01	11				.00			SET UP 01 CIP ENC ACCTS	
08/17/01	21		22259	63730-QUAD KNOPF, INC		2,972.98		DESIGN #13 6/1-6/30/01	
08/17/01	21		22129	00000073-BURLINGTON NORTHE		4,050.00		PIPELINE LICENSE	
08/17/01	21		22292	77820-PROVOST & PRITCHA		469.17		AUG 2001	
08/17/01	21		22115	04900-AMERICAN PAVING C		67,135.50		PYT #1 7/23/01-7/30/01	
08/31/01	21		22525	63730-QUAD KNOPF, INC		8,547.68		DESIGN #14 7/1-7/31/01	
09/14/01	21		22714	47950-KINGS CO CENTRAL		1.50		25-1/2" SPINE BIND	
09/14/01	21		22749	T0000837-PACIFIC GAS & ELE		16,167.59		IND PARK STREET LIGHTS	
09/14/01	21		22638	04900-AMERICAN PAVING C		198,912.15		PYT #2 7/31-8/29/01	
09/14/01	21		22748	T0000837-PACIFIC GAS & ELE		3,272.86		ELEC SVC LIFT STATION	
09/14/01	21		22789	77820-PROVOST & PRITCHA		43.91		PRINTS 8/01	
10/12/01	21		23345	77820-PROVOST & PRITCHA		48.53		INDUSTRIAL PARK EXP	
11/02/01	21		23497	04900-AMERICAN PAVING C		133,865.10		PYT #3 8/30-9/28/01	
11/02/01	21		23661	63730-QUAD KNOPF, INC		4,522.72		DESIGN #14 8/1-8/30/01	
11/02/01	21		23689	74370-TECHNICON ENGINEE		1,968.00		SOIL TESTING	
11/02/01	21		23689	74370-TECHNICON ENGINEE		2,743.00		SOIL TESTING	
11/02/01	21		23661	63730-QUAD KNOPF, INC		8,446.00		DESIGN #15 9/1-9/30/01	
11/02/01	21		23689	74370-TECHNICON ENGINEE		601.00		SOIL TESTING	
11/02/01	21		23689	74370-TECHNICON ENGINEE		1,725.50		TESTING SERVICE	
11/30/01	21		24094	04900-AMERICAN PAVING C		743,425.11		PYT #4 9/29-11/26/01	
12/28/01	21		24636	63730-QUAD KNOPF, INC		11,810.22		DESIGN #16 10/1-10/31/01	
01/10/02	21		24888	63730-QUAD KNOPF, INC		1,328.85		DESIGN #17 11/1-11/30/01	
01/10/02	21		24791	04900-AMERICAN PAVING C		223,529.46		PYT #5 1/27-1/8/02	
01/31/02	21		25257	74370-TECHNICON ENGINEE		1,612.50		IND PARK SOIL TESTING	
01/31/02	21		25257	74370-TECHNICON ENGINEE		654.50		IND PARK RETESTS	
01/31/02	21		25257	74370-TECHNICON ENGINEE		238.00		SOIL TSTNG IND PARK EXPAN	
01/31/02	21		25257	74370-TECHNICON ENGINEE		369.00		SOIL TSTNG IND PARK EXPAN	
02/14/02	21		25593	74370-TECHNICON ENGINEE		357.00		IND PARK SOIL TESTING	
02/14/02	21		25593	74370-TECHNICON ENGINEE		1,806.00		SOIL TESTING/IND PARK	
02/14/02	21		25593	74370-TECHNICON ENGINEE		595.00		SOIL TESTING/IND PARK	
02/14/02	21		25593	74370-TECHNICON ENGINEE		1,368.50		SOIL TESTING/IND PARK	
02/14/02	21		25593	74370-TECHNICON ENGINEE		2,505.00		SOIL TESTING/IND PARK	
02/14/02	21		25593	74370-TECHNICON ENGINEE		833.00		SOIL TESTING/IND PARK	
02/28/02	21		25758	63730-QUAD KNOPF, INC		1,119.40		DESIGN #18 12/1-12/31/01	
02/28/02	21		25758	63730-QUAD KNOPF, INC		351.00		DESIGN #19 1/1-1/31/02	
02/28/02	19		344			11,123.79		CA-ENGR PP14-03 FY02	
03/11/02	19		353			10.00		PW COPIER 7/1-12/31/01	
03/14/02	21		25888	04900-AMERICAN PAVING C		46,345.58		PMT #6 1/9/02-2/26/02	
03/28/02	21		26268	63730-QUAD KNOPF, INC		6,200.42		PROFESSIONAL SERVICES	
04/11/02	21		26502	50600-KLEINFELDER INC		650.00		COMPACTION TEST	
05/30/02	21		27620	63730-QUAD KNOPF, INC		455.00		DESIGN #21 3/1-3/31/02	
06/13/02	21		27821	50600-KLEINFELDER INC		130.00		COMPACTION TESTS 01/02	
06/13/02	21		27821	50600-KLEINFELDER INC		715.00		COMPACTION TESTS 11/01	
06/13/02	21		27702	04900-AMERICAN PAVING C		157,023.66		AMER PVG - 10% W/H	

Attachment: EXHIBIT E (1804 : ADOPT RES 17-04-0BR)

RUN DATE 02/27/12 TIME 07:37:24

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- FUND ACCOUNTANT

06/30/05

CITY OF HANFORD

PAGE 13

ACCOUNTING PERIODS: 1-13/02

PERIOD EXPENDITURE AUDIT TRAIL

SELECTION CRITERIA: expledgr.fund between '502' and '505'

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
 DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBR	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	BALANCE
800670			INDUSTRIAL PARK EXPANSION CONT'D						
06/30/02	19		598			772.03		02 ENGR CA TO CIP PP4-13	
06/30/02	19		599			2,602.81		02 ENGR OH TO CP PP1-13	
<b>TOTAL</b>			<b>INDUSTRIAL PARK EXPANSION</b>		<b>2,414,910.00</b>	<b>1,673,424.02</b>	<b>.00</b>		<b>741,485.98</b>
801657			RDA PLAN AMENDMENT #5		.00	.00	.00	BEGINNING BALANCE	
07/01/01	17	01CIPE		01-CIP ENCUMBRANCES			21,380.00	ENCUMB CARRIED FORWARD	
07/01/01	18	01CIPE		01-CIP ENCUMBRANCES			-21,380.00	LIQ PY CONTRACT ENC	
07/01/01	11				21,380.00			PRIOR YEAR ENCUMBRANCE	
07/01/01	18	01CIPE		01-CIP ENCUMBRANCES			.00	LIQ PY CONTRACT ENC	
07/24/01	11				.00			SET UP 01 CIP ENC ACCTS	
08/03/01	21		21941	53541-BARBARA MCCURDY M		25.00	.00	REIM/FILING FEE-GAME, FISH	
11/16/01	19		201			750.53		URBAN FUTR 7/01 FR 004	
<b>TOTAL</b>			<b>RDA PLAN AMENDMENT #5</b>		<b>21,380.00</b>	<b>775.53</b>	<b>.00</b>		<b>20,604.47</b>
802667			IND PK-LAND SURVEY		.00	.00	.00	BEGINNING BALANCE	
07/02/01	11				.00			POSTED FROM BUDGET SYSTEM	
07/03/01	11				6,000.00			POSTED FROM BUDGET SYSTEM	
11/02/01	21		23705	78830-VISALIA TIMES DEL		27.26	.00	PUBLISH NOTICE	
<b>TOTAL</b>			<b>IND PK-LAND SURVEY</b>		<b>6,000.00</b>	<b>27.26</b>	<b>.00</b>		<b>5,972.74</b>
802668			IND PK DEVLPR IMPRVMTS		.00	.00	.00	BEGINNING BALANCE	
07/02/01	11				.00			POSTED FROM BUDGET SYSTEM	
07/03/01	11				100,000.00			POSTED FROM BUDGET SYSTEM	
09/07/01	21		22623	T0000650-CITY OF HANFORD		549.34	.00	FEES/INT GRAIN/BOILER BLD	
09/07/01	21		22622	T0000650-CITY OF HANFORD		320.48	.00	FEES/INT GRAIN/CONTAINMNT	
10/12/01	21		23238	T0000650-CITY OF HANFORD		347.29	.00	FEES/INT GRAIN/STRGE TANK	
10/19/01	21		23406	T0000650-CITY OF HANFORD		1,992.44	.00	FEES/INT GRAIN/BOILER RM	
<b>TOTAL</b>			<b>IND PK DEVLPR IMPRVMTS</b>		<b>100,000.00</b>	<b>3,209.55</b>	<b>.00</b>		<b>96,790.45</b>
802669			IND PK EXPNSN RR SDG/SPUR		.00	.00	.00	BEGINNING BALANCE	
07/02/01	11				.00			POSTED FROM BUDGET SYSTEM	
07/03/01	11				108,600.00			POSTED FROM BUDGET SYSTEM	
06/30/02	19		570			178.75		PW COPIER 1/1-6/30/02	
06/30/02	17	02CIPE		02-CIP ENCUMBRANCES			108,420.00	ENCUMBER PROJECT BALANCE	
<b>TOTAL</b>			<b>IND PK EXPNSN RR SDG/SPUR</b>		<b>108,600.00</b>	<b>178.75</b>	<b>108,420.00</b>		<b>1.25</b>
802670			IND PK-DEFERRED LND PYMT		.00	.00	.00	BEGINNING BALANCE	
07/02/01	11				.00			POSTED FROM BUDGET SYSTEM	
07/03/01	11				173,900.00			POSTED FROM BUDGET SYSTEM	
05/02/02	21		27087	00001056-PIRELLI TIRE LLC		173,900.00	.00	SECURED PROM NOTE/PIRELLI	
06/21/02	19		508			-173,900.00		RCLS TO NOTE PD 3210-001	
<b>TOTAL</b>			<b>IND PK-DEFERRED LND PYMT</b>		<b>173,900.00</b>	<b>.00</b>	<b>.00</b>		<b>173,900.00</b>
<b>TOTAL</b>			<b>RDA GEN CAP-INDUSTRL PRK</b>		<b>2,824,790.00</b>	<b>1,677,615.11</b>	<b>108,420.00</b>		<b>1,038,754.89</b>
<b>TOTAL</b>			<b>RDA GEN FUND-INDUSTRL PRK</b>		<b>3,074,009.25</b>	<b>1,921,834.67</b>	<b>108,420.00</b>		<b>1,043,754.68</b>

Attachment: EXHIBIT E (1804 : ADOPT RES 17-04-0BR)

RUN DATE 02/27/12 TIME 07:37:24

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- FUND ACCOUNTANT

PAGE NUMBER: 1  
AUDIT21

CITY OF HANFORD  
EXPENDITURE AUDIT TRAIL

SPI  
DATE: 01/25/2017  
TIME: 12:09:38

SELECTION CRITERIA: expiedgr:key exgn='1481'  
ACCOUNTING PERIODS: 1/06 THRU 13/06

SORTED BY: FUND, DIVISION, ACCOUNT

TOTALED ON: FUND, DIVISION

PAGE BREAKS ON: FUND, DIVISION

FUND - 502 - RDA GEN FUND-INDUSTR L PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTR L PRK

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
502-09-1471-1481-1481 - RDA GEN CAP-INDUSTR L PRK									
804668	07/01/05	11-1		IND PK EXPNSN RR SDG/SPUR		.00	.00	.00 BEGINNING BALANCE	
	11/10/05	11-5				.00	1,392.15	POSTED FROM BUDGET SYSTEM	
	12/01/05	21-5		00001150 U R S CORPORATIO		.00	1,392.15	SET UP ACCOUNT	
TOTAL				IND PK EXPNSN RR SDG/SPUR		.00		INDUS PRK RR SPUR	-1,392.15
806655 INDUSTRIAL PRK-LAND SURVEY									
	07/01/05	11-1		INDUSTR L PRK-LAND SURVEY		.00	.00	.00 BEGINNING BALANCE	
TOTAL						6,000.00	.00	POSTED FROM BUDGET SYSTEM	6,000.00
806656 JNT EDUC CNTR/VOC TRN FAC									
	07/01/05	11-1		JNT EDUC CNTR/VOC TRN FAC		.00	.00	.00 BEGINNING BALANCE	
	01/12/06	21-7		117		394,000.00	995.52	POSTED FROM BUDGET SYSTEM	
	03/01/06	21-8		56262			87,000.00	06 ENGR CA TO CIP PPI4-22	
	04/26/06	21-10		57151			8,700.00	VOCATIONAL TRAINING C	
	05/23/06	19-11		58123			1,165.00	PMT 2 JT ED VOC FAC	
	06/01/06	21-11		396			474.74	06 ENGR CA TO CIP PP23-06	
	06/29/06	21-12		58657			34,636.44	06 ARCHITECT SVCS 3/06	
	06/30/06	19-13		59225			48,124.22	06 PMT4/ARCHTCT SVC 5/06	
	06/30/06	19-13		514			464.10	06 ENGR OH TO CIP	
	07/27/06	21-13		515			319.55	06 ENGR CA TO CIP PP07-13	
	07/27/06	21-13		59693			5,204.00	06 JT ED VOC TRNG FAC	
	09/08/06	17-13		59730			561.53	06 JT ED VOC TRNG FAC	
TOTAL				JNT EDUC CNTR/VOC TRN FAC		394,000.00	187,645.10	206,350.00 ENCUMBER PROJ BALANCE	206,354.90
								-206,350.00 PRIOR YEAR ENCUMBRANCE	
806658 IND PRK-ADD WTR MN SUPPLY									
	08/19/05	11-2		IND PRK-ADD WTR MN SUPPLY		.00	.00	.00 BEGINNING BALANCE	
	09/08/06	17-13		06 CIP ENCUMBRANCES		190,000.00	190,000.00	BUD TRSF FR 1481-001	
	09/15/06	18-13		06 CIP ENCUMBRANCES				ENCUMBER PROJ BALANCE	
TOTAL				IND PRK-ADD WTR MN SUPPLY		190,000.00	.00	-190,000.00 PRIOR YEAR ENCUMBRANCE	190,000.00

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

PAGE NUMBER: 1  
AUDIT21

CITY OF HANFORD  
EXPENDITURE AUDIT TRAIL

SPI  
DATE: 01/25/2017  
TIME: 12:08:25

SELECTION CRITERIA: expldedgr\_key\_orgn='1481'  
ACCOUNTING PERIODS: 1/07 THRU 13/07

SORTED BY: FUND, DIVISION, ACCOUNT

TOTALED ON: FUND, DIVISION

PAGE BREAKS ON: FUND, DIVISION

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
502-09-1471-1481-1481 - RDA GEN CAP-INDUSTRL PRK								
806656	JNT EDUC	CNTR/VOC	TRN FAC		.00	.00	.00 BEGINNING BALANCE	
07/01/06	11-1				.00		POSTED FROM BUDGET SYSTEM	
08/02/96	21-1		59917	08234 * USE VENDOR 11C		1,131.00	.00 PRGRS PMT FOR WRK	
09/15/06	13-1				206,350.00		206,350.00 PRIOR YEAR ENCUMBRANCE	
09/15/06	17-1	06CIPE-01		06 CIP ENCUMBRANCES			ENCUMB CARRIED FORWARD	
08/02/06	21-2		59963	00000965 DARDEN ARCHITECT		134,179.70	.00 VOC TRN CTR JORH0538	
08/04/06	21-2		59936	00001408 CALIF DIVISION O		2,776.62	.00 VOC TRAINING FAC	
08/04/06	21-2		59937	00001408 CALIF DIVISION O		25,331.20	.00 VOC TRAINING FAC	
09/06/06	21-3		60529	00000965 DARDEN ARCHITECT		7,185.21	.00 ARCHIT SVCS JOB 0538	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			-206,350.00 ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			-206,350.00 ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			206,350.00 ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			07 ENGR CA TO CIP PFL4-20	
10/31/06	19-4		124	00000965 DARDEN ARCHITECT		1,428.33	.00 VOCATIONAL CTR DESIGN	
01/11/07	21-7		62607	00000965 DARDEN ARCHITECT		2,298.05	.00 8/06 SVC VO CTRDESIGN	
01/11/07	21-7		62607	00000965 DARDEN ARCHITECT		14,370.43	.00 07 ENGR CA TO CIP PP21-02	
01/31/07	19-7		252	00000965 DARDEN ARCHITECT		3,308.40	.00 DESIGN REIMB EXPENSES	
02/16/07	21-8		63166	00000965 DARDEN ARCHITECT		6,251.05	.00 VOCATIONAL CTR DESIGN	
06/28/07	21-12		65524	00000965 DARDEN ARCHITECT		2,255.31	.00 07 ENGR CA TO CIP PP03-13	
07/31/07	19-13		500			1,565.52	.00 07 ENGR OH TO CIP	
08/17/07	19-13		533			202,971.82	.00	3,378.18
TOTAL	JNT EDUC	CNTR/VOC	TRN FAC		206,350.00			
806658 IND PRK-ADD WTR MN SUPPLY								
07/01/06	11-1				.00	.00	.00 BEGINNING BALANCE	
09/15/06	13-1				.00		POSTED FROM BUDGET SYSTEM	
09/15/06	17-1	06CIPE-01		06 CIP ENCUMBRANCES			PRIOR YEAR ENCUMBRANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES	190,000.00		190,000.00 ENCUMB CARRIED FORWARD	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			-190,000.00 ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			190,000.00 ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			-190,000.00 ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			.00 ENCUMBER PROJ BALANCE	190,000.00
TOTAL	IND PRK-ADD	WTR MN SUPPLY			190,000.00			
806659 IND PRK-TNK 4 PUMP UPGRAD								
07/01/06	11-1				.00	.00	.00 BEGINNING BALANCE	
09/15/06	13-1				.00		POSTED FROM BUDGET SYSTEM	
09/15/06	17-1	06CIPE-01		06 CIP ENCUMBRANCES			PRIOR YEAR ENCUMBRANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			190,000.00 ENCUMB CARRIED FORWARD	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			-190,000.00 ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			190,000.00 ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			-190,000.00 ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES			.00 ENCUMBER PROJ BALANCE	190,000.00
TOTAL	IND PRK-ADD	WTR MN SUPPLY			190,000.00			

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

PAGE NUMBER: 2  
AUDIT21

CITY OF HANFORD  
EXPENDITURE AUDIT TRAIL

SPI  
DATE: 01/25/2017  
TIME: 12:08:25

SELECTION CRITERIA: ~~expidck~~ key sign=1481  
ACCOUNTING PERIODS: 1/07 THRU 13/07

SORTED BY: FUND, DIVISION, ACCOUNT

TOTALED ON: FUND, DIVISION

PAGE BREAKS ON: FUND, DIVISION

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
806659 IND PRK-TNK 4 PUMP UPGRAD (cont'd)								
07/01/06	11-1				.00		POSTED FROM BUDGET SYSTEM	
09/15/06	13-1				60,650.00		PRIOR YEAR ENCUMBRANCE	
09/15/06	17-1	06CIPE-01		06 CIP ENCUMBRANCES		60,650.00	60,650.00 ENCUMBR CARRIED FORWARD	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES		-60,650.00	ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES		60,650.00	ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES		-60,650.00	ENCUMBER PROJ BALANCE	
10/19/06	18-4	06CIPE-01		06 CIP ENCUMBRANCES		.00	ENCUMBER PROJ BALANCE	60,650.00
TOTAL		IND PRK-TNK 4 PUMP UPGRAD			60,650.00	.00		
807647 RED-INDUSTRL PK-LAND SRVY								
07/01/06	11-1				.00		BEGINNING BALANCE	
TOTAL		RED-INDUSTRL PK-LAND SRVY			6,000.00	.00	POSTED FROM BUDGET SYSTEM	6,000.00
807648 JT ED CTR/VOCTNL TRNG FCL								
07/01/06	11-1				.00		BEGINNING BALANCE	
04/17/07	17-10	070973-01		42000 HANFORD SENTINEL	4,375,000.00		POSTED FROM BUDGET SYSTEM	
04/26/07	21-10	64440		10491 BLAIR CHURCH & F		4,760.00	150.00 NOTICE TO CONTRACTORS	
04/26/07	21-10	64475		00000965 DARDEN ARCHITECT		770.26	.00 PMT#2 60% COMEL	
05/09/07	21-11	070973-01		42000 HANFORD SENTINEL		162.34	.00 REIMB EXPENSES	
06/13/07	21-12	65286		00000965 DARDEN ARCHITECT		61.87	-150.00 NOTICE TO CONTRACTORS	
08/02/07	21-13	66100		00000965 DARDEN ARCHITECT		13,130.63	.00 REPORT REPRODUCE EXP	
08/03/07	21-13	66236		00001451 EXPRESS MESSENGE		13.00	.00 BID EXP VOC CTR 04-05	
09/14/07	19-13	554		00001451 EXPRESS MESSENGE		-4,760.00	.00 KLASSEN CORP	
TOTAL		JT ED CTR/VOCTNL TRNG FCL			4,375,000.00	14,138.10	BLAIR-CHRCH #2 TO 807672	4,360,861.90
807650 IND PK-CONST RR SDNG/SPUR								
07/01/06	11-1				.00		BEGINNING BALANCE	
12/28/06	21-6	62486		00001150 U R S CORPORATIO	70,000.00		POSTED FROM BUDGET SYSTEM	
12/28/06	21-6	62486		00001150 U R S CORPORATIO		2,680.00	.00 PROF SVC RAIL SPUR	
01/11/07	21-7	62742		00001150 U R S CORPORATIO		1,271.04	.00 PROF SVC RAIL SPUR	
01/18/07	13-7			00001150 U R S CORPORATIO	18,000.00	1,722.50	.00 PES PREP/ENV REVIEW	
01/31/07	19-7	252				1,343.25	CNCL BUD AMEND 1/16/07 ENGR CA TO CIP PP21-02	
03/01/07	21-8	64066		00001150 U R S CORPORATIO		452.50	.00 JAN 2007 PMT	
07/01/07	18-13	07CIPE-01		07 CIP ENCUMBRANCES		-77,940.00	PRIOR YEAR ENCUMBRANCE	
07/31/07	19-13	500				1,867.28	07 ENGR CA TO CIP PP03-13	
08/17/07	19-13	533				718.84	07 ENGR OH TO CIP	

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

CITY OF HANFORD  
EXPENDITURE AUDIT TRAIL

SPI  
DATE: 01/25/2017  
TIME: 12:10:40

SELECTION CRITERIA: expldedgr.key\_orgn='1481'  
ACCOUNTING PERIODS: 1/08 THRU 13/08

SORTED BY: FUND, DIVISION, ACCOUNT

TOTALED ON: FUND, DIVISION

PAGE BREAKS ON: FUND, DIVISION

FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRE-PRK

ACCOUNT DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
808665	07/01/07	11-1	INDUSTRIAL PARK-LAND SURV (cont'd)		6,000.00	.00	POSTED FROM BUDGET SYSTEM	6,000.00
TOTAL			INDUSTRIAL PARK-LAND SURV		6,000.00	.00		
808666	07/01/07	11-1	IND PARK-DEVELOPER IMPROV		100,000.00	.00	BEGINNING BALANCE	100,000.00
TOTAL			IND PARK-DEVELOPER IMPROV		100,000.00	.00	POSTED FROM BUDGET SYSTEM	100,000.00
808667	07/01/07	11-1	JOINT ED CTR/VOC TRNG FAC		5,475,000.00	.00	BEGINNING BALANCE	
08/16/07	21-2		66368 DARDEN ARCHITECT	00000965	3,393.00	3,393.00	POSTED FROM BUDGET SYSTEM	
08/16/07	21-2		66368 DARDEN ARCHITECT	00000965	24,159.60	24,159.60	MODIFY ELEC DESIGN	
10/01/07	17-4	080362-01	12611 ENGRAVING AWARDS	12611			PROG PYMT CONST ADMIN	
10/12/07	17-4	080420-01	12611 ENGRAVING AWARDS	12611			VOCATIONAL TRAINING CENTE	
10/18/07	21-4		00000760 DETAILS PARTY	00000760	478.80	478.80	CEREMONIAL SHOVELS (6)	
10/18/07	17-4		73000 STAPLES	73000			CANOPIES/LEARNING CTR	
10/19/07	21-4	080451-01	53190 MACCAGNO'S BAKER	53190	50.00	50.00	COLOR PHOTOS, BINDERS, SH	
10/19/07	21-4		68006 KAREN MADRUGA	68006	8.45	8.45	COOKIES/VOC CTR DED	
10/24/07	21-4		67895 B S K & ASSOCIAT	11034	580.00	580.00	REFRESHMTS VOC CTR	
10/24/07	21-4		67895 B S K & ASSOCIAT	11034	580.00	580.00	TEST/INSP VOC CTR9/07	
10/24/07	21-4		67987 B S K & ASSOCIAT	11034	8,721.30	8,721.30	TEST/INSP VOC CTR9/07	
10/30/07	21-4		67987 B S K & ASSOCIAT	11034	263,783.88	263,783.88	ERTHWK TEST VOC 9/07	
11/09/07	21-5		68208 DARDEN ARCHITECT	00000965	4,831.92	4,831.92	PMT #1 7/16-9/30/07	
11/13/07	21-5		68344 T W B INSPECTION	11214	9,000.00	9,000.00	PROF SVC 10/07	
11/13/07	21-5	080362-01	12611 ENGRAVING AWARDS	12611	918.95	918.95	MONTHLY INSP 10/07	
11/14/07	21-5	080451-01	68338 STAPLES	73000	2.34	2.34	VOCATIONAL TRAINING CENTE	
11/14/07	21-5	080451-01	68338 STAPLES	73000	8.89	8.89	COLOR PHOTOS, BINDERS, SH	
11/14/07	21-5	080451-01	68338 STAPLES	73000	80.47	80.47	COLOR PHOTOS, BINDERS, SH	
11/26/07	21-5	080451-01	68484 STAPLES	73000	316,272.85	316,272.85	PMT #2 10/1-10/30/07	
11/27/07	21-5	080420-01	68456 KLASSEN CORPORAT	12696	705.95	705.95	CEREMONIAL SHOVELS (6)	
12/04/07	21-6		68637 B S K & ASSOCIAT	11034	3,221.60	3,221.60	VOC CTR 10/07 MATERIA	
12/04/07	21-6		68637 B S K & ASSOCIAT	11034	8,686.00	8,686.00	VOC CTR 10/07 EARTHWR	
12/04/07	21-6		68672 DARDEN ARCHITECT	00000965	7,247.88	7,247.88	CONST SVC VOC CTR	
12/04/07	21-6		68672 DARDEN ARCHITECT	00000965	75.92	75.92	EXPENSES VOC CTR	
12/04/07	21-6		68741 KLASSEN CORPORAT	12696	389,638.27	389,638.27	PMT #3 11/1-11/30/07	
12/12/07	21-6		69366 KLASSEN CORPORAT	12696	9,000.00	9,000.00	MONTHLY INSP 12/07	
12/27/07	21-6		69039 B S K & ASSOCIAT	11034	15,558.00	15,558.00	TEST/INSP 11/07	
12/27/07	21-6		69062 DARDEN ARCHITECT	00000965	7,247.88	7,247.88	PROGRESS PAYMENT	

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

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TIME: 12:10:40

SELECTION CRITERIA: expidgr:key=eqn:1481  
ACCOUNTING PERIODS: 1/08 THRU 13/08

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FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/Y/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
838667			JOINT ED CTR/VOC TRNG PAC (cont'd)					
12/27/07	21-6		69062	00000965 DARDEN ARCHITECT		933.35	.00 REIMBURSABLE EXPENSES	
01/09/08	19-7		2779			5,523.14	.08 ENGR CA TO CIP PP14-25	
01/09/08	21-7		69219	11034 B S K & ASSOCIAT		4,126.00	.00 SOIL TESTING 11/07	
01/09/08	21-7		69366	11214 T W B INSPECTION		9,000.00	.00 INSPC SVC 10/07 #3	
01/09/08	21-7		69305	12696 KLASSEN CORPORAT		517,280.24	.00 PMT #4 12/1-12/30/07	
01/30/08	21-7		69490	11034 B S K & ASSOCIAT		2,625.00	.00 EARTHWORK TEST DEC	
01/30/08	21-7		69490	11034 B S K & ASSOCIAT		11,651.00	.00 SPECIAL INSPC DEC 07	
01/30/08	21-7		69641	11214 T W B INSPECTION		9,000.00	.00 INSPECTION SVC 01/08	
01/30/08	21-7		69537	11214 T W B INSPECTION 126		492.79	.00 12/04 ECON DEV-SEATTLE	
01/31/08	21-7		69526	00000965 DARDEN ARCHITECT		9,663.84	.00 PROG PMT CONTRCTADMIN	
02/20/08	21-8		69558	12696 KLASSEN CORPORAT		337,534.44	.00 PMT #5 12/31-1/30/08	
02/26/08	21-8		70035	11034 B S K & ASSOCIAT		2,258.48	.00 GEOTECHNICAL SVC 1/08	
02/27/08	21-8		70138	12984 T BROOKS & ASSOC		1,900.00	.00 ASBESTOS SURVEY	
03/03/08	21-8		70416	11214 T W B INSPECTION		9,000.00	.00 INSPC SVC 02/08	
03/03/08	21-8		70227	11034 B S K & ASSOCIAT		11,236.00	.00 INSPC/MATRIL TESTJAN	
03/03/08	21-8		70262	00000965 DARDEN ARCHITECT		8,198.88	.00 CONST ADMIN SVC 2/08	
03/17/08	17-9	080982-01		13092 A J FETKO INC			11,989.00 ASBESTOS ABATMNT-9631 & 9	
03/21/08	21-9		70509	11034 B S K & ASSOCIAT		718.50	.00 INSPECT SOIL VOC 2/08	
03/27/08	21-9	080982-01		13092 A J FETKO INC		11,989.00	.00 ASBESTOS ABATMNT-9631 & 9	
04/02/08	21-10		70498	12696 KLASSEN CORPORAT		345,779.44	.00 PMT #6 2/1-2/29/08	
04/03/08	21-10		70651	11034 B S K & ASSOCIAT		8,010.00	.00 MATERIALS TEST 3/08	
04/03/08	21-10		70788	11034 B S K & ASSOCIAT		5,211.48	.00 CONSTRICT ADMIN 3/08	
04/03/08	21-10		70826	00000965 DARDEN ARCHITECT		9,000.00	.00 INSPECTION SVC 03/08	
04/03/08	21-10		70997	11214 T W B INSPECTION		559,121.18	.00 PMT #7 3/1-3/31/8	
04/09/08	21-10		70908	12696 KLASSEN CORPORAT		5.00	.00 3/3 DARDEN ARCHITECTS	
04/11/08	21-10		71037	00001451 EXPRESS MESSAGE		15,264.85	.00 ELECTRIC VOC TRNG CT	
04/24/08	21-10		71082	70953 SOUTHERN CALIF E		3,138.00	.00 MATERIALS TEST 3/08	
04/25/08	21-10		71127	11034 B S K & ASSOCIAT		552.00	.00 EARTHWRK TEST 3/08	
04/25/08	21-10		71127	11034 B S K & ASSOCIAT		12,326.20	.00 CONTRACT ADMIN SVC	
04/25/08	21-10		71174	00000965 DARDEN ARCHITECT		9,000.00	.00 INSPC SVC 3/21-4/21	
04/25/08	21-10		71315	11214 T W B INSPECTION		-9,259.34	.00 RECEIVABLE-IV- HUHHS/COS	
04/29/08	19-10		00000462			161,512.11	.00 GAS SVC INSTALL 13TH	
05/01/08	21-10		71305	71200 SOUTHERN CALIF G		417,536.47	.00 PMT #8 4/1-4/30/08	
05/14/08	21-11		71493	12696 KLASSEN CORPORAT		-16.60	.00 RUDOKAS US EDA	
05/22/08	20-11		71598	00000432 UNITED PARCEL SE		16.60	.00 RUDOKAS US EDA	
05/22/08	21-11		71598	00000432 UNITED PARCEL SE		5.00	.00 DARDEN ARCHITECT 4/22	
05/23/08	21-11		71605	00001451 EXPRESS MESSAGE		16.60	.00 RUDOKAS US EDA 5/9/08	
05/23/08	21-11		71622	00000432 UNITED PARCEL SE		2,334.00	.00 MATERIALS TEST 04/08	
05/26/08	21-11		71650	11034 B S K & ASSOCIAT		8,628.34	.00 CONST ADMIN SVC	
05/28/08	21-11		71688	00000965 DARDEN ARCHITECT				

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SELECTION CRITERIA: expdedg: key prgm=1481  
ACCOUNTING PERIODS: 1/08 THRU 13/08

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FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBRANCE REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
808667	JOINT ED CTR/VOC TRNG FAC (cont'd)						
05/28/08 21-11		71688	00000965 DARDEN ARCHITECT		2,562.50	.00 ADD WRK REV KLASSEN	
05/28/08 21-11		71713	13257 J F S ENTERPRISE		34,650.00	.00 PMT #1 2/10-4/30/08	
05/28/08 21-11		71779	11214 T W B INSPECTION		9,000.00	.00 INSP SVC 4/21-5/21/08	
05/28/08 21-11		71650	11034 B S K & ASSOCIAT		855.00	.00 EARTHWRK TEST 4/08	
06/09/08 21-12		71972	12696 KLASSEN CORPORAT		583,458.30	.00 PMT #9 5/1-5/31/08	
06/24/08 21-12		72149	11034 B S K & ASSOCIAT		4,633.50	.00 SOIL TEST/INSPEC 5/08	
07/08/08 21-13		72552	11214 T W B INSPECTION		9,000.00	.00 INSP SVC 5/21-6/21/08	
07/08/08 21-13		72367	11034 B S K & ASSOCIAT		1,192.00	.00 MATERLTEST/INSPEC5/08	
07/28/08 21-13		72714	00000965 DARDEN ARCHITECT		8,628.34	.00 CONST ADM VOC CTR6/08	
07/28/08 21-13		72714	00000965 DARDEN ARCHITECT		840.00	.00 GAS EASEMENT VOC CTR	
07/28/08 21-13		72767	12696 KLASSEN CORPORAT		636,369.78	.00 PMT #10 5/1-6/30/08	
07/28/08 21-13		72676	11034 B S K & ASSOCIAT		541.50	.00 SOILS VOC CTR 6/08	
07/29/08 21-13		72676	11034 B S K & ASSOCIAT		742.00	.00 INSPEC/MAIURL TEST6/08	
07/29/08 21-13		72727	33621 * USE VENDOR 126		42.18	.00 6/20 US ECON DEV ADM	
07/30/08 19-13		625			3,048.00	.00 BSK-COMPCT TEST	
07/30/08 19-13		625			9,000.00	.00 TWS INSPECTION	
07/30/08 19-13		625			450.45	.00 SIGNWKS-48X96 SIGN	
08/20/08 21-13		080451-01	73000 STAPLES		.00	-8.30 COLOR PHOTOS, BINDERS, SH	
08/28/08 19-13		668			8,965.09	.00 ENGR CA TO CIP PP26-14	
08/28/08 19-13		670			2,439.09	.00 ENGR CH TO CIP PP26-14	
10/03/08 17-13		08CIPE-01	08 CIP ENCUMBRANCES			583,620.00 ENCUMBER PROJ BALANCE	
10/09/08 18-13		08CIPE-01	08 CIP ENCUMBRANCES			-583,620.00 PRIOR YEAR ENCUMBRANCE	
TOTAL		JOINT ED CTR/VOC TRNG FAC		5,475,000.00	4,891,381.67		583,618.33
808668	IND PARK ADDL WTR MAIN						
07/01/07 11-1				.00	.00	.00 BEGINNING BALANCE	
10/03/08 17-13		08CIPE-01	08 CIP ENCUMBRANCES			316,800.00 POSTED FROM BUDGET SYSTEM	
10/09/08 18-13		08CIPE-01	08 CIP ENCUMBRANCES			-316,800.00 ENCUMBER PROJ BALANCE	
TOTAL		IND PARK ADDL WTR MAIN			.00		316,800.00
808669	IND PARK TANK 4 PUMP UPGD						
07/01/07 11-1				.00	.00	.00 BEGINNING BALANCE	
01/09/08 19-7		279			140.11	POSTED FROM BUDGET SYSTEM	
08/28/08 19-13		670			23.58	08 ENGR CA TO CIP PP14-25	
10/03/08 17-13		08CIPE-01	08 CIP ENCUMBRANCES			08 ENGR CH TO CIP PP26-14	
10/09/08 18-13		08CIPE-01	08 CIP ENCUMBRANCES			69,840.00 ENCUMBER PROJ BALANCE	
TOTAL		IND PARK TANK 4 PUMP UPGD		70,000.00	163.69		-69,840.00 PRIOR YEAR ENCUMBRANCE

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

CITY OF HANFORD  
EXPENDITURE AUDIT TRAIL

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TIME: 12:11:36

SELECTION CRITERIA: expLedgtKey\_orig=1481  
ACCOUNTING PERIODS: 1/09 THRU 13/09

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FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
502-09-1471-1481-1481 - RDA GEN CAP-INDUSTRL PRK								
807650	IND PK-CONST RR SDNG/SPUR				.00	.00	.00 BEGINNING BALANCE	
10/09/08	13-1	08CIPE-01			71,180.00		PRIOR YEAR ENCUMBRANCE	
10/09/08	17-1	08CIPE-01		08 CIP ENCUMBRANCES			71,180.00 ENCUMB CARRIED FORWARD	
10/09/08	11-4	08CIPE-01		08 CIP ENCUMBRANCES	.00		ACCT BRGFT FWD FR FY08	
10/17/08	18-4	08CIPE-01		08 CIP ENCUMBRANCES			.00 ENCUMBER PROJ BALANCE	
10/17/08	18-4	08CIPE-01		08 CIP ENCUMBRANCES		87.48	.00 ENCUMBER PROJ BALANCE	
12/08/08	19-5	164				18.01	09 ENGR CA TO CIP PPL5-23	
09/02/09	19-13	608				105.49	09 OH TO CIP PP01-13	
TOTAL	IND PK-CONST RR SDNG/SPUR				71,180.00			71,074.51
808667 JOINT ED CTR/VOC TRNG FAC								
07/28/08	11-1				.00	.00	.00 BEGINNING BALANCE	
07/29/08	21-1	72714		00000965 DARDEN ARCHITECT		18,565.40	ACCOUNT ADD 7/28/08	
07/29/08	21-1	72767		12696 KLASSEN CORPORAT		215,192.70	CONST ADMIN SVC 7/08	
10/09/08	13-1	08CIPE-01		08 CIP ENCUMBRANCES	583,620.00		PMT #11 7/1-7/31/08	
10/09/08	17-1	08CIPE-01		08 CIP ENCUMBRANCES		9,000.00	PRIOR YEAR ENCUMBRANCE	
08/04/08	21-2	72881		11214 T W B INSPECTION		3,850.00	ENCUMB CARRIED FORWARD	
08/14/08	21-2	73014		13257 J F S ENTERPRISE		9.53	.00 10% RETAINAGE	
08/19/08	21-2	73160		71200 SOUTHERN CALIF G		1,164.00	.00 SPECIAL INSPEC 8/08	
08/27/08	21-2	73196		11034 B S K & ASSOCIAT		8.66	.00 M RUDOKAS/US ECON DEV	
08/27/08	21-2	73317		00000432 UNITED PARCEL SE		327,738.51	.00 PMT #12 8/1-8/31/08	
09/10/08	21-3	73471		12696 KLASSEN CORPORAT		5,214.08	.00 ADMIN SVC VOC CTR 8/08	
09/10/08	21-3	73406		00000965 DARDEN ARCHITECT		4,500.00	.00 INSPEC SVC VOC CTR	
09/10/08	21-3	73561		11214 T W B INSPECTION		1,736.00	.00 SOIL TEST 8/08	
09/25/08	21-3	73684		11034 B S K & ASSOCIAT		9.86	.00 0908255262 8/08	
09/30/08	21-3	73664		71200 SOUTHERN CALIF G		120,850.55	.00 PMT #13 9/1-9/30/08	
10/16/08	21-4	74053		12696 KLASSEN CORPORAT		4,500.00	.00 FINAL INSPEC SVC	
10/16/08	21-4	74129		11214 T W B INSPECTION		45.00	.00 SEPT 2008	
10/17/08	21-4	74163		70950 SOUTHERN CALIF E			.00 ENCUMBER PROJ BALANCE	
10/17/08	18-4	08CIPE-01		08 CIP ENCUMBRANCES		9.21	.00 ENCUMBER PROJ BALANCE	
10/23/08	21-4	74192		71200 SOUTHERN CALIF G		6,517.60	.00 0908255262 SEP 2008	
10/30/08	21-4	74261		00000965 DARDEN ARCHITECT		840.00	.00 PROG PMT CONST ADMIN	
10/30/08	21-4	74261		00000965 DARDEN ARCHITECT		8,160.00	.00 UTILITY EASMTNT PREP	
10/30/08	21-4	74261		00000965 DARDEN ARCHITECT			.00 DRAINAGE BASIN DESIGN	

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CITY OF HANFORD  
EXPENDITURE AUDIT TRAIL

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TIME: 12:11:36

SELECTION CRITERIA: exp\_ledgr\_key\_orign=1481  
ACCOUNTING PERIODS: 1/09 THRU 12/09

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FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	I/C	ENCUMBRANCE REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
808667	JOINT ED CTR/VOC TRNG FAC (cont'd)						
10/30/08 21-4	74232	11034 B S K & ASSOCIAT			446.00	.00 9/08 MATERIALS TEST	
10/30/08 21-4	74261	0000965 DARDEN ARCHITECT			1,302.54	.00 ADMIN SVC 9/08	
11/13/08 21-5	74632	70950 SOUTHERN CALIF E			38.89	.00 OCT 2008	
11/18/08 21-5	74656	73758 USE # 73765			520.00	.00 ANNUAL STM WTR PERMIT	
11/18/08 21-5	74664	71200 SOUTHERN CALIF G			19.95	.00 0908255262 OCT 2008	
11/26/08 21-5	74759	00000767 HANFORD JOINT UN			7,497.50	.00 1/2 TREE RMV-JOINT ED	
12/08/08 19-5	164				4,374.00	.05 ENGR CA TO CIP PP15-23	
12/09/08 21-6	74917	70950 SOUTHERN CALIF E			35.34	.00 NOV 2008	
12/11/08 21-6	75108	00000432 UNITED PARCEL SE			8.31	.00 M RUDOKAS-US ECON DEV	
12/11/08 21-6	74930	11034 B S K & ASSOCIAT			270.00	.00 PROF SVCS 10/08	
12/11/08 21-6	75017	12696 KLASSEN CORPORAT			96,813.26	.00 PMT #14 10/1-12/01/08	
12/31/08 21-6	75346	71200 SOUTHERN CALIF G			226.72	.00 0908255262 11/08	
12/31/08 21-6	75287	12696 KLASSEN CORPORAT			569,707.76	.00 10% RETAINAGE	
01/15/09 21-7	75459	00000965 DARDEN ARCHITECT			5,926.81	.00 ARCHITEC SVC CONST AD	
01/15/09 21-7	75459	00000965 DARDEN ARCHITECT			6,040.00	.00 ADDTL TOPOGRPH SURVY	
01/15/09 21-7	75601	70950 SOUTHERN CALIF E			36.49	.00 DEC 2008	
01/21/09 19-7	268				656.10	.09 ENGR CA TO CIP PE24-27	
01/28/09 17-7	090861-01					55,355.40 MARQUEE SIGN FOR VOCATION	
02/02/09 21-8	75851	13930 FRESNO NEON SIGN			687.65	.00 0908255262 12/08	
02/12/09 21-8	76097	71200 SOUTHERN CALIF G			33.00	.00 JAN 2009	
02/12/09 21-8	75952	70950 SOUTHERN CALIF E			18,451.80	.00 PMT#1 SIGN-VOC CTR	
02/26/09 21-8	76309	13930 FRESNO NEON SIGN			257.86	.00 0908255262 1/09	
03/12/09 21-9	76570	71200 SOUTHERN CALIF G			4.37	.00 0908255262 2/09 FINAL	
03/13/09 20-9	76570	71200 SOUTHERN CALIF G			-4.37	.00 0908255262 2/09 FINAL	
03/16/08 21-9	76622	71200 SOUTHERN CALIF G			4.37	.00 0908255262 2/09	
03/26/09 21-9	76657	70950 SOUTHERN CALIF E			2,804.19	.00 CLOSING BILL 2/11/09	
04/02/09 21-9	76867	67223 SAN JOAQUIN VALL			300.00	.00 NOTICE OF VIOLATION	
04/30/09 21-10	090861-01					-18,451.80 PMT#2 SIGN-VOC CTR	
05/30/09 21-12	090861-01					-9,438.36 MARQUEE SIGN FOR VOCATION	
09/02/09 19-13	608	13930 FRESNO NEON SIGN			1,035.70	.09 OH TO CIP PP01-13	
09/29/09 18-13	090861-01					-9,013.44 PRIOR YEAR ENCUMBRANCE	
TOTAL		JOINT ED CTR/VOC TRNG FAC		583,620.00	1,473,295.50		-889,675.50
808668	IND PARK ADDL WTR MAIN						
10/09/08 13-1						.00 BEGINNING BALANCE	
10/09/08 17-1	08CIPE-01			316,800.00		.00 PRIOR YEAR ENCUMBRANCE	
10/09/08 11-4						316,800.00 ENCUMB CARRIED FORWARD	
10/17/08 18-4	08CIPE-01					.00 ACCT BRGHT FWD FR FY08	
TOTAL		IND PARK ADDL WTR MAIN					.00 ENCUMBER PROJ BALANCE

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

PAGE NUMBER: 1  
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EXPENDITURE AUDIT TRAIL

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ACCOUNTING PERIODS: 1/10 THRU 13/10

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FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
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ACCOUNT DATE	T/C	ENCUMBRANC REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
502-09-1471-1481-1481			RD GEN CAP-INDUSTRL PRK				
800000		CAPITALIZED CY ASSETS		.00	.00	.00 BEGINNING BALANCE	
08/23/10	11-13			.00		ACCOUNT ADD 8/23/2010	
08/26/10	19-13	527			-825,000.00	HILL LND PUR 12/16/09	825,000.00
TOTAL		CAPITALIZED CY ASSETS		.00	-825,000.00		
807650		IND PK-CONST RR SDNG/SPUR		.00	.00	.00 BEGINNING BALANCE	
07/10/09	11-1			.00	.00	ACCT BRIGHT FWD FR FY09	.00
TOTAL		IND PK-CONST RR SDNG/SPUR		.00	.00		
808667		JOINT ED CTR/VOC TRNG PAC		.00	.00	.00 BEGINNING BALANCE	
07/02/09	11-1			.00	.00	ACCT BRIGHT FWD FR FY 09	
09/29/09	13-1			9,013.44		PRIOR YEAR ENCUMBRANCE	
09/29/09	17-1	090861-01	13930 FRESNO NEON SIGN		9,013.44	9,013.44 ENCUMB CARRIED FORWARD	
10/14/09	21-4	090861-01	13930 FRESNO NEON SIGN			-9,013.44 MARQUEE SIGN FOR VOCATION	
11/24/09	21-5	80600	73765 CALIF STATE WATE		520.00	.00 ANNUAL RENEWAL	
TOTAL		JOINT ED CTR/VOC TRNG PAC		9,013.44	9,533.44		-520.00
808669		IND PARK TANK 4 PUMP UPGD		.00	.00	.00 BEGINNING BALANCE	
07/10/09	11-1			.00	.00	ACCT BRIGHT FWD FR FY09	
07/14/09	17-1	100087-01	11199 MODESTO INDUSTRI			5,097.00 EQUIP INSTALLATION/TANK 4	
07/14/09	17-1	100088-01	11199 MODESTO INDUSTRI			13,413.26 VFD PANEL	
07/14/09	17-1	100089-01	11199 MODESTO INDUSTRI			9,908.00 TANK 4 MOTORS	
09/29/09	13-1		09 CIP ENCUMBRANCES	69,840.00		69,840.00 ENCUMB CARRIED FORWARD	
09/29/09	17-1	09CIPE-01	11199 MODESTO INDUSTRI			817.41 SALES TAX NOT ADDED	
08/07/09	18-2	100089-01	00000944 BOGIE'S PUMP SYS			5,587.14 PACO SPLIT-CASE PUMP 30 H	
08/24/09	17-2	100275-01	00000944 BOGIE'S PUMP SYS			12,421.32 PACO SPLIT-CASE PUMP 1000	
08/24/09	17-2	100275-99	00000944 BOGIE'S PUMP SYS			1,500.00 ESTIMATED SHIPPING/HANDLI	
09/18/09	21-3	100089-01	11199 MODESTO INDUSTRI			-10,725.41 TANK 4 MOTORS	
10/15/09	18-4	09CIPE-01	09 CIP ENCUMBRANCES		10,725.41	-69,840.00 PRIOR YEAR ENCUMBRANCE	
10/15/09	18-4	09CIPE-01	09 CIP ENCUMBRANCES			.00 PRIOR YEAR ENCUMBRANCE	
10/26/09	17-4	100555-01	00000071 H D SUPPLY WATER			1,514.11 M & H 8" GATE VALVES	
10/26/09	17-4	100555-02	00000071 H D SUPPLY WATER			1,268.00 M & H 8" CHECK VALVE S &	

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

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CITY OF HANFORD  
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ACCOUNTING PERIODS: 1/10 THRU 13/10

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FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
808669	IND PARK TANK 4 PUMP UPGD	(cont'd)						
10/26/09	17-4	100555-99		00000071 H D SUPPLY WATER			100.00 ESTIMATED SHIPPING/HANDLI	
10/28/09	21-4	100088-01	80153	11199 MODESTO INDUSTRI		13,363.73	-13,413.26 VFD PANEL	
11/13/09	17-5	100637-01		00000944 BOGIE'S PUMP SYS			1,588.03 DOUBLE END SHAFT FOR PACO	
11/24/09	21-5	100555-01	80620	00000071 H D SUPPLY WATER		1,519.55	-1,514.11 M & H 8" GATE VALVES	
11/24/09	21-5	100555-02	80620	00000071 H D SUPPLY WATER		1,272.55	-1,268.00 M & H 8" CHECK VALVE S	
11/24/09	21-5	100555-99	80620	00000071 H D SUPPLY WATER		108.64	-100.00 ESTIMATED SHIPPING/HANDLI	
12/09/09	17-6	100724-01		77848 VALLEY PUMP & DA			88.40 SUL 190 URETHANE SPIDER	
12/09/09	17-6	100724-02		77848 VALLEY PUMP & DA			105.05 MS 190 1-1/2" SUPER JAW	
12/09/09	17-6	100724-03		77848 VALLEY PUMP & DA			105.05 MS 190 2-1/8" SUPER JAW	
12/09/09	17-6	100724-04		77848 VALLEY PUMP & DA			225.44 SUL 225 URETHANE SPIDER	
12/09/09	17-6	100724-05		77848 VALLEY PUMP & DA			245.97 MS225 2-3/8" SUPER JAW	
12/09/09	17-6	100724-06		77848 VALLEY PUMP & DA			245.97 MS225 1-1/2" SUPER JAW	
12/15/09	21-6	100275-01	80879	00000544 BOGIE'S PUMP SYS		5,403.92	-5,587.14 PACO SPLIT-CASE PUMP 30 H	
12/15/09	21-6	100275-02	80879	00000544 BOGIE'S PUMP SYS		12,013.99	-12,421.32 PACO SPLIT-CASE PUMP 1000	
12/15/09	21-6	100275-99	80879	00000544 BOGIE'S PUMP SYS		1,570.50	-1,500.00 ESTIMATED SHIPPING/HANDLI	
01/04/10	17-6	100856-01		00000544 BOGIE'S PUMP SYS			2,361.66 FSO 600 X 1.5000 OVER-RUN	
01/04/10	17-6	100856-99		00000544 BOGIE'S PUMP SYS			192.04 ESTIMATED SHIPPING/HANDLI	
01/08/10	17-7	100907-01		58093 LOWE'S HOME CENT			100.00 MISC PAINT SUPPLIES	
01/13/10	21-7	100087-01	81222	11199 MODESTO INDUSTRI		5,097.00	-5,097.00 EQUIP INSTALLATION/TANK 4	
01/13/10	21-7	100637-01	81184	00000944 BOGIE'S PUMP SYS		1,666.48	-1,588.03 DOUBLE END SHAFT FOR PACO	
02/19/10	17-8	101147-01		56451 MURPHY SAFETY SW			1,155.00 SERVICE & TUNE T4 CONTROL	
03/03/10	17-9	101253-01		00001751 ERIC DODD DBA			1,350.00 TANK #4: INSTALL COM. LIN	
03/08/10	21-9	100856-01	81985	00000944 BOGIE'S PUMP SYS		2,347.80	-2,361.66 FSO 600 X 1.5000 OVER-RUN	
03/08/10	21-9	100856-99	81985	00000944 BOGIE'S PUMP SYS		195.90	-182.04 ESTIMATED SHIPPING/HANDLI	
03/08/10	21-9	100907-01	82044	58093 LOWE'S HOME CENT		96.40	-100.00 MISC PAINT SUPPLIES	
03/30/10	21-9	101253-01		00001751 ERIC DODD DBA			-1,350.00 TANK #4: INSTALL COM. LIN	
04/14/10	21-10	100724-01	82643	77848 VALLEY PUMP & DA		88.38	-88.40 SUL 190 URETHANE SPIDER	
04/14/10	21-10	100724-02	82643	77848 VALLEY PUMP & DA		105.05	-105.05 MS 190 1-1/2" SUPER JAW	
04/14/10	21-10	100724-03	82643	77848 VALLEY PUMP & DA		105.05	-105.05 MS 190 2-1/8" SUPER JAW	
04/14/10	21-10	100724-04	82643	77848 VALLEY PUMP & DA		225.44	-225.44 SUL 225 URETHANE SPIDER	
04/14/10	21-10	100724-05	82643	77848 VALLEY PUMP & DA		245.97	-245.97 MS225 2-3/8" SUPER JAW	
04/14/10	21-10	100724-06	82643	77848 VALLEY PUMP & DA		245.97	-245.97 MS225 1-1/2" SUPER JAW	
05/29/10	21-12	101147-01		56451 MURPHY SAFETY SW			-1,155.00 SERVICE & TUNE T4 CONTROL	
08/10/10	17-13	10CIPE-01		10 CIP ENCUMBRANCES			5,000.00 ENCUMBR PROJ BALANCE	
09/01/10	18-13	10CIPE-01		10 CIP ENCUMBRANCES			-5,000.00 PRIOR YEAR ENCUMBRANCE	
TOTAL	IND PARK TANK 4 PUMP UPGD			69,840.00		56,397.73		13,442.27
808670	IND PARK EXP RR SIDG/SPUR						.00 BEGINNING BALANCE	

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

Attachment: EXHIBIT E (1804 : ADOPT RES 17-04-OBR)

PAGE NUMBER: 3  
AUDIT21

CITY OF HANFORD  
EXPENDITURE AUDIT TRAIL

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SELECTION CRITERIA: extended key origin=1491  
ACCOUNTING PERIODS: 1/10 THRU 12/31/10

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FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
808670	IND	PARK EXP RR	SIDG/SPUR (cont'd)		.00			
07/10/09	11-1				.00		ACCT BRGHT FWD FR FY09	.00
TOTAL								.00
810652	INDUSTRL	PARK LAND SURVEY			.00		.00 BEGINNING BALANCE	
07/01/09	11-1				6,000.00		POSTED FROM BUDGET SYSTEM	
TOTAL					6,000.00			6,000.00
810653	INDUSTRL	PARK DEVL IMPROV			.00		.00 BEGINNING BALANCE	
07/01/09	11-1				100,000.00		POSTED FROM BUDGET SYSTEM	
TOTAL					100,000.00			100,000.00
810654	INDUSTRL	PARK-WTR TANK 4			.00		.00 BEGINNING BALANCE	
07/01/09	11-1				185,000.00		POSTED FROM BUDGET SYSTEM	
09/04/09	17-3	100341-01		42000 HANFORD SENTINEL			BIDS/TANK 4 CLEANING, REC	
09/14/09	24-3					-50.00	CASH RECEIPTS INTERFACE	
09/15/09	24-3					-50.00	CASH RECEIPTS INTERFACE	
09/16/09	24-3					-25.00	CASH RECEIPTS INTERFACE	
09/17/09	24-3					-50.00	CASH RECEIPTS INTERFACE	
09/21/09	24-3					-50.00	CASH RECEIPTS INTERFACE	
09/21/09	21-3	100341-01	79534	42000 HANFORD SENTINEL		304.25	BIDS/TANK 4 CLEANING, REC	
09/21/09	17-3	100341-02		42000 HANFORD SENTINEL		154.25	OVERAGE APPROVED BY J DOY	
09/22/09	24-3					-25.00	CASH RECEIPTS INTERFACE	
09/24/09	24-3					-50.00	CASH RECEIPTS INTERFACE	
09/28/09	21-3	100341-02		42000 HANFORD SENTINEL		.00	OVERAGE APPROVED BY J DOY	
09/30/09	24-3					-25.00	CASH RECEIPTS INTERFACE	
10/08/09	24-4					-25.00	CASH RECEIPTS INTERFACE	
11/04/09	13-5				23,000.00		CNCL BUD AMEND 11/3/09	
12/23/09	17-6	100824-01		00001751 ERIC DODD DBA			TANK 4-INSTALL TEMP POWER	
12/23/09	17-6	100824-02		00001751 ERIC DODD DBA			TANK 4-INSTALL TEMP POWER	
12/31/09	21-6	100824-01	81042	00001751 ERIC DODD DBA		1,481.94	TANK 4-INSTALL TEMP POWER	
12/31/09	21-6	100824-02	81042	00001751 ERIC DODD DBA		450.00	TANK 4-INSTALL TEMP POWER	
01/07/10	17-7	100884-01		08234 * USE VENDOR 110			113.75 VOC 502.2 CHECK SAMPLE #1	
01/13/10	21-7			09920 BAY AREA COATING		6,540.00	.00 COATING SPEC & INSPEC	
01/20/10	17-7	100969-01	81183	08234 * USE VENDOR 110			113.75 VOC 502.2 CHECK SAMPLE #2	
01/26/10	21-7		81444	14700 F D THOMAS, INC		153,900.00	.00 FINAL 12/07-01/09/10	

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

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CITY OF HANFORD  
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ACCOUNTING PERIODS: 1/10 THRU 13/10

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FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT	DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
810654	01/26/10	21-7	100884-01	81432	08234 * USE VENDOR 110	110	113.75	-113.75 VOC 502.2 CHECK SAMPLE #1	
	02/09/10	21-8	100969-01	81593	08234 * USE VENDOR 110	110	113.75	-113.75 VOC 502.2 CHECK SAMPLE #2	
	02/23/10	21-8		81850	00001751 ERIC DODD DBA		244.38	.00 RECONNECT CATHODIC	
	03/17/10	19-9		294			1,289.92	10 ENGR COSTS PP14-20	
	03/17/10	19-9		295			3,125.52	10 ENGR COSTS PP21-01	
	03/18/10	21-9		82163	14700 F D THOMAS, INC		17,100.00	.00 10% RETAINAGE	
	07/29/10	19-13		491			473.44	10 ENGR COSTS PP02-13	
	07/29/10	19-13		495			1,046.22	10 ENG OVERHD PP02-13	
TOTAL					INDUSTRL PARK-WTR TANK 4	208,000.00	185,758.17	.00	22,241.83
810655	07/01/09	11-1			INDSTRL PARK-PAVE VARI ST	40,000.00	.00	.00 BEGINNING BALANCE	
TOTAL					INDSTRL PARK-PAVE VARI ST	40,000.00	.00	.00 POSTED FROM BUDGET SYSTEM	40,000.00
810672	11/03/09	11-5			LND ACQ-E HILL-IND PK	.00	.00	.00 BEGINNING BALANCE	
	11/04/09	21-5		80263	22210 CHICAGO TITLE CO		10,000.00	ACCOUNT ADD 11/3/09	
	12/10/09	21-6		80861	22210 CHICAGO TITLE CO		822,469.73	.00 ESCROW/ED HILL-LD PUR	
	12/18/09	24-6					-361.45	.00 RDA BAL ED HILL ESCRW	
TOTAL					LND ACQ-E HILL-IND PK	.00	832,108.28	.00 CASH RECEIPTS INTERFACE	-832,108.28
888599	07/01/09	11-1			PRIOR YEAR-FIXED ASSETS	.00	.00	.00 BEGINNING BALANCE	
TOTAL					PRIOR YEAR-FIXED ASSETS	.00	.00	.00 POSTED FROM BUDGET SYSTEM	.00
TOTAL DIVISION - RDA GEN CAP-INDUSTRL PRK						432,853.44	258,797.62	.00	174,055.82
TOTAL FUND - RDA GEN FUND-INDUSTRL PRK						432,853.44	258,797.62	.00	174,055.82
TOTAL REPORT						432,853.44	258,797.62	.00	174,055.82

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

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CITY OF HANFORD  
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FUND - 502 - RDA GEN FUND-INDUSTRL PRK  
DIVISION - 1481 - RDA GEN CAP-INDUSTRL PRK

ACCOUNT DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES DESCRIPTION	CUMULATIVE BALANCE
811650	INDSTRL	PARK	IDENTIF SIGN (cont'd)					
07/01/10 11-1					13,000.00		POSTED FROM BUDGET SYSTEM	
01/19/11 17-7			111082-01	69572 SIGNWORKS, INC		703.69	INDUSTRIAL PARK SIGN	703.69
03/31/11 21-9			111082-01	69572 SIGNWORKS, INC		703.69	-703.69 INDUSTRIAL PARK SIGN	
TOTAL			INDSTRL PARK IDENTIF SIGN		13,000.00	703.69		12,296.31
811651	INDSTRL	PARK	EXPEN RR SPUR					
07/01/10 11-1					.00		.00 BEGINNING BALANCE	
08/11/11 17-13			11C1PE-01	11 CIP ENCUMBRANCES	265,000.00		POSTED FROM BUDGET SYSTEM	
08/19/11 18-13			11C1PE-01	11 CIP ENCUMBRANCES		265,000.00	ENCUMB PROJ BALANCE	265,000.00
TOTAL			INDSTRL PARK EXPEN RR SPUR		265,000.00	.00	-265,000.00 PRIOR YEAR ENCUMBRANCE	265,000.00
811652	INDSTRL	PARK-WTR	MAIN EXT					
07/01/10 11-1					.00		.00 BEGINNING BALANCE	
TOTAL			INDSTRL PARK-WTR MAIN EXT		725,000.00	.00	POSTED FROM BUDGET SYSTEM	725,000.00
811653	RESURFACE/REHAB	CROWN AVE						
07/01/10 11-1					.00		.00 BEGINNING BALANCE	
06/16/11 21-12				11329 CALMART CO, INC	250,000.00		POSTED FROM BUDGET SYSTEM	
06/16/11 21-12				11329 CALMART CO, INC		6,844.73	.00 ASPHALT	
06/16/11 21-12				11329 CALMART CO, INC		3,423.66	.00 ASPHALT	
06/16/11 21-12				31795 E & B BULK TRANS		5,794.20	.00 ASPHALT	
06/16/11 21-12				31795 E & B BULK TRANS		1,384.86	.00 ASPHALT	
06/17/11 21-12				31795 E & B BULK TRANS		1,348.02	.00 ASPHALT	
06/17/11 21-12				31795 E & B BULK TRANS		929.37	.00 ASPHALT 78.88 TON	
06/17/11 21-12				31795 E & B BULK TRANS		1,092.08	.00 ASPHALT TRUCKING	
06/22/11 21-12				00001123 CAIN TRUCKING IN		-1,092.08	.00 ASPHALT CREDIT	
06/22/11 21-12				00001123 CAIN TRUCKING IN		24,399.55	.00 CRS-2H OIL	
06/22/11 21-12				00001123 CAIN TRUCKING IN		2,095.25	.00 FRT & SPREAD TIME	
06/22/11 21-12				00001123 CAIN TRUCKING IN		2,314.00	.00 FRT & SPREAD TIME	
06/22/11 21-12				00001123 CAIN TRUCKING IN		24,782.97	.00 CRS-2H OIL	
06/22/11 21-12				00001123 CAIN TRUCKING IN		2,051.50	.00 FRT & SPREAD TIME	
06/22/11 21-12				00001123 CAIN TRUCKING IN		24,748.12	.00 CRS-2H OIL	
06/22/11 21-12				00001123 CAIN TRUCKING IN		24,543.96	.00 CRS-2H OIL	
06/22/11 21-12				00001123 CAIN TRUCKING IN		1,832.75	.00 FRT & SPREAD TIME	
06/22/11 21-12				00001123 CAIN TRUCKING IN		92,214.58	.00 COLD MIX, LABOR, EQ	
06/30/11 21-12				48448 KINGS CO PUBLIC		24,309.92	.00 CRS 24 OIL	
06/30/11 21-12				00001123 CAIN TRUCKING IN		2,357.75	.00 FREIGHT & SPREAD TIME	
06/30/11 21-12				88964		245,375.19	.00	4,624.81
TOTAL			RESURFACE/REHAB CROWN AVE		250,000.00			

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION



## AGENDA STAFF REPORT

<b>MEETING DATE:</b> 1/31/2017	<b>AGENDA SECTION:</b> D
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**SUBJECT:**

Review and approval of the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2017 to June 30, 2018 by adopting resolution 17-02-OBR

**RECOMMENDATION:**

That the Oversight Board review and approve the Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2017 to June 30, 2018 by adopting resolution 17-02-OBR

**BACKGROUND:**

AB 1484 and amendments under SB 107 requires Redevelopment Agency Successor Agencies to prepare a Recognized Obligation Payment Schedule (ROPS) each fiscal year and submit the ROPS to the State Department of Finance (DOF). The Successor Agency Oversight Board must approve the ROPS prior to submittal to DOF.

The FY18 ROPS is a list of obligations or payments that are or may be due within the twelve month period. The attached ROPS is for the period of July 1, 2017 to June 30, 2018. The Agency owes Kings EDC \$48,384 on loans for purchase of land in the Kings Industrial Park. \$15,000 is for proposed administrative expenses of the Successor Agency to wind down the activities of the former Redevelopment Agency. The Agency owes the City of Hanford \$7,736,416 from loans (funds advanced) to the Agency for capital improvement projects and operation expenses incurred from the inception of each of the two project areas to dissolution of The Redevelopment Agency. Pursuant to AB 1484 guidelines, the city could not place the unpaid loan balances on the ROPS Schedule until the due diligence reviews were complete, approved by the Oversight Board, approved by the Department of Finance (DOF), and the DOF issued a "Finding of Completion" (FOC). The due diligence reviews have been completed and approved by the DOF and the DOF has issued a FOC to the city effective July 16, 2013. The State Controller's Office (SCO) completed its approval effective August 13, 2014. The AB 1484 guidelines also provide that a defined repayment schedule must be developed and that the

maximum annual repayment amount is limited to one-half of the increase between the residual amount distributed to the taxing entries in that fiscal year and the residual amount distributed in the 2012-13 base year. The maximum annual repayment for FY2017-18 is \$54,428 as shown on the attached Loan Repayment Calculator page - Exhibit "A". The State Legislature recently passed SB 107 amending the Health and Safety Code (HSC) which now provides for cities to recover at least a portion of funds loaned to redevelopment agencies prior to dissolution.

Attached as Exhibit "B" is a summary of unpaid loans and partial real estate and project supporting documentation from the City of Hanford to the Redevelopment Agency. The items with an asterisk on Exhibit "B" total \$6,551,522 and are proposed for inclusion on the ROPS. The FY2017-18 ROPS repayment is limited to \$54,428. Property tax growth from development on property recently sold by the Successor Agency is estimated to increase the maximum annual repayment amount to about \$104,000. A 40 year \$104,000 annual repayment schedule would provide total repayment of about \$4,160,000. Any unpaid balances would be written off by the City.

Staff is requesting the Oversight Board approve the ROPS for the period July 1, 2017 - June 30, 2018, which must be submitted to the State Department of Finance and the Kings County Auditor-Controller by February 1, 2017. Under AB 1484, all actions taken by the Oversight Board must be adopted by resolution.

**FISCAL IMPACT:**

None.

**ATTACHMENTS:**

RESOLUTION 17-02-OBR

ROPS 17-18

EXHIBIT A

EXHIBIT B

RESOLUTION NO. 17-02-OBR

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018**

At a special meeting of the members of the Oversight Board to the Community Redevelopment Agency of the City of Hanford (“Oversight Board”), duly called and held on January 31, 2017, at 2:00 P.M., and upon a motion by Member \_\_\_\_\_ and seconded by Member \_\_\_\_\_ and duly carried, the following resolution was adopted:

**WHEREAS**, AB 1X 26 (Dissolution Act) effectively dissolved all redevelopment agencies in the State of California effective February 1, 2012; and

**WHEREAS**, on June 27, 2012 the California State Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act; and

**WHEREAS**, AB 1X 26 and AB 1484 require the preparation by the Successor Agency of Recognized Obligation Payment Schedules (ROPS); and

**WHEREAS**, each ROPS sets forth the amounts due for enforceable obligations that may be payable during the fiscal year covered by each respective ROPS; and

**WHEREAS**, each ROPS is subject to approval by the Oversight Board; and

**WHEREAS**, the Successor Agency’s authority to pay enforceable obligations is limited to those items shown on an approved ROPS; and

**WHEREAS**, the Successor Agency to the Community Redevelopment Agency of the City of Hanford prepared the attached ROPS, which covers the period July 1, 2017 through June 30, 2018; and

**WHEREAS**, the Oversight Board has reviewed the attached ROPS and finds that it complies with the requirements of AB 1X 26 and AB 1484; and

Attachment: RESOLUTION 17-02-OBR (1802 : OVERSIGHT-ROPS)

**WHEREAS**, AB 1484 requires that all actions taken by an Oversight Board be adopted by resolution (Health & Safety Code Section 34179(e)).

**NOW, THEREFORE, BE IT RESOLVED** that the attached ROPS covering the period July 1, 2017 through June 30, 2018 is hereby approved.

Passed and adopted at a meeting of the Oversight Board of the Successor Agency of the Community Redevelopment Agency of the City of Hanford duly called and held on the 31<sup>st</sup> day of January 2017, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**APPROVED**

\_\_\_\_\_  
 JOHN LEHN  
**Chairperson** of the Oversight Board of  
 the Successor Agency to the Community Redevelopment  
 Agency of the City of Hanford

Attest:

\_\_\_\_\_  
 JENNIFER GOMEZ  
**CITY CLERK**

Attachment: RESOLUTION 17-02-0BR (1802 : OVERSIGHT-ROPS)

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

I, **JENNIFER GOMEZ**, City Clerk of the City of Hanford, do hereby certify that the foregoing Resolution was passed and adopted by the Members of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Hanford at a special meeting thereof held on January 31, 2017.

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

Attachment: RESOLUTION 17-02-OB (1802 : OVERSIGHT-ROPS)

**Recognized Obligation Payment Schedule (ROPS 17-18) - Summary**

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: Hanford  
 County: Kings

	17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	<b>\$ 63,384 \$</b>	<b>15,000 \$</b>	<b>78,384</b>
B Bond Proceeds	-	-	-
C Reserve Balance	15,000	15,000	30,000
D Other Funds	48,384	-	48,384
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 27,214 \$</b>	<b>27,214 \$</b>	<b>54,428</b>
F RPTTF	27,214	27,214	54,428
G Administrative RPTTF	-	-	-
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 90,598 \$</b>	<b>42,214 \$</b>	<b>132,812</b>

Certification of Oversight Board Chairman.  
 Pursuant to Section 34.177 (c) of the Health and Safety code, I  
 hereby certify that the above is a true and accurate Recognized  
 Obligation Payment Schedule for the above named successor  
 agency.

\_\_\_\_\_  
 Name Title  
 /s/ \_\_\_\_\_  
 Signature Date

Hanford Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail  
 July 1, 2017 through June 30, 2018  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	17-18A (July - December)				17-18B (January - June)				W				
											L	M	N	O	P	Q	R	S		T	U	V	17-18A Total
Item #	Project Name/Debt Obligation	Obligation Type	Contract Agreement Reference Date	Contract Agreement Reference Date	Payer	Description/Project Source	Project Area	Total Outstanding Debt at 6/30/18	Retired	ROPS 17-18 Total	Board Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18A Total	Board Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18B Total	
1	KINGS EDC LOAN	Third Party Loans	5/4/2020	6/3/2043	KINGS EDC	LOAN FOR LAND PURCHASE	INDUSTRIAL PARK	\$ 48,384	N	\$ 132,812	\$ 48,384	\$ 15,000	\$ 48,384	\$ 27,214	\$ 27,214	\$ 40,384	\$ 48,384	\$ 15,000	\$ 15,000	\$ 27,214	\$ 27,214	\$ 40,384	\$ 42,314
3	SUCCESSOR AGENCY ASW	Agency Loan	7/1/2019	6/30/2037	CITY OF HANFORD	ADMINISTRATIVE COSTS	ALL AREAS	\$ 30,000	N	\$ 30,000	\$ 30,000	\$ 15,000	\$ 15,000	\$ 27,214	\$ 27,214	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 27,214	\$ 27,214	\$ 15,000	\$ 15,000
4	CITY OF HANFORD LOAN	City/County Loan (Flow)	3/4/1971	6/30/2043	CITY OF HANFORD	LOAN FOR LAND PURCHASE	INDUSTRIAL PARK	\$ 633,652	N	\$ 633,652	\$ 633,652	\$ 1,006,851	\$ 1,006,851	\$ 27,214	\$ 27,214	\$ 1,006,851	\$ 1,006,851	\$ 1,006,851	\$ 1,006,851	\$ 27,214	\$ 27,214	\$ 1,006,851	\$ 1,006,851
5	CITY OF HANFORD LOAN	City/County Loan (Flow)	3/4/1971	6/30/2043	CITY OF HANFORD	LOAN FOR INFRASTRUCTURE DEV	INDUSTRIAL PARK	\$ 328,851	N	\$ 328,851	\$ 328,851	\$ 328,851	\$ 328,851	\$ 27,214	\$ 27,214	\$ 328,851	\$ 328,851	\$ 328,851	\$ 328,851	\$ 27,214	\$ 27,214	\$ 328,851	\$ 328,851
6	CITY OF HANFORD LOAN	City/County Loan (Flow)	3/4/1971	6/30/2043	CITY OF HANFORD	LOAN FOR INFRASTRUCTURE DEV	INDUSTRIAL PARK	\$ 1,884,867	N	\$ 1,884,867	\$ 1,884,867	\$ 1,884,867	\$ 1,884,867	\$ 27,214	\$ 27,214	\$ 1,884,867	\$ 1,884,867	\$ 1,884,867	\$ 1,884,867	\$ 27,214	\$ 27,214	\$ 1,884,867	\$ 1,884,867
7	CITY OF HANFORD LOAN	City/County Loan (Flow)	3/4/1971	6/30/2043	CITY OF HANFORD	LOAN FOR INFRASTRUCTURE DEV	INDUSTRIAL PARK	\$ 1,813,058	N	\$ 1,813,058	\$ 1,813,058	\$ 1,813,058	\$ 1,813,058	\$ 27,214	\$ 27,214	\$ 1,813,058	\$ 1,813,058	\$ 1,813,058	\$ 1,813,058	\$ 27,214	\$ 27,214	\$ 1,813,058	\$ 1,813,058
8	CITY OF HANFORD LOAN	City/County Loan (Flow)	3/4/1971	6/30/2043	CITY OF HANFORD	LOAN FOR INFRASTRUCTURE DEV	INDUSTRIAL PARK	\$ 283,058	N	\$ 283,058	\$ 283,058	\$ 283,058	\$ 283,058	\$ 27,214	\$ 27,214	\$ 283,058	\$ 283,058	\$ 283,058	\$ 283,058	\$ 27,214	\$ 27,214	\$ 283,058	\$ 283,058
9	CITY OF HANFORD LOAN	City/County Loan (Flow)	3/4/1971	6/30/2043	CITY OF HANFORD	LOAN FOR INFRASTRUCTURE DEV	INDUSTRIAL PARK	\$ 288,542	N	\$ 288,542	\$ 288,542	\$ 288,542	\$ 288,542	\$ 27,214	\$ 27,214	\$ 288,542	\$ 288,542	\$ 288,542	\$ 288,542	\$ 27,214	\$ 27,214	\$ 288,542	\$ 288,542
10	CITY OF HANFORD LOAN	City/County Loan (Flow)	3/4/1971	6/30/2043	CITY OF HANFORD	LOAN FOR INFRASTRUCTURE DEV	INDUSTRIAL PARK	\$ 288,542	N	\$ 288,542	\$ 288,542	\$ 288,542	\$ 288,542	\$ 27,214	\$ 27,214	\$ 288,542	\$ 288,542	\$ 288,542	\$ 288,542	\$ 27,214	\$ 27,214	\$ 288,542	\$ 288,542
11																							
12																							
13																							
14																							

**Hanford Recognized Obligation Payment Schedule (ROPS 17-18) - Report of Cash Balances  
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see Cash Balance Tips Sheet.

A	B	C	D	E	F	G	H	I						
									Fund Sources					
									Bond Proceeds		Reserve Balance		Other	RPTTF
Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin									
<b>Cash Balance Information by ROPS Period</b>														
<b>ROPS 15-16B Actuals (01/01/16 - 06/30/16)</b>														
1	Beginning Available Cash Balance (Actual 01/01/16)			248,701		366								
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016					702								
3	Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)			5,657		1,068								
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)													
5	ROPS 15-16B RPTTF Balances Remaining			No entry required										
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ 243,044	\$ -	\$ -	\$ -	\$ -						

**Hanford Recognized Obligation Payment Schedule (ROPS 17-18) - Notes July 1, 201**

**Item #**      **Notes/Comments**

3      RESERVE BALANCE IS FROM UNEXPENDED PRIOR PERIODS RPTTF ADMIN ALLOWANCES.

<b>ROPS Review Period:</b>	<b>ROPS 17-18</b>		
<b>CITY OF HANFORD Loan Repayment Calculator</b>			
<b>Base Year:</b>	<b>ROPS II July thru December 2012</b>	<b>ROPS III January thru June 2013</b>	<b>Total For Base Year</b>
<b>Residual Balance</b>	<b>853,673</b>	<b>853,673</b>	<b>1,707,346</b>

<b>Comparison Year:</b>	<b>ROPS 16-17 A July thru December 2016</b>	<b>ROPS 16-17 B January thru June 2017</b>	<b>Total For Comparison Year</b>
<b>Residual Balance</b>	<b>633,522</b>	<b>1,182,680</b>	<b>1,816,202</b>

A	Total Residual Balance for Comparison Year	1,816,202
B	Total Residual Balance for Base Year	1,707,346
A-B	Difference of Residual Balance	108,856
		+2
<b>Maximum Repayment for Fiscal Year 2017-18</b>		<b>54,428</b>

Attachment: EXHIBIT A (1802 : OVERSIGHT-ROPS)

City of Hanford  
Unpaid Balance of Loans To Redevelopment Agency  
1974 To 2017

Description	Location	Loan Date	Principal Amount	3% Simple Interest Years	3% Simple Interest Amount	Total
Land Acquisition: Pirelli Property	Industrial Park Project Area	5/4/2002	574,900	15 yrs 3 mos	261,551	836,451 *
Land Acquisition: Hill Property	Industrial Park Project Area	6/30/2010	832,108	7 yrs	174,742	1,006,850 *
Infrastructure: 11th Ave Construction-Iona Ave To Industry Ave	Industrial Park Project Area	6/30/2000	216,500	17 yrs	110,415	326,915 *
Infrastructure: Streets, Water Mains, Sewer Main & Storm Drain Construction	Industrial Park Project Area	6/30/2002	1,299,908	15 yrs	584,958	1,884,866 *
Infrastructure: COS Vocational Center Construction	Industrial Park Project Area	6/30/2009	1,507,000	9 yrs	406,890	1,913,890 *
Infrastructure: Water Tank Pump Installation	Industrial Park Project Area	6/30/2010	242,156	7 yrs	50,852	293,008 *
Infrastructure: Crown Ave Street Reconstruction	Industrial Park Project Area	6/30/2011	245,375	6 yrs	44,167	289,542 *
Operations/Consultant Costs: City/Consultant Planning/Consultant Services	Industrial Park Project Area	1974-6/30/11	1,891,148	17 yrs	1,040,640	2,931,788
Operations/Consultant Costs: City/Consultant Planning And Operational Svcs	Downtown Project Area	7/1/09-6/30/11	927,323	7 yrs	170,503	1,097,826
			<u>7,736,418</u>		<u>2,844,718</u>	<u>10,581,136</u>

\* The items with an asterisk are proposed for inclusion for the July 1, 2017 to June 30, 2018 ROPS.

FIRST AMERICAN TITLE COMPANY  
1479 W. LACEY BLVD. \* HANFORD, CA 93230  
(209) 585-3300

ESCROW NUMBER: 104717RB  
PROPERTY: Vacant Land  
Hanford, CA 93230  
ptn Parcel B of PM 11-10, parcel 1/ptn Parcel C of PM 11-10

TODAY'S DATE: 5/05/2000  
CLOSING DATE: 5/05/2000

ESCROW CLOSING STATEMENT OF:  
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD

OTHER PARTY:  
Pirelli Tire, LLC, a Delaware Limited Liability Company

BUYER'S CLOSING STATEMENT

DESCRIPTION		DEBITS	CREDITS
Sales Price	97.10 AC.	873,900.00	
DEPOSIT	CITY		391,000.00
Deposit from Escrow #104717NG			10,439.59
First Deed of Trust (New)	TO SELLER		173,900.00
Second Deed of Trust (New)	Kings County Econ. Development		300,533.00
addn'l Policy fee (2)	FIRST AMERICAN TITLE	250.00	
Title Policy Fee	FIRST AMERICAN TITLE INS. CO.	603.00	
Escrow Fee	First American Title Company	600.00	
Drawing Documents	First American Title Company	20.00	
Recording fees: Deed \$	Mtg \$ Releases \$	65.00	
Balance Due To Buyer		434.59	
TOTALS		875,872.59	875,872.59

This statement should be retained by you for Income Tax purposes.

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

"This is to certify that this is a full, true and correct  
copy of the original."

FIRST AMERICAN TITLE COMPANY  
By *[Signature]*

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is entered into this 4<sup>th</sup> day of May, 1999, by and between PIRELLI TIRE LLC, a Delaware limited liability company ("Seller") and the CITY OF HANFORD, a Municipal corporation ("Purchaser").

### RECITALS

A. Seller is the owner of certain real property located in the County of Kings, State of California, consisting of approximately 100 acres, and having Assessor Parcel Numbers 18-242-47, 18-242-48 and 18-242-54, as more particularly described in Exhibit A attached hereto and made a part hereof ("Property").

B. Purchaser desires to purchase the Property, including that portion of the Property subject to an easement granted to Lakeside Ditch Company, and Seller desires to sell the Property on the terms and conditions in this Agreement.

Now, therefore, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **Purchase and Sale.** (a) Seller agrees to sell and Purchaser agrees to purchase the Property together with: (i) all rights, easements and appurtenances belonging or appurtenant thereto; (ii) all right, title and interest of Seller in and to any and all roads, streets, and ways bounding the Property; and (iii) all improvements thereon, if any, subject to the terms and conditions in this Agreement.

2. **Use.** If it acquires the Property pursuant hereto, Purchaser or any subsequent owner, may use the Property for any lawful purpose.

3. **Purchase Price.** The purchase price for the Property shall be \$9,000.00 per acre ("Purchase Price"). The total purchase price for the Property shall be based upon the acreage of the Property as determined by a survey of the Property performed by Purchaser at Purchaser's Expense. Upon completion, the survey shall be forwarded to Seller for their review. The Purchase Price shall be paid as follows:

(a) Within 5 business days after the execution of this Agreement by both parties, Purchaser shall deposit with Escrow Agent (as hereinafter defined) the sum of \$10,000.00 as earnest money ("Deposit"), which shall be held in an interest-bearing account with all interest credited to Purchaser, and applied in accordance with the terms of this Agreement.

(b) On the Closing Date (as hereinafter defined), Purchaser shall deposit with Escrow Agent the sum of \$690,000.00 in cash or in immediately available funds.

(c) On the Closing Date (as hereinafter defined), Purchaser shall deposit with Escrow a promissory note secured by a first deed of trust in a form agreed to by Seller and Purchaser in a principal amount equal to the remaining portion of the Purchase Price. The promissory note shall be non-interest bearing, with all principal to be paid at the end of two years from the Closing Date ("Promissory Note"). The date of the Promissory Note and the due date for payment of the principal amount shall be entered on the Promissory Note by Escrow Agent on the Closing Date.

(d) On the Closing Date (as hereinafter defined), Purchaser shall deposit with Escrow Agent, a deed of trust in a form agreed to by Seller and Purchaser, securing Purchaser's performance of the provisions of the Promissory Note, including, without limitation, the payment of the principal amount thereof. Seller and Purchaser agree that Seller as Beneficiary of the deed of trust shall provide Purchaser as Trustor of the deed of trust partial reconveyances of the deed of trust in accordance with the following provision which will be added to the deed of trust prior to Seller's execution of the deed of trust:

"So long as at least fifty (50) acres of the property described herein remains subject to this deed of trust and so long as Trustor is not in default of any provision under the terms of this deed of trust or the promissory note secured hereby, it is agreed by Trustor and Beneficiary that Trustor shall be entitled to demand and receive and Beneficiary shall provide to Trustee within ten (10) days of receipt of such demand, requests for partial reconveyances of this deed of trust to any portions of the property herein described and as identified in Trustor's demand. Trustor shall pay any escrow and recording fees or costs associated with any such demand for a partial reconveyance. Should Trustor make a demand for a partial reconveyance which would reduce the size of the property described herein to less than fifty (50) acres, Beneficiary may, at its option, require Trustor to pay all or a specified portion, as determined by Beneficiary, of the principal balance owed under the promissory note secured hereby, as a condition precedent to providing the partial reconveyance."

4. **Escrow.** By this Agreement, Purchaser and Seller establish an escrow ("Escrow") with First American Title Company, Hanford, California 93230, Attn: Noni Gillum ("**Escrow Agent**").

5. **Feasibility Period.** (a) During the period commencing on the date this Agreement is executed by Seller, and terminating on the date 60 days from that date ("**Feasibility Period**"), Purchaser may undertake at Purchaser's expense an inspection of the Property, including, without limitation, reviewing the physical condition of the Property, including its income and development potential, market position, uses and other economic aspects, the location and adequacy of utilities, subdivision report and engineering studies and performing inspections, examinations and testing of soils and other environmental factors, including, without limitation, Hazardous Substances (as hereinafter defined). Within 5 days of Purchaser's request, Seller shall deliver to Purchaser copies of all information in Seller's possession or control pertaining to the Property, including, without limitation, surveys,

specifications, environmental reports, copies of all past and present leases and rental agreements of the Property, the name, address and telephone numbers of any past or present lessees, tenants and renters and other documents pertaining to the physical, geological or environmental condition of the Property that are owned by or in the possession of Seller. Hazardous Substances are defined as any and all petroleum, asbestos, polychlorinated biphenyls, radioactive materials, radon gas or any chemical, material or substance now or hereafter defined as or included in the definition of "hazardous substances", "hazardous wastes", hazardous materials", or "toxic substances" or words of similar import under any Environmental Laws. Environmental Laws are defined as any and all laws, statutes, ordinances, requirements, restrictions, rules, regulations, consent decrees or administrative orders of any federal, state or local governmental agency relating to the use, generation, manufacture, installation, release, discharge, storage or disposal of Hazardous Substances, or relating to public health and safety and the protection of the environment,

(b) If Purchaser's environmental consultant requires additional time to determine the existence and extent of any Hazardous Substances on or about the Property, Purchaser shall have the right, exercisable by delivering written notice to Seller prior to the expiration of the Feasibility Period, to extend the Feasibility Period and the last day on which the Closing Date may occur for up to 30 days to complete its review.

(c) If Purchaser disapproves of the results of the inspection and review in its sole and absolute discretion, Purchaser may elect to terminate this Agreement by giving Seller written notification prior to the expiration of the Feasibility Period, and the Deposit, together with all interest accrued thereon and any additional funds in Escrow, shall be returned to Purchaser and all parties hereto shall be relieved of all further liabilities and obligations hereunder, except as otherwise provided herein. If Purchaser fails to properly notify Seller of its intent to terminate this Agreement, Purchaser shall be deemed to be satisfied with the results of the inspection and review and shall be deemed to have waived the right to terminate this Agreement pursuant to this provision.

6. **Access.** Purchaser and Purchaser's contractors, agents, representatives and consultants shall have the right, from the date of this Agreement until the Closing Date, to enter onto the Property, at their own cost and risk, for any purpose of such inspection and review, including without limitation, inspecting the Property, surveying the Property, taking samples of the soil, and conducting an environmental audit (including an investigation of past and current uses of the Property). In addition, Purchaser shall have the right to contact any governmental authority to investigate any matters relating to the Property. Seller agrees to cooperate reasonably with Purchaser in the inspection of the Property. Purchaser shall indemnify, defend and hold Seller harmless from any and all damages, losses and claims resulting from the activities of Purchaser or Purchaser's contractors, agents, representatives and consultants while on the Property.

7. **Conditions to Purchaser's Performance.** Purchaser's obligation to perform under this Agreement is subject to the following conditions:

- (a) Purchaser's approval of the Property as provided in Section 5;
- (b) Receipt by Purchaser of EDA funding for Purchaser's development project for the Property on or before July 1, 1999.
- (c) Seller's representations and warranties in this Agreement being correct as of the date of this Agreement and as of the Closing Date;
- (d) Seller's performance of all obligations under this Agreement; and
- (e) Escrow Agent's being prepared to issue the Title Policy (as hereinafter defined) on the Closing Date, insuring the Property for the full amount of the Purchase Price, and subject only to the Approved Exceptions (as hereinafter defined).

8. **Title.** (a) As soon as practicable, Seller, at its sole cost and expense, shall cause Escrow Agent to issue to Purchaser, a preliminary report for the Property ("**Preliminary Report**"), together with complete and legible copies of all documents relating to title exceptions referred to in the Preliminary Report.

(b) Purchaser shall approve or disapprove each exception shown on the Preliminary Report and any other matter that affects title to the Property (each an "**Exception**") within 15 days following the receipt of the Preliminary Report.

(c) If any Exception is disapproved (each a "**Disapproved Exception**"), Seller shall, within 30 days following expiration of the 15 day period provided under Section 8(b) above, use its best efforts to cause each Disapproved Exception to be discharged, satisfied, released or terminated, as the case may be, of record, and in a form that is reasonably satisfactory to Purchaser, all at Seller's sole cost and expense. If Seller is unable to obtain a discharge, satisfaction, release or termination of a Disapproved Exception within the time period specified in this paragraph (c), Purchaser shall have the right to:

(i) waive the Disapproved Exception and proceed with Closing, accepting title to the Property subject to the Disapproved Exception, or

(ii) terminate this Agreement, in which event Seller shall pay all cancellation charges of the title company, and Escrow Agent; both Purchaser and Seller shall be relieved of all further obligation and liability to each other under this Agreement, except as otherwise provided herein; and the Deposit, together with all interest accrued thereon and any additional funds in Escrow shall be returned to Purchaser and all documents deposited with Escrow Agent shall be promptly returned by Escrow Agent to the depositing party.

9. **Close of Escrow.** The conveyance of the Property and the closing of this transaction shall take place on August 1, 1999 ("**Closing Date**").

(a) Simultaneously with the Closing Date, Escrow Agent shall issue an ALTA Owner's Policy of Title Insurance (Purchaser shall have the option to require that Escrow Agent issue a Survey and ALTA Extended Policy of Title Insurance) (collectively "Title Policy") insuring the Property and any easements appurtenant to or located at the Property, in an amount equal to the Purchase Price, subject only to exceptions approved by Purchaser in accordance with Section 8 ("Approved Exceptions").

(b) Seller shall deposit with Escrow Agent on or prior to the Closing Date the following documents:

(i) A grant deed executed and acknowledged by Seller conveying to Purchaser good, insurable and marketable fee simple title to the Property, free, clear and unencumbered, subject only to the Approved Exceptions ("Deed");

(ii) Seller's affidavit of nonforeign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended;

(iii) Seller's Affidavits stating that (1) vacant possession of the Property is being delivered, (2) there are no unrecorded leases or agreements affecting the Property, and (3) there are no mechanic's or statutory liens against the Property;

(iv) Such additional documentation as Escrow Agent may reasonably deem necessary in order to effectuate the transaction set forth in this Agreement.

(c) Escrow Agent shall allocate the following costs at the Closing Date.

(i) Seller shall pay:

(A) All real property and documentary transfer taxes due upon transfer of the Property;

(B) All charges in connection with issuance of a standard ALTA Owners Policy of Title Insurance in the amount of the Purchase Price;

(C) One-half(1/2) of the escrow fee charged by Escrow Agent;  
and

(D) All existing bonds and assessments levied or assessed with respect to the Property.

(ii) Purchaser shall pay:

(A) the recording charges in connection with recordation of the Deed;

and (B) one-half (1/2) of the escrow fee charged by Escrow Agent;

(C) All charges in excess of the cost of a Standard ALTA Owners Policy of Title Insurance should Purchaser elect to require issuance of a Survey and ALTA Extended Coverage Policy of Title Insurance.

(iii) Because Purchaser does not pay real property taxes, there will not be any proration of taxes, assessments or any other charges associated with the Property. Seller shall pay any and all taxes, including without limitation, supplemental taxes related to the period of its ownership of the Property.

**10. Possession and Maintenance.** (a) Possession of the Property shall be delivered to Purchaser at the Closing Date, unobstructed and free and clear of all tenants and other occupants.

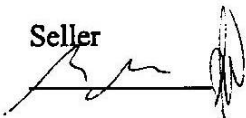
(b) Seller shall be responsible for normal and customary maintenance of the Property in its present condition, and shall pay any and all expenses incurred in connection therewith prior to the Closing Date.

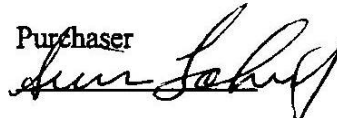
**11. Damage and Destruction.** (a) In the event of damage or destruction of the Property or any portion of the Property prior to the Closing Date in an amount not exceeding \$10,000.00, Seller shall promptly notify Purchaser and Purchaser and Seller shall consummate this Agreement and the Purchase Price shall be reduced by the amount of such damage or destruction.

(b) In the event of damage or destruction of the Property or any portion of the Property prior to the Closing Date in an amount in excess of \$10,000.00, Seller shall promptly notify Purchaser and Purchaser may either, at its option, elect to terminate this Agreement upon written notice to Seller and Escrow Agent or consummate this Agreement and the Purchase Price shall be reduced by the amount of such damage or destruction. If Purchaser elects to terminate this Agreement pursuant to this provision, Escrow Agent shall, within 5 days following receipt of Purchaser's notice, return the Deposit, together with accrued interest, and any additional funds in Escrow, to Purchaser. Upon termination, neither party shall have any further obligations and liabilities under this Agreement except as otherwise provided in this Agreement.

**12. Liquidated Damages.** (a) IF PURCHASER FAILS TO COMPLETE THE PURCHASE PROVIDED FOR IN THIS AGREEMENT BY REASON OF ANY DEFAULT OF PURCHASER, SELLER SHALL BE RELEASED FROM SELLER'S OBLIGATION TO SELL THE PROPERTY TO PURCHASER AND MAY PROCEED AGAINST PURCHASER UPON ANY CLAIM OR REMEDY THAT SELLER MAY HAVE IN LAW OR EQUITY; PROVIDED, HOWEVER, THAT, BY INITIALING THIS SECTION 12 PURCHASER AND SELLER AGREE THAT IN EVENT OF ANY DEFAULT BY PURCHASER, (A) IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX ACTUAL DAMAGES; (B) AN AMOUNT EQUAL TO THE DEPOSIT MADE BY PURCHASER PURSUANT TO SECTION

3(A) OF THIS AGREEMENT, PLUS ANY INTEREST ACCRUED ON THE DEPOSIT SHALL CONSTITUTE LIQUIDATED DAMAGES PAYABLE TO SELLER; (C) THE PAYMENT OF THE LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF SELLER FOR ANY DEFAULT OR BREACH BY PURCHASER; (D) SELLER MAY RETAIN THE DEPOSIT ON ACCOUNT OF PURCHASE PRICE FOR THE PROPERTY AS LIQUIDATED DAMAGES; AND (E) PAYMENT OF THOSE SUMS TO 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.

Seller  


Purchaser  


(b) If Escrow fails to close by reason of any default by Seller, Purchaser shall be entitled to: (1) exercise all of its rights and remedies available at law and equity, including, without limitation, the remedy of specific performance; or (2) terminate this Agreement and receive the return of the Deposit and all accrued interest, and any additional funds in Escrow. If Purchaser elects to terminate this Agreement, Seller shall pay all cancellation charges of the title company and escrow agent.

13. **Seller Warranties.** Seller represents and warrants to Purchaser that as of the date hereof and as of the Closing Date:

(a) There are no leases, licenses, permits, concessions or other agreements affecting the Property.

(b) There is no pending or threatened litigation, administrative proceeding or other legal or governmental action with respect to the Property, or which may impair Seller's ability to sell the Property.

(c) Any information that Seller has delivered to Purchaser, either directly or through Seller's agents, is accurate, to the best of its knowledge and belief, and Seller has disclosed all material facts with respect to the Property.

(d) There are no deeds of trust, restrictions, liens or other encumbrances affecting the Property other than as set forth in the Preliminary Title Report.

14. **Seller Covenants.** Commencing on the date hereof and until the Closing Date, Seller shall not: (i) permit any act of waste or act that would tend to diminish the value of the Property for any reason, except that caused by ordinary wear and tear; (ii) store, manufacture, use or sell any Hazardous Substances on, in or under the Property; or (iii) permit any liens, encumbrances or easements to be placed on the Property, other than the Approved Exceptions, or enter into any agreement regarding the sale, rental, management, repair, improvement or any

other matter affecting the Property that would be binding on Purchaser or the Property after the Closing Date.

**15. Indemnification.** (a) Seller agrees to indemnify, defend (with counsel selected by Seller) and hold Purchaser harmless from and against any and all liability, damages, claims, judgments, losses, actions, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) with respect to:

i) all claims arising out of or related to any facts or circumstances with respect to the period prior to the Closing Date.

ii) any breach of the representations, warranties and covenants in Sections 13 and 14.

Without limiting the generality of the foregoing, this indemnification shall specifically include fines, penalties, sums paid in settlement of claims or litigation, fees for attorneys, consultants and experts (to be selected by Seller), lost profits and costs for investigation, clean-up, removal, remediation and restoration.

(b) The obligations set forth in this Section 15 shall survive until one (1) year after the Closing Date.

**16. Brokers.** Each party warrants and represents to the other that, no brokers have been retained or consulted in connection with this transaction. Each party agrees to defend, indemnify and hold harmless the other party from any claims, losses, damages, expenses, costs or liabilities (including, without limitation, reasonable attorneys' fees) arising in connection with a breach of that party's representations, warranties, or covenants under this Section. The provisions of this paragraph shall survive until one (1) year after the Closing Date or an earlier termination of this Agreement.

**17. Assignment.** Purchaser shall have the right to assign all rights and liabilities under this Agreement to any party, however, Purchaser shall remain liable under this Agreement and any promissory note or deed of trust executed by Purchaser.

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

**19. Notices.** All notices to be given under this Agreement shall be in writing and sent by:

(a) certified mail, return receipt requested, in which case notice shall be deemed delivered 3 business days after deposit, postage prepaid in the United States Mail,

(b) a nationally recognized overnight courier, in which case notice shall be deemed delivered 1 business day after deposit with that courier, or

(c) hand delivery, in which case notice shall be deemed delivered on the date received, all as follows:

If to Purchaser: City of Hanford  
City Manager  
318 N. Douty Street  
Hanford, CA 93230

with a copy to: Michael J. Noland  
KAHN, SOARES & CONWAY, LLP  
219 N. Douty Street  
Hanford, CA 93230

If to Seller: Pirelli Tire LLC  
500 Sargent Drive  
P. O. Box 2001  
New Haven, Connecticut 06536-0201

Any party may change its address for notice purposes by giving the other parties notice of its new address as provided herein. A "business day" is any day other than a Saturday, Sunday or a day in which banks in California are authorized to close.

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

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

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

23. **Waivers.** A waiver of a breach of a covenant or other provision of this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement,

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it.

24. **Counterparts.** This Agreement may be executed in one or more counterparts. Each shall be deemed an original and all, taken together, shall constitute one and the same instrument.

25. **Time of the Essence.** Time is of the essence in this Agreement.

26. **Successors.** This Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors and assigns.

27. **Governing Law.** This Agreement shall be governed and construed by the laws of the State of California.

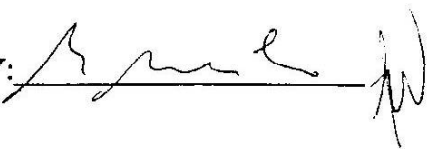
28. **Exhibits.** This Agreement contains the following Exhibits which are attached hereto and made a part of this Agreement:

Exhibit A - Legal Description of Property.

The parties have executed this Agreement as of the date first written above.


SELLER:

PIRELLI TIRE LLC,  
a Delaware limited liability company

BY: 

PURCHASER:

CITY OF HANFORD,  
a municipal corporation

BY:   
Simon Lakritz, Mayor

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Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

**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.

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

**EXHIBIT "A"**

## SECURED PROMISSORY NOTE

\$173,900.00

5/4/2000  
 "This is to certify that this is a full, true and correct  
 copy of the original."  
 PIRELLI AMERICAN TITLE COMPANY  
 May 4, 2000  
 Hanford, California

FOR VALUE RECEIVED the undersigned, COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD and the CITY OF HANFORD, jointly and severally ("Maker") promises to pay in lawful money of the United States to PIRELLI TIRE, LLC, a Delaware limited liability company ("Holder") or order, at New Haven, Connecticut, or such other location designated by Holder, the principal sum of ONE HUNDRED SEVENTY-THREE THOUSAND NINE HUNDRED DOLLARS (\$173,900.00) with no interest thereon. Principal to be paid in full on May 4, 2002.

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.

In the event either Maker fails to perform when due any obligation, covenant or agreement of this Promissory Note or the Deed of Trust which secures each Maker's performance under this Promissory Note, Holder may accelerate this Promissory Note and demand immediate payment of all unpaid principal.

Should either 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 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.

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 of the performance of the obligations of each Maker under this Promissory Note.

All payments under this Promissory Note shall be made in lawful money of the United States of America to Pirelli Tire, LLC, 300 George Street, New Haven, Connecticut, or at such other address as Holder may designate in writing from time to time.

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

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:           Pirelli Tire, LLC  
300 George Street  
New Haven, Connecticut  
Fax # (203) 284-2378

With a copy to:     Neil A. Holding  
P. O. Box 1190  
Hanford, CA 93232  
Fax # (559) 584-6601

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

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

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

Each 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 even date herewith. The Partial Release provisions contained in the Deed of Trust are incorporated by reference into this Promissory Note and made a part hereof.

**MAKER:**

COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF HANFORD

BY: *Simon Lakritz*  
Simon Lakritz, Chairperson

CITY OF HANFORD

BY: *Simon Lakritz*  
Simon Lakritz, Mayor

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

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Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)



# Chicago Title Company

1460 West Seventh Street, #102, Hanford, CA 93230  
559 584-3381 • FAX 559 584-2978

**DATE:** December 17, 2009  
**ESCROW NO.:** 09-41004547-MMS  
**LOCATE NO.:** CACTI7754-7754-4410-0041004547  
**ESCROW OFFICER:** Metta Spiller

**TIME:** 9:27 AM

**CLOSING DATE:** December 16, 2009

## BUYER FINAL CLOSING STATEMENT

**SELLER:** Edward Monroe Hill  
**BUYER:** Community Redevelopment Agency Of The City Of Hanford  
**PROPERTY:** APN's: 018-242-007, 013 & 020, Hanford, CA 93230

	\$ DEBITS	\$ CREDITS
<b>FINANCIAL:</b>		
Total Consideration	1,650,000.00	
Deposit - City of Hanford		10,000.00
Deposit - City of Hanford Finance Department		822,469.73
New 1st Trust Deed to Kings County Economic Development Corporation, a California Non-Profit Public Benefit corporation		825,000.00
<b>TITLE CHARGES:</b>		
01-O-CLTA Standard - 1990 for \$1,650,000.00	3,957.50	
01-L-CLTA Standard - 1990 for \$825,000.00	727.88	
<b>ESCROW CHARGES:</b>		
Escrow Fee to Chicago Title	2,350.00	
Draw Deed	50.00	
Overnight Delivery Fee	22.90	
<hr/>		
BUYERS REFUND	\$361.45	
<b>TOTALS</b>	<b>\$1,657,469.73</b>	<b>\$1,657,469.73</b>

**SAVE THIS STATEMENT FOR INCOME TAX PURPOSES**

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

**PURCHASE AND SALE AGREEMENT**

This Purchase and Sale Agreement ("Agreement") is entered into this 29<sup>th</sup> day of October, 2009, by and between EDWARD MONROE HILL, a married man, as his sole and separate property, and the CITY OF HANFORD, a Municipal corporation ("Purchaser").

RECITALS

A. Seller is the owner of certain real property ("Property") located in the County of Kings, State of California, consisting of approximately 110 acres, and having Assessor Parcel Numbers 018-242-007, 018-242-013, and 018-242-020, as more particularly described in the attached Exhibit A, which is incorporated by reference.

B. Purchaser desires to purchase the Property, and Seller desires to sell the Property on the terms and conditions of this Agreement.

Now, therefore, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **Purchase and Sale.** (a) Seller agrees to sell and Purchaser agrees to purchase the Property together with: (i) all rights, easements and appurtenances belonging or appurtenant thereto; (ii) all right, title and interest of Seller in and to any and all roads, streets, and ways bounding the Property; and (iii) all improvements thereon, if any, subject to the terms and conditions in this Agreement.

2. **Use.** If it acquires the Property pursuant hereto, Purchaser or any subsequent owner, may use the Property for any lawful purpose.

3. **Purchase Price.** The purchase price for the Property shall be one million, six hundred fifty thousand dollars (\$1,650,000.00). The Purchase Price shall be paid as follows:

(a) Within 5 business days after the execution of this Agreement by both parties, Purchaser shall deposit with Escrow Agent (as hereinafter defined) the sum of \$10,000.00 as earnest money ("**Deposit**"), which shall be held in an interest-bearing account with all interest credited to Purchaser, and applied in accordance with the terms of this Agreement.

(b) On the Closing Date (as hereinafter defined), Purchaser shall deposit with Escrow Agent the sum of \$1,640,000.00 in cash or in immediately available funds.

4. **Escrow.** By this Agreement, Purchaser and Seller establish an escrow (escrow) with Chicago Title Company, Hanford, California 93230 (“Escrow Agent”).

5. **Feasibility Period.** (a) During the period commencing on the date this Agreement is executed by Seller, and terminating on the date fifteen (15) calendar days from the date (“Feasibility Period”), Purchaser may undertake at Purchaser’s expense an inspection of the Property, including, without limitation, reviewing the physical condition of the Property, including its income and development potential, market position, uses and other economic aspects, the location and adequacy of utilities, subdivision report and engineering studies and performing inspections, examinations and testing of soils and other environmental factors, including, without limitation, Hazardous Substances (as hereinafter defined).

(b) Within three (3) calendar days of the parties’ execution of this Agreement, Seller shall deliver to Purchaser copies of all information in Seller’s possession or control pertaining to the Property, including, without limitation, surveys, specifications, environmental reports, copies of all past and present leases and rental agreements of the Property, the name, address and telephone numbers of any past or present lessees, tenants and renters and other documents pertaining to the physical, geological or environmental condition of the Property that are owned by or in the possession of Seller or Seller’s contractors or agents.

(c) For purposes of this Agreement, “Hazardous Substances” are defined as any and all petroleum, asbestos, polychlorinated biphenyls, radioactive materials, radon gas or any chemical, material or substance now or hereafter defined as or included in the definition of “hazardous substances”, “hazardous wastes”, hazardous materials”, or “toxic substances” or words of similar import under any Environmental Laws. Environmental Laws are defined as any all laws, statutes, ordinances, requirements, restrictions, rules, regulations, consent decrees or administrative orders of any federal, state, or local governmental agency relating to the use, generation, manufacture, installation, release, discharge, storage or disposal of Hazardous Substances, or relating to public health and safety and the protection of the environment,

(d) If Purchaser's environmental consultant requires additional time to determine the existence and extent of any Hazardous Substances on or about the Property, Purchaser shall have the right, exercisable by delivering written notice to Seller prior to the expiration of the Feasibility Period, to extend the Feasibility Period and the last day on which the Closing Date may occur for up to fifteen (15) calendar days to complete its review.

(e) If Purchaser disapproves of the results of the inspection and review in its sole and absolute discretion, Purchaser may elect to terminate this Agreement by giving Seller written notification prior to the expiration of the Feasibility Period, and the Deposit, together with all interest accrued thereon and any additional funds in Escrow, shall be returned to Purchaser and all parties

hereto shall be relieved of all further liabilities and obligations hereunder, except as otherwise provided herein. If Purchaser fails to properly notify Seller of its intent to terminate this Agreement, Purchaser shall be deemed to be satisfied with the results of the inspection and review and shall be deemed to have waived the right to terminate this Agreement pursuant to this provision.

(f) Purchaser has previously identified objectionable conditions affecting the Property through a letter dated October 23, 2009 from Purchaser's legal counsel, Ty N. Mizote of Griswold, LaSalle, Cobb, Dowd & Gin, L.L.P. Purchaser's acquisition of the Property is contingent upon Seller complying with the requests and addressing the conditions outlined in the letter, the terms of which are incorporated herein by reference.

6. **Access.** Purchaser and Purchaser's contractors, agents, representatives and consultants shall have the right, from the date of this Agreement until the Closing Date, to enter onto the Property, at their own cost and risk, for any purpose of such inspection and review, including without limitation, inspecting the Property, surveying the Property, taking samples of the soil, and conducting an environmental audit (including an investigation of past and current uses of the Property). In addition, Purchaser shall have the right to contact any governmental authority to investigate any matters relating to the Property. Seller agrees to cooperate reasonably with Purchaser in the inspection of the Property. Purchaser shall indemnify, defend and hold Seller harmless from any and all damages, losses and claims resulting from the activities of Purchaser or Purchaser's contractors, agents, representatives and consultants while on the Property.

7. **Conditions to Purchaser's Performance.** Purchaser's obligation to perform under this Agreement is subject to the following conditions:

- (a) Purchaser's approval of the Property as provided in Section 5 above;
- (b) Seller's representations and warranties in this Agreement being correct as of the date of this Agreement as of the Closing Date;
- (c) Seller's performance of all obligations under this Agreement; and
- (d) Escrow Agent's being prepared to issue the Title Policy (as hereinafter defined) on the Closing Date, insuring the Property for the full amount of the Purchase Price, and subject only to the Approved Exceptions (as hereinafter defined).

8. **Title.** (a) As soon as practicable, Purchaser, at its sole cost and expense, shall cause Escrow Agent to issue to Purchaser, a preliminary report for the Property ("**Preliminary Report**"), together with complete and legible copies of all documents relating to title exceptions referred to in the Preliminary Report.

(b) Purchaser shall approve or disapprove each exception shown on the Preliminary Report and any other matter that affects title to the Property (each and "Exception") within 10 days following the receipt of the Preliminary Report.

(c) If any Exception is disapproved (each a "Disapproved Exception"), Seller shall within ten (10) calendar days following expiration of the ten (10) calendar day period proved under Section 8(b) above, use its best efforts to cause each Disapproved Exception to be discharged, satisfied, released or terminated, as the case may be, of record, and in a form that is reasonably satisfactory to Purchaser, all at Seller's sole cost and expense. If Seller is unable to obtain a discharge, satisfaction, release or termination of a Disapproved Exception within the time period specified in this subsection (c), Purchaser shall have the right to:

(i) waive the Disapproved Exception and proceed with Closing, accepting title to the Property subject to the Disapproved Exception, or

(ii) terminate this Agreement, in which event Seller shall pay all cancellation charges of the title company and Escrow Agent; both Purchaser and Seller shall be relieved of all further obligation and liability to each other under this Agreement, except as otherwise provided herein; and the Deposit, together with all interest accrued thereon and any additional funds in Escrow shall be returned to Purchaser and all documents deposited with Escrow Agent shall be promptly returned by Escrow Agent to the depositing part.

9. **Close of Escrow.** The conveyance of the Property and the closing of this transaction shall take place on or before December 1, 2009 ("Closing Date").

(a) Simultaneously with the Closing Date, Escrow agent shall issue a CLTA Owner's Policy of Title Insurance (Purchaser shall have the option to require that Escrow Agent issue, at Purchaser's sole cost, a Survey and ALTA Extended Policy of Title Insurance) (collectively "Title Policy") insuring the Property and any easements appurtenant to or located at the Property, in an amount equal to the Purchase Price, subject only to exceptions approved by Purchaser in accordance with Section 8 above ("Approved Exceptions").

(b) Seller shall deposit with Escrow Agent on or prior to the Closing Date the following documents:

(i) A grant deed executed and acknowledged by Seller conveying to Purchaser good, insurable and marketable fee simple title to the Property, free, clear and unencumbered, subject only to the Approved Exceptions ("Deed");

(ii) Seller's affidavit of nonforeign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended;

(iii) Affidavits stating that, except as disclosed herein, (1) vacant possession of the Property is being delivered, (2) there are no unrecorded leases or agreements affecting the Property, and (3) there are no mechanic's or statutory liens against the Property;

(iv) Such additional documentation as Escrow Agent may reasonably deem necessary in order to effectuate the transaction set forth in this Agreement; and

(v) Such additional documents required hereunder.

(c) Escrow Agent shall allocate the following costs at the Closing Date.

(i) Seller shall pay:

*SMA + taxes*

(A) All real property due upon transfer of the Property;

(ii) Purchaser shall pay:

(A) The recording charges in connection with the recordation of the Deed and applicable documentary transfer taxes ;

(B) All escrow fees charged by Escrow Agent; and

(C) All charges in connection with issuance of a standard CLTA Owners Policy of Title Insurance, or an ALTA Policy of Title Insurance if Purchaser so desires, in the amount of the Purchase Price.

(iii) Because Purchaser does not pay real property taxes, there will not be any proration of taxes, assessments or any other charges associated with the Property. Seller shall pay any and all taxes, including without limitation, supplemental taxes related to the period of its ownership of the Property.

10. **Possession and Maintenance.** (a) Possession of the Property shall be delivered to Purchaser at the Closing Date, subject to that lease disclosed herein.

(b) Seller shall be responsible for normal and customary maintenance of the Property in its present condition, and shall pay any and all expenses incurred in connection therewith prior to the Closing Date.


11. **Damage and Destruction.** (a) In the event of damage or destruction of the Property or any portion of the Property prior to the closing Date in an amount not exceeding ten thousand dollars (\$10,000.00), Seller shall promptly notify Purchaser and Purchaser and Seller shall consummate this Agreement and the Purchase Price shall be reduced by the amount of such damage or destruction.

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

(b) In the event of damage or destruction of the Property or any portion of the Property or any portion of the Property prior to the Closing Date in amount in excess of \$10,000.00, Seller shall promptly notify Purchaser and Purchaser may either, at its option, elect to terminate this Agreement upon written notice to Seller and Escrow Agent or consummate this Agreement and the Purchase Price shall be reduced by the amount of such damage or destruction. If Purchaser elects to terminate this Agreement pursuant to this provision, Escrow Agent shall, within five (5) calendar days following receipt of Purchaser's notice, return the Deposit, together with accrued interest, and any additional funds in Escrow, to Purchaser. Upon termination, neither party shall have any further obligations and liabilities under this Agreement except as otherwise provided in this Agreement.

12. **Liquidated Damages.** (a) IF PURCHASER FAILS TO COMPLETE THE PURCHASE PROVIDED FOR IN THIS AGREEMENT BY REASON OF ANY DEFAULT OF PURCHASER, SELLER SHALL BE RELEASED FROM SELLER'S OBLIGATION TO SELL THE PROPERTY TO PURCHASER AND MAY PROCEED AGAINST PURCHASER UPON ANY CLAIM OR REMEDY THAT SELLER MAY HAVE IN LAW OR EQUITY; PROVIDED, HOWEVER, THAT, BY INITIALING THIS SECTION 12 PURCHASER AND SELLER AGREE THAT IN EVENT OF ANY DEFAULT BY PURCHASER, (A) IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX ACTUAL DAMAGES; (B) AN AMOUNT EQUAL TO THE DEPOSIT MADE BY PURCHASER PURSUANT TO SECTION 3(A) OF THIS AGREEMENT, PLUS ANY INTEREST ACCRUED ON THE DEPOSIT SHALL CONSTITUTE LIQUIDATED DAMAGES PAYABLE TO SELLER; (C) THE PAYMENT OF THE LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF SELLER FOR ANY DEFAULT OR BREACH BY PURCHASER; (D) SELLER MAY RETAIN THE DEPOSIT ON ACCOUNT OF PURCHASE PRICE FOR THE PROPERTY AS LIQUIDATED DAMAGES; AND (E) PAYMENT OF THOSE SUMS TO 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.

Seller  
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Purchaser  
  
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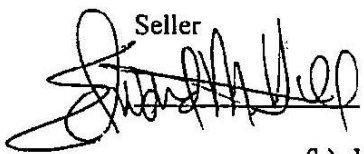
(b) If escrow fails to close by reason of any default by Seller, Purchaser shall be entitled to: (1) exercise of all its rights and remedies available at law and equity, including, without limitation, the remedy of specific performance; or (2) terminate this Agreement and receive the return of the Deposit and all accrued interest, and any additional funds in Escrow. If Purchaser elects to terminate this Agreement as a result of Seller's default, Seller shall pay all cancellation charges of the title company and escrow agent.

13. **Seller Warranties.** Seller represents and warrants to Purchaser that as of the date hereof and as of the Closing Date:

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

(b) In the event of damage or destruction of the Property or any portion of the Property or any portion of the Property prior to the Closing Date in amount in excess of \$10,000.00, Seller shall promptly notify Purchaser and Purchaser may either, at its option, elect to terminate this Agreement upon written notice to Seller and Escrow Agent or consummate this Agreement and the Purchase Price shall be reduced by the amount of such damage or destruction. If Purchaser elects to terminate this Agreement pursuant to this provision, Escrow Agent shall, within five (5) calendar days following receipt of Purchaser's notice, return the Deposit, together with accrued interest, and any additional funds in Escrow, to Purchaser. Upon termination, neither party shall have any further obligations and liabilities under this Agreement except as otherwise provided in this Agreement.

12. **Liquidated Damages.** (a) IF PURCHASER FAILS TO COMPLETE THE PURCHASE PROVIDED FOR IN THIS AGREEMENT BY REASON OF ANY DEFAULT OF PURCHASER, SELLER SHALL BE RELEASED FROM SELLER'S OBLIGATION TO SELL THE PROPERTY TO PURCHASER AND MAY PROCEED AGAINST PURCHASER UPON ANY CLAIM OR REMEDY THAT SELLER MAY HAVE IN LAW OR EQUITY; PROVIDED, HOWEVER, THAT, BY INITIALING THIS SECTION 12 PURCHASER AND SELLER AGREE THAT IN EVENT OF ANY DEFAULT BY PURCHASER, (A) IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX ACTUAL DAMAGES; (B) AN AMOUNT EQUAL TO THE DEPOSIT MADE BY PURCHASER PURSUANT TO SECTION 3(A) OF THIS AGREEMENT, PLUS ANY INTEREST ACCRUED ON THE DEPOSIT SHALL CONSTITUTE LIQUIDATED DAMAGES PAYABLE TO SELLER; (C) THE PAYMENT OF THE LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF SELLER FOR ANY DEFAULT OR BREACH BY PURCHASER; (D) SELLER MAY RETAIN THE DEPOSIT ON ACCOUNT OF PURCHASE PRICE FOR THE PROPERTY AS LIQUIDATED DAMAGES; AND (E) PAYMENT OF THOSE SUMS TO 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.

Seller  


Purchaser  
\_\_\_\_\_

(b) If escrow fails to close by reason of any default by Seller, Purchaser shall be entitled to: (1) exercise of all its rights and remedies available at law and equity, including, without limitation, the remedy of specific performance; or (2) terminate this Agreement and receive the return of the Deposit and all accrued interest, and any additional funds in Escrow. If Purchaser elects to terminate this Agreement as a result of Seller's default, Seller shall pay all cancellation charges of the title company and escrow agent.

13. **Seller Warranties.** Seller represents and warrants to Purchaser that as of the date hereof and as of the Closing Date:

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

(a) Except as otherwise disclosed by Seller, there are no leases, licenses, permits, concessions or other agreements affecting the Property.

(b) There is no pending or threatened litigation, administrative proceeding or other legal or governmental action with respect to the Property, or which may impair Seller's ability to sell the Property.

(c) To the best of Seller's actual knowledge, the Property is not affected by any Hazardous Substances.

(d) Any information that Seller has delivered to Purchaser, either directly or through Seller's agents, is accurate, to the best of its actual knowledge and belief, and Seller has disclosed all material facts with respect to the Property.

(d) There are no deeds of trust, restrictions, liens or other encumbrances affecting the Property other than as set forth in the Preliminary Title Report.

**14. Seller Covenants.** Commencing on the date hereof and until the Closing Date, Seller shall not: (i) permit any act or waste or act that would tend to diminish the value of the Property for any reason, except that caused by ordinary wear and tear; (ii) store, manufacture, use or sell any Hazardous Substances on, in or under the Property; or (iii) permit any liens, encumbrances or easements to be placed on the Property, other than the Approved Exceptions, or enter into any agreement regarding the sale, rental, management, repair, improvement or any other matter affecting the Property that would be binding on Purchaser or the Property after the Closing Date.

**15. Indemnification.** (a) Seller agrees to indemnify, defend (with counsel selected by Seller) and hold Purchaser harmless from and against any and all liability, damages, claims, judgments, losses, actions, costs and expenses (including, without limitations, reasonable attorneys' fees and expenses) with respect to:

(i) all claims arising out of or related to any facts or circumstances with respect to the period prior to the Closing Date.

(ii) any breach of the representations, warranties and covenants in Sections 13 and 14 above.

Without limiting the generality of the foregoing, this indemnification shall specifically include fines, penalties, sums paid in settlement of claims or litigation, fees for attorneys, consultants and experts (to be selected by Seller), lost profits and costs for investigation, clean-up, removal, remediation and restoration.

**16. Option Agreement.** (a) Seller entered into an Option Agreement for Purchase of Real Property ("Option Agreement") dated August 29, 2006 with Great Valley Ethanol, LLC ("GVE") that granted GVE an option to purchase the Property. The Option Agreement was amended through an Addendum to Option Agreement for Purchase of Real Property ("Addendum") dated May 1, 2009. True and correct copies of the Option Agreement and the Addendum are attached hereto as Exhibit "B" and incorporated by reference. The Option Agreement and the Addendum are hereinafter collectively referred to as the "Option Agreement".

(b) Purchaser agrees to be bound by the terms of the Option Agreement.

(c) Purchaser agrees that, following the close of escrow, Seller will be entitled to all payments to be rendered under the Option Agreement by GVE. Seller acknowledges that Purchaser will have no duty or responsibility to collect any payments under the Option Agreement to which Seller is entitled pursuant to this Section 16.

(d) In the event GVE exercises its option and purchases the Property prior to the fourth (4<sup>th</sup>) quarter of the 2010 calendar year, Purchaser shall be responsible for paying to Seller those un-accrued and unpaid option fee installments for the portion of the option period following GVE's close of escrow. For example, if GVE purchases the Property and its escrow closes during the third quarter of 2010, Purchaser will be responsible for paying the fourth (4<sup>th</sup>) quarter installment. Purchaser shall render any payment required under this subsection (d) within sixty (60) calendar days of the close of GVE's escrow through which GVE acquires the Property. Purchaser will *not* be responsible for any delinquent option payments that GVE has failed to pay to Seller. For example, if GVE seeks to close escrow during the third (3<sup>rd</sup>) quarter of 2010 but has failed to render the option payment for that quarter, Purchaser will not be responsible for the third (3<sup>rd</sup>) quarter payment and will only be obligated to pay the option fee for the fourth (4<sup>th</sup>) quarter of 2010.

(e) Since GVE's right to purchase is contingent upon its satisfaction of the Option Agreement's terms and since Purchaser is purchasing the Property subject to GVE's option to buy the Property, Seller will notify Purchaser if GVE fails to render a payment in accordance with the Option Agreement. Seller will provide written notice to Purchaser within seven (7) calendar days of any date on which GVE fails to render a required payment under the Option Agreement.

(f) Seller will not, prior to the close of escrow, amend the Option Agreement without first obtaining Purchaser's prior written consent.

(g) Seller and GVE will execute an Estoppel Certificate in a form reasonably acceptable to Purchaser and shall deposit the same with the escrow holder. Through the Estoppel Certificate, Seller and GVE will confirm, without limitation, that: (i) the Option Agreement remains in full force and effect; (ii) GVE has not exercised the option to purchase; and (iii) both parties are in full compliance with the Option Agreement and that there are no uncured defaults or breaches thereunder.

(h) Seller will indemnify, defend, and hold Purchaser harmless with respect to any real estate agent or broker commissions that would be payable by Seller to Seller's or GVE's agents or brokers under the Option Agreement. Purchaser will have no liability with respect to any such commissions. Seller's duty to indemnify, defend, and hold Purchaser harmless under this subsection (g) will not apply to any commissions charged by an agent or broker hired by Purchaser for the sale of the Property to GVE.

(i) Seller will indemnify, defend, and hold Purchaser harmless from any and all claims, liabilities, damages, and injuries accruing under the Option Agreement prior to the close of escrow.

17. Farm Lease. (a) Seller entered into a Farm Lease Agreement ("Lease") with Larry Davis ("Tenant"), a true and correct copy of which is attached hereto as Exhibit "C" and incorporated by reference.

(b) Purchaser agrees to be bound by the terms of the Lease.

(c) Purchaser agrees that, following the close of escrow, Seller will be entitled to all rent payments under the Lease. Seller acknowledges that Purchaser will have no duty or responsibility to collect any rent payments under the Lease to which Seller is entitled pursuant to this Section 17. Furthermore, Purchaser will not be obligated to evict the tenant or seek any other remedy in the event the Tenant fails to pay rent or otherwise breaches the Lease.

(d) Since Tenant's rights as a lessee of the Property are contingent upon its payment of rent, Seller will notify Purchaser if Tenant fails to render a rent payment in accordance with the Lease. Seller will provide written notice to Purchaser within seven (7) calendar days of any date on which Tenant fails to render a rent payment.

(e) Seller will not, prior to the close of escrow, amend the Lease without first obtaining Purchaser's prior written consent.

(f) Seller and Tenant will execute an Estoppel Certificate in a form reasonably acceptable to Purchaser and shall deposit the same with the escrow holder. Through the Estoppel Certificate, Seller and Tenant will confirm, without limitation, that: (i) the Lease remains in full force and effect; (ii) both parties are in full compliance with the Lease and that there are no uncured defaults or breaches thereunder.

(g) Prior to the close of escrow, Seller will cause the current tenant under the Lease to deposit with the escrow holder a Certificate of Insurance evidencing that Purchaser and its elected or appointed officers, officials, employees, agents and volunteers shall be covered as additional insureds.

(h) Seller will indemnify, defend, and hold Purchaser harmless from any and all claims, liabilities, damages, and injuries accruing under the Lease prior to the close of escrow.

18. **Brokers.** (a) Purchaser is not represented by any real estate agent or broker.

(b) Seller will be solely responsible for any and all commissions charged by its real estate agent or broker, if Seller is represented by an agent or broker. Seller will indemnify, defend, and hold seller harmless from any such commissions owed.

19. **Assignment.** Purchaser shall have the right to assign all rights and liabilities under this Agreement to any party of its choosing.

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

21. **Notices.** All notices to be given under this Agreement shall be in writing and sent by:

(a) certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the United States Mail,

(b) a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, or

(c) hand delivery, in which case notice shall be deemed delivered on the date received, all as follows:

If to Purchaser: City of Hanford  
Attn: City Manager  
318 N. Douty Street  
Hanford, CA 93230

with a copy to: Robert M. Dowd  
Ty N. Mizote  
GRISWOLD, LaSALLE, COBB, DOWD & GIN, LLP  
111 E. Seventh Street  
Hanford, CA 93230

If to Seller: Ed Hill  
3200 Boxley Valley Road

Franklin, TN 37064

Any party may change its address for notice purposes by giving the other parties notice of its new address as provided herein. A "business day" is any day other than a Saturday, Sunday or a day in which banks in California are authorized to close.

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

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

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

25. **Waivers.** A waiver of a breach of a covenant or other provision of this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it.

26. **Counterparts.** This Agreement may be executed in one or more counterparts. Each shall be deemed an original and all, taken together, shall constitute one and the same instrument.

27. **Time of the Essence.** Time is of the essence in this Agreement.

28. **Successors.** This Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors and assigns.

29. **Governing Law.** This Agreement shall be governed and construed by the laws of the State of California.

The parties have executed this Agreement as of the date first written above.

SELLER:

PURCHASER:

CITY OF HANFORD  
a Municipal Corporation

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

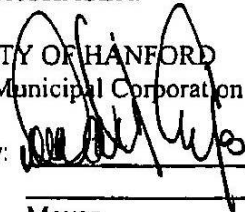
The parties have executed this Agreement as of the date first written above.

SELLER:

PURCHASER:


CITY OF HANFORD  
a Municipal Corporation

By: \_\_\_\_\_  
EDWARD MONROE HILL

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

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Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

By:   
EDWARD MONROE HILL

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

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Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

**EXHIBIT A****PARCEL 1:**

The North 22-1/2 acres of the East 60 acres of the North half of the Northeast Quarter of Section 13, Township 19 South, Range 21 East, Mount Diablo Base and Meridian, EXCEPTING therefrom the East 2-1/2 acres thereof; and the South 37.5 acres of the East 60 acres of the North one half (N ½) of the Northeast one Quarter (NE 1/4) of Section Thirteen (13) Township Nineteen (19) South, Range Twenty one (21) East, M.D.B. & M. EXCEPTING THEREFROM the East 25.0 feet thereof, heretofore conveyed, declared and/or dedicated to County of Kings for road purposes.

APN: 018-242-007

**PARCEL 2:**

The North Half of the Southeast Quarter of the Northeast Quarter of Section 13, Township 19 South, Range 21 East, Mount Diablo Base and Meridian, in the County of Kings, State of California; EXCEPTING THEREFROM THE FOLLOWING PARCELS:

1. The North 45.5 feet thereof.
2. The West 50 feet thereof.
3. That portion conveyed to the County of Kings, by Deed recorded September 6, 1960 in Book 764, Official Records, Page 960, as Document No. 9601.
4. The North 330 feet of the East 330 feet thereof, as conveyed by Deed recorded March 11, 1965 in Book 869, Official Records, Page 487, as Document No. 3557 and by Deed recorded March 22, 1965 in Book 869, Official Records, page 995, as Document No. 4012.
5. That portion of the North Half of the Southeast Quarter of the Northeast Quarter of Section 13, Township 14 South, Range 21 East, Mount Diablo Base and Meridian, in the County of Kings, State of California, described as follows:

Beginning at the intersection of the West line of the property described in the Deed from Niebes Garcia, et ux, to the County of Kings, recorded September 6, 1960 in Book 764 at Page 960, Official Records of Kings County, with the Southerly line of the property described in the Deed to John B. Garcia, et ux, recorded March 22, 1965, in Book 869 at Page 995 Official Records of Kings and running thence Westerly, along the Southerly line and its Westerly extension of said last referred to Garcia property, 390 feet, to a point; thence Southerly, and parallel to the West line of the County of Kings Property herein above referenced

to, 280 feet, more or less, to a point 50 feet Northerly (along said line as Southerly extended) from the Southerly line of the North half of the Southeast Quarter of the Northeast Quarter of said Section; thence Easterly, parallel with said last referred to South line, 390 feet, more or less, to a point in the West line of the County of Kings property herein above referred to; thence Northerly, along said last referred to Kings County West property line, 280 feet, more or less, to the POINT OF BEGINNING.

APN: 018-242-013

PARCEL 3:

The Southwest Quarter of the Northeast Quarter, and the West 50 feet of the Southeast Quarter of the Northeast Quarter of Section 13, Township 19 South, Range 21 East, Mount Diablo Base and Meridian, EXCEPTING THEREFROM the interest in the North 12-1/2 feet of the East half of the Southwest Quarter of the Northeast Quarter and the North 12-1/2 feet of the West 50 feet of the Southeast Quarter of the Northeast Quarter of said Section 13, which was conveyed by A. G. Park by that certain Deed dated January 29, 1890, recorded in Book 39 at Page 263 of Deeds, Tulare County Records, which Deed recites "for roadway purposes";

TOGETHER with a right of way for road purposes over a strip of land described as follows: BEGINNING at a point 12-1/2 feet South and 50 feet East of the Northwest corner of the Southeast Quarter of the Northeast Quarter of said Section 13; running thence South 33 feet; thence East to the East line of said Section 13; thence North 33 feet; thence West to the POINT OF BEGINNING; EXCEPTING oil reservations in said property as reserved by A. S. Lemos and Belvina S. Lemos.

APN: 018-242-020

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

# EXHIBIT “B”

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 06 09:36p

P. 1

**OPTION AGREEMENT FOR PURCHASE OF REAL PROPERTY**

THIS OPTION AGREEMENT ("Agreement") made and entered into this 29th day of August, 2006, by and between

Ed Hill, whose principal address is 3200 Boxley Valley Road, Franklin, TN 37064

Hereinafter referred to as "Seller" and

Great Valley Ethanol, LLC, a Delaware Limited Liability Corporation whose principal address is 305 Alum Bay Court, Bakersfield, CA 93312,

Hereinafter referred to as "Purchaser" or "Buyer."

**WITNESSETH:**

WHEREAS, Seller has a fee simple interest in certain real property, hereafter referred to as "Property" being, lying and situated in the City of Hanford, County of Kings, State of California, and such property being more particularly described as follows:

Equivalent of approximately 110 acres. APNs 018-242-007, 018-242-020 and 018-242-013. Also described as the area east of the BNSF rail line, west of 10th Avenue, and south of Iona. The legal description and assessor's parcel map is included as Exhibit A to this agreement.

And, WHEREAS, Purchaser desires to procure an option to purchase the Property from Seller upon the terms and provisions as hereinafter set forth;

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the parties hereto and for the mutual covenants contained herein, Seller and Purchaser hereby agree as follows:

1. **DEFINITIONS.** For the purposes of this Agreement, the following terms shall have the following meanings:

(a) "Execution Date" shall mean the day upon which the last party to this Agreement shall duly execute this Agreement;

(b) "Option Fee" shall mean the total sum of a down payment of:

- (1) Ten-thousand Dollars (US) (\$10,000) per 3-month period during the "Initial Option Term",
- (2) Twelve-thousand five hundred Dollars (US) (\$12,500) per 3-month period during the "First Extension Term", or
- (3) Fifteen-thousand Dollars (US) (\$15,000) per 3-month period during the "Second Extension Term."

Seller Initials



Buyer Initials



Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 06 09:36P

P: 2

Great Valley Ethanol – Hill Option Agreement  
Page 2 of 10

- (c) "Option Term" shall mean the period of time between execution of this agreement by buyer and seller and the "Closing Date." The option term includes the "Initial Option Term," "First Extension Term," and "Second Extension Term" as defined below.
- (d) "Initial Option Term" shall mean that period of time commencing on the Execution Date and ending on or before December 31, 2007; however, upon notice of extension by Purchaser, the Initial Option Term will be extended and the "First Extension Term" shall begin.
- (e) "First Extension Term" shall mean that period of time commencing at the end of the Initial Option Term and ending on or before December 31, 2008; however, upon notice of extension by Purchaser, the Option Term will be extended and the "Second Extension Term" will begin.
- (f) "Second Extension Term" shall mean that period of time commencing at the end of the First Extension Term and ending on or before December 31, 2009.
- (g) "Option Exercise Date" shall mean that date, within the Option Term, upon which the Purchaser shall send its written notice to Seller exercising its Option to Purchase;
- (h) "Closing Date" shall mean the last day of the closing term or such other date during the closing term selected by Purchaser.
2. **GRANT OF OPTION.** For and in consideration of the Option Fee payable to Seller as set forth herein, Seller does hereby grant to Purchaser the exclusive right and Option ("Option") to purchase the Property upon the terms and conditions as set forth herein.
3. **PAYMENT OF OPTION FEE.** Purchaser agrees to pay the Seller the Option Fee within 91 days of the Execution Date. Payment of Option Fee by Purchaser will continue throughout the option term and will be paid every 91 days thereafter. Buyer will pay Option Payments (the Initial Option Payments, the First Extension Option Payments and the Second Extension Option Payments, collectively, the "Option Fee" payments) to Seller until Buyer exercises the Option or the Option expires. The Option Payments made by Buyer during the Initial Option Term will be credited towards the Purchase Price.
4. **EXERCISE OF OPTION.** Purchaser may exercise its exclusive right to purchase the Property pursuant to the Option, at any time during the Option Term, by giving 60 days written notice thereof to Seller. As provided for above, the date of sending of said notice shall be the Option Exercise Date. In the event the Purchaser does not exercise its exclusive right to purchase the Property granted by

Seller Initials



Buyer Initials



Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 06 09:37P

P. 3

Great Valley Ethanol - Hill Option Agreement  
Page 3 of 10

the Option during the Option Term, Seller shall be entitled to retain the Option Fee, and this agreement shall become absolutely null and void and neither party hereto shall have any other liability, obligation or duty herein under or pursuant to this Agreement.

- 5. PURCHASE PRICE ESCALATION. If the Buyer exercises the Option after the end of the Initial Option Term, the Purchase Price of the Property to be paid by the Buyer at the time of closing of the purchase of the Property ("Closing") will be increased by the product of: i) the Purchase Price, multiplied by ii) 0.020%, multiplied by iii) the number of days elapsed between the last day of the Initial Option Term and the date of Closing (which product, for example, would equal 7.30% times the Purchase Price, if 365 days had so elapsed).
- 6. COOPERATION. Seller agrees to: (i) cooperate with Buyer during the Option Term; (ii) cooperate with Buyer during permitting and obtaining of local approvals; (iii) not publicly disparage the project or Buyer during the Option Term and at any time thereafter; (iv) provide Buyer with reasonable access to the Property during the Option Term for site condition assessment; (v) permit Buyer to assign the Option Agreement pursuant to customary assignment rights; (vi) permit Buyer to terminate the Option Agreement upon thirty (30) days notice to Seller; (vii) assist and cooperate with Buyer in Buyer's obtaining necessary water or water rights, easements and rights of way for rail, pipelines, and other necessary utility interconnections, and local zoning approvals, or other approvals reasonably required to develop the Property
- 7. CONTRACT FOR PURCHASE & SALE OF REAL PROPERTY. In the event that the Purchaser exercises its exclusive Option to purchase as provided for in this agreement, Seller agrees to sell and Purchaser agrees to buy the Property and both parties agree to execute a contract for such purchase and sale of the Property in accordance with the following terms and conditions. A separate contract for the purchase and sale of the Property will be executed and will incorporate the following terms in addition to, but not limited to, terms related to investigations by Purchaser, indemnity, title and vesting, contingencies, liquidated damages, dispute resolution, agency, escrow instructions, or other terms and conditions as desired by Seller, Purchaser, their agents, lenders, or shareholders.
  - (a) Purchase Price. The purchase price for the Property shall be as follows:  
Two Million Seven Hundred Fifty Thousand Dollars (US) (\$2,750,000) for the properties to total +/- 110 acres in area (approximately \$25,000 per acre). Purchaser shall receive a credit toward such purchase price in the face value amount of the Option Fee paid during the Initial Option Term. In addition, after the Initial Option Term, the purchase price will be escalated as specified herein. The purchase price includes payment of all real estate commissions associated with this transaction, totaling 5% of the purchase price, to be paid by the Seller and split evenly between the Seller's and Buyer's agents.

Seller Initials

Buyer Initials

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 06 09:37p

P. 4.

Great Valley Ethanol - Hill Option Agreement  
 Page 4 of 10

- (b) Closing Date. The closing date shall be any date during the Option Term as may be selected by Purchaser;
- (c) Closing Costs. Purchaser and Seller's costs of closing the Contract shall be borne by Purchaser, unless otherwise specified in this agreement;
- (d) Seller shall provide and pay for Owner's title insurance.
- (e) Seller shall pay current on a daily pro rata basis any Real Property taxes and assessments, Mello-Roos and other special assessment district bonds.
- (f) Seller agrees to provide access at reasonable times and with notice to allow Purchaser or Purchaser's agents to conduct any investigations deemed necessary as a condition of funding loans, underwriting insurance or other actions as may be required to close Purchaser's purchase of the subject property.
- (g) The subject property may have active water production facilities on site that may serve other properties. To maintain water supply to other properties and at Buyer's sole discretion, Buyer will either: 1) fund removal and/or relocation of water collection lines, tanks, wells and appurtenant facilities as necessary to accommodate Buyer's use of the property and maintain supply to other properties, or 2) provide reasonable funds to Seller for permitting and installation of similar water production well and appurtenant facilities on Seller's other property located immediately east of the subject property, east of 10<sup>th</sup> avenue. However, at Purchaser's request, Seller will fund closure of any inactive wells located on the subject properties in accordance with applicable laws of the United States and/or the State of California.
- (h) Buyer understands based on representations from Seller's agent that the properties are currently used for agricultural production. In addition, Seller's agent represents and Seller agrees that the properties are currently leased for use in agricultural production and that the current lease will end prior to 12/31/2006. Buyer and seller agree that should the Buyer complete a purchase of the properties prior to 12/31/2006, the current lessee shall continue to have full use of the property as allowed under the current lease including any irrigation and harvesting necessary to remove the lessee's current crop until 12/31/2006. Buyer also understands that upon harvesting the current crop, the remaining agricultural residues will be tilled into the soil by the lessee. Buyer understands and Seller agrees that after 12/31/2006, agricultural operations on the properties will cease. In addition, Seller will take all actions necessary to ensure that no new crops will be planted under any lease agreement after the date of execution of this Option Agreement unless separately agreed to by Buyer in writing.

Seller Initials

EMH

Buyer Initials

DES

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 06 09:37p

p. 5

Great Valley Ethanol – Hill Option Agreement  
Page 5 of 10

- (i) **Default by Purchaser; Remedies of Seller.** In the event Purchaser, after exercise of the Option, fails to proceed with the closing of the purchase of the Property pursuant to the terms and provisions as contained herein and/or under the Contract, Seller shall be entitled to retain the Option Fee paid as liquidated damages and shall have no further recourse against Purchaser;
- (j) **Default by Seller; Remedies of Purchaser.** In the event Seller fails to close the sale of the Property pursuant to the terms and provisions of this Agreement and/or under the Contract, Purchaser shall be entitled to either sue for specific performance of the option agreement or real estate purchase and sale contract or terminate such Contract and sue for money damages.
- (k) **Indemnity.** Seller shall indemnify and defend Purchaser against any actions taken by governmental or quasi-governmental agencies related to environmental conditions caused by or related to past use(s) of the Property.
- (l) **Tax deferred exchanges.** Buyer will participate in Seller's tax deferred exchange, if desired, at no cost to Buyer, provided that such exchange does not interfere with the Buyer's schedule for purchasing and developing the Property.
- (m) **Form of Purchase Agreement.** The Purchase Agreement will contain customary terms and conditions for a transaction of this nature. Specifically, without limitation, the Purchase Agreement will provide for the following: (i) Buyer will take possession of the Property after satisfaction of conditions precedent to the Closing, as set forth in the Purchase Agreement; and (ii) Seller will use its best efforts to cooperate in completing and executing all such documentation required by the Purchase Agreement.
- (n) Escrow holder shall be First American Title Company.
8. **SELLER DISCLOSURE.** Upon Seller' execution of this agreement, if Seller has actual knowledge, Seller shall disclose and provide to Purchaser in writing, the following information:
- (a) **Legal Proceedings:** any lawsuits by or against seller(s) individually or severally, threatening or affecting the property, including any lawsuits alleging a defect or deficiency in the property or any known notices of abatement or citations filed or issued against the property.
- (b) **Agricultural Use:** Whether the property is subject to restrictions for agricultural use pursuant to the Williamson Act.
- (c) **Deed Restrictions:** Any deed restrictions or obligations

Seller Initials SMBuyer Initials DES

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

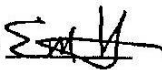
Oct 10 08 09:37p

P. 6

Great Valley Ethanol – Hill Option Agreement  
Page 6 of 10

- (d) **Farm Rights:** Whether the Property is in, or adjacent to any area with Right to Farm rights (Civil Code 3482.5 and 3482.6)
  - (e) **Endangered Species:** Presence of endangered, threatened, "Candidate" Species, or wetlands on the property.
  - (f) **Environmental Hazards:** Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or groundwater on site or below ground.
  - (g) **Common Features:** Any features of the property shared in common with adjoining landowners or properties, such as walls, fences, roads, and wells, whose use and or maintenance may have an affect on the property.
  - (h) **Landlocked:** the absence of legal or physical access to the property
  - (i) **Easements/encroachments:** Any encroachments, easements, or similar matters that may affect the Property.
  - (j) **Soil Fill:** Any fill (compacted or otherwise), or abandoned oil or mining operations on the property.
  - (k) **Soil Problems:** any slippage, sliding, flooding, drainage, grading or other soil problems.
  - (l) **Earthquake damage:** major damage to the property or any structure from fire, earthquake, floods, or landslides.
  - (m) **Zoning issues:** Any zoning violations, non-conforming uses, or violations of zoning or building codes.
  - (n) **Other:** Any other conditions that may impede or prohibit developing of the Properties for the intended use by the Buyer.
9. **CONFIDENTIALITY.** Seller and Buyer and their respective agents will maintain the strict confidentiality of the terms of this Option Agreement, and the Purchase Agreement, the substance of any materials exchanged by Buyer and Seller and the substance of any information obtained by either party in connection with this transaction.
10. **MISCELLANEOUS.**

Seller Initials



Buyer Initials



Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 06 09:38p

P. 7

Great Valley Ethanol – Hill Option Agreement  
Page 7 of 10

- (a) Execution by Both Parties. This Agreement shall not become effective and binding until fully executed by both Purchaser and Seller.
- (b) Notice. All notices, demands and/or consents provided for in this Agreement shall be in writing and shall be delivered to the parties hereto by hand or by United States Mail with postage pre-paid. Such notices shall be deemed to have been served on the date mailed, postage pre-paid. All such notices and communications shall be addressed to the Seller at:

Mr. Ed Hill  
3200 Boxley Valley Road,  
Franklin, TN 37064

and to Purchaser at:

Great Valley Ethanol  
305 Alum Bay Court  
Bakersfield, CA 93312

or at such other address as either may specify to the other in writing.

- (c) Fee Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- (d) Successors and Assigns. This Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against the parties hereto and their respective heirs, successors, and or assigns, to the extent as if specified at length throughout this Agreement.
- (e) Time. Time is of the essence of this Agreement.
- (f) Headings. The headings inserted at the beginning of each paragraph and/or subparagraph are for convenience of reference only and shall not limit or otherwise affect or be used in the construction of any terms or provisions hereof.
- (g) Cost of this Agreement. Any cost and/or fees incurred by the Purchaser or Seller in executing this Agreement shall be borne by the respective party incurring such cost and/or fee.
- (h) Agency. Seller and Purchaser hereby acknowledge disclosure that Brian M. Pellens and Jojack Property Management, Inc. d/b/a DB Realty are licensed to conduct Real Estate Brokerage activities in the State of California under regulations of the Department of Real Estate. Brian M. Pellens and/or Jojack Property Management, Inc. may each severally and jointly become parties to this transaction either directly or indirectly, now or in the future.

Seller Initials

EH

Buyer Initials

PEB

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 06 09:38p

P. 8

Great Valley Ethanol - Hill Option Agreement  
Page 8 of 10

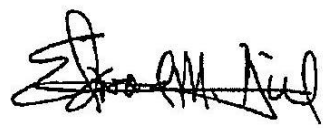
Additionally, Brian M. Pellens, Jojack Property Management, Inc., DB Realty, do not represent Seller's interests in this transaction due to inherent conflicts of interest which cannot be resolved. Seller and Purchaser hereby agree to hold harmless Brian M. Pellens, Jojack Property Management, Inc and DB Realty any damages directly or indirectly arising out of or in any way related to this agreement, and any future property transaction that may occur. All parties agree that this release continues beyond expiration of this agreement and extends to any and all parties which may have an interest in this transaction or future transactions after the date of execution.

- (i) Entire Agreement. This Agreement contains all of the terms, promises, covenants, conditions and representations made or entered into by or between Seller and Purchaser and supersedes all prior discussions and agreements whether written or oral between Seller and Purchaser with respect to the Option and all other matters contained herein and constitutes the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and executed by both Seller and Purchaser with the formalities hereof.

SIGNATURE

PAGE

FOLLOWS



Seller Initials SMH

Buyer Initials BP

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 08 09:38p

P. 9

Great Valley Ethanol - Hill Option Agreement  
Page 9 of 10

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under proper authority:

As to Purchaser this 22<sup>th</sup> day of August, 2006. Witnesses:

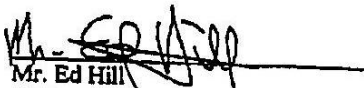
"Purchaser"



D. Edward Settle  
President  
Great Valley Ethanol, LLC

As to Seller this 22 day of August, 2006 Witnesses:

"Seller"



Mr. Ed Hill  
3200 Boxley Valley Road,  
Franklin, TN 37064

AGENT CONFIDENTIALITY

Seller's and Buyer's agents will maintain the strict confidentiality of the terms of this Option Agreement, and the Purchase Agreement, the substance of any materials exchanged by Buyer and Seller and the substance of any information obtained by either party in connection with this transaction. Seller's and Buyer's agents are not parties to this agreement, but agree to be bound by the confidentiality provisions contained herein.

Buyer's Agent



DB Realty/Brian Pellens

Seller's Agent



Don Barnett

Seller Initials EH

Buyer Initials DES

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 06 09:39p

P. 10

Great Valley Ethanol – Hill Option Agreement  
Page 10 of 10

Exhibit A

Legal description and assessor's parcel map

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Seller Initials *[Handwritten Signature]*

Buyer Initials *[Handwritten Signature]*

Oct 10 06 09:39p

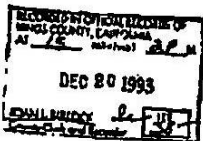
p. 11

13-A-21

9324105

Order No.  
Escrow No.  
Loan No.

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:  
Richard Monroe Hill  
13351 10th Avenue  
Manford, Ca 93230



MAIL TAX STATEMENTS TO:  
same as above

SHARE ABOVE THE LINE FOR RESIDENTS USE

EXEMPTARY TRANSFER TAX 6. - 0 - Inter-Family  
- Computed on the consideration or value of property conveyed OR  
- Computed on the consideration or value less than of consideration  
paid plus a cost of sale.  
*Richard Monroe Hill*

**GRANT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

RUSSELL V. HILL and EVELYN HILL, husband and wife

have GRANTED to

DAVID MONROE HILL, a married man, as his sole and separate property

the real property in the City of  
County of KINGS

State of California, described as

per attached EXHIBIT "A"

APN 021-242-013

Dated December 18, 1993  
STATE OF CALIFORNIA  
COUNTY OF  
On Dec 17 1993 before me,  
personally appeared Russell V. Hill  
Evelyn Hill

*Russell V. Hill*  
RUSSELL V. HILL  
EVELYN HILL

9324105

Notary Public for Kings County, California  
I hereby certify that the foregoing instrument was presented to me in the presence of the parties named herein, acknowledged to me, read and explained to them, and that they executed the same in full knowledge of the contents thereof, and that the instrument is a true and correct copy of the original as the same appears to me.



Witnessed and signed by me  
Signature *Robert A. Matos*

This not to be signed except once

Form 708

MAIL TAX STATEMENTS AS DIRECTED ABOVE

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 06 09:39p

P. 12

9324105

EXHIBIT "A"

The North Half of the Southeast Quarter of the Northwest Quarter of Section 17, Township 23 South, Range 31 East, Mount Diablo Meridian, in the County of Kings, State of California; DESCRIBED THEREFROM THE FOLLOWING PARCELS:

1. The North 45.5 feet thereof.
2. The East 50 feet thereof.
3. That portion conveyed to the County of Kings, by deed recorded September 6, 1928 in Book 154, Official Records, Page 268, as Document No. 2241.
4. The North 230 feet of the East 150 feet thereof, as conveyed by deed recorded March 11, 1927 in Book 867, Official Records, Page 281, as Document No. 3137 and by deed recorded March 22, 1928 in Book 150, Official Records, page 471, as Document No. 4411.
5. That portion of the North Half of the Southeast Quarter of the Northwest Quarter of Section 17, Township 23 South, Range 31 East, Mount Diablo Meridian, in the County of Kings, State of California, described as follows: Beginning at the intersection of the West line of the property described in the deed from William Strickland, et al, to the County of Kings, recorded September 6, 1928 in Book 154, Official Records of Kings County, with the southerly line of the property described in the deed to John B. Gentry, et al, recorded March 22, 1928, in Book 867 on page 281 Official Records of Kings County and running thence westerly, along the southerly line and the westerly extension of said last referred to Gentry property, 300 feet, more or less, to a point; thence southerly, and parallel to the West line of the County of Kings property herein above referenced to, 200 feet, more or less, to a point 50 feet westerly along said line as southerly extended; from the southerly line of the North Half of the Southeast Quarter of the Northwest Quarter of said Section, thence easterly, parallel with said last referred to point line, 300 feet, more or less, to a point in the West line of the County of Kings property herein above referred to; thence northerly, along said last referred to Kings County West property line, 300 feet, more or less, to the point of BEGINNING.

END OF DOCUMENT

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 06 09:39p

P. 13

13-19-21

9324106

Order No.  
 Survey No.  
 Lot No.  
 RECORDING REQUESTED BY and  
 WHEN RECORDED MAIL TO:  
 Edward Monroe Hill  
 13351 19th Avenue  
 Manteca, CA 95230

RECORDING OFFICE  
 TULARE COUNTY, CALIF. 95230  
 DEC 20 1993  
 ENCL. 10000  
 RECEIVED

MAIL TAX STATEMENTS TO:

SEND AS ABOVE

STATE ABOVE THIS LINE FOR RECORDING USE

DOCUMENTARY TRANSFER TAX 2-1/2% Inter-County

Imposed on the consideration or value of property conveyed OR  
 Deeded by the publication of right title and ownership  
 certificate of those acts.  
*[Signature]*

### GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
 RUSSELL V. HILL and EVELYN HILL, husband and wife

have GRANTED to  
 EDWARD MONROE HILL, a married man, as his sole and separate property,

the real property in the City of  
 County of KINGS State of California, described as

The Southwest Quarter of the Northwest Quarter, and the West 50 feet of the  
 Southeast Quarter of the Northwest Quarter of Section 13, Township 19 North,  
 Range 21 East, Mount Diablo Base and Meridian, EXCEPTING THEREFROM the interest  
 in the North 12-1/2 feet of the East half of the Southwest Quarter of the  
 Northwest Quarter and the North 12-1/2 feet of the West 50 feet of the Southeast  
 Quarter of the Northwest Quarter of said Section 13, which was conveyed by  
 A. G. Park by trust therein Deed dated January 29, 1990, recorded in Book 39  
 at Page 283 of Deeds, Tulare County Records, which Deed recites "for roadway  
 purposes"  
 together with a right of way for road purposes over a strip of land described  
 as follows: BEGINNING at a point 12-1/2 feet South and 50 feet East of the  
 Northeast corner of the Southeast Quarter of the Northwest Quarter of said  
 Section 13; running thence South 33 feet; thence East to the East line of said  
 Section 13; thence North 33 feet; thence West to the POINT OF BEGINNING,  
 EXCEPTING all reservations in said property as reserved by A. S. Lemos and  
 Selvin S. Lemos.

APN 018-242-020

Dated December 15, 1993  
 STATE OF CALIFORNIA  
 COUNTY OF \_\_\_\_\_  
 on Dec. 17, 1993 before me,  
 personally appeared Russell V. Hill  
 and Evelyn Hill

*[Signature]*  
 RUSSELL V. HILL  
 \_\_\_\_\_  
 EVELYN HILL

DOUGLAS A. GAITHER  
 County Clerk  
 TULARE COUNTY, CALIFORNIA  
 My Comm. Expires 11, 1996

Witness my hand and official seal  
 at \_\_\_\_\_  
 this \_\_\_\_\_ day of \_\_\_\_\_, 1993.  
 \_\_\_\_\_  
 County Clerk

MAIL TAX STATEMENTS AS DIRECTED ABOVE  
 END OF DOCUMENT

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Oct 10 06 09:40P

P.14

AUG 16,2006 15:47 Don Barnett

559-582-7221

Page 1

ANGELA - FOR Ed Hill  
THANKS

9407327

Date No.  
 Entry No.  
 Log No.  
 RECORDING REQUESTED BY  
 WHEN RECORDED MAIL TO:  
 EDWARD MONROE HILL  
 1358 10th AVENUE  
 MALDEN, CA 95550

APR 08 1994  
 JAMES HANCOCK  
 COUNTY CLERK

MAIL TAX STATEMENTS TO:  
 same as above

MAIL TAX STATEMENTS AS DIRECTED ABOVE  
 END OF DOCUMENT

9407327

---

**Correctory GRANT DEED**

FOR A VALUABLE CONSIDERATION, some of which is hereby acknowledged,  
 EDWARD Y. HILL (also RUSSELL V. HILL) and EVELYN HILL, husband and wife  
 hereby GRANTED to  
 EDWARD MONROE HILL, a married man, as his sole and separate property  
 the real property in the City of  
 Kings County of Kings State of California, situated on

The North 22-1/2 acres of the East 60 acres of the North half of the Northwest  
 Quarter of Section 12, Township 19 South, Range 11 East, Mount Diablo Base  
 and Meridian, EXCEPTING therefrom the East 2-1/2 acres thereof; and the  
 South 37.5 acres of the East 60 acres of the North one half (NW/2) of the  
 Northwest one Quarter (NW/4) of Section Thirtysix (36) Township Nineteen (19)  
 South, Range Twenty one (21) East, N.S.E. & M. EXCEPTING therefrom the East  
 25.5 acres thereof, hereinafter conveyed, declared and/or dedicated to Easement  
 of Easement for road purposes.

RIN 018-243-807

Date: March 18, 1994  
 STATE OF CALIFORNIA  
 COUNTY OF KINGS  
 On MARCH 18, 1994 before me  
 personally appeared Russell V. Hill

I, James A. Hancock, County Clerk of Kings County, California, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

JAMES A. HANCOCK  
 COUNTY CLERK  
 Kings County, California  
 My Comm. Expires 03-31-94

MAIL TAX STATEMENTS AS DIRECTED ABOVE  
 END OF DOCUMENT

9407327

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

Description: Kings, CA Document-Year.DocID 1894.7327 Page: 1 of 1  
Order: 1 Comment:

001/004

FROM : HILLHITMAKER

FAX NO. : 5916839

May. 01 2009 05:33PM P1

**ADDENDUM TO OPTION AGREEMENT  
FOR PURCHASE OF REAL PROPERTY**

THIS ADDENDUM ("Addendum") entered into this 1 day of May, 2009 and is in addition to the OPTION AGREEMENT ("Agreement") made and entered into on the 26th day of August, 2006, by and between

Ed Hill, whose principal address is 3200 Boxley Valley Road, Franklin, TN 37064

Hereinafter referred to as "Seller" and

Great Valley Ethanol, LLC, a Delaware Limited Liability Corporation whose principal address is 15102 Henderson Avenue, Bakarfield, CA 93314,

Hereinafter referred to as "Purchaser" or "Buyer"

The terms of this addendum provide terms whereby the Buyer's option to purchase the Property described below is extended and amends certain other terms. Where terms are in conflict, the terms of this Addendum shall govern.

**WITNESSETH:**

WHEREAS, Seller has a fee simple interest in certain real property, hereafter referred to as "Property" being lying and situated in the City of Hanford, County of Kings, State of California, and such property being more particularly described as follows:

Equivalent of approximately 110 acres. APNs 018-242-007, 018-242-020 and 018-242-013. Also described as the area east of the BNSF rail line, west of 10th Avenue, and south of Iona.

And, WHEREAS, Purchaser and Seller have entered into an Option Agreement for Purchase of Real Property ("Option Agreement") dated August 26th, 2006;

And WHEREAS, Purchaser and Seller wish to modify the Option Agreement to accommodate land use permitting and annexation delays as well as national and industry-wide economic difficulties, for the mutual benefit of Purchaser and Seller;

And WHEREAS, Purchaser and Seller wish to re-affirm their mutual desire to develop the Property to include an ethanol production facility;

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the parties hereto and for the mutual covenants contained herein, Seller and Purchaser hereby agree as follows:

1. **DEFINITIONS.** For the purposes of this Addendum, the following terms shall have the following meanings:

Seller Initials

EH

Buyer Initials

GV

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

05/02/2009 11:12 AM

002/004

FROM: HILLHITMAKER

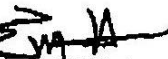
FRX NO. 15916838

May. 01 2009 05:36PM P2

Great Valley Ethanol -- Hill Option Agreement  
Page 2 of 4

- (a) "Execution Date" shall mean the day upon which the last party to this Addendum shall duly execute this Addendum;
- (b) "Option Term" shall mean the period of time between execution of the Option Agreement by Buyer and Seller and the "Closing Date." The option term includes the "Initial Option Term," "First Extension Term", "Second Extension Term" and "Third Extension Term" as defined below.
- (c) "Third Extension Term" shall mean that period of time commencing at the end of the Second Extension Term and ending on or before December 31, 2010.
- (d) "Option Exercise Date" shall mean that date, within the Option Term, upon which the Purchaser shall send its written notice to Seller exercising its Option to Purchase under conditions of Buyer purchase as defined in the Option agreement and below in Paragraph 3 of the Addendum;
- (e) "Closing Date" shall mean the last day of the closing term or such other date during the closing term selected by Purchaser.
2. **PAYMENT OF OPTION FEE.** The parties recognize that option fee payments have been made throughout the initial, first extension and second extension periods. In lieu of applying these option fees toward the purchase price, the parties agree that option payments made through the date of this Addendum will not apply toward the final purchase. For the remainder of payments due under the Second Extension Term (third and fourth quarters, 2009) and the Third Extension Term beginning January 1, 2010 and ending December 31, 2010, the Option Fee shall be \$6,000 per quarter. Any land lease and payments collected from a land lease shall be negotiated and paid directly between the seller and lessee. The land lease payments have no effect on Option payments due under this extension.
- The Buyer shall forward to Seller the Option Payments for the third and fourth quarters of the Second Extension Term as soon as practicable, but in no case later than September 30, 2009. This schedule is contemplated between the Parties to allow the Buyer to conduct additional fundraising activities. The option payments for the Third Extension Term shall be paid by the first day of the second month of each calendar quarter.
3. **EXERCISE OF OPTION.** In the event that Buyer exercises its option to purchase prior to harvesting of crops planted under a land lease, Buyer shall compensate the lessee of the land for the fair market value of the crops currently planted and which may not be maintained and harvested. The fair market value of the crop planted shall be determined as the land lessee's actual costs (including but not limited to pro-rated lease cost, seed, water, labor, and equipment rental) plus a profit allowance of \$100 per acre planted. At Buyer's discretion, in lieu of

Seller Initials



Purchaser Initials



Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

05/02/2004 11:12 FAX

003/004

FROM : HILLHITMAKER

FAX NO. : 5916838

May. 01 2005 05:38PM P1

Great Valley Ethanol - Hill Option Agreement  
Page 3 of 4

compensating the land leases for the crop, the Buyer may allow the current crop to be maintained and harvested by the land leasee.

- 4. **PURCHASE PRICE.** The purchase price of the property shall be Two Million Two Hundred Thousand Dollars (\$US 2,200,000.00). Option payments made to date and option payments made under this extension do not offset or count toward the purchase price.
- 5. **CONFIDENTIALITY.** Seller and Buyer and their respective agents will maintain the strict confidentiality of the terms of the Option Agreement, Addendum, and the Purchase Agreement, the substance of any materials exchanged by Buyer and Seller and the substance of any information obtained by either party in connection with this transaction.
- 6. **MISCELLANEOUS.**

(a) **Execution by Both Parties.** This Amendment shall not become effective and binding until fully executed by both Purchaser and Seller.

(b) **Notice.** All notices, demands and/or consents provided for in this Addendum shall be in writing and shall be delivered to the parties hereto by hand or by United States Mail with postage pre-paid. Such notices shall be deemed to have been served on the date mailed, postage pre-paid. All such notices and communications shall be addressed to the Seller at:

Mr. Ed Hill  
3200 Boxley Valley Road,  
Franklin, TN 37064

and to Purchaser at:

Great Valley Ethanol  
15102 Henderson Ave.  
Bakersfield, CA 93314

or at such other address as either may specify to the other in writing.

(c) **Cost of this Agreement.** Any cost and/or fees incurred by the Purchaser or Seller in executing this Agreement shall be borne by the respective party incurring such cost and/or fee.

(d) **Agency.** Seller and Purchaser hereby acknowledge disclosure that Brian M. Pellens and Jojack Property Management, Inc. d/b/a DB Realty are licensed to conduct Real Estate Brokerage activities in the State of California under regulations of the Department of Real Estate. Brian M. Pellens and/or Jojack Property Management, Inc. may each severally and jointly become parties to

Seller Initials 

Purchaser Initials 

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

FROM : HILLHITMAKER

FAX NO. : 5916838

May. 01 2009 05:39PM P2

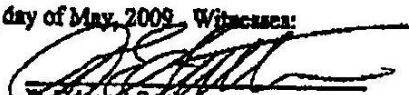
Great Valley Ethanol - Hill Option Agreement  
Page 4 of 4

this transaction either directly or indirectly, now or in the future. Additionally, Brian M. Pellens, Jejack Property Management, Inc., DB Realty, do not represent Seller's interests in this transaction due to inherent conflicts of interest which cannot be resolved. Seller and Purchaser hereby agree to hold harmless Brian M. Pellens, Jejack Property Management, Inc and DB Realty any damages directly or indirectly arising out of or in any way related to this agreement, and any future property transaction that may occur. All parties agree that this release continues beyond expiration of this agreement and extends to any and all parties which may have an interest in this transaction or future transactions after the date of execution.

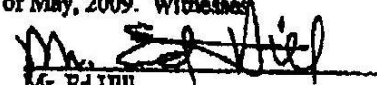
(e) Entire Agreement. This Amendment along with the Option agreement dated August 26, 2006 contains all of the terms, promises, covenants, conditions and representations made or entered into by or between Seller and Purchaser and supersedes all prior discussions and agreements whether written or oral between Seller and Purchaser with respect to the Option, the Amendment and all other matters constitutes the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and executed by both Seller and Purchaser with the formalities hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed under proper authority:

As to Purchaser this 1 day of May, 2009. Witnessed:  
"Purchaser"

  
D. Edward Settle  
President  
Great Valley Ethanol, LLC

As to Seller this 1 day of May, 2009. Witnessed:  
"Seller"

  
Mr. Ed Hill  
3200 Boxley Valley Road,  
Franklin, TN 37064

Seller Initials EMH

Purchaser Initials \_\_\_\_\_

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

# EXHIBIT “C”

Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

**Assignment And Assumption Agreement**

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This Assignment and Assumption Agreement ("Assumption Agreement") is entered into this 10<sup>th</sup> day of DECEMBER, 2009 by and among THE CITY OF HANFORD, a municipal corporation ("the City"), the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF HANFORD ("RDA"), and EDWARD MONROE HILL ("Hill").

**RECITALS**

WHEREAS, Hill owns approximately one hundred ten (110) acres of land in the County of Kings, State of California ("the Property");

WHEREAS, the City and Hill have entered into a Purchase and Sale Agreement ("PSA") for the Property, under which Hill agreed to sell the Property to the City and the City agreed to purchase the Property from Hill;

WHEREAS, the City desires to assign to the RDA all of the City's rights, duties and obligations under the PSA;

WHEREAS, the RDA desires to assume all of the City's rights, duties, and obligations under the PSA; and

WHEREAS, Section 19 of the PSA allows the City to assign its rights, duties, and obligations under the PSA to any party of its choosing.

NOW, THEREFORE, the undersigned hereby agree as follows:

**Section 1. Assignment and Assumption of PSA.**

- (a) The City hereby assigns to the RDA, and the RDA hereby fully and unconditionally accepts and assumes, all of the rights, duties and obligations of the City in and under the PSA.
- (b) Hill hereby acknowledges the City's assignment of its rights, duties, and obligations under the PSA to the RDA.
- (c) The undersigned acknowledge that, upon the execution of this document, the RDA shall be, for purposes of the PSA, the party purchasing the Property and that the City will have no further rights, duties, or obligations under the PSA.

- (d) With the exception of the identity of the purchasing party, the undersigned do not intend to modify or amend the PSA and all other terms and conditions contained therein, as previously amended, shall remain in full force and effect.

**Section 2. Miscellaneous Provisions**

- (a) This Assumption Agreement may be executed in one or more duplicate counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- (b) This Assumption Agreement shall be governed exclusively by and construed in accordance with the laws of the State of California. The undersigned agree that the venue for any legal action to interpret or enforce this Agreement shall be the Superior Court for the County of Kings, State of California, if in state court, or the United States District Court, Eastern District of California, if in federal court.
- (c) In the event any party commences a legal action to interpret or enforce this Assumption Agreement, the party prevailing in such litigation shall be entitled to its attorneys' fees and costs, which shall be paid by the non-prevailing party.
- (d) No change, amendment, or modification of this Assumption Agreement shall be valid unless the same shall be in writing and signed by the parties hereto.

IN WITNESS THEREOF, this Assumption Agreement has been executed by the parties hereto as of the day and year first hereinabove written.

CITY

THE CITY OF HANFORD,  
a municipal corporation

By: *Dan Chin*  
DAN CHIN  
Mayor

RDA

COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF HANFORD

By: *Dan Chin*  
DAN CHIN  
President

HILL

\_\_\_\_\_  
EDWARD MONROE HILL

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Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

- (d) With the exception of the identity of the purchasing party, the undersigned do not intend to modify or amend the PSA and all other terms and conditions contained therein, as previously amended, shall remain in full force and effect.

**Section 2. Miscellaneous Provisions**

- (a) This Assumption Agreement may be executed in one or more duplicate counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
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CITY

THE CITY OF HANFORD,  
a municipal corporation

By: \_\_\_\_\_  
DAN CHIN  
Mayor

RDA

COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF HANFORD

By: \_\_\_\_\_  
DAN CHIN  
President

HILL

  
EDWARDS MONROE HILL

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Attachment: EXHIBIT B (1802 : OVERSIGHT-ROPS)

**VOCATIONAL CENTER FINAL BILLING**

Description	Actual Costs	
Design	\$407,000.00	
Administrative and Legal Expenses	\$21,957.42	
Architectural and Engineering Fees	\$156,515.56	
Other architectural and engineering fees - s	\$98,024.00	
Project Inspection Fees	\$108,000.00	
Construction (total cost incl. utility connecti	\$5,873,855.00	
Equipment	\$0.00	
Marquee Sign	\$55,355.40	
Total Project Costs	\$6,720,707.38	
		EDA Share of Project Costs (48%)
		\$2,823,243.00
		City of Hanford Share
		\$1,507,000.00
		College of the Sequoias Share
		\$2,390,464.38
		less 1/2 penalty credit
		\$32,568.10
		Total COS Share
		\$2,357,896.28

\*\* The COS share does not reflect the 710,000 that COS is using to purchase their equipment with.

1/28/2009