



**CITY COUNCIL AGENDA
CITY HALL, 291 N. MAIN STREET
PORTERVILLE, CALIFORNIA
SEPTEMBER 19, 2017, 5:30 PM**

Call to Order

Roll Call

ORAL COMMUNICATIONS

This is the opportunity to address the City Council on any matter scheduled for Closed Session. Unless additional time is authorized by the Council, all commentary shall be limited to three minutes.

CITY COUNCIL CLOSED SESSION:

A. Closed Session Pursuant to:

- 1** - Government Code Section 54957.6 – Conference with Labor Negotiator. Agency Negotiator: John Lollis, Che Johnson, and Matt Pierce. Employee Organizations: Porterville City Firefighters Association and Fire Officer Series.
- 2** - Government Code Section 54956.95 – Liability Claim: Claimant: Abel Saldana. Agency claimed against: City of Porterville.
- 3** - Government Code Section 54956.95 – Liability Claim: Claimant: Ramiro Huerta. Agency claimed against: City of Porterville.
- 4** - Government Code Section 54956.95 - Liability Claim: Claimant: Jeff Towers. Agency claimed against: City of Porterville.
- 5** - Government Code Section 54956.9(d) (3) – Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation: One case concerning correspondence dated August 28, 2017 from the Law Offices of Melo and Sarsfield regarding a notice of violation of the California Voting Rights Act.
- 6** - Government Code Section 54956.9(d)(4) – Conference with Legal Counsel – Anticipated Litigation – Initiation of Litigation: One Case.

**6:30 P.M. RECONVENE OPEN SESSION AND REPORT ON
REPORTABLE ACTION TAKEN IN CLOSED SESSION**

Pledge of Allegiance Led by Council Member Flores

Invocation

PRESENTATIONS

Oustanding Business Honoree - PSW
Employee of the Month - Eddie Alba
Employee Service Awards

AB 1234 REPORTS

This is the time for all AB 1234 reports required pursuant to Government Code § 53232.3.

1. Tulare County Association of Governments (TCAG) - September 18, 2017
2. League of California Cities Annual Conference - September 13-15, 2017

REPORTS

This is the time for all committee/commission/board reports; subcommittee reports; and staff informational items.

- I. City Commission and Committee Meetings
 1. Parks & Leisure Services Commission - September 7, 2017
 2. Library & Literacy Commission - September 12, 2017
 3. Arts Commission
 4. Animal Control Commission - September 11, 2017
 5. Youth Commission
 6. Transactions and Use Tax Oversight Committee (TUTOC) - August 29, 2017
- II. Staff Informational Reports
 1. Water Conservation Phase III Status Update

ORAL COMMUNICATIONS

This is the opportunity to address the Council on any matter of interest, whether on the agenda or not. Please address all items not scheduled for public hearing at this time. Unless additional time is authorized by the Council, all commentary shall be limited to three minutes.

CONSENT CALENDAR

All Consent Calendar Items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made, in which event the item will be removed from the Consent Calendar. All items removed from the Consent Calendar for further discussion will be heard at the end of Scheduled Matters.

1. **Relocation of Porterville Police Department Motorola Radio Base Stations**
Re: Considering approval of the relocation of three Motorola Radio Base Stations and payment in the amount of \$7,243.33 to J's Communications.
2. **Wastewater Treatment Facility Emergency Boiler Repair**
Re: Considering approval of the repair of WWTF Boiler, initiation of a Purchase Order and payment to R.F. MacDonald in an amount not to exceed \$36,790.

3. **Wastewater Treatment Facility Annual Polymer Contract**
Re: Considering award of contract to Solenis for a submitted quote of \$1.01/pound for polymer K290FLX coagulant aid; and authorizing the Public Works Director to sign the contract with the option for three additional one year extensions providing both parties mutually agree to any price adjustments after the first year.
4. **Authorization to Accept Donation from an Anonymous Donor**
Re: Considering approval to accept a donation valued at \$200,000 from an anonymous donor.
5. **First Amendment To The GreenPower Motor Company, Inc. Agreement**
Re: Considering approval of an amendment to the Agreement with GreenPower to authorize progress payments to GreenPower for charging stations and buses in accordance with performance milestones.
6. **Annual Library Food For Fines Campaign**
Re: Considering approval of the Annual Food for Fines Campaign to run October 1 through December 31, 2017.
7. **Approval for Community Civic Event - Central California Family Crisis Center, Inc. - 19th Annual Domestic Violence Candlelight Vigil - October 17, 2017**
Re: Considering approval of an event to take place at Centennial Park on Tuesday, October 17, 2017, from 6:00 p.m. to 8:00 p.m.
8. **Approval for Community Civic Event - US Marines Reserves Toys for Tots - Christmas to Remember Car and Bike Show - October 21, 2017**
Re: Considering approval of an event to take place on Saturday, October 21, 2017, from 8:00 a.m. to 3:00 p.m.
9. **Approval for Community Civic Event - Wildland Firefighter Foundation and Galaxy 9 Theatres - Only the Brave 5K Run - October 21, 2017**
Re: Considering approval of an event to take place on Saturday, October 21, 2017, from 7:30 a.m. to 11:00 a.m. at Galaxy 9 Theatres.
10. **Request for Proclamation - Railroad Safety Month - September 2017**
Re: Consideration of a request to proclaim the month of September 2017, as "Railroad Safety Month."
11. **Request for Proclamation - Domestic Violence Awareness Month - October 2017**
Re: Consideration of a request to proclaim the month of October 2017, as "Domestic Violence Awareness Month."

HEARING

12. Resolution of Necessity Pertaining to the Acquisition of a Portion of Property Located at West Side of Hillcrest Street, North of Jasmine Drive, Porterville, CA (APNs 254-010-059 and 255-190-022), Owner Woodard Family Revocable Trust of August 10, 2006, for Proposed Improvements to the East Porterville Water Supply Project

Re: Consideration of a Resolution of Necessity to acquire the above described property in order to construct a water tank and other improvements for the East Porterville Water Supply Project.

A Council Meeting Recess Will Occur at 8:30 p.m., or as Close to That Time as Possible

PUBLIC HEARINGS

13. Request for a Conditional Use Permit for Joe's Westside Market for a Type 21 Alcohol License and for Big Bite BBQ for a Type 41 Alcohol License at 22388 Avenue 152

Re: Consideration of a resolution to allow the sale of beer and wine under an on-sale license at 22388 Avenue 152.

14. Request for a Conditional Use Permit for the 99 Cents Store for a Type 20 Alcohol License at 825 W. Henderson Avenue

Re: Consideration of a resolution to allow the sale of beer and wine under an off-sale license at the 99 Cent Only grocery store.

SCHEDULED MATTERS

15. Consideration of Appointment to the Arts Commission

Re: Consideration of the appointment of an individual to the City's Arts Commission.

16. Proposition 64 Ad Hoc Committee Update

Consideration of the preparation of an ordinance regarding local regulations for marijuana cultivation

17. Henderson-Prospect Specific Plan

Re: Consideration of staff efforts pertaining to a Henderson-Prospect Specific Plan.

18. Consideration of Initiating Procedures for Establishing and Implementing By-District Elections

Re: Consideration of a resolution initiating procedures for establishing and implementing by-district elections.

19. Status and Review of Declaration of Local Emergency

Re: Consideration of the continuance of the Declaration of Local Emergency.

ORAL COMMUNICATIONS

OTHER MATTERS

CLOSED SESSION

Any Closed Session Items not completed prior to 6:30 p.m. will be considered at this time.

ADJOURNMENT - to the meeting of October 3, 2017.

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Office of City Clerk at (559) 782-7464. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.

Materials related to an item on this Agenda submitted to the City Council after distribution of the Agenda packet are available for public inspection during normal business hours at the Office of City Clerk, 291 North Main Street, Porterville, CA 93257, and on the City's website at www.ci.porterville.ca.us.



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: 1. Water Conservation Phase III Status Update

SOURCE: Public Works

COMMENT: The City of Porterville has continued to implement an active water conservation approach, both conserving and providing flexibility to the community. The City has transitioned from Phase IV to Phase III of the City's Water Conservation Plan as of May 23, 2017. The Water Conservation Plan applies to all municipal water users within or outside city limits. As part of the Phase III plan, the City has provided additional watering days, a two day per week watering schedule based on address. If an address ends with an "odd" number, the watering days are Tuesday and Saturday; if an address ends with an "even" number, the watering days are Wednesday and Sunday. Watering is prohibited between the hours of 5 a.m. to 10 a.m. and 5 p.m. to 10 p.m., with no watering allowed Monday, Thursday, or Friday. Watering of outdoor landscape is prohibited during, and within 48 hours after, measurable rainfall which is now defined as greater than 0.01 of an inch.

Violations of prohibited activities are considered infractions and are punishable by fines of up to \$500 for each day in which the violation occurs. Any peace officer or employee of a public agency charged with enforcing laws and authorized to do so by ordinance may issue a citation to the violator. The City of Porterville will be responding to enforcement by issuing a Notice of Violation for all witnessed occurrences and staff will be processing all reported issues. Enforcement statistics for the month of August 2017 show that a total of 112 Notice of Violations were issued for water wasting; 4 Administrative Citations were issued.

Water production for August 2017 was a 3% decrease to the 5-year average. The production for the month of August 2017 was 416 million gallons, which when compared to the production for the month of August 2013 of 509 million gallons, equates to a 18.3% reduction. Residential consumption for August 2017 was 162 gallons per capita per day (GPCD).

Under the February 2016 emergency regulation, the City of Porterville received a revised conservation standard of 28% with an additional 2% reduction for climate adjustment, making the City's conservation standard 26%. After reviewing the Water Board's Self-Certification criteria for the City of Porterville, Council approved maintaining a self imposed standard of 26%. The continuation of the conservation standard keeps a standardized message the City has worked to develop in public outreach, provides resiliency and capacity to ensure supply under drought conditions, meets the minimum 20% conservation standard defined in the City's Urban Water Management Plan, and assists the City toward meeting the requirements of the Sustainable Groundwater

Management Act (SGMA).

The City will continue to track cumulative conservation totals as well as monthly reporting data, comparing water production totals from 2013 to 2015 through current. Cumulative tracking means that conservation savings will be added together from one month to the next and compared to the amount of water used during the same months in 2013. The cumulative total for the City of Porterville's conservation efforts will reflect June 2015 through August 2017. Porterville's cumulative total conservation through August 2017 is 27%.

Following unprecedented water conservation and plentiful winter rain and snow, on April 7, 2017, Governor Edmund G. Brown Jr. ended the Drought State of Emergency in most of California, while maintaining water reporting requirements and prohibitions on wasteful practices such as watering during or right after rainfall. Executive Order B-40-17 lifts the drought emergency in all California counties except Fresno, Kings, Tulare, and Tuolumne, where emergency drinking water projects will continue to help address diminished groundwater supplies.

The Governor's executive order directs the State Water Board to lift the specific conservation provisions of its drought emergency regulations but to keep in place the temporary requirements for monthly water use reporting and prohibitions against wasteful water use practices while the Board works to develop permanent reporting and wasteful use regulations. The temporary requirements will remain in effect until November 25, 2017, when the emergency regulation is set to expire. The current prohibitions against wasteful water use practices include outdoor watering during or within 48 hours after a rain event; hosing down a sidewalk instead of using a broom or a brush; and over-watering a landscape to where water is running off onto the sidewalk or into the gutter. The long-term conservation framework, also released on April 7, 2017 includes recommendations to establish permanent water conservation standards and improved agricultural and urban water management planning to better prepare for more frequent and severe droughts due to climate change. These actions will help achieve a top priority of the California Water Action Plan - to improve long-term drought preparedness and "Make Conservation a California Way of Life."

RECOMMENDATION: Information Only

ATTACHMENTS: 1. Monthly Production Status August 2017
 2. Drought Response Phase III Flyer

Appropriated/Funded:

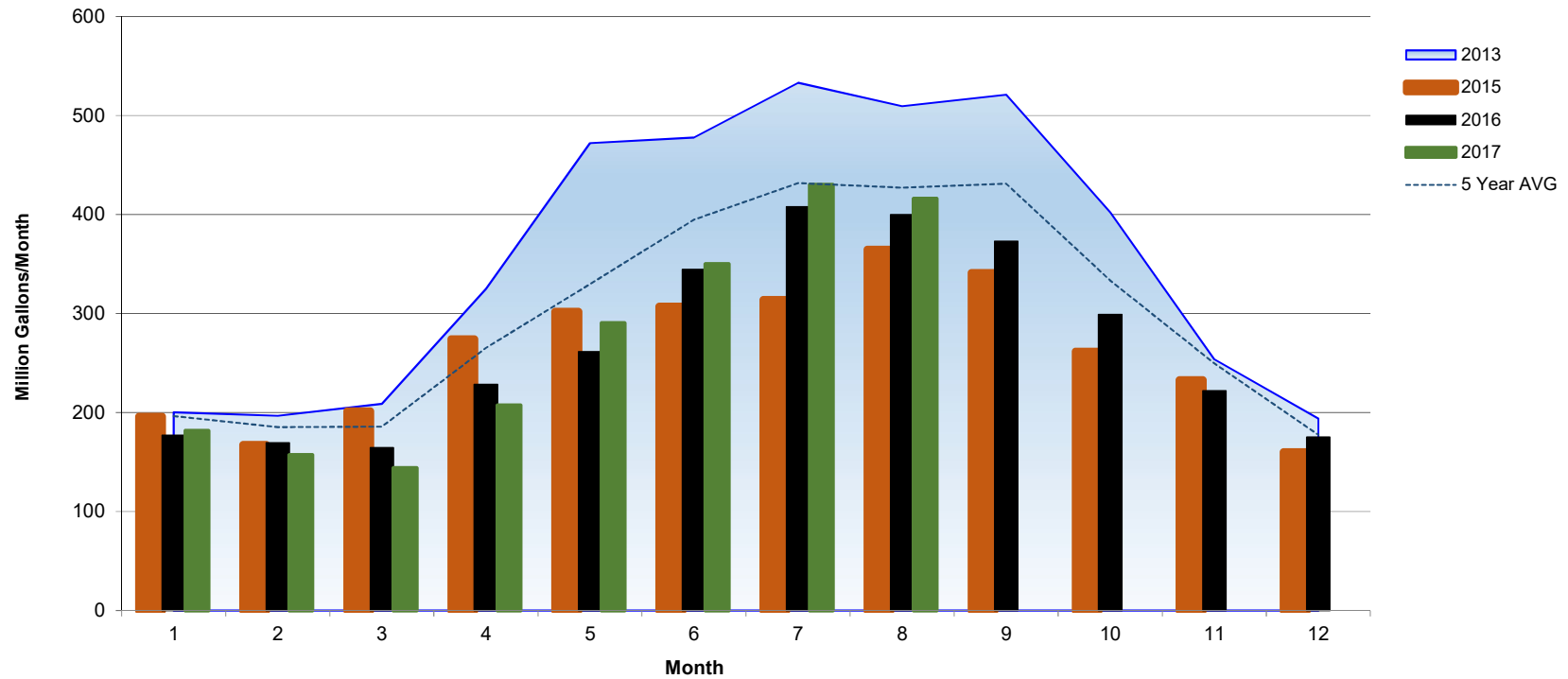
Review By:

Department Director:

Mike Reed, Acting Public Works Director

Final Approver: John Lollis, City Manager

**Monthly Production Status & Cumulative Total June 15/16 Through
August 2017 Production Comparison to 2013 & 5 Year Average**



Cumulative Total 27%

2015	-2%	-15%	-4%	-16%	-36%	-36%	-41%	-28%	-35%	-35%	-8%	-18%
2016	-12%	-14%	-21%	-30%	-45%	-28%	-24%	-21%	-28%	-26%	-13%	-10%
2017	-9%	-20%	-31%	-36%	-38%	-27%	-19%	-18%				

Percent Comparison to 2013 Production



DROUGHT RESPONSE Phase III

Mandatory Odd/Even Watering Schedule, based on address.
Residents will be allowed **TWO** days a week to water lawns and landscapes. No watering allowed on Mondays, Thursdays, and Fridays.

Watering is prohibited between the hours of **5:00 AM to 10:00 AM** and **5:00 PM to 10:00 PM**.

No watering outdoor landscapes during and within **48** hours after measurable rainfall.

Excessive water runoff is prohibited.

The washing of sidewalks and driveways is prohibited.

Vehicles shall only be washed on designated watering days and with a hose equipped with a shut-off nozzle.

The operation of ornamental water features is prohibited unless the fountain uses a recycling system.

Non-compliance with Phase III water conservation regulations could result in citations with fines up to **\$500**.

DROUGHT RESPONSE PHASE III

The City of Porterville has adopted Phase III of its Drought Response Plan. As part of the Phase III plan, the City has restricted watering days to two days per week, based on address.

Mandatory Odd/Even Watering Schedule

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
DO NOT WATER	OK TO WATER	OK TO WATER	DO NOT WATER	DO NOT WATER	OK TO WATER	OK TO WATER
---	ODD	EVEN	---	---	ODD	EVEN

Odd Address
 Even Address

ODD NUMBER ADDRESSES

If your address ends with an “odd” number, 1, 3, 5, 7, or 9, your watering days are Tuesday and Saturday *only*.

OR

EVEN NUMBER ADDRESSES

If your address ends with an “even” number, 0, 2, 4, 6, or 8, your watering days are Wednesday and Sunday *only*.

Violation Level	Citation Amount
First Violation	Warning Only
Second Violation	\$100 Fine
Third Violation	\$200 Fine
Fourth Violation	\$500 Fine

**Mandatory
Odd/Even Watering
Schedule**

**Excessive water
runoff prohibited**

**The washing of
sidewalks and driveways
is prohibited**

**Vehicles shall only be
washed on designated
watering days and with
hoses equipped with a
shut-off nozzle**

**Ornamental water
features are prohibited
unless the fountain uses
a recycling system**

**WATERING PROHIBITED
BETWEEN THE HOURS OF
5:00 – 10:00 AM
5:00 – 10:00 PM**

**NO WATERING ON
MONDAYS, THURSDAYS,
AND FRIDAYS.**



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Relocation of Porterville Police Department Motorola Radio Base Stations

SOURCE: Police

COMMENT: The Police Department is in need of expanding the current Communications Center, an expansion project involving multiple coordinated stages. Several of these stages include the moving of radio base stations, audio recording equipment, and network switches to a room located just outside of the Communications Center. By moving this equipment and securing critical components in a specific room where access can be easily controlled, a considerable amount of space within the Communications Center is made available, as well as eliminating “White Noise” which emanates from the radio base stations and creates background noise during phone calls and radio transmissions. This “White Noise” can also be heard on dispatch recordings used for court and evidence.

The Police Department utilizes Motorola communication equipment and must use a Motorola vendor to perform any services related to this equipment. J’s Communications is the only Motorola vendor within the locally-assigned zone and is the Police Department’s assigned vendor. In addition, the base station radios to be moved and installed were purchased and programmed by J’s Communications, and J’s Communications is able to provide Los Angeles County pricing, which is the lowest any vendor can provide within the state of California. Therefore, only one quote was requested.

The following is a cost break down associated with the relocation of three Motorola radio base stations:

- MCC5500 Rack Relocation \$1,575.00
- TELCO 50ft 50 WAY Cable \$1,020.60
- RF Jumper \$725.76
- Flange Arrestor \$198.27
- Copper Grounding Bar \$202.02
- Rack Anchor Kit \$32.00
- Installation/Labor \$3,000.00
- Travel Charge \$180.00
- Sales Tax \$309.68

TOTAL \$7,243.33

Police Department staff is requesting authorization to relocate and install three

Item No. 1.

base stations. Funds for this purchase are available in the Police Department's asset forfeiture account.

RECOMMENDATION: That the City Council:
1. Authorize the relocation of three Motorola Radio Base Stations: and
2. Authorize payment in the amount of \$7,243.33 upon completion of installation.

ATTACHMENTS: 1. J's Communications Quote

Appropriated/Funded: JR for MB

Review By:

Department Director:

Eric Kroutil, Police Chief

Final Approver: John Lollis, City Manager

J's Communications, Inc.

3733 S. Bagley
Suite C
Fresno, CA 93725-2436



Proposal

Proposal Date: 8/10/2017**Proposal #:** 68360**Project:****Bill To:**

CITY OF, PORTERVILLE PD
ATTN: Accounts Payable
350 N. D Street
Porterville, CA 93257

Description	Qty.	Rate	Total
Relocate MCC5500 Shelf rack to NEW IT ROOM. Move three UHF Base radios.			
CES/CAB CABLE 50 FOOT	5	315.00	1,575.00T
TELCO 50 FT 50 WAY CABLE, 180 DEG MALE - 90 DEG MALE , .35 INCH SCREW	9	113.40	1,020.60T
RF Jumper 1/2 in Superflex 50 ft. NM-NM	3	241.92	725.76T
FLANGE ARRESTOR, N/F	3	66.09	198.27T
GROUND BAR - COPPER 4 x 14 IN.	2	101.01	202.02T
Rack Ancor Kit	1	32.00	32.00T
INSTALLATION LABOR	1	3,000.00	3,000.00
Travel Charge	3	60.00	180.00
Sales Tax		8.25%	309.68
Total			\$7,243.33

CONFIDENTIAL



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Wastewater Treatment Facility Emergency Boiler Repair

SOURCE: Public Works

COMMENT: The Wastewater Treatment Facility (WWTF) boiler suffered a catastrophic failure and requires re-tubing all heating tubes with rear tube sheet replacement and patching of refractory. The boiler is the facility's only source of heat for the anaerobic digesters.

A smaller rental boiler unit is currently being used to sustain the digester operations until the facility's boiler is repaired. The temporary unit will not generate the heating requirements for the digesters through the fall and winter months. The facility's boiler must be repaired immediately to ensure the anaerobically digested sludge meets CFR 503 regulations for the treatment and disposal of Biosolids.

The WWTF received three (3) quotes for the boiler repair. The quotes are as follows: R.F. MacDonald \$33,445, Fireman Boiler \$41,634.43, and California Boiler \$50,991.34.

R.F. Macdonald has been identified as the lowest bidder, therefore securing the Emergency Boiler Repair for the WWTF. R.F. MacDonald can begin work immediately and have the repair completed in less than 9 days. Expenditure for the repair is not to exceed \$36,790 (inclusive of all parts, taxes, and labor and a 10% contingency) and will be funded from the Wastewater Operating Fund.

RECOMMENDATION: That City Council:

1. Award the Wastewater Treatment Facility Emergency Boiler Repair to R.F. MacDonald for a not to exceed amount of \$36,790; and
2. Direct the Finance Director to initiate a Purchase Order to R.F. MacDonald in an amount not to exceed \$36,790 for the repair of WWTF Boiler; and
3. Direct the Finance Director to make payment to R.F. MacDonald upon receipt of invoice approved by the Public Works Director.

ATTACHMENTS:

1. RF MacDonald
2. Fireman Boiler
3. California Boiler

Appropriated/Funded: JR for MB

Review By:

Department Director:

Mike Reed, Acting Public Works Director

Final Approver: John Lollis, City Manager



R.F. MacDonald Co.

your boiler & pump solutions team

~ since 1956

4912 West Jacquelyn Avenue
Fresno, CA, 93722
Phone: 559-498-6949
Fax: 559-498-7086
www.rfmacdonald.com

SAN FRANCISCO
FRESNO
LAS VEGAS
MODESTO
RENO
SAN DIEGO

QUOTE

September 12, 2017

City of Porterville Waste Water Treatment Plant
1333 W. Grand Avenue
Porterville, CA 93257

RE: REPLACE TUBES AND TUBE SHEET – CLEAVER BROOKS 125 PSI HW BOILER SN: L-92447

R.F. Mac Donald Co. is pleased to offer, for your consideration, our proposal to supply all labor, tools, and equipment required for the above referenced project.

Total Price.....\$33,445.00
Includes tax and freight

Scope of work:

- Perform Job Site Safety Analysis (JSA) daily before starting work, includes log out and tag out procedure
- Remove rear tube sheet and all (49) tubes
- Clean up exiting front tube sheet and inspect for imperfections and report
- Wash out boiler of loose scale and mud including minor cleaning of furnace
- Prepare front and rear tube sheets
- Fabricate rear tube sheet per manufactures specifications
- Fit up and weld in tube sheet per manufactures specifications
- Install (49) 2.5" x .105 x 82" OEM boiler tubes per manufactures specification, includes seal welding rear tube end attachments to tube sheet
- Install OEM hand holes gaskets
- Inspect water columns – to make sure they are clear of mud and scale
- Fill boiler and hydro test, to be witnessed and test approved by Certified State of California Authorized Pressure Vessel Inspector (AI)
- Drain boiler to operating level
- Seal cracks, point up and wash coat existing refractory per manufactures specification
- Submit code repair packet to customer and RF MacDonald Co QC files

NOTE:

1. Work to be completed in 9 days or less
2. Customer to provide dedicated "fire watch" when grinding, cutting and/or welding is taking place on customer site; otherwise add \$6K to project for dedicate fire watch.
3. Full tube sheet is not recommended based on manufactures recommendation. The partial rear second pass tube sheet (pork chops) is recommended repair based on site visits, pictures and consultation with manufactures representatives. The full tubes sheet will require rewelding tube sheet to furnace and stay bolts which are factory welded (see Manufacturers Data Reports attached), Reduce total price by \$4K to have rear second pass tube sheet replaced instead of the full tube sheet.
4. Optional: Close fireside with OEM gaskets, start up and set combustion with calibrated combustion analyzer for best safety and efficiency

This proposal does not include any extra labor and materials that may be required to correct any condition pre-existing or not evident at the time of the inspection. No extra work will be performed without prior authorization.

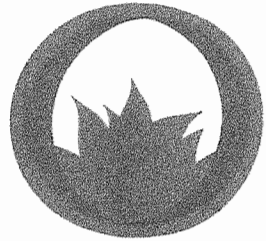
Thank you for your consideration we look forward to receiving your response. If you have any questions please don't hesitate to call.

Sincerely,

Darren Welton
Boiler Service Aftermarket Sales / Area Team Lead
R. F. MacDonald Co.
Office 559-498-6949
Cell 559-647-3732

Fireman Boiler
PO Box 7713
Visalia, CA 93290
(559) 802-3270
AR@FiremanBoiler.com
www.FiremanBoiler.com

Quote



ADDRESS

City of Porterville
Attn: Purchasing Division
291 N. Main St
Porterville, CA 93257 USA

SHIP TO

Jobsite:
Wastewater Treatment Facility
1333 West Grand Ave
Porterville, CA 93257 USA

QUOTE #	DATE	EXPIRATION DATE
1338 (REVISED)	08/30/2017	09/30/2017

PO NUMBER

PO _____

ACTIVITY	QTY	RATE	AMOUNT
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This quote is for the following scope of work:

-Retube existing Cleaver Brooks boiler.

Work includes the following;

- Remove/replace 48 existing tubes with 48 new tubes
- Perform hydro, ASME certified welding at tube sheet as needed
- Perform ASME certified welding at all tubes and bead
- Repair refractory with ceramic bonding agent (2 part catalyst)
- Install new gaskets both fireside and waterside
- Fire boiler when work is complete
- Perform boil out at commissioning

Material	1	12,789.64	12,789.64T
General Labor	1	27,789.64	27,789.64

Project Notes:

- Tube grade level per Cleaver Brooks
- All welding will be ASME certified

Payment Terms:

- 50% Advance payment to initiate work
- 50% Upon completion, invoiced Net30

*Freight excluded, PPA

SUBTOTAL	40,579.28
TAX (8.25%)	1,055.15
TOTAL	\$41,634.43

Accepted By

Accepted Date

Payment Terms:

1.5% interest per month will be assessed on past due invoices.



September 8, 2017

City of Porterville Wastewater Treatment Facility
1333 W Grand Ave
Porterville, CA 93257

RE: Re-tube Cleaver Brooks 50hp

Dear McAllister:

California Boiler, Inc. is pleased to submit the quotation on re-tubing all 48- 2.5" tubes with full rear tube sheet on your Cleaver Brooks 50 HP boiler with option of re-tubing all 48- 2.5" tubes with two rear pork chop cuts on the bottom rear tube sheet.

Re-tube with full rear tube sheet

Scope of work will include:

1. Perform lockout/ tag out on boiler.
2. Remove all tubes and cut out full tube sheet.
3. Clean and prep existing front tube sheet and inspect for any flaws.
4. Washout belly of boiler of all loose mud and scale.
5. Layout and make new tube sheet.
6. Fit up and weld full tube sheet.
7. Stab, roll, bead front, seal weld rear.
8. Install six new hand hole gaskets.
9. Fill boiler and perform hydro test
10. Drain boiler to operating level
11. Clean up work area and sign out.

TOTAL PRICE ON RE-TUBE with full tube sheet..... \$50,991.34

(Labor is figured on straight time, Monday through Friday)



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Wastewater Treatment Facility Annual Polymer Contract

SOURCE: Public Works

COMMENT: The City of Porterville Wastewater Treatment Facility (WWTF) is seeking an annual contract to supply the WWTF with the polymer K290FLX coagulant aid. The K290FLX polymer coagulant aid is used to dewater material from its anaerobic digesters in the Huber screw press. The polymer facilitates the release of water from the anaerobically digested material which allows the solids concentration to increase from 1.5% to over 17%.

The WWTF contacted and received three quotes from local chemical suppliers. The three that submitted quotes are: Solenis \$1.010/pound, Argo Chemical \$1.875/pound, and Brenntag \$1.925/pound.

Solenis has been identified as the lowest bidder, therefore securing the Annual Purchase Contract for polymer to the WWTF. The WWTF will also seek the option to extend the contract three, additional one year terms, providing both parties mutually agree to any price adjustments after the first year. Annual expenditure for the 2017/2018 fiscal year is \$127,000, funded from the Wastewater Operating Fund.

RECOMMENDATION: That City Council:

1. Award the Wastewater Treatment Facility Annual Polymer Contract to Solenis for a submitted quote of \$1.01/pound for polymer K290FLX coagulant aid; and
2. Authorize the Public Works Director to sign the Wastewater Treatment Facility Annual Polymer Contract with the option to extend the contract three additional one year term providing both parties mutually agree to any price adjustments after the first year.

ATTACHMENTS:

1. Solenis
2. Argo
3. Brenntag

Appropriated/Funded: JR for MB

Review By:

Department Director:

Mike Reed, Acting Public Works Director

Final Approver: John Lollis, City Manager



solenis.com

Dane Marcelletti

Authorized Agent
Southwest and Hawaii Area
California Environmental

Mobile: (805)660-8345

Email: dane@ced.biz

August 28, 2017

Robert C. Alvarez
City of Porterville WWTF Superintendent

Dear Mr. Alvarez,

Solenis, LLC. Is pleased to quote the City of Porterville \$1.01 per pound for our K290FLX polymer plus freight and any applicable taxes.

Solenis, LLC. is excited to continue our partnership with the City of Porterville as a valued customer.

Sincerely,

A handwritten signature in black ink, appearing to be "Dane", with a long, horizontal flourish extending to the right.

Dane Marcelletti

Fw: Polymer quote

Terry Mendez

Wed 8/23/2017 1:10 PM

Inbox

To: Robert Alvarez <ralvarez@ci.porterville.ca.us>;

TERRY MENDEZ | Clerical Assistant II

City of Porterville

Wastewater Treatment Facility

Phone: (559) 782-7501 | Fax: (559) 783-1419

www.ci.porterville.ca.us

From: Sherry Zand <sherry.zand@argochem.com>

Sent: Wednesday, August 23, 2017 12:34 PM

To: Terry Mendez

Subject: Polymer quote

Hi Terry,

Hope all is good.

Following up on our phone conversation, here is our price for your polymer :

\$1.875/lb plus 1.9% insurance surcharge.

\$35 freight per trip.

We will stock product for them at no charge but as we discussed it we need your commit to purchasing before we bring it in. There won't be any charge in advanced and we won't invoice till we deliver.

Please let me know if you have any question.

Regards,

Sherry



175 N. Hughes Avenue Fresno, CA 93710
TELEPHONE: (800) 350-4150 - FAX: (209) 485-0605

QUOTATION

August 17, 2017

City of Porterville

tmendez@ci.porterville.ca.us

Acct. Manager: **Kim Heron**
Phone/vm: 209-482-5552
Fax: 209-554-4304
Customer Service 800-350-4150

*Additional charges may apply**

<u>Item #</u>	<u>Description</u>	<u>Size</u>	<u>Deposit</u>	<u>Price Break</u>	<u>Price</u>	<u>Comments</u>
687474	Brennfloc CP 2611 (Praestol 290 GLX Floc)	2290 lb	n/a	1 tote	1.925/lb	

This quotation is subject to withdrawal without notice.

Container deposits are refunded if returned in usable condition.

This quotation cancels and supersedes all prior quotations.

A \$5.00 reconditioning fee will be assessed to all usable drums.

An Environmental surcharge of 2% merchandise total (max \$50.00 - Min. \$25.00) applies to each order

A Fuel surcharge in the amount of \$40.00 applies to each pkg order, and 136.00 for bulk deliveries.*

**Fuel surcharges are updated monthly and may increase without notice. 4/1/17*

Thank you for your business!!!

Kim Heron
Kheron@brenntag.com

Account Manager
Brenntag Pacific
Fresno, CA



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Authorization to Accept Donation from an Anonymous Donor

SOURCE: Parks and Leisure Services

COMMENT: The Parks and Leisure Services Department was contacted from a local donor who wishes to remain anonymous for the time being. The donor requested to make a donation of park equipment to a City facility with the City then becoming owner of the property donated. The City would handle maintenance duties on the property after acceptance of the donation. The estimated value of the proposed donation is approximately \$200,000.

City staff and the Parks and Leisure Services Commission feel that a donation benefiting the community would be a great addition to any City facility and recommend acceptance.

RECOMMENDATION: That the City Council authorize the acceptance of a donation of property valued at \$200,000 from an anonymous donor.

ATTACHMENTS:

Appropriated/Funded:

Review By:

Department Director:

Donnie Moore, Parks and Leisure Services Director

Final Approver: John Lollis, City Manager



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: First Amendment To The GreenPower Motor Company, Inc. Agreement

SOURCE: Public Works

COMMENT: On February 7, 2017, the City of Porterville and GreenPower Motor Company, Inc. (GreenPower), entered into an Agreement for Battery-Electric Heavy Duty Buses. The Agreement was for an initial purchase of ten buses and eleven charging stations, with a disbursement schedule that was consistent with the California Air Resources Board (CARB) grant agreement.

Since that time, GreenPower has requested that the City amend its agreement to allow for progress payments based on performance milestones. In order to do so, the City would have to amend its CARB agreement to allow for progress payments based on performance milestones prior to drafting an amendment to the GreenPower Agreement.

On May 26, 2017, the City and CARB executed Amendment No. 1 to allow for progress payments based on clearly identified project milestones, which are as follows:

Milestone / Task

- 8.1 - Complete Charge Equipment Build and Test;
- 8.2 - Delivery and Installation of Charging Stations;
- 8.3 - Install, Test, and Verify Charge Equipment;
- 10.1 - Completion of the chassis including the axles and drive motors;
- 10.2 - Delivery and installation of the batteries;
- 10.3 - Systems integration, including the low and high voltage systems;
- 10.4 - Bus(es) can drive under its own power;
- 10.5 - Deliver, test, modify, and accept first bus; and
- 10.6 - Deliver and accept remaining nine buses.

Now that the City will be reimbursed from CARB for milestones completed above, staff is requesting to amend the Agreement with GreenPower to authorize progress payments to GreenPower for charging stations and buses in accordance with the performance milestones set forth above. If authorized, the City shall make payments for charging stations and buses at the milestones upon verification by the City inspectors that said milestones have been completed and within thirty calendar days of receipt of a proper invoice.

The draft First Amendment to the Agreement with GreenPower also includes a
Item No. 5.

performance guarantee clause that GreenPower shall furnish, at its own expense, performance guarantee in the form of a cashier's check, a letter of credit, or a performance bond set at the City's financial exposure for cumulative payments.

RECOMMENDATION: That the City Council authorize the City Manager and City Attorney to execute the First Amendment to Agreement for Battery-Electric Heavy Duty Buses with GreenPower Motor Company, Inc.

ATTACHMENTS: 1. Draft First Amendment to GreenPower Agreement

Appropriated/Funded: JR for MB

Review By:

Department Director:

Mike Reed, Acting Public Works Director

Final Approver: John Lollis, City Manager

FIRST AMENDMENT TO AGREEMENT FOR BATTERY-ELECTRIC HEAVY DUTY BUSES

City of Porterville Agreement with the GreenPower Motor Company, Inc. to provide transit services, entered into on February 7, 2017, is amended on September __, 2017, between the City of Porterville, hereinafter referred to as "CITY" and GreenPower Motor Company, Inc., hereinafter referred to as "CONTRACTOR" with reference to the following:

WHEREAS, CITY and CONTRACTOR entered into an agreement for Battery-Electric Heavy Duty Buses on February 7, 2017; and

WHEREAS, CITY and CONTRACTOR desire to amend said agreement to include progress payments.

ACCORDINGLY, IT IS AGREED:

- I. Section 2: Special Conditions, Article 14, "**Payment**", is amended to read:

14. Payment

All payments shall be made as provided herein, less any amount to be withheld as provided below and less any amounts for liquidated damages in accordance with "Liquidated Damages for Late Delivery of the Bus."

The CITY shall make progress payments to the CONTRACTOR for buses in accordance with the performance milestones set forth below.

Title to material included in any progress payment request shall pass to the CITY upon payment by the CITY. Said title shall be free of all encumbrances. However, such transfer of title shall not relieve the CONTRACTOR of its responsibility for the furnishing, installation, fabrication or inclusion of said materials as a deliverable element of buses procured in accordance with the requirements of the Contract.

The performance milestones and payment limits shall be as follows:

1. The CITY shall make payments for charging stations at the following milestones upon verification by the CITY's inspector that said charging station task has been completed and within thirty calendar days of receipt of a proper invoice. Invoices submitted under this milestone shall include a listing of all major components and component serial numbers that shall be the same as in the final charging station record.

<u>Task</u>	<u>Description</u>	<u>Project Funds</u>
8.1	Complete Charge Equipment Build and Test	\$205,065
8.2	Delivery and Installation of Charging Stations	\$205,065
8.3	Install, Test, and Verify Charge Equipment	\$175,770

2. The CITY shall make payments for buses at the following milestones upon verification by the CITY's inspector that said bus (es) task has been completed and within thirty calendar days of receipt of a proper invoice. Invoices submitted under this milestone shall include a listing of all major components and component serial numbers that shall be the same as in the final bus record.

<u>Task</u>	<u>Description</u>	<u>Project Funds</u>
10.1	Completion of the chassis including the axles and drive motors	\$1,337,351
10.2	Delivery and installation of the batteries	\$1,337,351
10.3	Systems integration, including the low and high voltage systems	\$1,337,351
10.4	Bus(es) can drive under its own power	\$1,337,351
10.5	Deliver, test, modify, and accept first bus	\$356,351
10.6	Deliver and accept remaining nine buses	\$2,751,267

Progress payment requests shall be accompanied by a certification, or affidavit, signed by CONTRACTOR's officer certifying that the Work covered by the progress payment requested has been completed. The CITY reserves the rights of inspection and audit to verify said progress as provided in "Maintenance of Records; Access by CITY; Right to Audit Records."

The CONTRACTOR may charge interest at the legal rate on any progress payment request properly submitted and not disputed, but not paid within 30 days of its submission, as permitted by Public Contracts Code 20104.50. Pursuant to this Section:

a) (1) It is the intent of the Legislature in enacting this section to require all local governments to pay their contractors on time so that these contractors can meet their own obligations. In requiring prompt payment by all local governments, the Legislature hereby finds and declares that the prompt payment of outstanding receipts is not merely a municipal affair, but is, instead, a matter of statewide concern.

(2) It is the intent of the Legislature in enacting this article to fully occupy the field of public policy relating to the prompt payment of local governments' outstanding receipts. The Legislature finds and declares that all government officials, including those in local government, must set a standard of prompt payment that any business in the private sector which may contract for services should look towards for guidance.

(b) Any local agency which fails to make any progress payment within 30 days after receipt of an undisputed and properly submitted payment request from a contractor on a construction contract shall pay interest to the contractor equivalent to the legal rate set forth in subdivision (a) of Section 685.010 of the Code of Civil Procedure.

(c) Upon receipt of a payment request, each local agency shall act in accordance with both of the following:

(1) Each payment request shall be reviewed by the local agency as soon as practicable after receipt for the purpose of determining that the payment request is a proper payment request.

(2) Any payment request determined not to be a proper payment request suitable for payment shall be returned to the contractor as soon as practicable, but not later than seven days, after receipt. A

request returned pursuant to this paragraph shall be accompanied by a document setting forth in writing the reasons why the payment request is not proper.

(d) The number of days available to a local agency to make a payment without incurring interest pursuant to this section shall be reduced by the number of days by which a local agency exceeds the seven-day return requirement set forth in paragraph (2) of subdivision (c).

(e) For purposes of this article:

(1) A "local agency" includes, but is not limited to, a city, including a charter city, a county, and a city and county, and is any public entity subject to this part.

(2) A "progress payment" includes all payments due contractors, except that portion of the final payment designated by the contract as retention earnings.

(3) A payment request shall be considered properly executed if funds are available for payment of the payment request, and payment is not delayed due to an audit inquiry by the financial officer of the local agency.

14.1 Performance Guarantee

The CONTRACTOR shall furnish, at its own expense, performance guarantee in the form of a cashier's check, a letter of credit in a form approved by the CITY, or a performance bond from a surety duly licensed to do business in the state of California having a financial rating A.M. Best Company of "A VIII" or better, in the amount of \$9,042,922 where there are no progress payments and payment is made upon delivery and acceptance; or in the case of progress payments set at the City's financial exposure for cumulative payments. The performance guarantee shall cover all of the Contractor's obligations under the Contract except for the warranty and shall remain in force until said obligations have been fulfilled. The performance guarantee amount may be reduced proportionately of the progress payments in accordance with the performance milestones. The performance guarantee shall be considered released when all of the required number of charging stations and buses are delivered and accepted.

In the case that a surety becomes insolvent, its license is revoked or suspended, or in the case of a surety approved on the basis that it is listed as an approved federal surety and such federal approval is revoked or suspended, the Contractor, within five (5) days after notice by the City, shall substitute other and sufficient surety or sureties. If the Contractor fails to do so, such failure shall be an event of default.

II. All other terms and conditions not inconsistent with the Agreement for Batter-Electric Heavy Duty Buses shall remain in full force and effect.

THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

GreenPower Motor Company, Inc.

Date_____

By_____
Brendan Riley, President

CITY OF PORTERVILLE

Date_____

By_____
John D. Lollis, City Manager

Approved as to Form, City Attorney

By_____
City Attorney



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Annual Library Food For Fines Campaign

SOURCE: Parks and Leisure Services

COMMENT: The Library and Literacy Commission and staff propose to conduct the Annual Food for Fines Campaign from October 1 to December 31, 2017. The library benefits from this program by recovering lost library materials and from the clearing of fines on patron accounts.

During the implementation of this campaign last year, the library collected 1,701 items of food and waived \$708.75 in fines. Staff will once again coordinate with the local Kiwanis Club who annually distribute food through their Family Food Basket program.

Program Outline:

1. For every can of food submitted during the drive, \$1 of overdue fees will be waived, up to \$10 per account.
2. The cans of food and other non-perishables must not be damaged or expired.
3. Staff will track transactions by how many food items were collected and the total fines waived.

RECOMMENDATION: That the City Council authorize the Annual Food for Fines Campaign to run October 1 through December 31, 2017.

ATTACHMENTS:

Appropriated/Funded:

Review By:

Department Director:

Donnie Moore, Parks and Leisure Services Director

Final Approver: John Lollis, City Manager



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Approval for Community Civic Event - Central California Family Crisis Center, Inc. - 19th Annual Domestic Violence Candlelight Vigil - October 17, 2017

SOURCE: Finance

COMMENT: The Central California Family Crisis Center is requesting approval to hold their annual candlelight vigil at Centennial Park on Tuesday, October 17, 2017, from 6:00 p.m. to 8:00 p.m. This vigil is held as a remembrance for those who have lost their lives to domestic violence. The event consists of speakers and information booths. No street closures have been requested.

This request is made under the Community Civic Events Ordinance No. 1326, as amended. The application has been routed according to the ordinance regulations and reviewed by all departments involved. The requirements are listed on the attached copy of the application, agreement, Exhibit A and Exhibit B.

RECOMMENDATION: That the Council approve the attached Community Civic Event Application and Agreement submitted by the Central California Family Crisis Center, subject to the stated requirements contained in the Application and Agreement, Exhibit A and Exhibit B.

ATTACHMENTS:

1. Community Civic Event Application, Agreement, Exhibit A, Exhibit B, Map, Outside Amplifier Permit and Certificate of Liability Insurance.

Appropriated/Funded:

Review By:

Department Director:

Maria Bemis, Finance Director

Final Approver: Yuliana Andrade, City Manager's Secretary

9/19/17 ✓

CITY OF PORTERVILLE

291 N. Main Street, Porterville, CA 93257
559-782-7451 Fax: 784-4569 www.ci.porterville.ca.us



(Incomplete applications can delay permit process)

APPLICATION AND AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY TO BE HELD ON PUBLIC PROPERTY

DO YOU HAVE? Event Flyer? Yes E-mail address? Yes Website? Yes
Application date: 8/22/17 Event date: 10/17/17 TUES.
Event time: 6:00pm - 8:00pm.
Name of Event: 19th Annual Domestic Violence Candlelight Vigil

Sponsoring organization: Family Crisis Center Phone # 559-781-7462
Address: 211 N. Main St. Porterville, CA 93257
Authorized representative: Theresa Hurtado Phone # 559-781-7462
Address: 211 N. Main St. Porterville CA 93257
Event chairperson: Theresa Hurtado Phone # 559-781-7462

Location of event Centennial Park - 291 N. Main St. Porterville, CA
(Location map must be attached)

Type of event: Candlelight Vigil to Commemorate Domestic Violence Awareness Month - Oct 2017

Non-profit organization status: SDHC BL# 4815

(IRS Determination)

City services requested (fees associated with these services will be billed separately):
Barricades (quantity): _____ Street sweeping Yes _____ No X
Police protection Yes _____ No X Refuse pickup Yes _____ No X
Other: _____

Parks facility application required: Yes ✓ No (X) Attached pd.
Assembly permit required: Yes _____ No X Attached _____

STAFF COMMENTS (list special requirements or conditions for event):

Appr.	Deny	
_____	_____	Bus. Lic. Spvr. _____
_____	_____	Pub. Works Dir _____
_____	_____	Comm. Dev. Dir. _____
_____	_____	Field Svcs. Mgr. _____
_____	_____	Fire Chief _____
_____	_____	Parks Dir. _____
_____	_____	Police Chief _____
_____	_____	Admin. Svcs. Dir. _____

CITY OF PORTERVILLE

APPLICATION AND AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY TO BE HELD ON PUBLIC PROPERTY

What constitutes a Community Civic Event?

A non-profit organization wishes to sponsor an event that is open to the community at large and will utilize public property. Most of the time, Community Civic Events require street or sidewalk closures. This application must be submitted **NO LESS THAN 30 DAYS PRIOR** to the date of the event in order to obtain City Council approval.

All City Code requirements are described in ordinance 15-20 (e) 1-23 and as amended in ordinance 1613. For a full description please visit our City of Porterville website at www.ci.porterville.ca.us/govt/CityClerk/, Porterville Municipal Codes. For questions or concerns please call 559-782-7451 or 559-782-7457. Any person who violates the provisions in this code, shall be deemed guilty of either a misdemeanor or an infraction, with penalties of one hundred (\$100) for the first violation.

Liability insurance: The sponsoring organization/applicant agrees to provide and keep in force during the term of this permit a policy of liability and property damage insurance against liability for personal injury, including accidental death, as well as liability for property damage which may arise in any way during the term of this permit. **The City of Porterville and Successor Agency to the Porterville Redevelopment Agency shall be named as additional insured.** A Certificate of Liability Insurance and Additional Insured Endorsement sample forms are enclosed for your convenience. **This original certificate and endorsement shall be submitted to the Finance Department prior to the City of Porterville Council's approval.** *The council shall condition the granting of a CCE permit upon the sponsoring entity's filing with the council a policy of public liability insurance in which the city has been named as insured or coinsured with the permittee. The policy of insurance shall insure the city, its officers, and its employees against all claims arising out of, or in connection with, the issuance of the CCE permit or the operation of the permittee or its agents or representatives, pursuant to the permit. The policy of insurance shall provide coverage of no less than one million dollars (\$1,000,000.00) per occurrence of bodily injury and property damage, combined single limit. (Ordinance 15-20(e) 18)*

JH Authorized Representative Initial

Alcohol liability insurance: Organization/Applicant will obtain an alcohol permit if any alcoholic beverages are to be served. The insurance policy shall be endorsed to include **full liquor liability** in an amount not less than one million dollars (\$1,000,000) per occurrence. The City of Porterville shall be named as additional insured against all claims arising out of or in connection with the issuance of this permit or the operation of the permitted, his/her agents or representatives pursuant the permit. **Claims-made policies are not acceptable.**

JH Authorized Representative Initials

Health permit: Organization/Applicant **will obtain or ensure** that all participants obtain a 'Temporary Food Facilities' permit(s) from the Tulare County Public Health Department, if any food is to be served in connection with this Community Civic Event. To contact the Tulare County Environmental Health Department located at 5957 S. Mooney Blvd., Visalia, CA, 93277, call 559-733-6441, or fax information to 559-733-6932; or visit their website: www.tularehhsa.org.

JH Authorized Representative Initials

First aid station: Organization/Applicant will establish a first aid station, with clearly posted signs, to provide basic emergency care, such as ice/hot packs, bandages, and compresses.

JH Authorized Representative Initials

Toilet rental service: Applicant shall have care, custody and control of the equipment and shall bear responsibility and liability for all loss and damage to the equipment and for its contents while at the City's location. Applicant shall not overload, move or alter the equipment and shall use the equipment for its intended purpose. Applicant shall be responsible for any damages to City's property resulting from company's provision of services hereunder. Applicant shall confirm with the service company the number of portable toilets, standard and handicap, and wash sinks needed for the number of expected attendees.

JH Authorized Representative Initials

Agreement: The sponsoring organization/applicant agrees to comply with all provisions of the Community Civic Event Ordinance 15-20(e), as amended, and the terms and conditions set forth by City Council and stated in Exhibit 'A.' The sponsoring organization/applicant agrees, during the term of this permit, to secure and hold the City free and harmless from all loss, liability, and claims for damages, costs and charges of any kind or character arising out of, relating to, or in any way connected with his/her performance of this permit. Said agreement to hold harmless shall include and extend to any injury to any person or persons, or property of any kind whatsoever and to whomever belonging, including, but not limited to, said organization/applicant, and shall not be liable to the City for any injury to persons or property which may result solely or primarily from the action or non-action of the City or its directors, officers, or employees. Approval of the Community Civic Events Permit by the Porterville City Council pertains only to authorized activities conducted at designated locations within the incorporated area of the City of Porterville, and such approval shall not be construed or interpreted to authorize sponsor utilization of public right-of-ways outside of the jurisdiction of the City of Porterville.

FamilyCrisis Center	<i>Shane Harted</i>	8/8/17
(Name of Organization)	(Signature)	(Date)

VENDOR/PARTICIPANT LIST IN CONNECTION WITH THE APPLICATION AND
AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY
TO BE HELD ON PUBLIC PROPERTY

Location: 296 N. Main Forterville Event date: 10/17/17 Event time: 6:00pm

[illegible]

The nonprofit sponsor shall collect said fee and remit the fee to the city within five (5) working days following the CCE. Said remittance shall be accompanied by a complete list of participants and consecutively numbered receipts written in triplicate, containing the name, address and telephone number of the licensee, and the licensee's California seller's permit number. Said receipts shall be furnished by the city. One copy of the receipt shall be furnished to the licensee, one copy filed with the finance department of the city, and one copy retained by the CCE sponsor for a period of three (3) years for audit purposes.

CITY OF PORTERVILLE

REQUEST FOR STREET CLOSURES AND PUBLIC PROPERTY USAGE IN CONNECTION WITH THE APPLICATION AND AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY TO BE HELD ON PUBLIC PROPERTY

Name of event: 19th Annual Domestic Violence Candlelight Vigil

Sponsoring organization: Central California Family Crisis Center

Event date: 10/17/17 Hours: 6:00 - 8:00

ATTACH MAP MARKING AREAS TO BE CLOSED OR USED:

Closed

<u>Street Name</u>	<u>From</u>	<u>To</u>	<u>Activity</u>
<u>Sidewalks</u>	<u>From</u>	<u>To</u>	<u>Activity</u>
<u>Parking lots and spaces</u>	<u>Location</u>	<u>Activity</u>	

Requirements for Community Civic Event
Central California Family Crisis Center
Annual Candlelight Vigil for Domestic Violence
October 17, 2017

Finance Director:
M. Bemis

Public Works Director:
M. Reed

Community Development Manager: No comments.
J. Phillips

Field Services Manager: No comment.
M. Knight

Battalion Chief of Operations:
R. Land, Interim

Parks and Leisure Services Director: Vehicles to remain off the grass.
D. Moore

Police Lieutenant: Please see proposed recommendations
R. Standridge and requirements in Exhibit B.

Administrative Services Director: See Exhibit A, Page 2.
P. Hildreth

REQUIREMENTS FOR COMMUNITY CIVIC EVENT

Sponsor: Central California Family Crisis Center
Event: Candlelight Vigil for Domestic Violence
Event Chairman: Theresa Hurtado
Location: Centennial Park
Date of Event: October 17, 2017

RISK MANAGEMENT: Conditions of Approval

That the Central California Family Crisis Center provide a Certificate of Commercial General Liability Insurance Coverage evidencing coverage of not less than \$1,000,000 per occurrence, and having the appropriate Endorsement naming the City of Porterville and Successor Agency to the Porterville Redevelopment Agency, its Officers, Employees, Agents and Volunteers as 'Additional Insured' against all claims arising from, or in connection with, the Permitted operation and sponsorship of the aforementioned Community Civic Event. If the event is located in the City of Porterville's Redevelopment Agency area, the same conditions apply.

- A. Said Certificate of Insurance shall be an original (fax and xerographic copies not acceptable), the Certificate shall be signed by an agent authorized to bind insurance coverage with the carrier, and the deductible, if any, shall not be greater than \$1,000.
- B. Said insurance shall be primary to the insurance held by the City of Porterville, be with a company having an A.M. Best Rating of no less than A: VII, and the insurance company must be an 'admitted' insurer in the State of California.
- C. The sponsoring organization/applicant's insurance coverage shall apply primary to, and on a non-contributory basis with, any other available coverage of the City.

CITY OF PORTERVILLE - POLICE DEPARTMENT

Community Civic Event Application

Proposed Event: 19th Annual Domestic Violence Candle Light Vigil

Date of Event: October 17, 2017 / 6:00 pm to 8:00 pm

Location of Event: Centennial Park

Recommendations/Requirements:

Your application to conduct/hold a community civic event has been received by the Porterville Police Department. The following conditions are necessary to ensure a safe and orderly event in the Porterville community.

- City Council approval is required for all street/sidewalk closures.
- Participants must not interfere with the normal flow of pedestrian/vehicular traffic.
- Food vendors, if any, should provide inspection certificates from the Tulare County Health Department to members of the organizing committee, to ensure food product safety.
- An Outside Amplifier Permit has been requested and granted. However, event organizers shall not allow music to be played so loud as to unreasonably disturb the peace and good order of any residents or business establishments in the surrounding area.
- At conclusion of event, event organizers shall ensure that affected parks/streets/sidewalks are promptly cleared of any vehicles, equipment, booths or anything that could present a hazard to pedestrians or vehicles traveling in the area, as well as any other related materials such as signs, pamphlets and fliers.

Rich Standridge, Lieutenant
Porterville Police Department

Exhibit B

CITY OF PORTERVILLE
OUTSIDE AMPLIFIER PERMIT
(City Ordinances #18-9 & 18-14)



This application must be submitted ten (10) days prior to the date of the event. A copy of this permit must be at the operating premises of the amplifying equipment for which this registration is issued.

- 1 Name and home address of the applicant: Zenith Sands - 844 E Weldon Ave
Fresno, CA 93704
- 2 Address where amplification equipment is to be used: 211 N. Main St. Porterville, CA 93257
- 3 Names and addresses of all persons who will use or operate the amplification equipment: Joseph Zenith
844 E Weldon, Fresno, CA 93704
- 4 Type of event for which amplification equipment will be used: 19th Annual Domestic Violence
Candlelight Vigil
- 5 Dates and hours of operation of amplification equipment: 5:30-8:30 10/17/17
- 6 A general description of the sound amplifying equipment to be used: 2 speaker Sound System, 12
Channel Audio Mixer, Headset Wireless microphone.

Section 18-9

It shall be unlawful for any person within the city to use or operate or cause to be operated or to play any radio, phonograph, jukebox, record player, loudspeaker, musical instrument, mechanical device, machine, apparatus, or instrument for intensification or amplification of the human voice or any sound or noise in a manner so loud as to be calculated to disturb the peace and good order of the neighborhood or sleep of ordinary persons in nearby residences or so loud as to unreasonably disturb and interfere with the peace and comfort of the occupants of nearby residences.

The operation of any such instrument, phonograph, jukebox, machine or device in such manner as to be plainly audible at a distance of one hundred feet (100') from the building, structure, vehicle, or place in which, or on which it is situated or located shall be prima facie evidence of a violation of this section. (Ord. Code § 6311)

Section 18-14

It shall be unlawful for any person to maintain, operate, connect, or suffer or permit to be maintained, operated, or operated, or connected any or sound amplifier in such a manner as to cause any sound to be projected outside of any building or out of doors in any part of the city, except as may be necessary to amplify sound for the proper presentation of moving picture shows, or exhibiting for the convenient hearing of patrons within the building or enclosure in which the show or or exhibition is given, without having first procured a permit from the chief of police, which permit shall be granted at the will of the chief of police upon application in writing therefore, but which permit, when granted, shall be revocable by the city council whenever any such loudspeaker or sound amplifier shall by the council be deemed objectionable, and any such permit may be so revoked with or without notice, or with or without a formal hearing, at the option of the council, and in the event of the revocation of any such permit, the same shall not be renewed, except upon application as the first instance. (Ord. Code § 6312)

Penal Code Section 415 (2) Any of the following persons shall be punished by imprisonment in the county jail for a period of not more than 90 days, a fine of not more than four hundred dollars (\$400), or both such imprisonment and fine: (2) Any person who maliciously and willfully disturbs another person by loud and unreasonable noise.

I hereby certify that I have read and answered all statements on this registration form and that they are true and correct.

Theresa Hurtado
Signature of Applicant

8/15/17
Date

THIS OUTSIDE AMPLIFIER PERMIT HAS BEEN APPROVED. HOWEVER, WE URGE YOU TO REMAIN CONSIDERATE OF THE GENERAL PEACE AND ORDER OF THE NEIGHBORS IN THE AREA. FAILURE TO ABIDE BY THESE REGULATIONS CAN RESULT IN REVOCATION OF THE PERMIT.

[Signature]
City of Porterville, Chief of Police/Designee

8-8-17
Date

Porterville Community Center

Porterville High School

Porterville High School

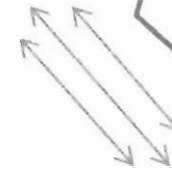
Porterville High School

Porterville Parks
and Leisure



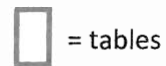
Porterville High School

Hoagie's Heroes



Centennial Park
296 N Main St

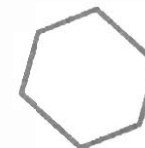
Key



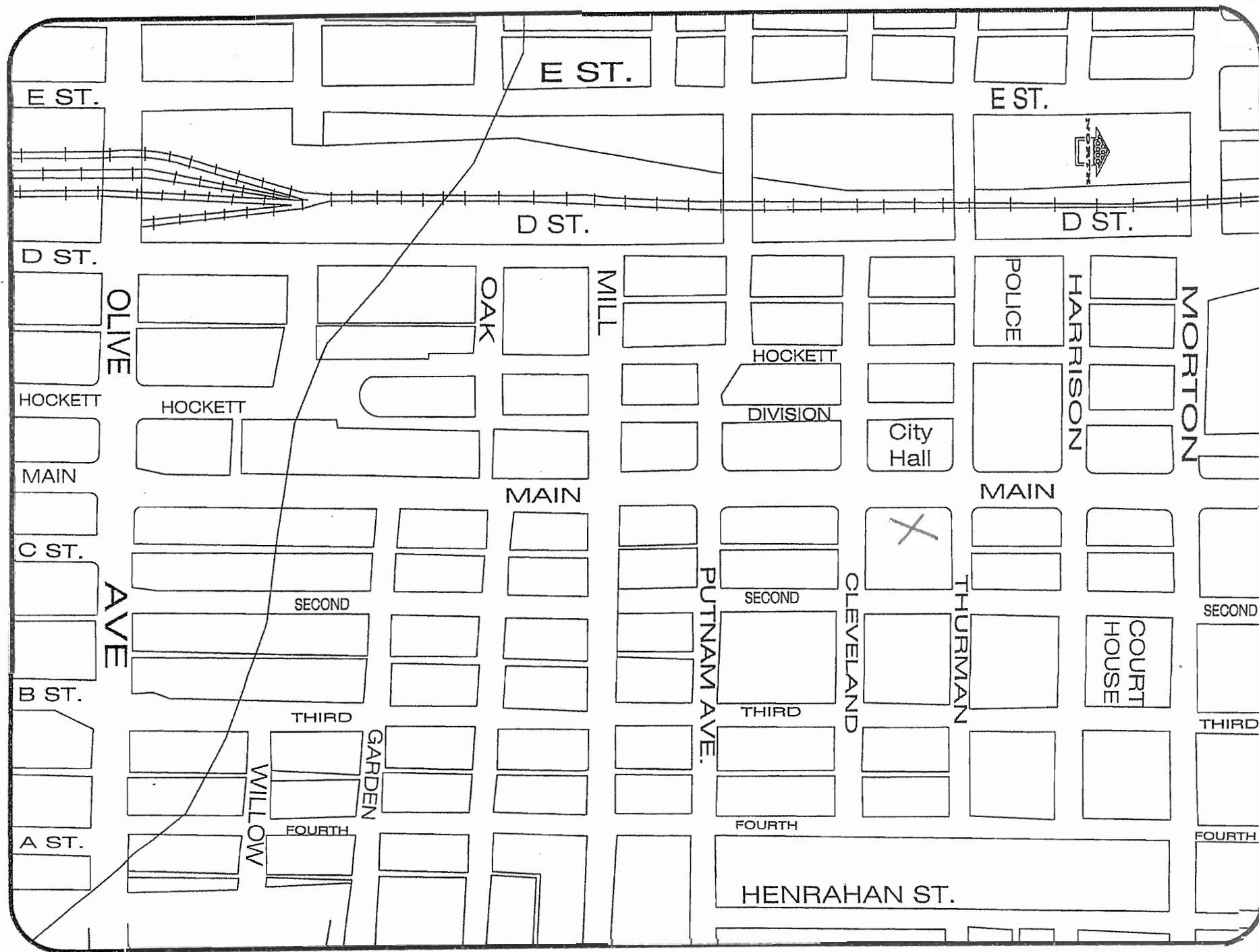
= tables



= chairs



= gazebo





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

08/18/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER DLL Insurance Agency II 5088 N. Fruit Ave. #101 Fresno, CA 93711 Greg Anderson	CONTACT NAME: Rebecca A. Bejarano	
	PHONE (A/C, No, Ext): 559-451-3411 FAX (A/C, No): 559-451-3415	
	E-MAIL ADDRESS: rbejarano@dllinsurance.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Nonprofits' Insurance Alliance	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

INSURED Central California Family
Crisis Center, Inc.
770 Main Street
Porterville, CA 93257

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY						
	☐ CLAIMS-MADE ☒ OCCUR	X		201700631NPO	01/01/2017	01/01/2018	EACH OCCURRENCE \$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000
							MED EXP (Any one person) \$ 20,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 2,000,000
							Emp. Ben. \$ Included
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ANY AUTO						BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	☐ SCHEDULED AUTOS						\$
	☐ NON-OWNED AUTOS						
	UMBRELLA LIAB						EACH OCCURRENCE \$
	☐ OCCUR						AGGREGATE \$
	EXCESS LIAB						\$
	☐ CLAIMS-MADE						
	☐ DED ☐ RETENTION \$						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE ☐ OTH-ER ☐
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N					E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate Holder is named as Additional Insured.

CERTIFICATE HOLDER

CANCELLATION

CITYPOR

The City of Porterville
Successor Agency to the
Porterville Redevelopment Agen
291 N. Main Street
Porterville, CA 93257

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Any person or organization that you are required to add as an additional insured on this policy, under a written contract or agreement currently in effect, or becoming effective during the term of this policy. The additional insured status will not be afforded with respect to liability arising out of or related to your activities as a real estate manager for that person or organization.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
1. In the performance of your ongoing operations; or
 2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

- B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Approval for Community Civic Event - US Marines Reserves Toys for Tots - Christmas to Remember Car and Bike Show - October 21, 2017

SOURCE: Finance

COMMENT: U.S. Marines Reserve Toys for Tots is requesting approval to hold a car and bike show on Saturday, October 21, 2017, from 8:00 a.m. to 3:00 p.m. The following street closures have been requested:

Main Street, from Morton Avenue to Olive Avenue, Harrison Avenue from Hockett Street to Second Street and Thurman Avenue, Cleveland Avenue, Putnam Avenue, Oak Avenue, Garden Avenue, from Division Street to Second Street.

This request is made under the Community Civic Events Ordinance No. 1326, as amended. The application has been routed according to the ordinance regulations and reviewed by all departments involved. The requirements are listed on the attached copy of the application, agreement, Exhibit A and Exhibit B.

RECOMMENDATION: That the Council approve the attached Community Civic Event Application and Agreement submitted by the U.S. Marines Reserve Toys for Tots subject to the stated requirements contained in the Application, Agreement, Exhibit A and Exhibit B.

ATTACHMENTS:

1. Community Civic Event Application and Agreement, Exhibit A, Exhibit B, Maps, Outside Amplifier Permit and Certificate of Liability Insurance.

Appropriated/Funded:

Review By:

Department Director:

Maria Bemis, Finance Director

Final Approver: John Lollis, City Manager

9/19/17 ✓

CITY OF PORTERVILLE

291 N. Main Street, Porterville, CA 93257
559-782-7451 Fax: 784-4569 www.ci.porterville.ca.us



(Incomplete applications can delay permit process)

APPLICATION AND AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY TO BE HELD ON PUBLIC PROPERTY

DO YOU HAVE? Event Flyer? E-mail address? Website?
Application date: 8/22/17 Event date: 10/21/17
Event time: 8-3 PM
Name of Event: "Christmas to Remember" Toys for Tots Car & Bike Show

Sponsoring organization: US Marines Reserve Bunker Phone # 289-9381
Address: 345 West Bellevue Ave, Porterville, CA

Authorized representative: Grace Muñoz Rios Phone # 289-9381
Address: 345 West Bellevue Ave, Porterville

Event chairperson: Deanna Randolph Phone # 202-9609
Marsha Randolph 202-9254

Location of event Centennial Park - Main Street & Cleveland
(Location map must be attached)

Type of event: Fundraiser car & bike show; food vendors

Non-profit organization status: 501C3 / BL004432
(IRS Determination)

City services requested (fees associated with these services will be billed separately):
Barricades (quantity): 18 Street sweeping Yes X No
Police protection Yes No X Refuse pickup Yes X No
Other:

Parks facility application required: Yes X No Attached X
Assembly permit required: Yes No Attached

STAFF COMMENTS (list special requirements or conditions for event):

Appr.	Deny	
_____	_____	Bus. Lic. Spvr. _____
_____	_____	Pub. Works Dir _____
_____	_____	Comm. Dev. Dir. _____
_____	_____	Field Svcs. Mgr. _____
_____	_____	Fire Chief _____
_____	_____	Parks Dir. _____
_____	_____	Police Chief _____
_____	_____	Admin. Svcs. Dir. _____

CITY OF PORTERVILLE

APPLICATION AND AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY TO BE HELD ON PUBLIC PROPERTY

What constitutes a Community Civic Event?

A non-profit organization wishes to sponsor an event that is open to the community at large and will utilize public property. Most of the time, Community Civic Events require street or sidewalk closures. This application must be submitted NO LESS THAN 30 DAYS PRIOR to the date of the event in order to obtain City Council approval.

All City Code requirements are described in ordinance 15-20 (e) 1-23 and as amended in ordinance 1613. For a full description please visit our City of Porterville website at www.ci.porterville.ca.us/govt/CityClerk/, Porterville Municipal Codes. For questions or concerns please call 559-782-7451 or 559-782-7457. Any person who violates the provisions in this code, shall be deemed guilty of either a misdemeanor or an infraction, with penalties of one hundred (\$100) for the first violation.

Liability insurance: The sponsoring organization/applicant agrees to provide and keep in force during the term of this permit a policy of liability and property damage insurance against liability for personal injury, including accidental death, as well as liability for property damage which may arise in any way during the term of this permit. **The City of Porterville and Successor Agency to the Porterville Redevelopment Agency shall be named as additional insured.** A Certificate of Liability Insurance and Additional Insured Endorsement sample forms are enclosed for your convenience. **This original certificate and endorsement shall be submitted to the Finance Department prior to the City of Porterville Council's approval.** *The council shall condition the granting of a CCE permit upon the sponsoring entity's filing with the council a policy of public liability insurance in which the city has been named as insured or coinsured with the permittee. The policy of insurance shall insure the city, its officers, and its employees against all claims arising out of, or in connection with, the issuance of the CCE permit or the operation of the permittee or its agents or representatives, pursuant to the permit. The policy of insurance shall provide coverage of no less than one million dollars (\$1,000,000.00) per occurrence of bodily injury and property damage, combined single limit. (Ordinance 15-20(e) 18)*

 Authorized Representative Initial

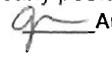
Alcohol liability insurance: Organization/Applicant will obtain an alcohol permit if any alcoholic beverages are to be served. The insurance policy shall be endorsed to include **full liquor liability** in an amount not less than one million dollars (\$1,000,000) per occurrence. The City of Porterville shall be named as additional insured against all claims arising out of or in connection with the issuance of this permit or the operation of the permitted, his/her agents or representatives pursuant the permit. **Claims-made policies are not acceptable.**

 Authorized Representative Initials

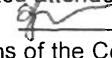
Health permit: Organization/Applicant will obtain or ensure that all participants obtain a Temporary Food Facilities' permit(s) from the Tulare County Public Health Department, if any food is to be served in connection with this Community Civic Event. To contact the Tulare County Environmental Health Department located at 5957 S. Mooney Blvd., Visalia, CA, 93277, call 559-733-6441, or fax information to 559-733-6932; or visit their website: www.tularehhsa.org.

 Authorized Representative Initials

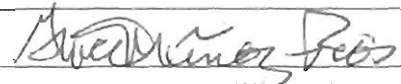
First aid station: Organization/Applicant will establish a first aid station, with clearly posted signs, to provide basic emergency care, such as ice/hot packs, bandages, and compresses.

 Authorized Representative Initials

Toilet rental service: Applicant shall have care, custody and control of the equipment and shall bear responsibility and liability for all loss and damage to the equipment and for its contents while at the City's location. Applicant shall not overload, move or alter the equipment and shall use the equipment for its intended purpose. Applicant shall be responsible for any damages to City's property resulting from company's provision of services hereunder. Applicant shall confirm with the service company the number of portable toilets, standard and handicap, and wash sinks needed for the number of expected attendees.

 Authorized Representative Initials

Agreement: The sponsoring organization/applicant agrees to comply with all provisions of the Community Civic Event Ordinance 15-20(e), as amended, and the terms and conditions set forth by City Council and stated in Exhibit 'A.' The sponsoring organization/applicant agrees, during the term of this permit, to secure and hold the City free and harmless from all loss, liability, and claims for damages, costs and charges of any kind or character arising out of, relating to, or in any way connected with his/her performance of this permit. Said agreement to hold harmless shall include and extend to any injury to any person or persons, or property of any kind whatsoever and to whomever belonging, including, but not limited to, said organization/applicant, and shall not be liable to the City for any injury to persons or property which may result solely or primarily from the action or non-action of the City or its directors, officers, or employees. Approval of the Community Civic Events Permit by the Porterville City Council pertains only to authorized activities conducted at designated locations within the incorporated area of the City of Porterville, and such approval shall not be construed or interpreted to authorize sponsor utilization of public right-of-ways outside of the jurisdiction of the City of Porterville.

US Marines Reserve Toys for Tots		8/22/17
(Name of Organization)	(Signature)	(Date)

VENDOR/PARTICIPANT LIST IN CONNECTION WITH THE APPLICATION AND
AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY
TO BE HELD ON PUBLIC PROPERTY

Location: Centennial Park Event date: 10/21/17 Event time: 8-2 PM

CITY OF PORTERVILLE

REQUEST FOR STREET CLOSURES AND PUBLIC PROPERTY USAGE IN CONNECTION WITH THE APPLICATION AND AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY TO BE HELD ON PUBLIC PROPERTY

Name of event: "Christmas to Remember" Car & Bike Show

Sponsoring organization: US Marines Reserve Toys for Tots

Event date: 10/21/17 Hours: 8-2 PM

ATTACH MAP MARKING AREAS TO BE CLOSED OR USED:

Closed

Street Name	From	To	Activity
Main Street	Morton	Olive	Car Show
Harrison	Hockett	Second	
Thurman	Division	Second	
Cleveland	Division	Second	
Putnam	Division	Second	
Mill	Division	Second	
Dak	Division	Second	
Hockett		Main/Olive	
Sidewalks	From	To	Activity
Main Street	Morton	Olive	
Parking lots and spaces	Location		Activity

Requirements for Community Civic Event

U.S. Marines Reserve Toys for Tots
Christmas to Remember Car and Bike Show
October 21, 2017

Finance Director:
M. Bemis

Assistant City Engineer:
J. Sanchez

Community Development Manager:
J. Phillips

Field Services Manager:
M. Knight

Battalion Chief of Operations:
R. Land, Interim

Parks and Leisure Services Director:
D. Moore

Vehicles to remain off grass. Public to remain out of Main Street planters.

Police Lieutenant:
R. Standridge

Please see Conditions/Requirements in Exhibit B.

Administrative Services Director:
P. Hildreth

Please see Exhibit A, page 2.

Requirements for Community Civic Event

Sponsor: U.S. Marines Reserve Toys for Tots
Event: A Christmas to Remember Car and Bike Show
Event Chairman: Grace Munoz-Rios
Location: Downtown Porterville
Date of Event: October 21, 2017

RISK MANAGEMENT: Conditions of Approval

That the U.S. Marines Reserve Toys for Tots provide a Certificate of Commercial General Liability Insurance Coverage evidencing coverage of not less than \$1,000,000 per occurrence, and having the appropriate Endorsement naming the City of Porterville and Successor Agency to the Porterville Redevelopment Agency, its Officers, Employees, Agents and Volunteers as 'Additional Insured' against all claims arising from, or in connection with, the Permitted operation and sponsorship of the aforementioned Community Civic Event. If the event is located in the City of Porterville's Redevelopment Agency area, the same conditions apply.

- A. Said Certificate of Insurance shall be an original (fax and xerographic copies not acceptable), the Certificate shall be signed by an agent authorized to bind insurance coverage with the carrier, and the deductible, if any, shall not be greater than \$1,000.
- A. Said insurance shall be primary to the insurance held by the City of Porterville, be with a company having an A.M. Best Rating of no less than A: VII, and the insurance company must be an 'admitted' insurer in the State of California.
- B. The sponsoring organization/applicant's insurance coverage shall apply primary to, and on a non-contributory basis with, any other available coverage of the City.

CITY OF PORTERVILLE

APPLICATION FOR COMMUNITY CIVIC EVENT

Proposed Event:

Car Show – A Christmas to Remember – Toys for Tots
Centennial Park
October 21, 2017 from 8:00am – 3:00pm

Staff Comments: Conditions/Requirements by Police Department

- All street closures require City Council approval well in advance of the event.
- No procession has been mentioned, but participants in any procession on city roadways must comply with all traffic laws and rules of the road. Additionally, they shall not impede vehicular or pedestrian traffic or generally interfere with the normal flow of traffic.
- There shall be no sales, possession or consumption of alcoholic beverages in the park during the event.
- Food vendors should provide inspection certificates from the Tulare County Health Department to event organizers to ensure safe food products.
- An Outside Amplifier Permit has been requested and granted. However, event organizers shall not allow music or other amplifications to be played so loud as to unreasonably disturb the peace and good order of the business establishments or neighborhoods in the area. If a complaint is received by the Police Department, an officer will respond to the complaint.
- Amplified music or sound shall not continue beyond 3:00 p.m.

Rich Standridge / Lieutenant
Porterville Police Department

Exhibit B

CITY OF PORTERVILLE
OUTSIDE AMPLIFIER PERMIT
(City Ordinances #18-9 & 18-14)



This application must be submitted ten (10) days prior to the date of the event. A copy of this permit must be at the operating premises of the amplifying equipment for which this registration is issued.

- 1 Name and home address of the applicant: US Marines Reserve Toys for Tots - Grace
Munoz-Rios, LCO, 345 West Bellview Ave, Porterville, CA 93257
- 2 Address where amplification equipment is to be used: Centennial Park - Gazebo
- 3 Names and addresses of all persons who will use or operate the amplification equipment: D.J. Davis Band
"Shallow", 559-403-8656
- 4 Type of event for which amplification equipment will be used: Fundraiser car & bike show
- 5 Dates and hours of operation of amplification equipment: 9-1 PM October 21, 2017
- 6 A general description of the sound amplifying equipment to be used: Speakers, DJ equipment, microphones,
guitars

Section 18-9

It shall be unlawful for any person within the city to use or operate or cause to be operated or to play any radio, phonograph, jukebox, record player, loudspeaker, musical instrument, mechanical device, machine, apparatus, or instrument for intensification or amplification of the human voice or any sound or noise in a manner so loud as to be calculated to disturb the peace and good order of the neighborhood or sleep of ordinary persons in nearby residences or so loud as to unreasonably disturb and interfere with the peace and comfort of the occupants of nearby residences.

The operation of any such instrument, phonograph, jukebox, machine or device in such manner as to be plainly audible at a distance of one hundred feet (100') from the building, structure, vehicle, or place in which, or on which it is situated or located shall be prima facie evidence of a violation of this section. (Ord. Code § 6311)

Section 18-14

It shall be unlawful for any person to maintain, operate, connect, or suffer or permit to be maintained, operated, or operated, or connected any or sound amplifier in such a manner as to cause any sound to be projected outside of any building or out of doors in any part of the city, except as may be necessary to amplify sound for the proper presentation of moving picture shows, or exhibiting for the convenient hearing of patrons within the building or enclosure in which the show or exhibition is given, without having first procured a permit from the chief of police, which permit shall be granted at the will of the chief of police upon application in writing therefore, but which permit, when granted, shall be revocable by the city council whenever any such loudspeaker or sound amplifier shall by the council be deemed objectionable, and any such permit may be so revoked with or without notice, or with or without a formal hearing, at the option of the council, and in the event of the revocation of any such permit, the same shall not be renewed, except upon application as the first instance. (Ord. Code § 6312)

Penal Code Section 415 (2) Any of the following persons shall be punished by imprisonment in the county jail for a period of not more than 90 days, a fine of not more than four hundred dollars (\$400), or both such imprisonment and fine: (2) Any person who maliciously and willfully disturbs another person by loud and unreasonable noise.

I hereby certify that I have read and answered all statements on this registration form and that they are true and correct.

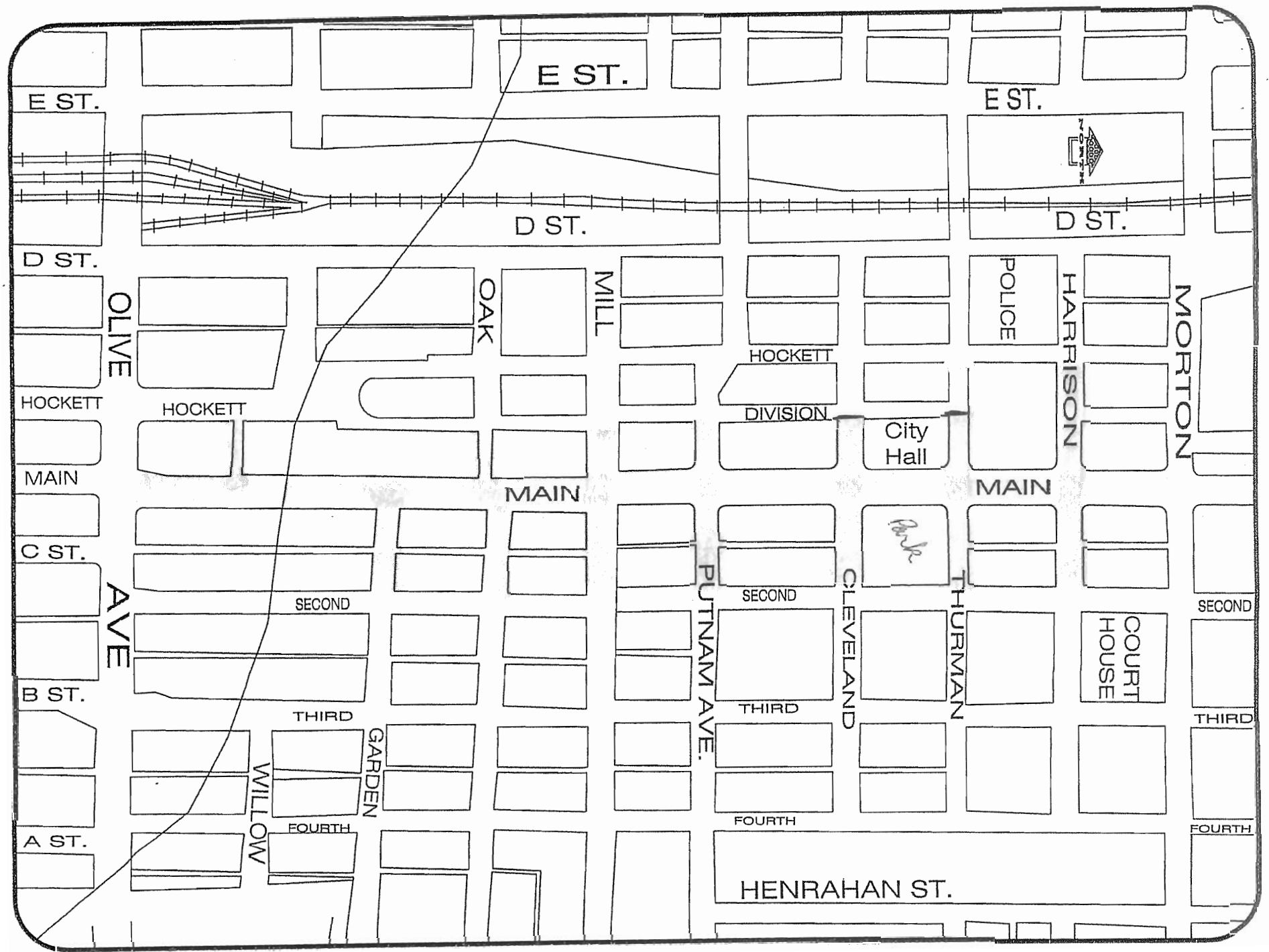
Grace Munoz-Rios
Signature of Applicant

8/22/2017
Date

THIS OUTSIDE AMPLIFIER PERMIT HAS BEEN APPROVED. HOWEVER, WE URGE YOU TO REMAIN CONSIDERATE OF THE GENERAL PEACE AND ORDER OF THE NEIGHBORS IN THE AREA. FAILURE TO ABIDE BY THESE REGULATIONS CAN RESULT IN REVOCATION OF THE PERMIT.

Rich Pluta 98
City of Porterville, Chief of Police/Designee

9-8-17
Date



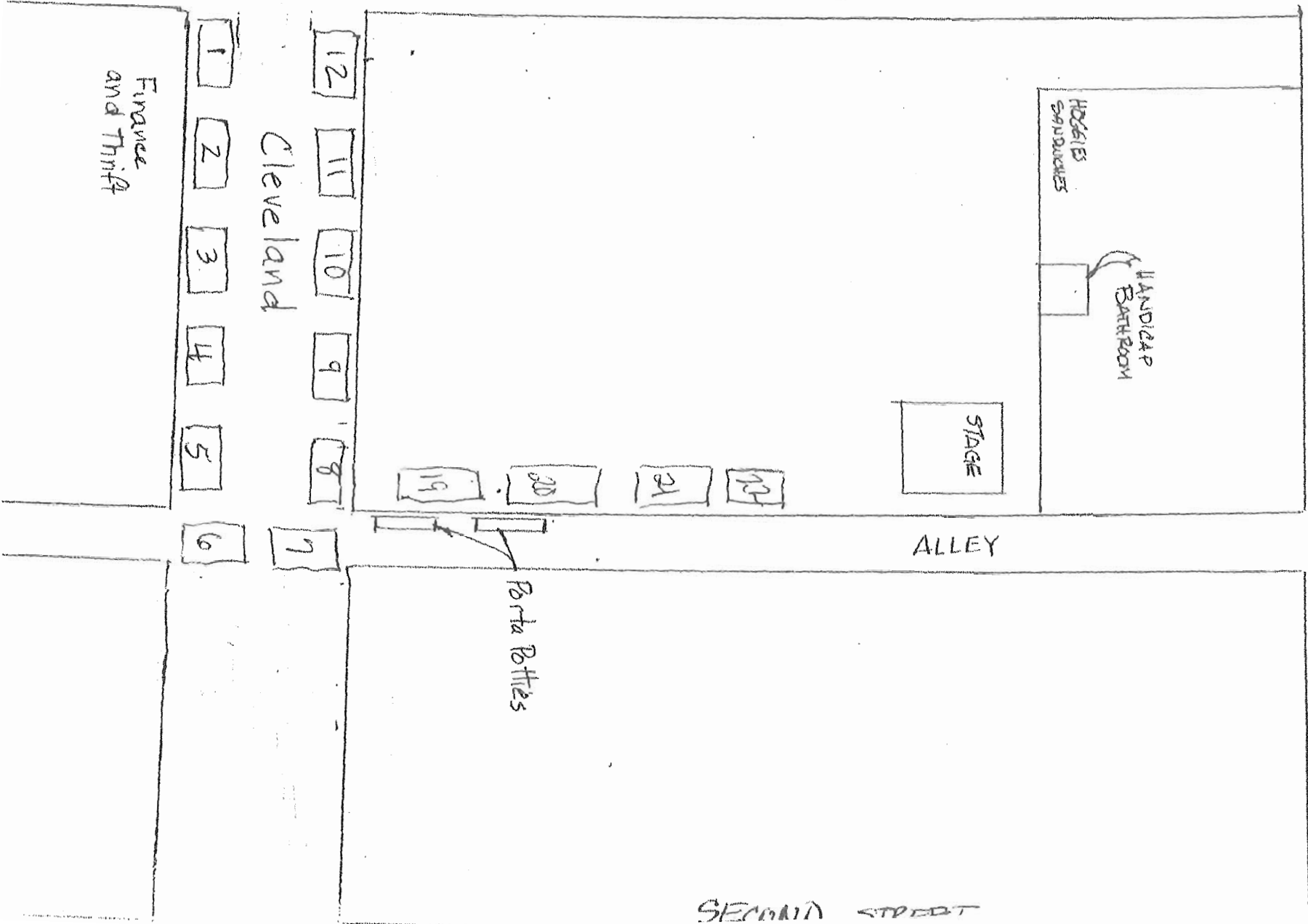
CITY HALL

MAIN ST.



Thurman

- 13
- 14
- 15
- 16
- 17
- 18



Finance and Thrift

Cleveland

STAGE

HOBEL'S SANDWICHES

HANDICAP BATHROOM

ALLEY

PORTA POTTIES

SECOND STREET



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

08/29/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER Specialized Insurance Services Inc. Chesapeake 900 Stanhope Gardens Suite 100 Chesapeake VA 23320		CONTACT NAME: Jackie Dunnagan PHONE (A/C, No, Ext): (757)410-5800 FAX (A/C, No): (866)264-7244 E-MAIL ADDRESS: Jdunnagan@specializedins.com	
INSURED Marine Toys For Tots Foundation Lt. Gen. Pete Osman 18251 Quantico Gateway Drive Triangle VA 22172		INSURER(S) AFFORDING COVERAGE INSURER A: Selective Insurance Company NAIC #: 00000 INSURER B: Hartford Insurance Company of Illinois 38288 INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ Hired/Non-Owned Auto \$1 Mil. CSL GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:	Y	N	S2256862	04/22/2017	04/22/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$	
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$	
A	☒ UMBRELLA LIAB ☒ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$	N	N	S2256862	04/22/2017	04/22/2018	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ \$	
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	N	14WECVT2839	04/22/2017	04/22/2018	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Centennial Park; Main & Cleveland, Porterville, CA 93257.

Porterville Redevelopment Agency is an additional insured with respects to General Liability per form #CG73000116 as required by written contract.

CERTIFICATE HOLDER**CANCELLATION**City of Porterville
291 North Main Street

Porterville

CA 93257

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Fax: Email:

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ACORD 25 (2016/03)

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ElitePac® General Liability Extension Endorsement

COMMERCIAL GENERAL LIABILITY
CG 73 00 01 16

SUMMARY OF COVERAGES (including index)

This is a summary of the various additional coverages and coverage modifications provided by this endorsement. No coverage is provided by this summary. Refer to the actual endorsement (Pages 3-through-8) for changes affecting your insurance protection.

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ElitePac® General Liability Extension Endorsement

COMMERCIAL GENERAL LIABILITY
CG 73 00 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The **SECTIONS** of the Commercial General Liability Coverage Form identified in this endorsement will be amended as shown below. However, if **(a) two or more Coverage Parts of this policy, or (b) two or more forms or endorsements within the same Coverage Part apply to a loss**, only the broadest coverage of this policy will apply, unless specifically stated otherwise within the particular amendment covering that loss.

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

COVERAGES - Amendments

SECTION I - COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

EXCLUSIONS

Employer's Liability Amendment

(This provision is not applicable in the State of New York).

The following is added to Exclusion **e. Employer's Liability** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions**:

This exclusion also does not apply to any "temporary worker".

Non-Owned Aircraft, Auto or Watercraft

A. Paragraph (2) of Exclusion **g. Aircraft, Auto Or Watercraft** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is deleted in its entirety and replaced with the following:

(2) A watercraft you do not own that is:

- (a) Less than 26 feet long and not being used to carry persons or property for a charge; or
- (b) At least 26 feet, but less than 60 feet long, and not being used to carry persons or property for a charge. Any person is an insured who uses or is responsible for the use of such watercraft with your expressed or implied consent. However, if the insured has any other valid and collectible insurance for "bodily injury" or "property damage" that would be covered under this provision, or on any other basis, this coverage is then excess, and subject to Condition 4. **Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**.

B. The following is added to Exclusion **g. Aircraft, Auto Or Watercraft** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions**:

This exclusion does not apply to:

- (6) Any aircraft, not owned or operated by any insured, which is hired, chartered or loaned with a paid crew. However, if the insured has any other valid and collectible insurance for "bodily injury" or "property damage" that would be covered under this provision, or on any other basis, this coverage is then excess, and subject to Condition 4. **Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**.

Damage To Premises Rented to You

A. The last paragraph of Paragraph 2. **Exclusions** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE** is deleted in its entirety and replaced with the following:

Exclusions **c. through n.** do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III - LIMITS OF INSURANCE**.

B. Paragraph 6. under **SECTION III - LIMITS OF INSURANCE** is deleted in its entirety and replaced with the following:

6. Subject to Paragraph 5. above, the most we will pay under **COVERAGE A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage caused by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner, for all such damage caused by fire, lightning or explosion proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of the three, is the amount shown in the Declarations for the Damage To Premises Rented To You Limit.

C. Paragraph a. of Definition 9. "Insured contract" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced with the following:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with the permission of the owner is not an "insured contract";

Electronic Data Liability

A. Exclusion p. **Access or Disclosure Of Confidential Or Personal Information And Date-related Liability** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is deleted in its entirety and replaced by the following:

p. **Access or Disclosure Of Confidential Or Personal Information And Date-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

B. The following paragraph is added to **SECTION III - LIMITS OF INSURANCE**:

Subject to 5. above, the most we will pay under **COVERAGE A** for "property damage" because of all loss of "electronic data" arising out of any one "occurrence" is a sub-limit of \$100,000.

SECTION I - COVERAGE C MEDICAL PAYMENTS

EXCLUSIONS

Any Insured Amendment

Exclusion a. **Any Insured** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

a. Any Insured

To any insured.

This exclusion does not apply to:

- (1) "Not-for-profit members";
- (2) "Golfing facility" members who are not paid a fee, salary, or other compensation; or
- (3) "Volunteer workers".

This exclusion exception does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

Product Amendment

Exclusion f. **Products-Completed Operations Hazard** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

This exclusion does not apply to "your products" sold for use or consumption on your premises, while such products are still on your premises.

This exclusion exception, does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

SECTION I - SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

Expenses For Bail Bonds And Loss Of Earnings

A. Subparagraph 1.b. under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** is deleted in its entirety and replaced with the following:

- b. Up to \$5,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

B. Subparagraph 1.d. under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** is deleted in its entirety and replaced with the following:

- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

SECTION II - WHO IS AN INSURED - Amendments

Not-for-Profit Organization Members

The following paragraph is added to **SECTION II - WHO IS AN INSURED**:

If you are an organization other than a partnership, joint venture, or a limited liability company, and you are a not-for-profit organization, the following are included as additional insureds:

1. Your officials;
2. Your trustees;
3. Your members;
4. Your board members;
5. Your commission members;
6. Your agency members;
7. Your insurance managers;
8. Your elective or appointed officers; and
9. Your "not-for-profit members".

However only with respect to their liability for your activities or activities they perform on your behalf.

Employees As Insureds Modified

- A. Subparagraph 2.a.(1)(a) under **SECTION II - WHO IS AN INSURED** does not apply to "bodily injury" to a "temporary worker" caused by a co-"employee" who is not a "temporary worker".
- B. Subparagraph 2.a.(2) under **SECTION II - WHO IS AN INSURED** does not apply to "property damage" to the property of a "temporary worker" or "volunteer worker" caused by a co-"employee" who is not a "temporary worker" or "volunteer worker".
- C. Subparagraph 2.a.(1)(d) under **SECTION II - WHO IS AN INSURED** does not apply to "bodily injury" caused by cardio-pulmonary resuscitation or first aid services administered by a co-"employee".

With respect to this provision only, Subparagraph (1) of Exclusion 2. e. **Employer's Liability** under **SECTION I - COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** does not apply.

Newly Formed Or Acquired Organizations

A. Subparagraph 3.a. under **SECTION II - WHO IS AN INSURED** is deleted in its entirety and replaced with the following:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier. However, **COVERAGE A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

B. The following paragraph is added to **SECTION II - WHO IS AN INSURED**, Paragraph 3:

If you are engaged in the business of construction of dwellings three stories or less in height, or other buildings three stories or less in height and less than 25,000 square feet in area, you will also be an insured with respect to "your work" only, for the period of time described above, for your liability arising out of the conduct of any partnership or joint venture of which you are or were a member, even if that partnership or joint venture is not shown as a Named Insured. However, this provision only applies if you maintain or maintained an interest of at least fifty percent in that partnership or joint venture for the period of that partnership or joint venture.

This provision does not apply to any partnership or joint venture that has been dissolved or otherwise ceased to function for more than thirty-six months.

With respect to the insurance provided by this provision, **Newly Formed or Acquired Organizations**, the following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY**, Paragraph 4. **Other Insurance**, Subparagraph b. **Excess Insurance**:

The insurance provided by this provision, **Newly Formed or Acquired Organizations**, is excess over any other insurance available to the insured, whether primary, excess, contingent or on any other basis.

(All other provisions of this section remain unchanged).

Blanket Additional Insureds - As Required By Contract

A. Subject to the **Primary and Non-Contributory** provision set forth in this endorsement, **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization whom you have agreed in a written contract, written agreement or written permit that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury" or "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your ongoing operations, "your product", or premises owned or used by you;

With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services by or for you, including:

- a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
- b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or failure to render, any professional architectural, engineering or surveying services.

2. Your maintenance, operation or use of equipment, other than aircraft, "auto" or watercraft, rented or leased to you by such person or organization. A person or organization's status as an additional insured under this endorsement ends when their contract, or agreement with you for such rented or leased equipment ends. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the rental agreement or equipment lease expires.

The provisions of this coverage extension do not apply unless the written contract or written agreement has been executed (executed means signed by the named insured) or written permit issued prior to the "bodily injury" or "property damage" or "personal and advertising injury".

Broad Form Vendors Coverage

Subject to the **Primary and Non-Contributory** provision set forth in this endorsement, **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization (referred to below as vendor) whom you have agreed in a written contract or written agreement to add as an additional insured on your policy. Such person or organization is an additional insured only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, however the insurance afforded the vendor does not apply to:

- a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement; however this exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- b. Any express warranty unauthorized by you;
- c. Any physical or chemical change in the product made intentionally by the vendor;
- d. Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product; or
- f. Products which, after distribution or sale by you, have been labeled or re-labeled or used as a container, part of ingredient of any other thing or substance by or for the vendor; however this insurance does not apply to any insured person or organization, from who you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

The provisions of this coverage extension do not apply unless the written contract or written agreement has been executed (executed means signed by the named insured) prior to the "bodily injury" or "property damage".

Incidental Malpractice

Subparagraph 2.a.(1)(d) under **SECTION II - WHO IS AN INSURED** is deleted in its entirety and replaced with the following:

- (d) Arising out of his or her providing or failing to provide professional health care services. This does not apply to nurses, emergency medical technicians or paramedics if you are not in the business or occupation of providing any such professional services.

This provision does not apply if you are a Social Service or Senior Living risk.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS - Amendments

Knowledge Of Occurrence, Claim, Suit Or Loss

The following is added to Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

The requirements under this paragraph do not apply until after the "occurrence" or offense is known to:

1. You, if you are an individual;
2. A partner, if you are a partnership;
3. An "executive officer" or insurance manager, if you are a corporation;
4. Your members, managers or insurance manager, if you are a limited liability company; or
5. Your elected or appointed officials, officers, members, trustees, board members, commission members, agency members, or your administrator or your insurance manager if you are an organization other than a partnership, joint venture, or limited liability company.

Primary and Non-Contributory Provision

The following is added to Paragraph 4. **Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance shall be excess with respect to any person or organization included as an additional insured under this policy, any other insurance that person or organization has shall be primary with respect to this insurance, unless:

- (1) The additional insured is a Named Insured under such other insurance;
- (2) You have agreed in a written contract, written agreement or written permit to include that additional insured on your General Liability policy on a primary and/or non-contributory basis; and
- (3) The written contract or written agreement has been executed (executed means signed by the named insured) or written permit issued prior to the "bodily injury" or "property damage" or "personal and advertising injury".

Unintentional Failure To Disclose Hazards

The following is added to Paragraph 6. **Representations** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

However, if you should unintentionally fail to disclose any existing hazards in your representations to us at the inception date of the policy, or during the policy period in connection with any additional hazards, we shall not deny coverage under this Coverage Part based upon such failure to disclose hazards.

Waiver Of Transfer Of Rights Of Recovery

The following is added to Paragraph 8. **Transfer of Rights Of Recovery Against Others To Us** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

We will waive any right of recovery we may have against a person or organization because of payments we make for "bodily injury" or "property damage" arising out of your ongoing operations or "your work" done under a written contract or written agreement and included in the "products-completed operations hazard", if:

1. You have agreed to waive any right of recovery against that person or organization in a written contract or written agreement;
2. Such person or organization is an additional insured on your policy; or
3. You have assumed the liability of that person or organization in that same contract, and it is an "insured contract".

The section above only applies to that person or organization identified above, and only if the "bodily injury" or "property damage" occurs subsequent to the execution of the written contract or written agreement.

Liberalization

The following condition is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If we revise this Coverage Part to provide more coverage without additional premium charge, subject to our filed company rules, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

Non-Accumulation Of Limits

(This provision is not Applicable in the state of New York or Wisconsin).

The following condition is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If you have other insurance provided by us or one of our affiliates that will respond to a claim or "suit" also covered under this coverage, the maximum limit of insurance under all collectible insurance shall not exceed the highest applicable limit under any one of the other coverage part(s), form(s) or policy(ies).

SECTION V - DEFINITIONS

Discrimination

(This provision does not apply in New York).

- A. The following is added to Definition 14. "Personal and advertising injury":

"Personal and advertising injury" also means "discrimination" that results in injury to the feelings or reputation of a natural person, however only if such "discrimination" or humiliation is:

1. Not done by or at the direction of:
 - a. The insured; or
 - b. Anyone considered an insured under **SECTION II - WHO IS AN INSURED**;
2. Not done intentionally to cause harm to another person.
3. Not directly or indirectly related to the employment, prospective employment or termination of employment of any person or persons by any insured.
4. Not arising out of any "advertisement" by the insured.

- B. The following definition is added to **SECTION V - DEFINITIONS**:

"Discrimination" means:

- a. Any act or conduct that would be considered discrimination under any applicable federal, state, or local statute, ordinance or law;
- b. Any act or conduct that results in disparate treatment of, or has disparate impact on, a person, because of that person's race, religion, gender, sexual orientation, age, disability or physical impairment; or
- c. Any act or conduct characterized or interpreted as discrimination by a person based on that person's race, religion, gender, sexual orientation, age, disability or physical impairment.

It does not include acts or conduct characterized or interpreted as sexual intimidation or sexual harassment, or intimidation or harassment based on a person's gender.

Electronic Data

The following definition is added to **SECTION V - DEFINITIONS**:

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cell, data processing devices or any other media which are used with electronically controlled equipment.

For the purpose of the Electronic Data Liability coverage provided by this endorsement, Definition 17. "Property damage" is deleted in its entirety and replaced by the following:

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data", resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.

For the purpose of the Electronic Data Liability coverage provided by this endorsement, "electronic data" is not tangible property.

Employee Amendment

Definition 5. "Employee" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced by the following:

5. "Employee" includes a "leased worker", or a "temporary worker". If you are a School, "Employee" also includes a student teacher.

Golfing Facility

The following definition is added to **SECTION V - DEFINITIONS**:

"Golfing facility" means a golf course, golf club, driving range, or miniature golf course.

Mental Anguish Amendment

(This provision does not apply in New York).

Definition 3. "Bodily injury" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced with the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time. This includes mental anguish resulting from any bodily injury, sickness or disease sustained by a person. (In New York, mental anguish has been determined to be "bodily injury").

Not-for-profit Member

The following definition is added to **SECTION V - DEFINITIONS**:

"Not-for-profit member" means a person who is a member of a not-for-profit organization, including clubs and churches, who receives no financial or other compensation.



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Approval for Community Civic Event - Wildland Firefighter Foundation and Galaxy 9 Theatres - Only the Brave 5K Run - October 21, 2017

SOURCE: Finance

COMMENT: Galaxy 9 Theatres and Wildland Firefighter Foundation are requesting approval to hold a 5K run on Saturday, October 21, 2017, from 7:30 a.m. to 11:00 a.m. The run will start and finish at Galaxy 9 Theatres. Although no street closures are requested, volunteers will be posted at intersections monitoring the route.

This application is submitted in accordance with the Community Civic Events Ordinance No. 1326, as amended and has been routed according to the ordinance regulations and reviewed by all departments involved. All requirements are listed on the attached Application, Agreement and Exhibit A and Exhibit B.

RECOMMENDATION: That Council approve the Community Civic Event Application and Agreement from Galaxy 9 Theatres and Wildland Firefighter Foundation subject to the Restrictions and Requirements contained in Application, Agreement, Exhibit A and Exhibit B.

ATTACHMENTS:

1. Community Civic Event Application and Agreement, Exhibit A, Exhibit B, Map and Run Route, Outside Amplifier Permit and Certificate of Liability.

Appropriated/Funded:

Review By:

Department Director:

Maria Bemis, Finance Director

Final Approver: John Lollis, City Manager

9/19/17 ✓

CITY OF PORTERVILLE

291 N. Main Street, Porterville, CA 93257
559-782-7451 Fax: 784-4569 www.ci.porterville.ca.us



(Incomplete applications can delay permit process)

APPLICATION AND AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY TO BE HELD ON PUBLIC PROPERTY

DO YOU HAVE? Event Flyer? E-mail address? Website?
Application date: 9-6-17 Event date: 10-21-17
Event time: 7:30am - 11am

Name of Event: Galaxy 9 Theatres
Only The Brave 5k Run

Sponsoring organization: Galaxy 9 Theatres Phone # 781-7488
Address: 631 N Indiana St. Porterville

Authorized representative: Veronica Garcia Phone # 781-7488
Address: 631 N Indiana St. Porterville

Event chairperson: Stacy Simental Phone # 781-7488
managerporterville@galaxytheatres.com

Location of event Galaxy 9 Theatres
(Location map must be attached)

Type of event: 5k Run. Event activities also at
Theatre.

Non-profit organization status: Wickland Firefighter Foundation
501(c)(3) BL # 005185

City services requested (fees associated with these services will be billed separately):
Barricades (quantity): _____ Street sweeping Yes _____ No ☒
Police protection Yes _____ No ☒ Refuse pickup Yes _____ No ☒
Other: _____

Parks facility application required: Yes _____ No ☒ Attached _____
Assembly permit required: Yes _____ No _____ Attached _____

STAFF COMMENTS (list special requirements or conditions for event):

Appr.	Deny	
_____	_____	Bus. Lic. Spvr. _____
_____	_____	Pub. Works Dir _____
_____	_____	Comm. Dev. Dir. _____
_____	_____	Field Svcs. Mgr. _____
_____	_____	Fire Chief _____
_____	_____	Parks Dir. _____
_____	_____	Police Chief _____
_____	_____	Admin. Svcs. Dir. _____

CITY OF PORTERVILLE

APPLICATION AND AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY TO BE HELD ON PUBLIC PROPERTY

What constitutes a Community Civic Event?

A non-profit organization wishes to sponsor an event that is open to the community at large and will utilize public property. Most of the time, Community Civic Events require street or sidewalk closures. This application must be submitted NO LESS THAN 30 DAYS PRIOR to the date of the event in order to obtain City Council approval.

All City Code requirements are described in ordinance 15-20 (e) 1-23 and as amended in ordinance 1613. For a full description please visit our City of Porterville website at www.ci.porterville.ca.us/govt/CityClerk/, Porterville Municipal Codes. For questions or concerns please call 559-782-7451 or 559-782-7457. Any person who violates the provisions in this code, shall be deemed guilty of either a misdemeanor or an infraction, with penalties of one hundred (\$100) for the first violation.

Liability insurance: The sponsoring organization/applicant agrees to provide and keep in force during the term of this permit a policy of liability and property damage insurance against liability for personal injury, including accidental death, as well as liability for property damage which may arise in any way during the term of this permit. **The City of Porterville and Successor Agency to the Porterville Redevelopment Agency shall be named as additional insured.** A Certificate of Liability Insurance and Additional Insured Endorsement sample forms are enclosed for your convenience. **This original certificate and endorsement shall be submitted to the Finance Department prior to the City of Porterville Council's approval.** *The council shall condition the granting of a CCE permit upon the sponsoring entity's filing with the council a policy of public liability insurance in which the city has been named as insured or coinsured with the permittee. The policy of insurance shall insure the city, its officers, and its employees against all claims arising out of, or in connection with, the issuance of the CCE permit or the operation of the permittee or its agents or representatives, pursuant to the permit. The policy of insurance shall provide coverage of no less than one million dollars (\$1,000,000.00) per occurrence of bodily injury and property damage, combined single limit. (Ordinance 15-20(e) 18)*

SS Authorized Representative Initial

Alcohol liability insurance: Organization/Applicant will obtain an alcohol permit if any alcoholic beverages are to be served. The insurance policy shall be endorsed to include **full liquor liability** in an amount not less than one million dollars (\$1,000,000) per occurrence. The City of Porterville shall be named as additional insured against all claims arising out of or in connection with the issuance of this permit or the operation of the permitted, his/her agents or representatives pursuant the permit. **Claims-made policies are not acceptable.**

SS Authorized Representative Initials

Health permit: Organization/Applicant **will obtain or ensure** that all participants obtain a 'Temporary Food Facilities' permit(s) from the Tulare County Public Health Department, if any food is to be served in connection with this Community Civic Event. To contact the Tulare County Environmental Health Department located at 5957 S. Mooney Blvd., Visalia, CA, 93277, call 559-733-6441, or fax information to 559-733-6932; or visit their website: www.tularehhsa.org.

SS Authorized Representative Initials

First aid station: Organization/Applicant will establish a first aid station, with clearly posted signs, to provide basic emergency care, such as ice/hot packs, bandages, and compresses.

SS Authorized Representative Initials

Toilet rental service: Applicant shall have care, custody and control of the equipment and shall bear responsibility and liability for all loss and damage to the equipment and for its contents while at the City's location. Applicant shall not overload, move or alter the equipment and shall use the equipment for its intended purpose. Applicant shall be responsible for any damages to City's property resulting from company's provision of services hereunder. Applicant shall confirm with the service company the number of portable toilets, standard and handicap, and wash sinks needed for the number of expected attendees.

SS Authorized Representative Initials

Agreement: The sponsoring organization/applicant agrees to comply with all provisions of the Community Civic Event Ordinance 15-20(e), as amended, and the terms and conditions set forth by City Council and stated in Exhibit 'A.' The sponsoring organization/applicant agrees, during the term of this permit, to secure and hold the City free and harmless from all loss, liability, and claims for damages, costs and charges of any kind or character arising out of, relating to, or in any way connected with his/her performance of this permit. Said agreement to hold harmless shall include and extend to any injury to any person or persons, or property of any kind whatsoever and to whomever belonging, including, but not limited to, said organization/applicant, and shall not be liable to the City for any injury to persons or property which may result solely or primarily from the action or non-action of the City or its directors, officers, or employees. Approval of the Community Civic Events Permit by the Porterville City Council pertains only to authorized activities conducted at designated locations within the incorporated area of the City of Porterville, and such approval shall not be construed or interpreted to authorize sponsor utilization of public right-of-ways outside of the jurisdiction of the City of Porterville.

Galaxy 9 Theatres		
(Name of Organization)	(Signature)	(Date)

VENDOR/PARTICIPANT LIST IN CONNECTION WITH THE APPLICATION AND
AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY
TO BE HELD ON PUBLIC PROPERTY

Location: Galaxy 9 Theatres Event date: 10-21-17 Event time: 7:30am

[illegible]

The nonprofit sponsor shall collect said fee and remit the fee to the city within five (5) working days following the CCE. Said remittance shall be accompanied by a complete list of participants and consecutively numbered receipts written in triplicate, containing the name, address and telephone number of the licensee, and the licensee's California seller's permit number. Said receipts shall be furnished by the city. One copy of the receipt shall be furnished to the licensee, one copy filed with the finance department of the city, and one copy retained by the CCE sponsor for a period of three (3) years for audit purposes.

CITY OF PORTERVILLE

REQUEST FOR STREET CLOSURES AND PUBLIC PROPERTY USAGE IN CONNECTION WITH THE APPLICATION AND AGREEMENT FOR A PERMIT TO HOLD A COMMUNITY CIVIC EVENT OR OTHER ACTIVITY TO BE HELD ON PUBLIC PROPERTY

Name of event: Galaxy 9 Theatres Only The Brave 5K Run

Sponsoring organization: Galaxy 9 Theatres

Event date: 10-21-17 Hours: 7:30am - 11am

ATTACH MAP MARKING AREAS TO BE CLOSED OR USED:

Closed

<u>Street Name</u>	<u>From</u>	<u>To</u>	<u>Activity</u>
Please see map attached			
<u>Sidewalks</u>	<u>From</u>	<u>To</u>	<u>Activity</u>
<u>Parking lots and spaces</u>	<u>Location</u>	<u>Activity</u>	

Requirements for Community Civic Event
Galaxy 9 Theatres
Wildland Firefighter Foundation
October 21, 2017

Finance Director:

M. Bemis

Assistant City Engineer:

J. Sanchez

Community Development Manager:

J. Phillips

No comments.

Field Services Manager:

M. Knight

Battalion Chief of Operations:

R. Land

Parks and Leisure Services Director:

D. Moore

Police Lieutenant:

R. Standridge

Please see conditions/requirements
in Exhibit B.

Administrative Services Director:

P. Hildreth

Please see Exhibit A, page 2.
All participants must sign waiver
releasing the City from any and all
liability.

REQUIREMENTS FOR COMMUNITY CIVIC EVENT

Sponsor: Galaxy 9 Theatres and Wildland Firefighters Foundation
Event: Only the Brave 5K Run
Event Chairman: Stacy Simental
Location: Galaxy 9 Theatres
Date of Event: October 21, 2017
Time of Event: 7:30 a.m. to 11:00 a.m.

RISK MANAGEMENT: Conditions of Approval

That Galaxy 9 Theatres provide a Certificate of Commercial General Liability Insurance Coverage evidencing coverage of not less than \$1,000,000 per occurrence, and having the appropriate Endorsement naming the City of Porterville, Successor Agency to the Porterville Redevelopment Agency, its Officers, Employees, Agents and Volunteers as Additional Insured against all claims arising from, or in connection with, the Permittee's operation and sponsorship of the aforementioned Community Civic Event.

- a. Said Certificate of Insurance shall be an original (fax and xerographic copies not acceptable), the Certificate shall be signed by an agent authorized to bind insurance coverage with the carrier, and the deductible, if any, shall not be greater than \$1,000.
- b. Said insurance shall be primary to the insurance held by the City of Porterville, be with a company having an A.M. Best Rating of no less than A: VII, and the insurance company must be an 'admitted' insurer in the State of California.

Approval of the Community Civic Events Permit by the Porterville City Council pertains only to authorized activities conducted at designated locations within the incorporated area of the City of Porterville, and such approval shall not be construed or interpreted to authorize sponsor utilization of public right-of-ways outside of the jurisdiction of the City of Porterville.

PORTERVILLE POLICE DEPARTMENT

Conditions/Requirements for Special Event

Galaxy 9 Theaters Only the Brave 5K Run October 21, 2017

- ▶ Aid stations and check points must be out of the roadway and not in a position to interfere with traffic.
- ▶ Staff at aid stations and check points should have a means of communication by which they may summon assistance in the event of an emergency.
- ▶ Event staff on the race route should wear highly visible attire.
- ▶ Participants should be directed to stay to the side of the roadway and not disrupt the normal flow of traffic.
- ▶ Event organizers should contact the Police Dept. (Special Events Coordinator) to obtain police support and/or assistance, with the goal of ensuring a safe event. Please contact Sergeant Mark Knox at 782-7408 if you have any questions or require further assistance.

Rich Standridge, Lieutenant
Porterville Police Department

Field

DISTANCE
3.1 MI

GALAXY "Only The Brave" 5K Run Route

Start at Galaxy Theatres

Front of Galaxy east to Indiana

South on Indiana to Grand

East on Grand to N El Granito

North on N El Granito into Zalud Park

Run inside Zalud Park around north softball diamond and along east fenceline out to Grand

Grand turns into N E St

South on E St to Morton

West on Morton to N El Granito

North on N El Granito to Grand

West on Grand to Indiana

West off of Indiana into Galaxy parking lot and to finish line at Galaxy Theatres.

To get the full 5K there will be one additional turn in the parking lot behind Spoons (and those other businesses) so runners will exit onto Indiana at the start, and enter back into that parking lot at the end of the run, from the drive entrance off Indiana that feeds into that lot. Not the drive entrance that is a straight shot to Galaxy but the next one north of there.

CITY OF PORTERVILLE
OUTSIDE AMPLIFIER PERMIT
(City Ordinances #18-9 & 18-14)



This application must be submitted ten (10) days prior to the date of the event. A copy of this permit must be at the operating premises of the amplifying equipment for which this registration is issued.

- 1 Name and home address of the applicant: _____

- 2 Address where amplification equipment is to be used: _____
- 3 Names and addresses of all persons who will use or operate the amplification equipment: _____

- 4 Type of event for which amplification equipment will be used: _____

- 5 Dates and hours of operation of amplification equipment: _____

- 6 A general description of the sound amplifying equipment to be used: _____

Section 18-9

It shall be unlawful for any person within the city to use or operate or cause to be operated or to play any radio, phonograph, jukebox, record player, loudspeaker, musical instrument, mechanical device, machine, apparatus, or instrument for intensification or amplification of the human voice or any sound or noise in a manner so loud as to be calculated to disturb the peace and good order of the neighborhood or sleep of ordinary persons in nearby residences or so loud as to unreasonably disturb and interfere with the peace and comfort of the occupants of nearby residences.

The operation of any such instrument, phonograph, jukebox, machine or device in such manner as to be plainly audible at a distance of one hundred feet (100') from the building, structure, vehicle, or place in which, or on which it is situated or located shall be prima facie evidence of a violation of this section.

(Ord. Code § 6311)

Section 18-14

It shall be unlawful for any person to maintain, operate, connect, or suffer or permit to be maintained, operated, or operated, or connected any or sound amplifier in such a manner as to cause any sound to be projected outside of any building or out of doors in any part of the city, except as may be necessary to amplify sound for the proper presentation of moving picture shows, or exhibiting for the convenient hearing of patrons within the building or enclosure in which the show or or exhibition is given, without having first procured a permit from the chief of police, which permit shall be granted at the will of the chief of police upon application in writing therefore, but which permit, when granted, shall be revocable by the city council whenever any such loudspeaker or sound amplifier shall by the council be deemed objectionable, and any such permit may be so revoked with or without notice, or with or without a formal hearing, at the option of the council, and in the event of the revocation of any such permit, the same shall not be renewed, except upon application as the first instance. (Ord. Code § 6312)

Penal Code Section 415 (2)

Any of the following persons shall be punished by imprisonment in the county jail for a period of not more than 90 days, a fine of not more than four hundred dollars (\$400), or both such imprisonment and fine: (2) Any person who maliciously and willfully disturbs another person by loud and unreasonable noise.

I hereby certify that I have read and answered all statements on this registration form and that they are true and correct.

Signature of Applicant

Date

THIS OUTSIDE AMPLIFIER PERMIT HAS BEEN APPROVED. HOWEVER, WE URGE YOU TO REMAIN CONSIDERATE OF THE GENERAL PEACE AND ORDER OF THE NEIGHBORS IN THE AREA. FAILURE TO ABIDE BY THESE REGULATIONS CAN RESULT IN REVOCATION OF THE PERMIT.

City of Porterville, Chief of Police/Designee

Date



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/24/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher & Co. Insurance Brokers of CA, Inc. LIC #0726293 45 E. River Park Place W, Ste 605 Fresno CA 93720	CONTACT NAME: Gina Phillips PHONE (A/C, No, Ext): 559-436-0833 E-MAIL ADDRESS: gina_phillips@ajg.com FAX (A/C, No): 559-256-6590
INSURED Galaxy Theatres, LLC 15060 Ventura Blvd., Suite 350 Suite #350 Sherman Oaks CA 91403	INSURER(S) AFFORDING COVERAGE INSURER A: National Union Fire Insurance Company of INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
GALATHE-01	NAIC # 19445

COVERAGES

CERTIFICATE NUMBER: 1207410559

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:	Y	5180161	3/1/2017	3/1/2018	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐ N/A				PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Liquor Liability		5180162	3/1/2017	3/1/2018	General Aggregate \$2,000,000 Each Occurrence \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder is named as an additional insured as respects to Our 5K Run will take place on Saturday, October 21st 2017, per the attached Additional Insured endorsement.

CERTIFICATE HOLDER

CANCELLATION

City of Porterville Successor Agency to the Porterville
Redevelopment Agency
291 N. Main St.
Porterville CA 93257

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR
CONTRACTORS - SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY WRITTEN CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	PER THE CONTRACT OR AGREEMENT
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than

that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

- C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Request for Proclamation - Railroad Safety Month - September 2017

SOURCE: Administrative Services

COMMENT: At its meeting of October 1, 2013, the Council amended the process by which proclamations are approved, and affirmed the process at its meeting on February 21, 2017. The new process requires that all proclamations must be sponsored by one Council Member, after which the request is then placed on the Council's agenda for consideration and approval by a majority of the Council.

The Tulare County Association of Governments has requested that the Council consider approval of a proclamation to proclaim the month of September 2017, as "Railroad Safety Month." Council Member Hamilton is sponsoring this proclamation request. If approved, Operation Lifesaver, a nationwide railroad safety organization, will share the proclamation on social media.

RECOMMENDATION: That the City Council consider approval of the request to proclaim the month of September 2017, as "Railroad Safety Month."

ATTACHMENTS: 1. Request for Proclamation

Appropriated/Funded: N/A

Review By:

Department Director:

Patrice Hildreth, Administrative Services Dir

Final Approver: John Lollis, City Manager

Tulare County Association of Governments

AGENDA ITEM VIII-C

August 21, 2017

Prepared by Brideget Moore, TCAG Staff

SUBJECT:

Information: Proclamations Declaring September as Railroad Safety Month

BACKGROUND:

The State of California leads the nation in rail related fatalities, many of which could have been prevented by increased public awareness of the dangers associated with railroad crossings. The cities of Exeter, Lindsay, Farmersville, Dinuba and TCAG completed proclamations in 2016.

TCAG's goal is to get remaining member agencies on board in order to have a united effort in significantly reducing rail related death and injury. TCAG will have draft proclamation verbiage, which can be used for this initiative, available to member agencies upon request.

2016 Trespassing Casualties by State:

RANK	STATE	TOTAL CASUALTIES	DEATHS	INJURIES
1.	California	191	101	90
2.	Texas	89	38	51
3.	Florida	63	37	26
4.	New York	54	27	27

2015 Trespassing Casualties by State:

RANK	STATE	TOTAL CASUALTIES	DEATHS	INJURIES
1.	California	145	98	47
2.	Texas	69	27	42
3.	Florida	53	35	18
4.	New York	46	23	23

DISCUSSION:

TCAG has partnered with Operation Lifesaver, a nationwide railroad safety organization, during the Bike and Stride Outreach program and has worked with Operation Lifesaver to increase crossing danger awareness. One life lost is too many, and therefore TCAG would like all member agencies in solidarity to proclaim September as Railroad Safety Month. Operation Lifesaver State Coordinator has generously agreed to share Tulare County member agency proclamations on social media once they have been signed.

ATTACHMENT 1

RECOMMENDATION:

Have remaining member agencies sign a railroad safety proclamation declaring September as Railroad Safety Month.

ATTACHMENTS:

1. TCAG Railroad Safety Proclamation from 2016 and corresponding photo

Verbiage for Rail Safety Month

(Member Agency Name)

PROCLAMATION

WHEREAS, the State of California is a leader in supporting safety programs at rail grade crossings; and

WHEREAS, during 2016 there were 191 trespassing casualties resulting in 101 deaths and 90 injuries in the State of California; and

WHEREAS, such crossing crashes are more severe than highway collisions and are more likely to result in death and injury; and

WHEREAS, many of these crashes could have been prevented by increased public awareness of the crossing dangers and the appropriate driving safety laws; and

WHEREAS, Operation Lifesaver is the foremost public information and education program dedicated to preventing grade crossing crashes; and

WHEREAS, for the month of September and reaffirmed all Septembers following, all citizens are encouraged to observe added caution when approaching grade crossings; and

WHEREAS, this important observance should lead to greater safety awareness and reduction in rail grade crossing collisions;

NOW, THEREFORE, BE IT RESOLVED that **(I/we), (member agency, mayor, etc.)** do hereby proclaim:

SEPTEMBER RAILROAD SAFETY MONTH

We encourage all citizens to participate in activities to reduce trespass casualties and crossing collisions.

IN WITNESS WHEREOF, we have hereunto set our hands this **(date)** of **(month)** **(year)**.



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Request for Proclamation - Domestic Violence Awareness Month - October 2017

SOURCE: Administrative Services

COMMENT: At its meeting of October 1, 2013, the Council amended the process by which proclamations are approved, and affirmed the process at its meeting on February 21, 2017. The new process requires that all proclamations must be sponsored by one Council Member, after which the request is then placed on the Council's agenda for consideration and approval by a majority of the Council.

The Family Crisis Center has requested that the Council consider approval of a proclamation to proclaim the month of October 2017, as "Domestic Violence Awareness Month". Council Member Flores is sponsoring this proclamation request. If approved, the applicants request that the proclamation be presented at the October 3rd Council meeting.

RECOMMENDATION: That the City Council consider approval of the request to proclaim the month of October 2017, as "Domestic Violence Awareness Month."

ATTACHMENTS: 1. Request for Proclamation

Appropriated/Funded: N/A

Review By:

Department Director:

Patrice Hildreth, Administrative Services Dir

Final Approver: Patrice Hildreth, Administrative Services Dir



City of Porterville
REQUEST FOR PROCLAMATION



RECEIVED
SEP 07 2017
CITY OF PORTERVILLE
CITY CLERK OFFICE

Date of Request: 9/7/17
Name of Event/Individual: Domestic Violence Awareness Month.
i.e. "Porterville Tourism Week", "Mr. John Doe"
Name of Sponsoring Organization: Family Crisis Center
Name of Contact Person: Theresa Hurtado
Address: 211 N. Main St. Porterville CA 93257
Phone: 559-781-7462 FAX: 559-781-6240
E-mail: thurtado@ccfamilycrisis.org

I would like the proclamation: ☐ presented at a Council Mtg. ☐ mailed ☒ call for pick-up

Date(s) of Event: October 2017

Date of Council Meeting to be presented, if applicable: October 3, 2017
(Council meets 1st and 3rd Tuesdays of each month.)

Individual or representative attending Council Meeting to receive proclamation:

Theresa Hurtado

Please attach a sample of your proclamation, or the pertinent information needed to formulate your proclamation. If assistance is needed, or if you need a sample provided, or to return this form, contact:

Office of City Clerk
291 North Main Street
Porterville, CA 93257
(559) 782-7464 / Fax (559) 782-7452

All requests require a sponsorship by a member of the Council prior to being placed on a City Council Agenda for consideration, and are subject to approval by a majority of the Council. Please see the attached language regarding the process and timelines for submittal.

City Clerk's Section

Request Received: 9/7/17 Sponsored by: _____ Date: _____

Approved by Council: yes ☐ no ☐ Date: _____

Notification to Contact person done (date): _____ in writing ☐ by phone ☐

Items (s) ☐ mailed _____ ☐ faxed _____ ☐ picked up _____

Comment: _____

WHEREAS: Domestic violence is widespread and is devastating to society as a whole, but particularly women and children. 1 in every 4 women will experience domestic violence during their lifetime, and approximately 15.5 million children are exposed to domestic violence every year; and

WHEREAS: When a family member is abused, it can have a long term damaging effects on the victim that can also leave a mark on family, friends and the community at large. Families are indispensable to a stable society, and they should be a place of support to instill responsibility and values in the next generation; and

WHEREAS: Violence against women and children is a prevalent social ill due to the historical imbalance of power in gender and age; and

WHEREAS: The problem of domestic violence is not confined to any group or groups of people, but crosses all economic, racial, gender, educational, religious and societal barriers, and is sustained by societal indifference; and

WHEREAS: The crime of domestic violence violates an individual's privacy, dignity, security, and humanity due to the systematic use of physical, emotional, sexual, psychological and economic control and/or abuse; and

WHEREAS: Victims should have assistance to find the comfort and healing they need, access to medical and legal services, counseling, transitional housing, and other supportive services so they can escape the cycle of abuse; and perpetrators should be punished to the full extent of the law.

NOW, THEREFORE, I, _____, Mayor of the City of Porterville, on behalf of the Porterville City Council, do hereby proclaim October 2017, as,

"DOMESTIC VIOLENCE AWARENESS MONTH"

in the City of Porterville and encourage all residents to support local efforts to assist victims of domestic violence.

PROCLAIMED this 3rd day of October, 2017.



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Resolution of Necessity Pertaining to the Acquisition of a Portion of Property Located at West Side of Hillcrest Street, North of Jasmine Drive, Porterville, CA (APNs 254-010-059 and 255-190-022), Owner Woodard Family Revocable Trust of August 10, 2006, for Proposed Improvements to the East Porterville Water Supply Project

SOURCE: City Attorney

COMMENT: City staff and its property negotiators have sent several communications to the owner/representative of the subject property, to acquire the above-referenced portion of property, but have been unsuccessful in obtaining an agreement. This portion of the property needs to be acquired in order to construct a water tank and other improvements for the East Porterville Water Supply Project.

Staff is asking City Council to adopt a Resolution of Necessity, as the plans for the proposed project are complete and the City needs to commence construction work soon in order to provide adequate Title 22 water storage required for the project. The City Attorney has prepared the attached Resolution of Necessity as authorized and for adoption by City Council. The statutory offer and summary of the basis for just compensation, pursuant to Government Code Sections 7267.1 and 7267.2(a) and prepared by City and/or its agent, have been sent to the owners. The City Attorney has also notified the above owners, in writing via certified mail, at least 15 days prior to the Council meeting, that this matter would be scheduled for this meeting's agenda. As of the day this staff report was completed, no request to be heard had been received by the City from the property owner. In adopting a Resolution of Necessity, the City Council must find that the public interest and necessity require the project, that the project is planned or located in the manner that will be most compatible with the greatest public good and least private injury, and that the property sought to be acquired is necessary for the project. Passage of the Resolution requires a two-thirds vote of all members of the City Council.

RECOMMENDATION: This office recommends that the City Council hear testimony from the owners and/or their representatives if they appear at the hearing and request to be heard, adopt the attached Resolution of Necessity, and authorize the City Attorney to take all appropriate action necessary to acquire said property on behalf of the City of Porterville.

ATTACHMENTS: 1. Resolution of Necessity and Appendix A

Appropriated/Funded:

Review By:

Department Director:

Final Approver: John Lollis, City Manager

RESOLUTION NO. _____-2017

**RESOLUTION OF NECESSITY OF THE CITY COUNCIL OF THE CITY OF
PORTERVILLE, CALIFORNIA, REQUIRING THE EXERCISE OF THE POWER OF
EMINENT DOMAIN PERTAINING TO THE ACQUISITION OF PROPERTY FOR USE BY
THE CITY OF PORTERVILLE FOR THE EAST PORTERVILLE WATER SUPPLY
PROJECT IN COMPLIANCE WITH THE REQUIREMENTS OF SECTION 1240.030 OF
THE CODE OF CIVIL PROCEDURE OF THE STATE OF CALIFORNIA**

WHEREAS, the City of Porterville intends to construct a project entitled the East Porterville Water Supply Project, which involves the expansion of its existing facilities and the construction of an additional water tank; and

WHEREAS, after notice and opportunity have been given to the property owner(s) at issue, the City Council of the City of Porterville hereby finds and determines as follows:

1. The City of Porterville intends to construct the aforementioned Project, a public use, together with related improvements to carry out and make effective the principal purpose pursuant to Code of Civil Procedure Section 1240.120(a), and in connection therewith, acquire interest in certain real property. Said public use is a function of the City of Porterville.
2. The City of Porterville is authorized to acquire the portion of the parcel described in Appendix A herein and exercise the power of eminent domain for the public use set forth herein in accordance with the California Constitution and the California Eminent Domain Law, Code of Civil Procedure Section 1230.010 et seq. and pursuant to Government Code Section 37350.5, Government Code Section 54300 et seq., California Constitution Article 1, Section 19, and Sections 4 and 54 of the Charter of the City of Porterville.
3. The property to be acquired consists of a portion of the property (APNs 254-

010-059 and 255-190-022) at the west side of Hillcrest Street, north of Jasmine Drive (approximately 1.89 acres total). This subject property will be utilized as part of the East Porterville Water Supply Project, including the expansion of the City's existing facilities and the construction of a water tank. The property to be acquired is more particularly described in Appendix A, attached hereto and incorporated herein by reference together with a map thereof.

4. On August 28, 2017, there was mailed a Notice of Hearing on the intent of the City of Porterville to adopt a Resolution of Necessity for acquisition by eminent domain of the real property described in Appendix A herein, which Notice of Hearing is attached hereto as Appendix A and is incorporated herein by this reference. Said Notice of Hearing was mailed to all persons whose names appear on the last equalized County Assessment Roll as having an interest in the property described in Appendix A, and to the address appearing on said Roll. Said Notice advised said persons of their right to be heard on the matters referred to therein on the date and at the time and place stated therein.
5. The hearing set out in said Notice was held on September 19, 2017, at the time and place stated therein, and all interested parties were given an opportunity to be heard. The hearing was closed.

Based upon the evidence presented, this City Council by vote of two-thirds or more of its members, further finds, determines, declares, and resolves each of the following:

- a. The public interest and necessity require the proposed project.
- b. The proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.
- c. The property described herein in Appendix A is necessary for the proposed project.

- d. The offer required by Section 7267.2 of the Government Code, and the summary of the basis for the amount established as just compensation, was made to the owner or owners of record.
 - e. All conditions and statutory requirements necessary to exercise the power of eminent domain (the right to take) to acquire the property described herein have been complied with by the City of Porterville.
 - f. A portion of the property described in Appendix A may be acquired for a more necessary public use pursuant to Code of Civil Procedure Section 1240.610. The City Council further finds and determines that insofar as said parcel has heretofore been dedicated to a public use for telephone and/or electric utility purposes, the acquisition and use of said parcel by the City of Porterville for the public use described above is for a more necessary public use than the use to which the property has already been appropriated.
6. The City Attorney is hereby AUTHORIZED and EMPOWERED:
- a. To acquire in the name of the City of Porterville, by condemnation, the property described in Appendix A, attached hereto and incorporated herein by this reference in accordance with the provisions of the California Eminent Domain Law and the Constitution of California;
 - b. To acquire the property in fee simple unless a lesser estate is described in Appendix A, herein;
 - c. To prepare or have prepared and to prosecute or to retain counsel to prosecute in the name of the City of Porterville such proceedings in the proper court as are necessary for such acquisition;
 - d. To deposit the probable amount of compensation, based on an appraisal, and to apply to said court for an order permitting the City of Porterville to take immediate possession and use of said property for said public uses and purposes.

This Resolution was passed by the City Council members of the City of Porterville at a regularly scheduled meeting thereof on the 19th day of September, 2017, by the following vote:

AYES:

NOES:

ABSENT:

Milt Stowe, Mayor

ATTEST:
John D. Lollis, City Clerk

By: _____
Patrice Hildreth, Chief Deputy City Clerk

NANCY A. JENNER
JULIA M. LEW
CHAD M. LEW

LAW OFFICES OF
MCCORMICK KABOT JENNER & LEW
A PROFESSIONAL CORPORATION
4010 SOUTH DEMAREE STREET
VISALIA, CALIFORNIA 93277

TELEPHONE
(559) 734-6729

MATTHEW C. PIERCE

FACSIMILE
(559) 734-8762

S.L. KABOT, Retired
WALTER McCORMICK (1926 - 2005)

INTERNET
WWW.MKJW.COM

August 28, 2017

Woodard Family Revocable Trust of August 10, 2006
Greg and Cinda Woodard, Trustees
461 North Crestview Street
Porterville, CA 93257

RE: **Notice of City of Porterville's Intent to Adopt a Resolution of Necessity to Acquire Property by Eminent Domain [CA Code of Civil Procedure 1245.235]**

Site Location: Portion of property at west side of Hillcrest Street, north of Jasmine Drive, Porterville CA

Assessor's Parcel Numbers: 254-010-059 and 255-190-022

Dear Mr. and Mrs. Woodard:

1. **Notice of Intent of City Council to Adopt a Resolution of Necessity.** The City Council intends to consider the adoption of a Resolution of Necessity on September 19, 2017 that, if adopted, will authorize the City of Porterville to acquire the property described herein by eminent domain for the purpose of making improvements in conjunction with the East Porterville Water Supply Project. A description of the property being considered for acquisition is included in the attachment marked Appendix A.
2. **Notice of Your Right to Appear and Be Heard.** Please take notice that the City Council of the City of Porterville, at a regular meeting to be held on Tuesday, September 19, 2017 at 6:30 p.m., or as soon thereafter as the matter may be heard, at Porterville City Hall, 291 North Main Street, Porterville, California, will hold a hearing on whether such a Resolution of Necessity should be adopted, as required by California Code of Civil Procedure section 1245.235 for the commencement of an eminent domain proceeding to acquire real property.

You have a right to appear and be heard before the City Council at the above scheduled hearing on the following matters and issues, and to have the City Council give judicious consideration to your testimony prior to deciding whether or not to adopt the proposed Resolution of Necessity:

- a. Whether the public interest and necessity require the proposed project;
- b. Whether the proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least

- private injury;
- c. Whether the property sought to be acquired by eminent domain and described in the Resolution of Necessity is necessary for the proposed project;
 - d. Whether the offer required by Government Code section 7267.2(a), together with the accompanying statement and summary basis for the amount established as just compensation, was actually made to you and whether said offer and statement/summary were in a form and contained all of the factual information required by Government Code section 7267.2(a). Said offer and a copy of Government Code section 7267.2(a) is attached hereto as Appendix A, including an amended offer dated August 7, 2017.
 - e. Whether City Council has complied with all conditions and statutory requirements necessary to exercise the power of eminent domain (the "right to take") to acquire the property described herein, including relocation assistance, as well as any other matter regarding the right to take said property by eminent domain; and
 - f. Whether City Council has statutory authority to acquire the property by eminent domain.

A copy of the proposed Resolution of Necessity will be available, upon your request, for inspection at the office of the Clerk of City Council at Porterville City Hall, 291 North Main Street, Porterville, California five (5) days after this Notice was mailed and prior to the hearing at the place of the hearing.

Your name appears on the last equalized Tulare County assessment roll and as Owner (in our preliminary title report) of the property required for the proposed project.

The statutes that authorize the City to acquire the property by eminent domain for this proposed project are California Constitution Article I, Section 19, Porterville City Charter Sections 4 and 54, California Government Code Section 37350.5, California Government Code Section 54300 et seq., and California Code of Civil Procedure Section 1230 et seq.

- 3. Failure to File a Written Request to Be Heard within Fifteen (15) Days After the Notice Was Mailed Will Result in Waiver of the Right to Appear and Be Heard.** If you desire to be heard, please be advised that you must file a written request with the clerk of the governing board within fifteen (15) days after this Notice was mailed. You must file your request to be heard at: Porterville City Hall, 291 North Main Street, Porterville, California.

Should you elect to mail your request to the clerk of the City Council, it must be actually received by the clerk for filing within fifteen (15) days after this Notice was mailed. The date of mailing appears on this Notice.

California Code of Civil Procedure section 1245.235(b)(3) provides that "failure to

file a written request to appear and be heard within fifteen (15) days after the Notice was mailed will result in waiver of the right to appear and be heard" on the above matters and issues that are the subject of the hearing.

If you elect not to appear and be heard in regard to compensation, your nonappearance will not be a waiver of your right to claim greater compensation in a court of law. The amount to be paid for the property will not be considered by the board at this hearing.

If you elect not to appear and not to be heard, your failure will be a waiver of your right to later challenge the right of the City to take the property by eminent domain.

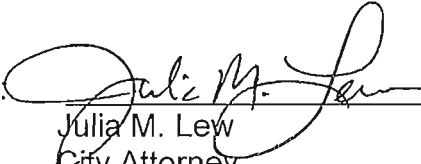
The amount of the compensation to be paid for the acquisition of the property is not a matter or issue being heard by City Council at this time. Your nonappearance at this noticed hearing will not prevent you from claiming greater compensation, in and as determined by a Court of Law in accordance with the laws of the State of California. This Notice is not intended to foreclose future negotiations between you and the representatives of the City on the amount of compensation to be paid for your property. If you elect not to appear and not to be heard, you will only be foreclosed from raising in a Court of law the issues that are the subject of this noticed hearing and that are concerned with the right to take the property by eminent domain.

If City Council elects to adopt the Resolution of Necessity, then within six months of the adoption of the Resolution, the City will commence eminent domain proceedings in Superior Court. In that proceeding, the Court will determine the amount of compensation to which you are entitled.

Dated and mailed on August 28, 2017.

McCormick Kabot Jenner & Lew
A Professional Corporation

By.


Julia M. Lew

City Attorney

City of Porterville

CC: Mike Reed, Porterville Public Works Director
John Lollis, Porterville City Manager

Enclosures: Appendix A

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 7.20
Certified Fee	3.35
Return Receipt Fee (Endorsement Required)	2.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 13.30

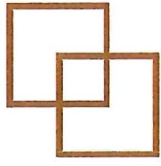
Postmark
Here

Sent To
Green and Cinda Woodard
Street, Apt. No.,
or PO Box No. 461 N. Crestview St.
City, State, ZIP+4
Porterville, CA 93257

PS Form 3800, August 2006

See Reverse for Instructions

7013 1090 0001 2857 1994
ETD



**BENDER
ROSENTHAL, INC.**

COMMERCIAL VALUATION AND RIGHT OF WAY SERVICES

4400 Auburn Boulevard, Suite 102
Sacramento, CA 95841
main: 916.978.4900 • fax: 916.978.4904
www.benderrosenthal.com

May 16, 2017

WOODARD FAMILY REVOCABLE TRUST OF AUGUST 10, 2006

Greg and Cinda Woodard, Trustees
461 North Crestview Street
Porterville, CA 93257

Re: East Porterville Water Supply Project
Assessor's Parcel Nos. 255-190-022 & 254-010-059

Dear Mr. and Mrs. Woodard:

The City of Porterville is proceeding with the East Porterville Water Supply Project ("Project"). A portion of your property located at the west side of Hillcrest Street, north of Jasmine Drive, City of Porterville, CA is required for that Project.

The City has retained Bender Rosenthal, Inc. to acquire the necessary real property interests. Accordingly, the City hereby makes an offer in the amount of \$57,000 to acquire 1.89± acres in Fee, as required for the Project.

Enclosed for your review and approval are the following:

1. Summary Statement Relating to Purchase of Real Property or an Interest Therein, with attached plat map showing the areas and rights to be acquired;
2. Appraisal Report;
3. Signing Instructions for Owner;
4. Purchase and Sale Agreement, in duplicate;
5. Grant Deed;
6. W9;
7. Preliminary Title Report; and
8. Acquisition Brochure

If you find the offer acceptable, please sign the documents, as stated in the Signing Instructions, and return the documents to me in the self addressed, stamped envelope provided. Copies of the documents are enclosed for your files.

If you have any comments or items of specific concern you would like to discuss, please call me at (916) 978-4900.

Woodard
May 12, 2017
Page 2

Your cooperation in this matter will be greatly appreciated and I look forward to working with you.

Sincerely,



Quentin Green
Senior Right-of-Way Agent

Enclosures

CITY OF PORTERVILLE
SUMMARY STATEMENT RELATING TO PURCHASE
OF REAL PROPERTY OR AN INTEREST THEREIN

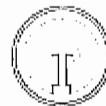
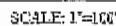
Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the California Relocation Assistance and Real Property Acquisition Guidelines require that each owner from whom the City of Porterville (CITY) purchases real property or an interest therein or each tenant owning improvements on said property be provided with a summary of the appraisal of the real property or interest therein, as well as the following information:

1. You are entitled to receive full payment prior to vacating the real property being purchased unless you have heretofore waived such entitlement. You are not required to pay recording fees, transfer taxes, or the pro rata portion of real property taxes which are allocable to any period subsequent to the passage of title or possession.
2. CITY will offer to purchase any remnants considered by CITY to be uneconomic units which are owned by you or, if applicable, occupied by you as a tenant and which are contiguous to the land being conveyed.
3. All buildings, structures, and other improvements affixed to the land described in the referenced documents covering this transaction and owned by the grantor herein or, if applicable, owned by you as a tenant are being conveyed unless other disposition of these improvements has been made. The interests to be acquired are 1.89± acres in Fee Simple, and depicted on the attached plat map.
4. The fair market value of the property being purchased is based upon an appraisal which is summarized in the enclosed Appraisal Report; and
 - a. Represents the full amount of the appraisal of just compensation for the real property interest to be purchased.
 - b. Is not less than the approved appraisal of the fair market value of the property;
 - c. Disregards any decrease or increase in the fair market value of the real property to be acquired prior to the date of valuation caused by the public improvement for which the property is to be acquired or by the likelihood that the property would be acquired for such public improvement, other than that due to physical deterioration within the reasonable control of the owner or occupant; and
 - d. Does not reflect any consideration of or allowance for any relocation assistance and payments or other benefits which the owner may be entitled to receive under agreement with CITY.
5. Pursuant to California Code of Civil Procedure Section 1263.025 should you elect to obtain an independent appraisal, CITY will pay for the actual reasonable costs up to \$5,000 for an owner obtained appraisal.
 - a. You, not CITY, must order the appraisal. Should you enter into a contract with the selected appraiser, CITY will not be a party to the contract.
 - b. The selected appraiser must be licensed with the Office of Real Estate Appraisers (OREA).
 - c. Appraisal cost reimbursement requests must be made in writing, and submitted to Bender Rosenthal, Inc., 4400 Auburn Blvd, Suite #102, Sacramento, CA 95841. A copy of the appraiser's invoice for the completed work must be provided to CITY concurrent with the submission of the appraisal cost reimbursement request. The costs must be reasonable and justifiable.
6. The owner of a business conducted on a property to be acquired, or conducted on the remaining property which will be affected by the purchase of the required property, may be entitled to compensation for the loss of goodwill. Entitlement is contingent upon the business owner's ability to prove such loss in accordance with the provisions of Sections 1263.510 and 1263.520 of the Code of Civil Procedure.

7. If you ultimately elect to reject the offer, you are entitled to have the amount of compensation determined by a court of law in accordance with the laws of the State of California.

APN's: 255-190-022, 254-010-059

EXHIBIT "B"


$$\text{EXE1}^{\text{tr}} = 0.07$$


LEGEND

(R) $\begin{matrix} \text{H} & & \text{H} \\ | & & | \\ \text{C} & - & \text{C} \\ | & & | \\ \text{H} & & \text{H} \end{matrix}$ $\begin{matrix} \text{H} & & \text{H} \\ | & & | \\ \text{C} & - & \text{C} \\ | & & | \\ \text{H} & & \text{H} \end{matrix}$ $\begin{matrix} \text{H} & & \text{H} \\ | & & | \\ \text{C} & - & \text{C} \\ | & & | \\ \text{H} & & \text{H} \end{matrix}$

THE NORTH LINE OF THE SOUTH HALF OF THE
SOUTHWEST QUARTER OF SECTION 19-20-28,
FER JASMINE RANCH, PHASE ONE SUBDIVISION,
FILED IN BOOK 55 OF MAPS AT PAGE 49, T.C.R.
TAKEN AS:

§ 82-5116 a

That Portion of the Remateller Parcel of Jasmille Ranch, Please Our Subdivision, as shown on map filed in Book 35 of Maps, at Page 49, T.C.R., Located in the Southwest Quarter of the Southwest Quarter of Section 19, Township 21 South, Range 28 East, Mount Diablo Base and Meridian, County of Tehama, State of California.

DESIGN	OPEN AND READ PROGRAM
APP	212-100-022
AREA	22.52 +/- 0.5
WGT	1.58 +/- .40
SCALE	1" = .02"
DATE	3/24/15
DESIGN BY	CHL
CHECKED BY	AT/MPH

APPRAISAL REPORT



WOODARD PROPERTY

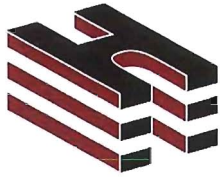
Partial Acquisition for a Water Tank Site
West Side of Hillcrest St., North of Jasmine Dr.
Porterville, California

Date of Value:
April 14, 2017

Client:
City of Porterville



HopperCompany
Real Property Valuation



HopperCompany

Real Property Valuation

April 24, 2017

Jason Ridenour
Economic Development and Housing Manager
City of Porterville
291 North Main Street
Porterville, California 93257

RE: *Appraisal of Woodard land for a water tank site in Porterville, California. Our file no. 17-037.*

Dear Mr. Ridenour:

In accordance with your request, we are pleased to transmit the attached appraisal report. We have personally inspected and appraised the Woodard property located along the west side of Hillcrest Street, north of Jasmine Drive, in Porterville, California. The property is owned by Greg and Cinda Woodard and consists of 46.95 acres of rolling hillside land that is zoned for single-family residential uses.

The City of Porterville is now seeking to acquire a 1.89-acre portion of the property for use as a new municipal water tank site as part of its *East Porterville Water Supply Project*. An appraisal is needed to assist in determining the appropriate just compensation to be paid for the partial acquisition of the real property. The client for this assignment is considered to be the City of Porterville and they have ordered the attached appraisal.

The purpose of the appraisal is to provide an opinion of just compensation, which consists of the fair market value of the fee title interest in the portion of the property to be taken along with any net severance damages to the remainder resulting from the partial acquisition and the construction and use of the project in the manner proposed. The specific definitions of these terms are contained within the attached appraisal report. This is considered to be a current value opinion with an effective date of value of April 14, 2017.

After considering all of the available facts and pertinent information regarding the subject property, and based upon the analyses and conclusions contained within the attached appraisal report, it is our opinion that the just compensation for the partial taking as of April 14, 2017 is:

Fair Market Value of Part Taken		\$56,700
Net Severance Damages to the Remainder	+	\$0
Just Compensation		\$56,700
	rounded to	<u>\$57,000</u>

This opinion of just compensation has been arrived at using the State Rule of appraisal for partial takings. The attached appraisal report details the various steps and procedures that are used to arrive at the value conclusions, including the valuation of the portion of the property that is to be taken and any damages or benefits to the remainder caused by the construction and use of the project in the manner proposed.

It is the appraisers' intent that the value conclusions and the appraisal report will be used by the client only for purposes of assisting in the determination of just compensation. No other intended users or uses of the appraisal have been identified. Any reader of the attached report is cautioned to understand the limited purpose for which it has been prepared. Reliance upon the information, data, or conclusions indicated within the report by anyone other than the client or for any reason other than the stated intended use is inappropriate and could be misunderstood. This letter is intended only to transmit the attached appraisal report and should not be considered the report itself.

Thank you for this appraisal assignment. If you have any questions regarding it, please feel free to contact us.

Sincerely,



Renee E. Hendrick, MAI, R/W-AC, ARA
CA #AG040264 (expires 5/11/2018)



Keith J. Hopper, MAI, R/W-AC, AI-GRS
CA #AG002559 (expires 10/4/2018)

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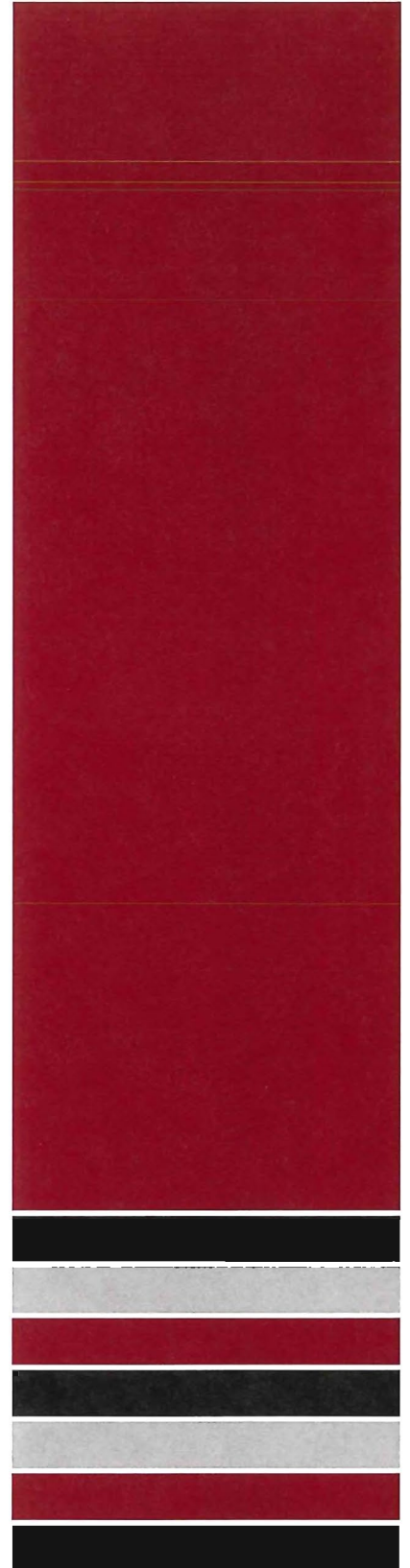
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INTRODUCTION TO THE APPRAISAL



HopperCompany
Real Property Valuation

THE APPRAISAL PROBLEM

The subject of this appraisal a 46.95-acre property consisting of open land with a rolling hillside topography. The property is located along the west side of Hillcrest Street, just north of Jasmine Drive, and is adjacent to the Jasmine Ranch residential subdivision, in Porterville, California. The land is zoned for single-family residential use, but there are no other development entitlements in place. The property surrounds an existing water tank site that is owned and operated by the City of Porterville as part of its municipal water system.

The City of Porterville in conjunction with the County of Tulare and the State of California is undertaking the *East Porterville Water Supply Project* to provide a permanent, safe, and reliable supply of household water to residents of East Porterville, many of whom have had their wells go dry in the recent drought. As part of this project, the City is seeking to acquire a 1.89-acre portion of the larger parcel in order to expand their existing facility and construct an additional water tank. An appraisal of the real property is needed to assist in determining the appropriate just compensation to be paid for the partial acquisition. The client for the assignment is the City of Porterville and they have ordered this appraisal. Other intended users of the appraisal include the County of Tulare and the State of California.

The purpose of the appraisal is to provide an opinion of just compensation, which consists of the fair market value of the fee title interest in the portion of the property to be taken along with any net severance damages to the remainder resulting from the partial acquisition and the construction and use of the project in the manner proposed. This is considered to be a current value opinion with an effective date of value of April 14, 2017.

The appraisal has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Ethical Rules of the International Right of Way Association, the California Code of Civil Procedures dealing with Eminent Domain Law, the California Evidence Code, and applicable case law precedent. The results of this appraisal are being communicated in a narrative style Appraisal Report that provides a concise presentation of the important facts and information having an impact on the value of the subject property.

There are several underlying assumptions and conditions that are made throughout this appraisal that affect the value conclusions that are reached. They are detailed later in the *Assumptions and Limiting Conditions* section of this report and should be fully read and understood in order to have a proper basis on which to consider the value conclusions. The appraisers who have prepared and signed this appraisal report are competent to value this type of property and are qualified under the competency rule of the USPAP. A complete list of the appraisers' qualifications is shown in the addenda of this report. No one else provided significant professional assistance to the persons signing this report.

This appraisal report is a copyrighted work and neither all nor any part of this document may be copied, reproduced, transmitted, or incorporated into any information retrieval system in any form or by any means without the express written permission of the authors. The information contained herein is intended for the exclusive use of the client and other intended users that are explicitly identified in this report, and solely for the intended use stated in this report. The Hopper Company retains all ownership of this work and the client and other intended users are simply granted a license to use the work for the intended use. © Copyright 2017 by the Hopper Company. All Rights Reserved.

DEFINITIONS OF TERMS

The following terms are used throughout this appraisal report.

Appraisal: The act or process of developing an opinion of value; an opinion of value (noun). Of or pertaining to appraising and related functions such as appraisal practice or appraisal services (adjective). An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, not less than) to a previous value opinion or numerical benchmark (e.g., assessed value, collateral value). (*USPAP*, Appraisal Foundation, 2016-2017 edition, pg. 1).

Assignment: (1) An agreement between an appraiser and a client to provide a valuation service; (2) the valuation service that is provided as a consequence of such an agreement. (*USPAP*, Appraisal Foundation, 2016-2017 edition, pg. 1).

Client: The party or parties who engage, by employment or contract, an appraiser in a specific assignment. The client may be an individual, group, or entity, and may engage and communicate with the appraiser directly or through an agent. (*USPAP*, Appraisal Foundation, 2016-2017 edition, pg. 2).

Report: Any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client upon completion of an assignment. Two types of reports may be written under USPAP: Appraisal Report or Restricted Appraisal Report. (*USPAP*, Appraisal Foundation, 2016-2017 edition, pg. 4).

Real Estate or Real Property: Real estate is an identified parcel or tract of land, including improvements, if any. Real property is the interests, benefits, and rights inherent in the ownership of real estate. (*USPAP*, Appraisal Foundation, 2016-2017 edition, pg. 4).

Just Compensation: Article I, Section 19 of the California Constitution states that “private property may be taken or damaged for public use only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner.” Compensation shall be awarded for the property taken. The measure of this compensation is the fair market value of the property taken. (*California Code of Civil Procedure*, Section 1263.310).

Where the property acquired is part of a larger parcel, in addition to the compensation awarded for the part taken, compensation shall be awarded for the injury, if any, to the remainder. Compensation for injury to the remainder is the amount of the damage to the remainder reduced by the amount of the benefit to the remainder. If the amount of the benefit to the remainder equals or exceeds the amount of the damage to the remainder, such excess shall not be deducted from the compensation required to be awarded for the property taken. (*California Code of Civil Procedure*, Section 1263.410).

Fair Market Value: The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable. (*California Code of Civil Procedure*, Section 1263.320).

The fair market value of the property taken shall not include any increase or decrease in the value of the property that is attributable to any of the following: (a) the project for which the property is taken; (b) the eminent domain proceeding in which the property is taken; or (c) any preliminary actions of the plaintiff relating to the taking of the property. (*California Code of Civil Procedure*, Section 1263.330).

Fee Simple Interest: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (*The Dictionary of Real Estate Appraisal*, 6th edition, Appraisal Institute, 2015, pg. 90).

Partial Taking: The taking of part of a property for public use under the power of eminent domain; requires the payment of compensation. (*The Dictionary of Real Estate Appraisal*, 6th edition, Appraisal Institute, 2015, pg. 168).

Larger Parcel: In governmental land acquisitions and in valuation of charitable donations of partial interest in property such as easements, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use. (*The Dictionary of Real Estate Appraisal*, 6th edition, Appraisal Institute, 2015, pg. 127).

Part Taken: The portion of the larger parcel that is acquired. (*Principles of Right of Way*, 4th edition, International Right of Way Association, 2012, pg. 195).

Remainder: In eminent domain condemnation, that portion of a larger parcel remaining in the ownership of the property owner after a partial taking. (*The Dictionary of Real Estate Appraisal*, 6th edition, Appraisal Institute, 2015, pg. 195).

State Rule: In condemnation, the process of determining just compensation by estimating the value of the portion to be acquired as part of the whole property plus the net severance damages; may be referred to as a taking plus damages. (*The Dictionary of Real Estate Appraisal*, 6th edition, Appraisal Institute, 2015, pg. 220).

Damages: Damage to the remainder is the damage, if any, caused to the remainder by either or both of the following: (a) the severance of the remainder from the part taken; and/or (b) the construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether or not the damage is caused by a portion of the project located on the part taken. (*California Code of Civil Procedure*, Section 1263.420).

In condemnation, the loss in value to the remainder in a partial taking of property. Generally, the difference between the value of the whole property before the taking and the value of the remainder after the taking is the measure of the value of the part taken and the damages to the remainder. (*The Dictionary of Real Estate Appraisal*, 6th edition, Appraisal Institute, 2015, pg. 59). The loss in value to the remaining property as a result of a partial taking. (*Principles of Right of Way*, 4th edition, International Right of Way Association, 2012, pg. 194).

Benefits: Benefit to the remainder is the benefit, if any, caused by the construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether or not the benefit is caused by a portion of the project located on the part taken. (*California Code of Civil Procedure*, Section 1263.430).

In eminent domain valuation, the advantageous factors that arise from a public improvement for which private property has been taken. (*The Dictionary of Real Estate Appraisal*, 6th edition, Appraisal Institute, 2015, pg. 22). An increase in value to the remainder property subsequent to a taking for a public improvement. (*Principles of Right of Way*, 4th edition, International Right of Way Association, 2012, pg. 194).

Arm's Length Transaction: A transaction between unrelated parties who are each acting in his or her own best interest. (*The Dictionary of Real Estate Appraisal*, 5th edition, Appraisal Institute, 2010, pg. 12).

SCOPE OF WORK IN THE APPRAISAL

The scope of work undertaken in this appraisal refers to the type and extent of research and analysis that is performed in answering the appraisal problem and completing the assignment. An appropriate scope of work is determined based on input from the client and it leads to credible assignment results as measured within the context of the intended use of the appraisal. The scope of work includes the degree to which the subject property is identified and inspected, the type of data that is sought and the level of research that is performed, and the methods and extent of analysis that are applied to arrive at opinions and conclusions. Credible assignment results require support by relevant evidence and logic. (USPAP, Scope of Work Rule, Appraisal Foundation, 2016-2017 edition, pg. 14).

Subject Property Identification & Inspection

In this appraisal, the appraisers have sought to become as knowledgeable about the subject property and the market within which it operates as typical market participants would be. With this goal in mind, it is important to recognize that the appraisal is performed with a limited amount of data and that various legal, monetary, and time constraints may preclude the appraisers from making exhaustive investigations.

The following tasks and investigations have been performed:

- The assignment was ordered by Jason Ridenour, Economic Development and Housing Manager for the City of Porterville. He authorized the assignment by electronic mail and provided a legal description and plat of the taking for use in the appraisal.
- A *Notice of Decision to Appraise* letter was sent to the property owner on April 4, 2017 notifying them that the subject was to be appraised and offering them the opportunity to meet with the appraisers to discuss the appraisal. Greg Woodard responded to the letter and arranged for an inspection of the property.
- Mr. Woodard discussed the appraisal assignment and the current status of the subject property. A request was made for certain information that is relevant to the assignment, and he provided a copy of a conceptual site plan for the future development of the property.
- A personal inspection of the property was made by the appraisers on April 14, 2017 and Mr. Woodard was present along with his son-in-law, Nathan Zayas. The inspection included viewing the site from the fronting streets and various places on the property, taking detailed notes about site conditions, and photographing the property.
- The inspection also included a viewing of the proposed take area, which was identified by a plat map and reference to the existing tank site. Consideration was given to possible severance damages and/or benefits that would result from the taking and project construction and use.
- A title report provided by the City was reviewed to determine the current property ownership, a legal description for the property, and any significant encumbrances to the title. An ownership history going back a minimum of three years is researched, including any available details of recent sales, listings, or offers to purchase.
- Investigations were made into the applicable zoning and other land use restrictions impacting the use and development of the property.

Data Research

In an effort to properly understand the market in which the subject property operates, several additional steps have been taken:

- The surrounding neighborhood area has been visually inspected to identify existing land use patterns and trends, property conditions, potential market transactions, and other influences affecting the property.
- Demographic, regulatory, and economic data on the neighborhood, city, and region are collected from various governmental, Internet, and private sources to help in identifying trends that may be impacting the value of the property.
- Specialized research is made into the unique characteristics of the property's market segment to better understand the forces and factors that influence value and the current conditions affecting supply and demand.
- Discussions are held with various market participants to gain insight into current market conditions and transactions, including real estate agents, buyers and sellers, developers, and appraisers.
- Detailed market data is gathered in the form of property sales. Numerous sources of information are used to help identify this market data, including public document recordings, local multiple listing services, Internet resources and databanks, the appraiser's own files and databases, and contacts with active market participants.
- Efforts are made to verify all of the transactional market data with parties who are knowledgeable of the transactions. All of the data used in this appraisal is believed to be reliable and correct, and where inconsistencies or conflicting information is provided only the most trustworthy data is used.

Valuation Analysis

Once the necessary background information about the subject and its market area are gathered, the valuation analysis is performed. Because the procedures and methods used in valuing properties subject to possible condemnation are strictly governed and controlled by law and the courts, diligent efforts have been made to adhere to California Code of Civil Procedure Title 7, which is the Eminent Domain law, the California Evidence Code, and applicable case law that establishes precedents or rulings pertaining to various aspects of condemnation valuation. While the appraisers are not attorneys, numerous resources have been consulted and specialized appraisal training has been received in an attempt to adequately understand and properly apply the law as it pertains to the valuation of the subject property.

These steps are followed:

- The highest and best use of the property is analyzed. This analysis is based on logic, observed evidence, and the appraisers' experience in the local market.
- The nine-step State Rule of appraisal for partial acquisitions is followed. In following this procedure, the sales comparison approach to value has been performed.
- The results of the appraisal process are then communicated in a narrative style Appraisal Report that provides a concise presentation of the important facts and information having an impact on the value of the subject property.

EFFECTIVE DATE OF VALUE AND APPRAISAL REPORT

The effective date of value represents the point in time to which the appraisal analyses and opinions pertain, and in this report the date of value is April 14, 2017. The appraisers made a personal inspection of the subject property on this date and all assumptions and analyses used in the appraisal are based upon valuing the property as of this point in time. The concluded value is considered to be a current value estimate because the effective date is concurrent with the date that the appraisal report was prepared.

The date of the appraisal report is April 24, 2017. This is the point in time when the final value conclusions were established and the completed appraisal report was transmitted to the client. This date helps to establish the perspective of the appraisers in relation to the effective date of value.

ASSUMPTIONS AND LIMITING CONDITIONS

The assumptions and limiting conditions listed below are central to the valuation of the subject property and answering the appraisal problem. The list includes basic assumptions and limiting conditions that are typical of many appraisal assignments as well as any extraordinary assumptions or hypothetical conditions that are specific to the subject property and this assignment. This appraisal report and its conclusions should only be read and relied upon within the context of these items.

Basic Assumptions

1. The information and data reported in this appraisal have been obtained from sources that are deemed to be reliable. They are believed to be correct, but cannot be guaranteed by the appraisers. Sources such as government agencies, financial institutions, attorneys, accountants, appraisers, brokers, and buyers and sellers are believed to be true and correct unless conflicting information is discovered through another source. In cases of conflicting information, only reasonable and verifiable data is used, however, no responsibility for the accuracy of such information is assumed by the appraisers.
2. It is assumed that all information provided by the property owner and any persons employed by them is accurate and complete. This would include information about the subject property's physical condition, current and past economic performance, lease agreements, condition of title, and any other items or details that could potentially impact the property's valuation.
3. The effective date of value that applies to the opinions expressed in this report is set forth in the appraisal. The appraisers assume no responsibility for events, conditions, or circumstances that may subsequently arise and alter the economic or physical condition of the subject property and the opinions and conclusions stated herein.
4. No opinion as to title is rendered. Data on ownership and the legal description have been obtained from sources generally considered reliable. Title is assumed to be marketable and

free and clear of all liens and encumbrances, easements, and restrictions except those specifically expressed in the report.

5. It is assumed that the property is in full compliance with all applicable zoning and use restrictions unless otherwise indicated in the report. It is further assumed that the property is in complete compliance with all federal, state, and local laws and regulations governing environmental issues, unless otherwise indicated.
6. The property is appraised assuming it to be under responsible ownership and competent management. It is assumed that all required licenses, consents, and other legislative or administrative authority have been or can be obtained for any use on which the value estimate contained in this report has been based.
7. No encroachment of real property improvements is known to exist, and it is assumed that the utilization of the land and any improvements is within the boundaries of the property lines of the property described in this report, unless otherwise indicated.
8. It is assumed, unless indicated to the contrary in this report, that there are no hidden or unapparent conditions of the property, subsoils, or any structures that would render it more or less valuable. No responsibility is assumed for such conditions, and any reports provided to the appraisers by experts in these matters are accepted as true and correct.
9. No opinion regarding the value of subsurface oil, gas, or mineral rights is expressed. The property is not believed to be encumbered by easements nor rights to surface entry for the exploration or removal of such materials unless expressly stated.
10. Unless otherwise stated in this report, the existence of hazardous material substances, including without limitation asbestos, polychlorinated biphenyls, urea-formaldehyde, foam insulation, petroleum leakage, agricultural chemicals, or other potentially hazardous materials, which may or may not be present on the subject property, were not called to the attention of nor did the appraisers become aware of such during their inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test or detect such substances. The presence of such hazardous substances may affect the value of the property. Unless otherwise indicated in the report, the value estimated in this appraisal is based on the assumption that no such hazardous substances exist on or in the property or in such proximity to it that would cause a loss in value. No responsibility is assumed for any such hazardous substances or for any expertise or knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
11. This appraisal report should not be considered an inspection report on the physical nature or condition of the property. The subject has been inspected on a casual level and no attempt beyond ordinary visual inspection has been made to determine the adequacy or condition of the property. The appraisers are not construction, engineering, environmental, or legal experts, and any statements given on these matters should be considered preliminary in nature.

Limiting Conditions

12. This appraisal is provided only for the purpose of property valuation and the appraisers are neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are inherent limitations to the accuracy of the information and analysis contained in this appraisal.
13. The liability of the appraisers and the Hopper Company is limited solely to the client and only to the amount of the fee actually paid for the appraisal services. Any third parties not identified as intended users who rely upon this appraisal, its facts, or conclusions, do so at their own risk and waive the right to bring any action, directly or indirectly, against the appraisers or firm.
14. The appraisal report is a technical document designed to serve the specific needs of the client and any other intended users that are specifically identified. Other readers are cautioned that the report may not contain all of the information known by the appraisers concerning the subject property or the real estate market. While no factors considered to be significant have been knowingly withheld, there is a potential that information of importance to another reader may not be included in the report.
15. This appraisal is performed with a limited amount of data. These limitations arise from economic, physical, and legal constraints that prohibit the appraisers from making exhaustive investigations about the subject property, the real estate market, and the comparable data.
16. A reasonable attempt to gather, investigate, and verify the comparable data used in this report is made by the appraisers consistent with the efforts typically made by other real estate professionals operating in the local market. However, the analyses and conclusions contained in this report are subject to the accuracy of such data.
17. No opinion is intended to be expressed for legal matters or that which requires specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers.
18. No engineering survey of the property has been made by the appraisers. Data relative to size, dimensions, and area are derived from sources deemed reliable. Maps, plats, and exhibits included in the report are for illustration only and should not be relied upon for any other purpose.
19. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the authors, particularly as to the valuation conclusions, the identity of the appraisers or firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation.
20. Possession of this report or any copy thereof does not carry with it the right of publication, nor may the same be used for any purpose by anyone except the appraisers, without the previous written consent of the appraisers, and in any event, only in its entirety.

21. No right to expert testimony is included with this report, and the fee for this appraisal does not include payment for pre-trial conferences, taking of depositions, exhibit preparation, expert witness fees, or other additional work beyond the initial scope of this assignment. If the appraisers are subsequently required to provide any such services, the client or party initiating the demand will be responsible for payment of expert fees associated with the time and effort needed to provide them.

Extraordinary Assumption

An extraordinary assumption is “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.” Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of the data used in the analysis. (USPAP, Appraisal Foundation, 2016-2017 edition, pg. 3). The use of one or more extraordinary assumptions may affect the assignment results.

22. Information about the proposed project and its improvements and use, as provided by the City of Porterville, is relied upon in analyzing the damages and benefits the project will have on the subject remainder property in its after condition. It is an extraordinary assumption that this project information is comprehensive and that no substantive changes to the project will be made after the date of this appraisal report that would have a material impact on the opinion of just compensation.

Hypothetical Condition

A hypothetical condition is “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.” Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis. (USPAP, Appraisal Foundation, 2016-2017 edition, pg. 3). The use of one or more hypothetical conditions may affect the assignment results.

23. The valuation of the subject remainder property in its after condition is based on the hypothetical condition that the portion being taken has been severed from the larger parcel and the project has been constructed and is in use in the manner proposed as of the effective date of value for this appraisal.

JURISDICTIONAL EXCEPTIONS

This appraisal has been developed to conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as well as other laws. In instances where USPAP is in conflict with applicable laws, ordinances, administrative rules, or regulations, USPAP does provide the Jurisdictional Exception Rule as a means of allowing certain parts of the Standards to be disregarded without creating a violation or severing the balance of USPAP. The following jurisdictional exceptions are invoked as part of this appraisal.

1. The California Code of Civil Procedure in Section 1263.330 states that, “The fair market value of the property taken shall not include any increase or decrease in the value of the property that is attributable to any of the following: (a) the project for which the property is taken; (b) the eminent domain proceeding in which the property is taken; or (c) any preliminary actions of the plaintiff relating to the taking of the property. This is contrary to USPAP Standards Rule 1-4 (f), which requires “When analyzing anticipated public or private improvements, located on or off the site, an appraiser must analyze the effect on value, if any, of such anticipated improvements to the extent they are reflected in market actions.” In this instance, the California law is followed and this section of USPAP is disregarded.
2. USPAP Standards Rule 1-2 (c) requires that, “When exposure time is a component of the definition for the value opinion being developed, the appraiser must also develop an opinion of reasonable exposure time linked to that value opinion.” The definition of market value required under Sections 1263.320 and 1263.330 of the California Code of Civil Procedure makes no reference to market exposure, so it may not technically be a USPAP violation, but no exposure time estimate is linked to the values concluded in this appraisal.

CERTIFICATION OF THE APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- We have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, we have completed the continuing education program for Designated Members of the Appraisal Institute.
- We are competent to complete this appraisal assignment. Any steps necessary to achieve competency are disclosed in this report.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

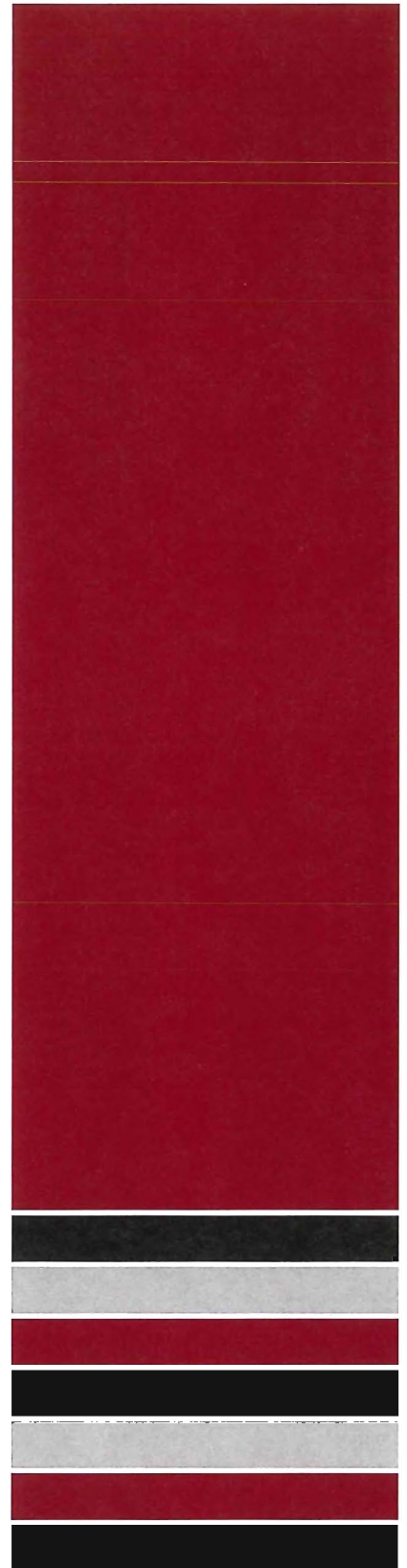


Renee E. Hendrick, MAI, R/W-AC, ARA
CA #AG040264 (expires 5/11/2018)



Keith J. Hopper, MAI, R/W-AC, AI-GRS
CA #AG002559 (expires 10/4/2018)

AREA AND SUBJECT PROPERTY DATA



HopperCompany
Real Property Valuation

REGIONAL AREA INFORMATION

The subject property is located in the city of Porterville, in Tulare County, California.

City of Porterville

Tulare County as a whole is located near the center of California in the heart of the Central Valley, a vast 450-mile long region that forms the interior of the state. While the Central Valley has long been overshadowed by the major metropolitan areas of Southern California and the Bay Area, it is now the fastest growing section of California and is a rich agricultural region that is often referred to as the “bread basket of the world.” The county of Tulare is one of eight counties comprising the southern Central Valley region of California and it is made up of eight incorporated cities and over 40 smaller unincorporated communities. Visalia is the largest city and the home of the county seat of government.



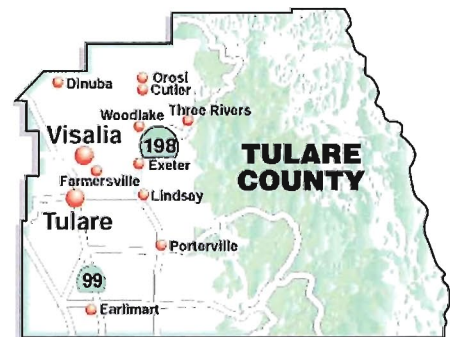
Porterville is located in the southern section of Tulare County along the foothill areas of the Sierra Mountains. The city is 24 miles southeast of Visalia along State Route 65 and some 51 miles north of Bakersfield, the two largest nearby cities. Porterville is also centrally located within

California being 165 miles north of Los Angeles, 171 miles east of the Central Coast, and 253 miles south of San Francisco.

Geography

Tulare County is situated between the Sierra Nevada Mountains to the east and the Coastal Mountains to the west. It covers nearly 4,935 square miles with about one-third of the area on the valley floor. The remaining land area is principally in the eastern section of the county and it consists of foothills, timbered slopes, and high mountains. Elevations vary from 270 feet above sea level on the valley floor to a peak of 14,495 at the top of Mount Whitney, the highest point in the continental United States.

The county is an area of superlatives and it serves as home to the nation’s tallest mountain, the world’s largest tree, the world’s biggest dairy herd, and the oldest living thing on earth. The giant Sequoia trees, some of the largest and oldest living things, are found in the Sequoia National Park.¹



Location & Accessibility

Porterville is one of a relatively small number of medium-sized Central Valley communities that are not situated along State Route 99, the main corridor running through the heart of the state. Instead, Porterville lies some 30 miles to the east of Highway 99 at the intersection of State Routes 65 and 190.

¹ Tulare County Economic Development Corporation, www.sequoiavalley.com.

This remoteness gives Porterville a unique character, but it has also no doubt limited its growth in relation to other Valley cities.

Both Route 65 and Route 190 connect to Route 99, which makes for relatively good accessibility for both truck and passenger traffic. There are a number of major truck carriers that provide daily service to the area as well as overnight service to the major metropolitan areas of California. The nearest port facilities are the Los Angeles harbor some 168 miles to the south and the Stockton port situated 193 miles northward. General aviation and charter airplane services are available at the Porterville Municipal Airport.

Population Trends

In the decade of the 2000s, the Central Valley was a major growth section of California attracting thousands of new people to the area, but the current decade has seen a significant change in the rate of population expansion. Previously, the Valley was seen as a haven for young families and immigrants seeking new lives in a relatively affordable part of California. But between 2010 and 2014 more people moved out of the Valley than moved in resulting in an exodus of almost 35,000 people from Tulare, Kings, Fresno, and Madera counties. Despite the trend, Kings County was the only place to actually lose population (-1.8%) and because of the high birth rate Fresno County (+3.8%), Tulare County (+3.6%), and Madera County (+2.4%) combined to increase the region's population by 53,106 people overall to 1,729,582 residents. Job opportunities tend to drive where people locate and the Valley's future growth could depend in large part on whether or not the economic base can be diversified beyond just agriculture.²

California's Department of Finance placed Tulare County's population at 466,339 people as of January 2016 ranking it 18th in size amongst California's 58 counties. This is an increase of 1.03% or 4,750 people over the previous twelve months, and it distinguishes the area as the 14th fastest growing county in California. This level of growth is part of a trend being seen throughout the southern Central Valley, which saw three counties place in the top fifteen counties based on their percentages of increase. In the past five years, Tulare County's population averaged 0.91% annual growth and it has continued to increase every year for over 45 years.

Porterville registered a population of 60,070 people at the beginning of 2016 for an increase of 3,031 people or 5.31% for the year. This makes Porterville the fastest growing community, in terms of percentage of increase, in Tulare County for the year and also distinguishes it as the city with California's 12th biggest jump in population. This continues a trend of growth in Porterville, although much of the increase is attributable to annexations that brought more residents into the city limits. Over the past five years, Porterville has grown by 5,275 people or 9.63%, with a compound rate of 1.86% per year.³ It is expected that Porterville will continue to increase its population at a slow but steady pace over the next several years.



² Valley population keeps growing despite outward migration, Tim Sheehan, Fresno Bee, March 25, 2015.

³ California Department of Finance, www.dof.ca.gov

Economy & Industry

The San Joaquin Valley Leading Economic Index for March 2017 rose to a record high level and continued its streak of seven straight months of being above the growth-neutral threshold. This indicates an expansionary economy over the next three to six months. The monthly index, which is compiled from a survey of individuals making company purchasing decisions in the counties of Fresno, Madera, Kings, and Tulare, is considered a forward-looking indicator of where the local economy is headed over the near future. It evaluates employment, wholesale prices, inventories, business confidence, trade, and other components, with an index greater than 50.0 suggesting a positive future outlook in the coming months. The index for March 2017 was 61.2, up from the prior month's 60.2 reading. Prior to June 2016, the index had recorded 30 consecutive months of positive economic expansion, but throughout the summer months the readings were below 50.0 suggesting the local economy was slowing. Now, the index is back above the threshold, which is an encouraging bellwether. Much of this month's strength is attributed to solid manufacturing growth and an upturn in regional construction. The San Joaquin Valley has also experienced strong job growth that has outpaced the nation's employment gains.⁴

The primary industry in Tulare County is agriculture and in 2015 the county ranked as the highest grossing area in the United States with total commodity value of \$6.981 billion. This is a decline of -13.7% from 2014's production level of \$8.084 billion and represents the first time since 2009 that the crop value fell. Still, the production value in 2015 was the third highest in the county's history and over the past twenty years the valuation has grown an average of 4.66% per year.

Milk remains the county's leading commodity with a 2015 production value of \$1.718 billion, representing 24.6% of the total crop value, but its -32.4% decline for the year was the largest contributor to the overall loss. Livestock and poultry are the county's other billion dollar commodity with a value of \$1.023 billion, a drop of -4.9% for the year. Tulare County now produces over 250 different crops with 45 of these commodities generating annual income of over \$1.00 million each last year. Top crops in 2015 included milk, cattle and calves, oranges, grapes, almonds, tangerines, corn, silage, pistachios, and walnuts. Tulare County's crops provide food to more than 90 countries throughout the world.⁵

Farm-related employment represents around 27% of all jobs in Tulare County and it is perpetually the largest employment sector. Other sectors that make up the local economy include government (22%), retail trade (10%), manufacturing (8%), educational and health services (7%), leisure and hospitality (6%), professional and business services (6%), and construction (3%).

Labor & Employment

Tulare County's available labor pool was 206,100 people as of February 2017 with an unemployment rate of 12.1% for the month. This is down slightly from the prior month's jobless level, but is consistent with the 12.3% rate seen a year ago in February 2016. For the month, Tulare County ranked 54th out of

⁴ San Joaquin Business Conditions Index, Ernie Goss, Ph.D., Craig School of Business, California State University, Fresno, April 3, 2017.

⁵ 2015 Tulare County Agricultural Crop and Livestock Report, August 2016, Tulare County Agricultural Commissioner/Sealer.

58 counties in California for unemployment.⁶ Porterville's labor force stood at 24,100 workers in February 2017 with unemployment of 12.5% for the month.

A 2014 report by the Milken Institute, a non-partisan economic think tank, indicates that Tulare County had one of the Central Valley's best performing economies in 2013. The Visalia-Tulare-Porterville metropolitan area was ranked 99th amongst the nation's 379 MSAs based on its ability to create and sustain jobs. This is a major jump from the prior year's ranking of 168th and places Tulare County second only to Bakersfield in the Central Valley. The three industries that added the most employment were food service, administrative support, and ambulatory health care.⁷ By 2016, the Milken Institute report showed that the local MSA had remained relatively stable relative to the rest of the country with a ranking of 98th out of 379 MSAs.

Income & Cost of Living

According to the U.S. Bureau of Economic Analysis, the per capita personal income of Tulare County residents was \$36,551 in 2015. This is an increase of 1.9% from the prior year, but it remains -32.0% below the California average of \$53,741 per person. Tulare County now ranks 307th amongst 366 metro areas across the U.S. and 56th out of 58 California counties. Over the past ten years, the income level of Tulare County residents has risen an average of 3.5% per year, faster than the state's 3.1% annualized rate. Tulare County's per capita income is third amongst the surrounding six-county area, ahead of Kings, Madera, and Merced Counties, but behind Fresno and Kern Counties.⁸

A recent report by the Center for Business and Policy Research at the University of the Pacific in Stockton, California reveals that Tulare County has the highest poverty rate in the state at 28.1%. This is almost double the poverty rate in California as a whole at 15.3%. Nearly half of local families receive some form of assistance from the government.⁹

While it is evident that Tulare County and its communities are below the average effective incomes of California and the nation overall, this area is also somewhat lower with respect to the associated cost of living. Porterville's cost of living index stood at 86.7 in March 2016. This is well below the national average of 100.0 and other higher priced areas of California like Los Angeles (139.6), San Francisco (169.4), Sacramento (99.7), and San Diego (136.6).

Real Estate Market

The real estate market in Tulare County and Porterville is now in the midst of a solid recovery following a prolonged period of declining property values and stagnant activity. Coming on the heels of one of the market's greatest times of value appreciation and new development activity in 2003-05, the local market across all sectors turned downward in response to a recessionary economy. Residential properties were the first to experience weakness starting in 2006 followed by commercial properties in 2008. These weak market conditions persisted until the residential sector began to bounce back in 2012. Commercial and industrial properties have also begun to show some appreciation since 2013.

⁶ California Employment Development Department, www.edd.ca.gov.

⁷ *County performing well*, Kyle Harvey, Visalia Times-Delta Newspaper, January 22, 2014.

⁸ United States Bureau of Economic Analysis.

⁹ *Local poverty ranks highest in state*, Julissa Zavala, Porterville Recorder Newspaper, October 5, 2016.

Home values in the Tulare County real estate market peaked in December 2005 with a median house price of \$269,711, and the low point in the market was reached in April 2011 when house prices sat at a median level of just \$111,600. Since the low point of the trough, house values have recovered nicely and as of March 2017 the median value stood at \$210,000, a gain of 88.2%. Still, the market remains -22.1% below its peak. The median house value has increased \$12,000 or 6.1% in just the past twelve months.¹⁰

The *National Association of Home Builders/Wells Fargo Housing Opportunity Index* says that some 39.1% of Tulare County residents who earn at or above the median income level can now afford to purchase the median priced house as of the fourth quarter of 2016. This is a substantial improvement over the 13.1% affordability index that prevailed in the fourth quarter of 2006. Tulare County now ranks 193rd amongst 225 metropolitan areas across the country in housing affordability.¹¹

Local market conditions for commercial real estate have been tracking a similar recovery trend, but at a somewhat slower pace. The greatest gains are being seen in Porterville's retail sector with the office and industrial markets seeing less activity and value appreciation. New retailers that have entered the local market in recent years include PetsMart, Ulta Beauty, Panera Bread, Applebee's, and Les Schwab Tires. The Central Valley of California is generally considered a secondary or tertiary office market, and as a medium-sized city much of Porterville's office space demand comes from local and regional businesses and government entities. Larger national corporations tend to choose the bigger cities when searching for offices that can serve the Valley, and this limits the size of space that is commonly in demand in Porterville.

Conclusions

In general, Tulare County and its third largest city of Porterville are rural areas located in the center of California's Central Valley agricultural region. This is one of the more affordable places to live in the state and population growth has been slow but steady for well over a decade. Like many markets across the country, this area experienced a dramatic period of real estate value appreciation and new development activity in the mid-2000s followed by a substantial market correction that lasted for several years. More recently, the residential and retail sectors of the local market have posted solid recoveries and values continue to improve, while office values have stabilized but shown little upward movement over the past two years.

¹⁰ California Association of Realtors, www.car.org

¹¹ NAHB/Wells Fargo Housing Opportunity Index, National Association of Home Builders, www.nahb.org



CITY LOCATION MAP

NEIGHBORHOOD AREA INFORMATION

The neighborhood area in which the subject property is located is part of the northeastern section of the city of Porterville. It is on the leading edge of eastward urban growth for the city and includes lands that are both inside and outside of the current city limits.

Boundaries & Location

The boundaries that delineate this neighborhood are considered to be Plano Street on the west, Olive Avenue on the south, and the base of the foothills on the east and north sides.

This area is located one mile east of the downtown central business district of Porterville and 1½ miles east of the medical district surrounding the Sierra View District Hospital campus. The Porterville Airport, a municipal and small commercial facility, is situated four miles to the southwest of the neighborhood, while the industrial park is just one to 1½ miles to the southwest along Highway 190. The main campus of Porterville Community College also lies this same approximate distance to the southwest.

Major Roadways & Access

Access to this neighborhood area is provided by the perimeter streets that form its boundaries as well as from a number of significant roadways that bisect this area of town and connect it to the balance of the city. Two such streets of particular mention are Morton Avenue and Henderson Avenue. These are major east-west collector roadways that extend across much of Porterville, and while there are no streets that fully bisect the neighborhood, these two roadways provide some of the greatest accessibility throughout the area.

History of Development

The history of this neighborhood area is largely rural and it has been home to small farms, agricultural plantings, and rural residences that date back well over 100 years. Nearly 50 to 60 years ago, the first instances of higher density urban type development began to occur with the creation of several subdivision tracts just south of the neighborhood. These developments, mostly situated between Roby Avenue and Springville Avenue, include several hundred parcels that typically vary from ¼-acre to 10 acres in size. They were originally built outside of the city limits to county standards, which tend to be less restrictive.

Substantial portions of the neighborhood remained largely rural, with larger parcels of open land devoted to pastures and some permanent agricultural plantings. In the late 1980s, an ambitious proposal was put forth by local developers for a 366-acre master planned project along Olive Avenue west of Holcomb Street. The centerpiece of the project was to be an 18-hole championship level golf course surrounded by some 344 residential lots for new homes. In addition, the project was to have a mobile home park, residential condominiums, commercial lodging space, and some open space and greenbelts. This project was never built, however, and the land has remained largely vacant.

A significant change occurred in the late 1990s with the construction of the Granite Hills High School campus along Olive Avenue at Tulsa Street. This is Porterville's third and newest public high school and it has helped to open up the neighborhood area by providing greater accessibility and desirability.

Land Use Trends

At the present time, most of the neighborhood falls within the Porterville city limits, though growth has been somewhat slow to come to the area. The housing in the area ranges significantly in type and cost, and includes a mixture of permanent houses, mobile homes, and old, dilapidated rural structures. Many of the residents maintain domestic and farm animals like horses on their properties. This has traditionally not been considered to be a very desirable area of town, though newer development in the area is beginning to shift that perspective. Single-family residential zoning dominates nearly this entire area and it is clear that the City envisions this becoming primarily a residential neighborhood over time.

The residential development that has occurred has mostly taken place in the past 20 to 30 years. It includes some entry-level production housing on smaller lots as well as larger custom homes on big lots. Jasmine Ranch and Mountain View Estates are two such custom home developments that have been built on hills to provide sloping lots with views of the surrounding foothills to the east. These homes are typically valued at \$250,000 to \$1,000,000 and sit on lots of ¼-acre to one-acre in size. Lots in these projects have been slow to sell out, however.

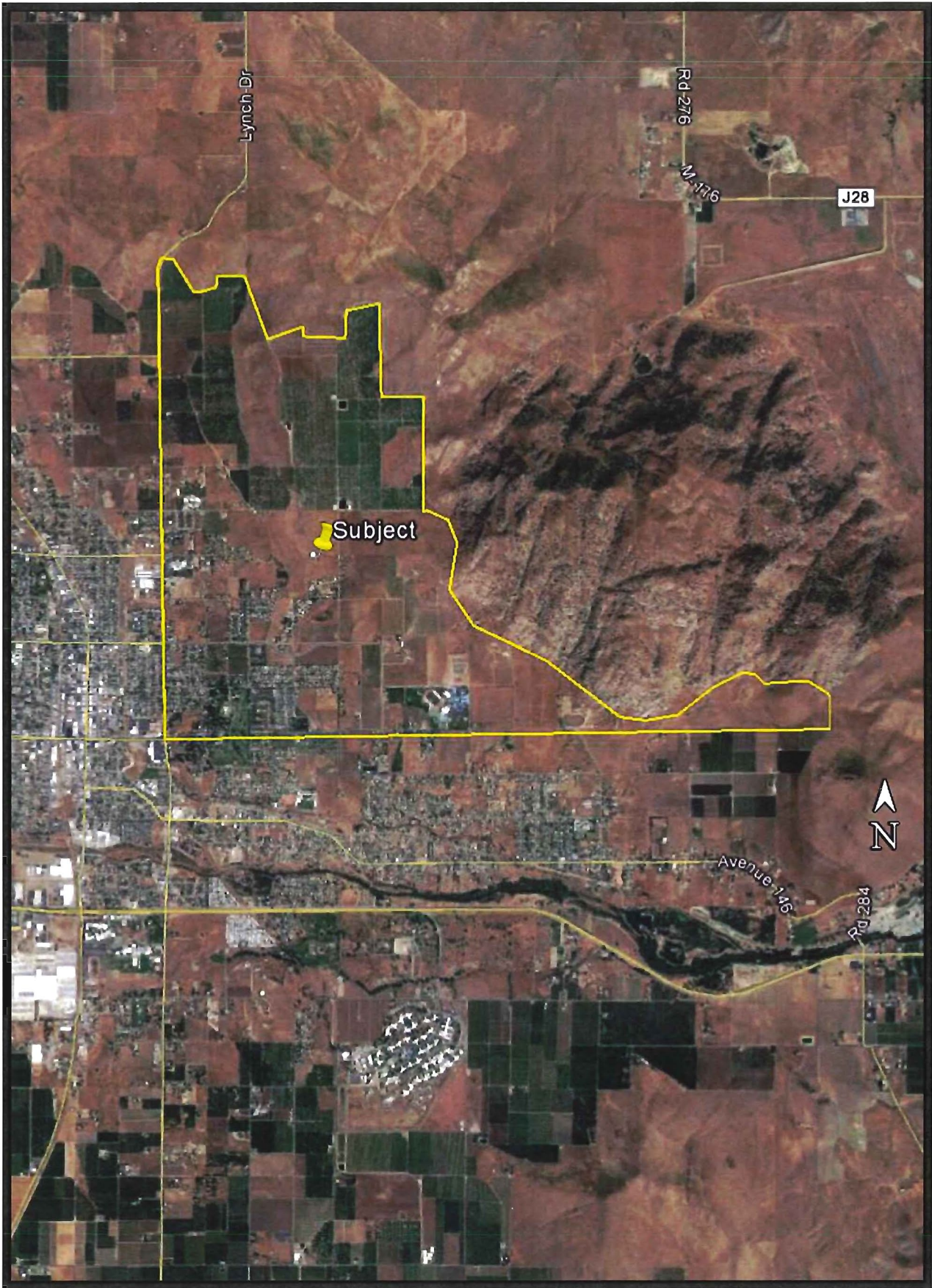
During the residential boom of the mid-2000s, there had been great interest from homebuilders who were seeking to build production housing subdivisions in this section of town. Numerous projects were proposed and mapped, including Red Haw Estates (180 lots), El Dorado Estates (180 lots), Crestview Park (45 lots), Sierra Estates (53 lots), and Canyon Springs (230 lots). However, none of these subdivisions was ever built because the market crashed and homebuilder and buyer interest evaporated.

Very little commercial development is found in the subject neighborhood. To the west and southwest, along the major arterial corridors, areas of commercial uses can be found. Quasi-public land uses in the surrounding area include the Porterville Cemetery, the Porterville Municipal Golf Course, a modern Latter Day Saints church, and as well as the previously mentioned Granite Hills High School. Large tracts of open land also exist and they are used for pastureland and small citrus groves.

Overall, it is expected that the trend toward urban residential development in the neighborhood will continue to take place slowly. Traditionally, homebuilders have considered the west side of Porterville to be the most desirable area for housing due to its flatter topography and more stable soil conditions, which allows for greater lot density and makes construction less expensive. In the future, as the availability of land in the west diminishes, the east could become more of a focus bringing greater balance to the city as a whole. It is likely to be several years, however, before developers are drawn back to the east side of town.

Adjacent Land Uses

The neighborhood to the south of this neighborhood area is similar in many ways and it is dominated by older low-quality rural housing and open land. To the north and east are the foothills, which provide ample open land for agriculture or pasture along with Lake Success. The area adjoining the subject to the west is much more urban in nature and it includes large areas of established housing and commercial uses within the city limits.



NEIGHBORHOOD AREA MAP

PROPOSED PROJECT INFORMATION

This property acquisition is being pursued by the City of Porterville as part of the *East Porterville Water Supply Project*. This is a joint project undertaken by the City, the County of Tulare, and the State of California to provide a permanent, safe, and reliable supply of household water to residents of East Porterville, an unincorporated community located along State Route 190 just east of the city of Porterville. This community is considered to be “ground zero” for the loss of clean water as private wells have gone dry during California’s historic drought that began in 2012. Along with the loss of water, the community is faced with deteriorating water quality as nitrate contamination has increased in the drying wells. The goal of the project is to provide water to all homes that do not have any.¹²

The City of Porterville has agreed to expand and extend its municipal water system to East Porterville and make connections available to these residents. To help supply the need, the City proposes to construct a new 1.20 million gallon water storage tank that will be located adjacent to an existing larger tank that the City operates. A 1.89-acre site is being sought that is adjacent to the north and west of the existing tank site and it will be used to enlarge the facility. The new tank needs to be set at the same base elevation and will have the same top elevation as the existing tank in order for the system to operate properly, but because the tank will be smaller in capacity it will have a smaller diameter. The two tanks will be connected by aboveground piping. Water for the tanks will come from an off-site municipal well and pump that is located elsewhere. Once operational, the new tank and piping is expected to create very little noise and should not be a disturbance to surrounding properties.

The enlarged facility site will be fenced around its perimeter for security and it will be landscaped. The existing access road will be used for ingress and egress to the site and no new roads are planned. Also, no new underground pipelines are to be installed. Dirt to cut and fill the sloping topography of the site will come from on-site material and no borrowing or dumping of dirt is to be done from the balance of the larger parcel.

¹² California Department of Water Resources, www.water.ca.gov

IDENTIFICATION OF THE LARGER PARCEL

The larger parcel represents the whole property from which a portion is to be taken in a partial acquisition. Properly identifying the larger parcel is an essential step in any appraisal involving a partial taking because it defines the scope of the assignment. The larger parcel may be all of one parcel, part of a parcel, or several parcels combined depending on the three unities of title, use, and contiguity. Unity of title refers to how ownership of the property is held, and it is usually required that the larger parcel be owned by the same individual or group of individuals. Unity of use implies that the parcel must be put to the same use or an integrated highest and best use with the property from which the partial acquisition will be taken. Finally, contiguity typically means physical proximity, although in some instances an actual physical connection is not necessary.

The following information pertains to and describes the larger parcel that has been identified as the subject of this appraisal.

Property Ownership

The subject property is owned by:

Greg L. Woodard and Cinda D. Woodard, Trustees of the Woodard Family Revocable Trust of
August 10, 2006
461 North Crestview Street
Porterville, California 93257

Ownership and Sales History

Title to the property has been held by the current owners for many years. The most transfer occurred in August 2006 when the vesting of title was changed to the owners' trust, but was not a sale. No other sales or transfers of title appear to have taken place in the past five years and the property is not currently listed for sale.

Legal Description

The following legal description details the subject property. It is taken from the preliminary title report prepared by First American Title dated March 17, 2017.

That portion of the South half of the Southeast quarter and of the Southeast quarter of the Southwest quarter of Section 19, and of the Northeast quarter of the Northwest quarter of Section 30, Township 21 South, Range 28 East, Mount Diablo Base and Meridian in the City of Porterville, County of Tulare, State of California, according to the Official Plat thereof, described as follows:

Beginning at a point on the North line of said Southeast quarter of the Southwest quarter of said Section 19, South 89° 50' 46" East, 1414.74 feet from the Northwest corner of the South half of

the Southwest quarter, said point also being the Northeast corner of the land described in Deed to Adrian Bulk, recorded June 23, 1967 in Book 2718, Page 494 of Official Records, thence South $13^{\circ} 13' 52''$ East, 1356.21 feet, more or less to a point on the South line of said Section 19; thence South $0^{\circ} 36' 32''$ East 1154 feet; thence South $3^{\circ} 06' 15''$ West 165.78 feet to a point on the South line of the Northeast quarter of the Northwest quarter of said Section 30, thence North $39^{\circ} 49' 43''$ East along said South line to the Southeast corner of said Northeast quarter of the Northwest quarter; thence North along the East line of said Northwest quarter to the Northeast corner thereof thence East along the South line of said Section 19 to the Southeast corner of said Section 19; thence North along the East line of said Section 19, to the Northeast corner of the South half of the Southeast quarter thereof; thence West of the Southeast quarter of the Southwest quarter of said Section 19 to the point of beginning.

Excepting therefrom that portion of the Southwest quarter of Section 19, and the Northwest quarter of Section 30, Township 21 South, Range 28 East, Mount Diablo Base and Meridian, in the County of Tulare, State of California, according to the Official Plat thereof, described as follows: Beginning at a point 635.00 feet West of the Northeast corner and on the North line of said Northwest quarter of Section 30; thence Northerly perpendicular to said North line, 110.00 feet; thence Westerly parallel to said North line 198.00 feet; thence Southerly perpendicular to said North line, 110.00 feet to a point on said North line, 198.00 feet distant from the point of beginning, thence continuing Southerly perpendicular to said North line, 110.00 feet; thence Easterly parallel with said North line, 198.00 feet, thence Northerly perpendicular to said North line, 110.00 feet to the point of beginning.

Also excepting therefrom that portion of the South half of the Southeast quarter of said Section 19, lying East of the following described line: Beginning at a point on the North line of the South half of said Southeast quarter, said point being 50 feet East of the Northwest corner thereof; thence South, parallel with the West line of the South half of said Southeast quarter to a point on the South line of said Southeast quarter, being 50 feet East of the South quarter of said Section 19, said point being the Southerly terminus of the line being described.

Also excepting therefrom any portion thereof lying within Lots 1 through 22 of Jasmine Ranch as per Map recorded in Book 35, Page 49 of Tulare County Records.

Also excepting any water rights, claims or title to water, whether or not shown by the public records.

The mentioned above property is also shown as the Remainder Parcel of Jasmine Ranch, as per Map recorded in Book 32, Page 49 of Tulare County Records.

Property Taxes and Assessment Data

The subject property may also be identified as Tulare County assessor's parcel numbers:

APNs 254-010-059 and 255-190-022

Beginning with the 1981-82 assessment roll, all real property in California is assessed at 100% of full cash value as determined by valuation of the county assessor's office. Full cash value is equal to the market value at the time of the most recent property transfer, or the 1975-76 assessed value, whichever is most current. These assessments may be increased by a maximum of 2% each tax year. If the property is sold or there are substantial additions or modifications made to the property, the assessor's office is required to reassess the property at current value levels.

The subject property is located in tax rate code area 004-059 and real property taxes in this area are currently based on a tax rate of 1.07478% of assessed value. The property has been assessed and taxed the following values by Tulare County for the 2016-2017 tax year:

Assessor's Parcel No.	254-010-059	255-190-022
Assessed Values:		
Land	\$176,625	\$120,000
Improvements	\$0	\$0
Fixtures	\$0	\$0
Personal Property	+ \$0	+ \$0
Gross Taxable Value	\$176,625	\$120,000
Less Exemptions	- \$0	- \$0
Net Taxable Value	\$176,625	\$120,000
Current Tax Rate	x 1.07478%	x 1.07478%
Total Property Taxes	\$1,898.24	\$1,289.70

The taxes indicated above are payable in two equal installments each due by December 10, 2016 and April 10, 2017, and both assessments appear to have been paid on time. There are no other known public or private assessments or bonded indebtedness levied against the property at this time.

PHYSICAL DESCRIPTION OF THE LARGER PARCEL

The subject larger parcel consists of two adjoining assessor's parcels of land that are located along the west side of Hillcrest Street, north of Jasmine Drive, in the city of Porterville. The property is vacant hillside land with no improvements, and it surrounds an existing 1.00-acre municipal water tank site owned by the City of Porterville.

The following descriptions and analyses detail the physical nature of the subject property in its condition prior to the partial taking. They are based on a personal inspection of the property on April 14, 2017 along with information taken from the published assessor's parcel map, a preliminary title report, and various online resources.

Land Description

The subject land is irregular in shape.

Site Dimensions & Size

According to the assessor's parcel map, the property has a maximum north-south width of 2,140.19 feet and a maximum east-west depth of 1,325.21 feet. The site contains a total land area of 46.95 acres, more or less.

Frontage & Off-Site Improvements

The subject property has a frontage of 1,959 feet along the west side of Hillcrest Street, which is only a partially paved roadway. It is an unfinished site with no curb, gutter, or sidewalk off-site improvements in place along the Hillcrest Street frontage.

Topography & Soil Conditions

The topography of the site is considered to be rolling, native foothill that slopes up from nearly 4 feet below the height of Hillcrest Street to as much as 200 feet above the road at its peak. It has not been graded, leveled, or compacted to support improvements.

According to the Web Soil Survey published online by the Natural Resources Conservation Service of the United States Department of Agriculture, the subject's soils consist of Cibo-Rock outcrop (45%, grade 4 – poor quality), Cibo clay (35%, grade 4 – poor quality), and Porterville cobbly clay (20%, grade 4 – poor quality). These soils are typical of this foothill area and because of their expansive qualities they often require special engineering to accommodate slab-on-grade building construction.

Drainage & Flood Zone

Drainage of the property appears to be adequate and no large pooling or ponding of water has been noticed on the site. Drainage of the land appears to follow the topography of the site with seasonal runoff toward the Hillcrest Street frontage and other low-lying properties that surround the property.

According to the flood insurance rate map prepared by the Federal Emergency Management Agency (FEMA), the subject property is in a 'X' flood zone. The applicable community panel no. is 06107C1655E, which was most recently updated on June 16, 2009. The 'X' zone denotes areas determined to be outside the 0.2% annual chance flood plain (500-year flood). This is not a special flood hazard area and properties in this zone are not typically required to carry flood insurance as part of a mortgage transaction.

Waterways & Natural Features

There are no waterways that openly traverse the subject property. Also, no protected tree or bush species, such as oak trees or elderberry bushes, or other distinctive natural features have been noticed on the property. However, the appraisers are not licensed as botanists, biologists, or geologists and do not have any specialized training in the identification of such natural features.

Utilities & Services

The subject property is completely within the Porterville city limits. Public utility services are available, but are not all in close proximity to the property. The providers include natural gas from SoCalGas; electricity from the Southern California Edison Company; telephone service from AT&T; and domestic water, sanitary sewer, storm water drainage, and trash collection from the City of Porterville. Municipal services include police protection from the Porterville Police Department, fire protection from the Porterville Fire Department, and street maintenance from the Porterville Public Works Department.

Access & Visibility

The subject receives adequate access and visibility from its frontage on Hillcrest Street. This roadway is only partial paved with asphalt along the property's east side, and additional work will be needed to build out the roadway in the future. Also, Jasmine Drive dead-ends into the property along its south side connecting it to the existing Jasmine Ranch subdivision. This street is planned for eventual extension into the property once it is developed. This alignment now serves as a dirt access road allowing the City ingress and egress to its existing tank site.

Easements & Encumbrances

A preliminary title report dated March 17, 2017 and prepared by First American Title Company has been reviewed for this appraisal. The report identifies two easements granted to the Southern California Edison Company for public utilities, and these are common in the local area. They do not tend to have a significant adverse impact on property values.

Mention is also made of a 15 foot temporary access easement granted to the City of Porterville to install, use and maintain an access road across the property. This easement dates to 1986 and appears to relate to the dirt road used to access the existing tank site. There was also a 10 foot wide easement for water line granted to the City at the same time, and it is believed to be for underground water pipeline that supplies the holding tank.

Environmental Conditions

No obvious visible signs of toxic materials, hazardous wastes, or other undesirable substances have been noticed on the site. However, the appraisers are not experts in this field and do not claim to have any special knowledge or ability with regards to the existence or detection of such materials. No phase one environmental site assessment report of the property has been provided for review.

The GeoTracker website published by the California State Water Resources Control Board does not indicate any known leaking underground storage tanks, land disposal sites, military sites, or other cleanup sites on the subject property. Also, there are no other properties located within a ½-mile radius of the subject that are listed on the website as being contaminated. Because no information to suggest possible contamination has been found, the subject site is considered to be environmentally clean throughout this appraisal.

Earthquake Fault Zone

The *California Alquist-Priolo Act* is designed to mitigate the hazard of earthquake fault-rupture by regulating and prohibiting the development of most structures for human occupancy near active fault lines. Cities and counties affected by Earthquake Fault Zones must regulate certain development projects within the zones and must withhold development permits until geologic investigations reveal that sites are not threatened by surface displacement due to earthquake faults. The *California Natural Hazards Disclosure Act* further requires sellers of real property and their agents to provide prospective buyers with a disclosure statement indicating whether or not the property lies within one or more state-mapped hazard areas, including Earthquake Fault Zones.

According to the current listing of affected areas, the county of Tulare is not a specified area and properties located within the county are not at risk due to Earthquake Fault Zones. Therefore, no restrictions are known to be placed on the property in regards to this act.

Bordering Properties

The property is bordered to the east and west by similar vacant residential foothill land. The property to the north is planted with citrus or is in the process of being redeveloped to citrus. To the south lies the first phase of the Jasmine Ranch subdivision, which includes 17 finished homes and five remaining vacant lots.

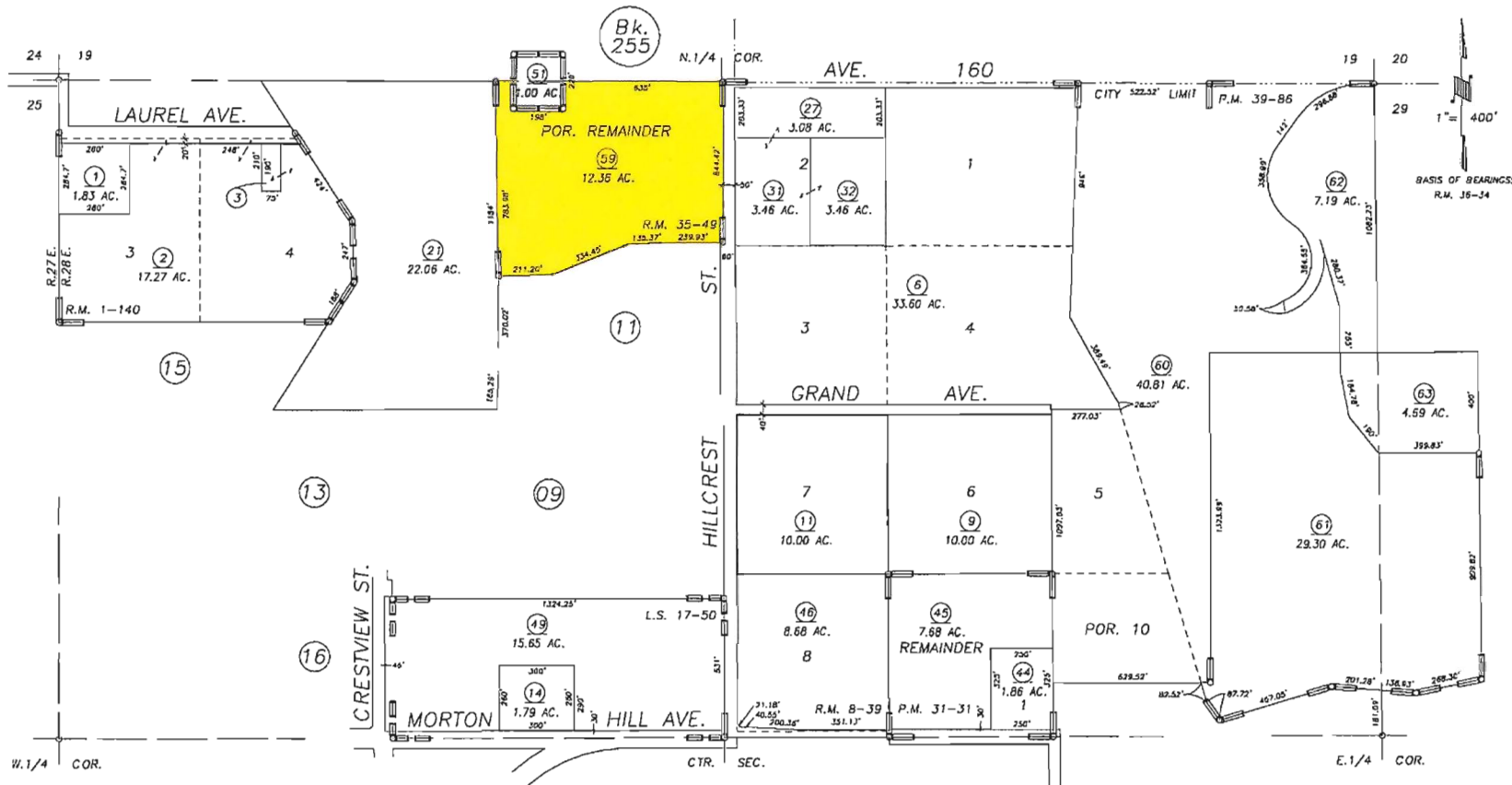
Personal Property

No items of personal property are included in this valuation of the real property.

ASSESSOR'S PARCEL MAP

N1/2 SEC.30. T.21S., R.28E., M.D.B.&M.

254-01



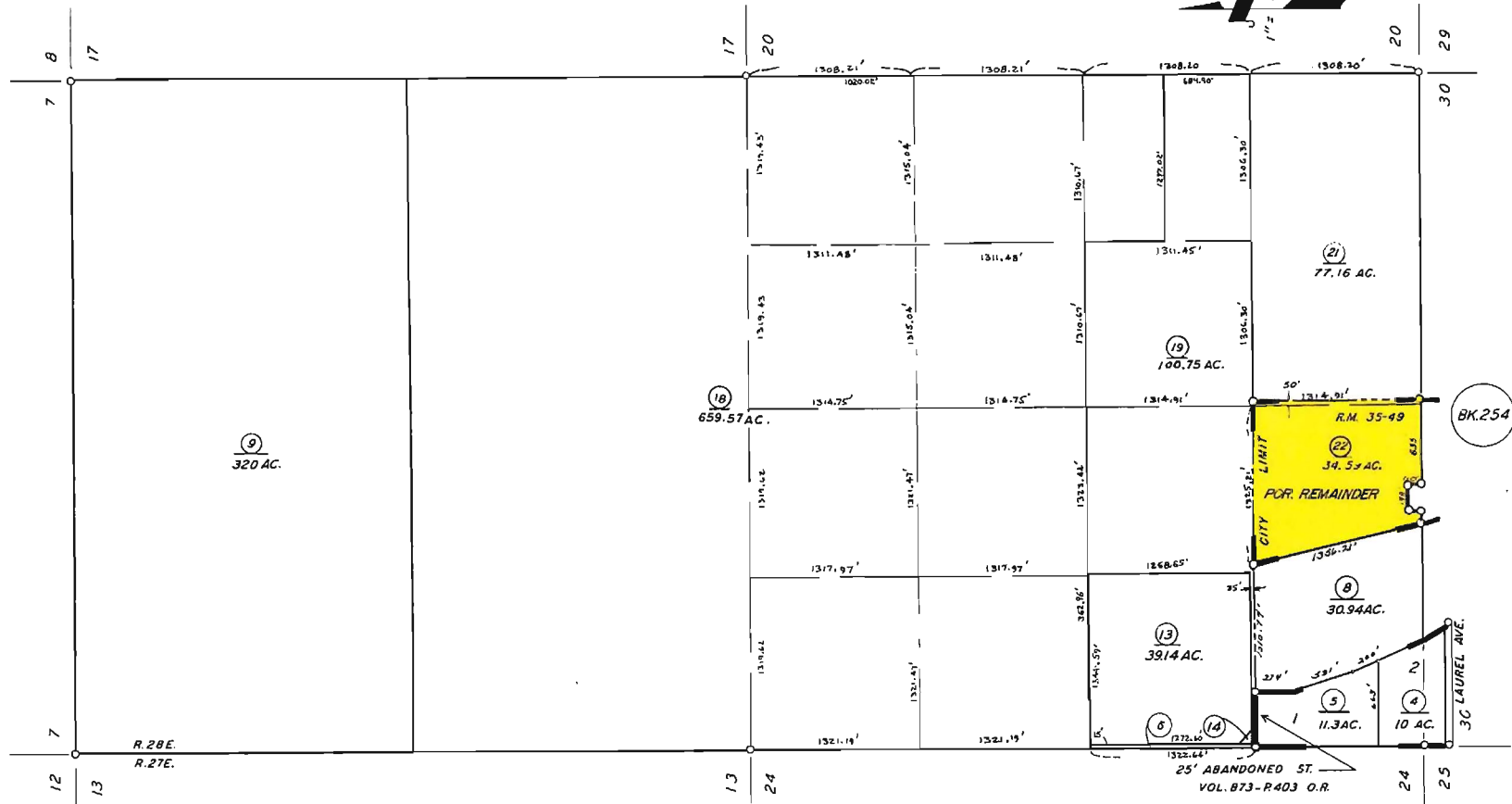
POR. A.R. HENRY'S SUB., R.M. 1-140
 POR. MONACHE TRACT, R.M. 8-39
 RECORD OF SURVEY, L.S. 17-50
 POR. JASMINE RANCH PHASE 1, R.M. 35-49
 PARCEL MAP 3030, P.M. 31-31
 POR. REVERSION TO ACREAGE, P.M. 39-86

CITY OF PORTERVILLE
 ASSESSOR'S MAPS BK.254 , PG.01
 COUNTY OF TULARE, CALIFORNIA, U.S.A.

ASSESSOR'S PARCEL MAP

SEC'S. 18, 19, & POR. 30, T.21S., R.28E., M.D.B.&M.

255-19

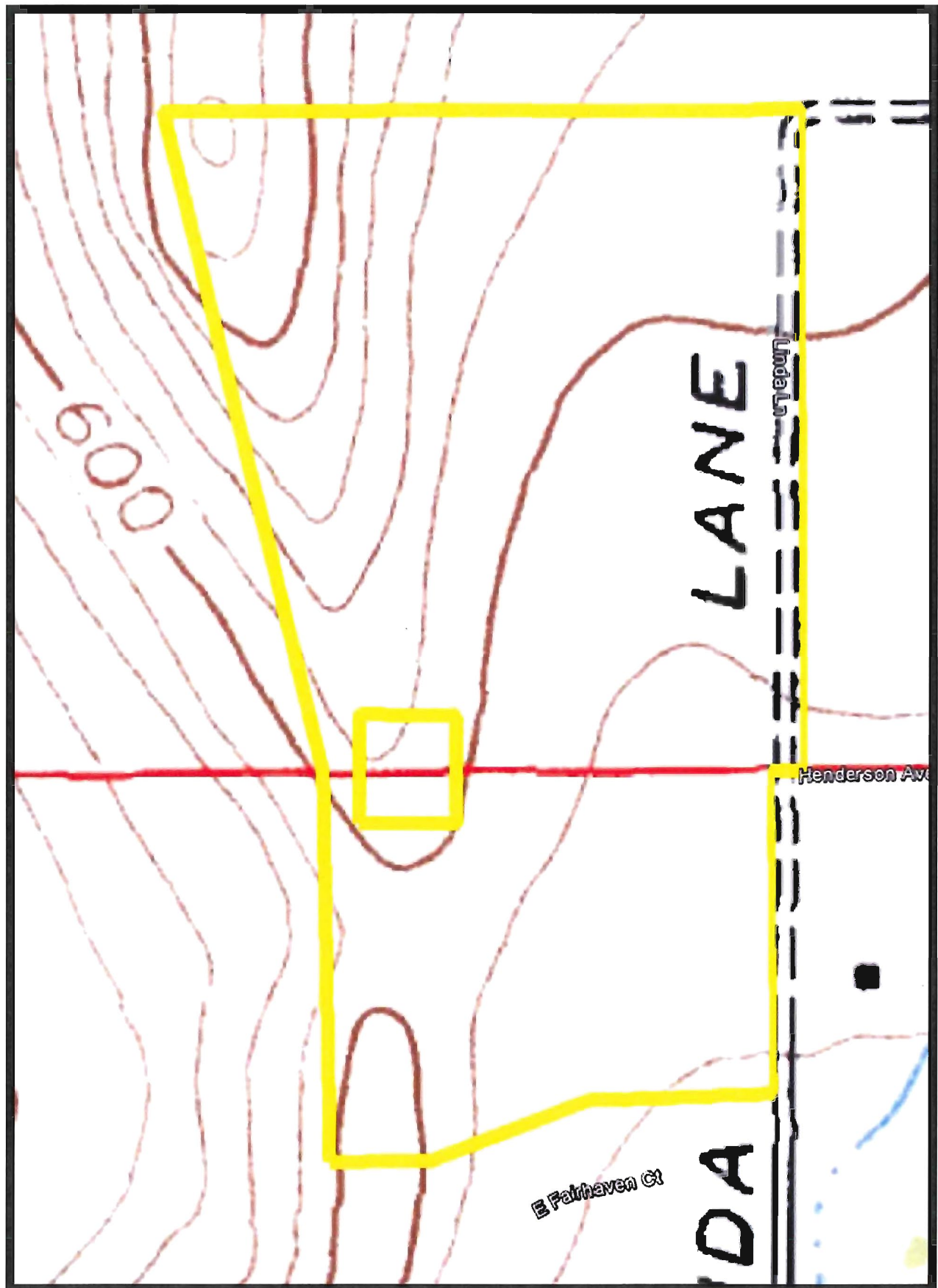


POR. A.R. HENRY'S SUB. R.M. 1-140.
 RECORD OF SURVEY, L.S. 11-15 (ALL SEC. 19)
 POR. JASMINE RANCH PHASE ONE, R.M. 35-49

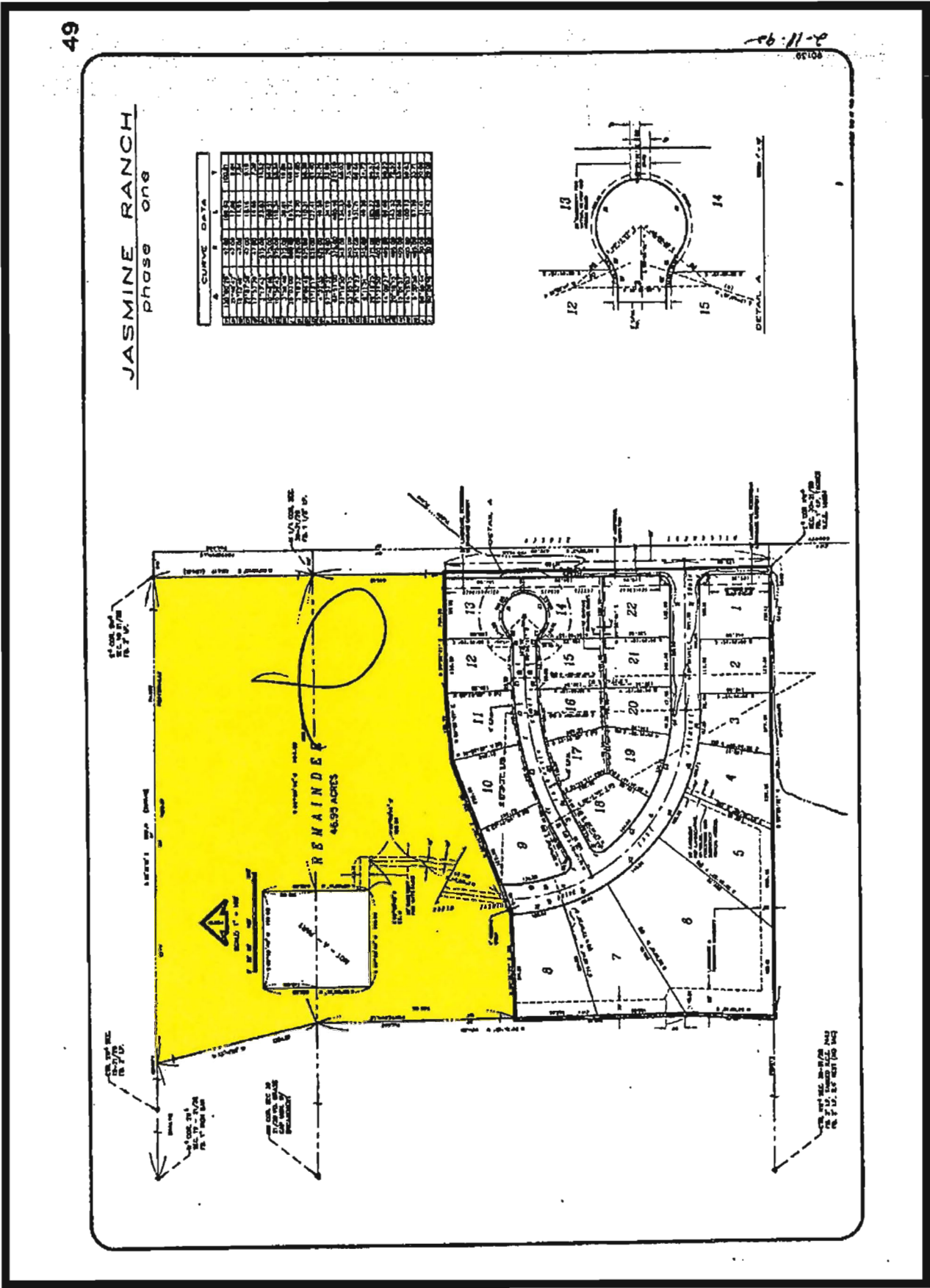
VICINITY OF PORTERVILLE
 ASSESSOR'S MAPS BK. 255, PG. 19.
 COUNTY OF TULARE, CALIF.



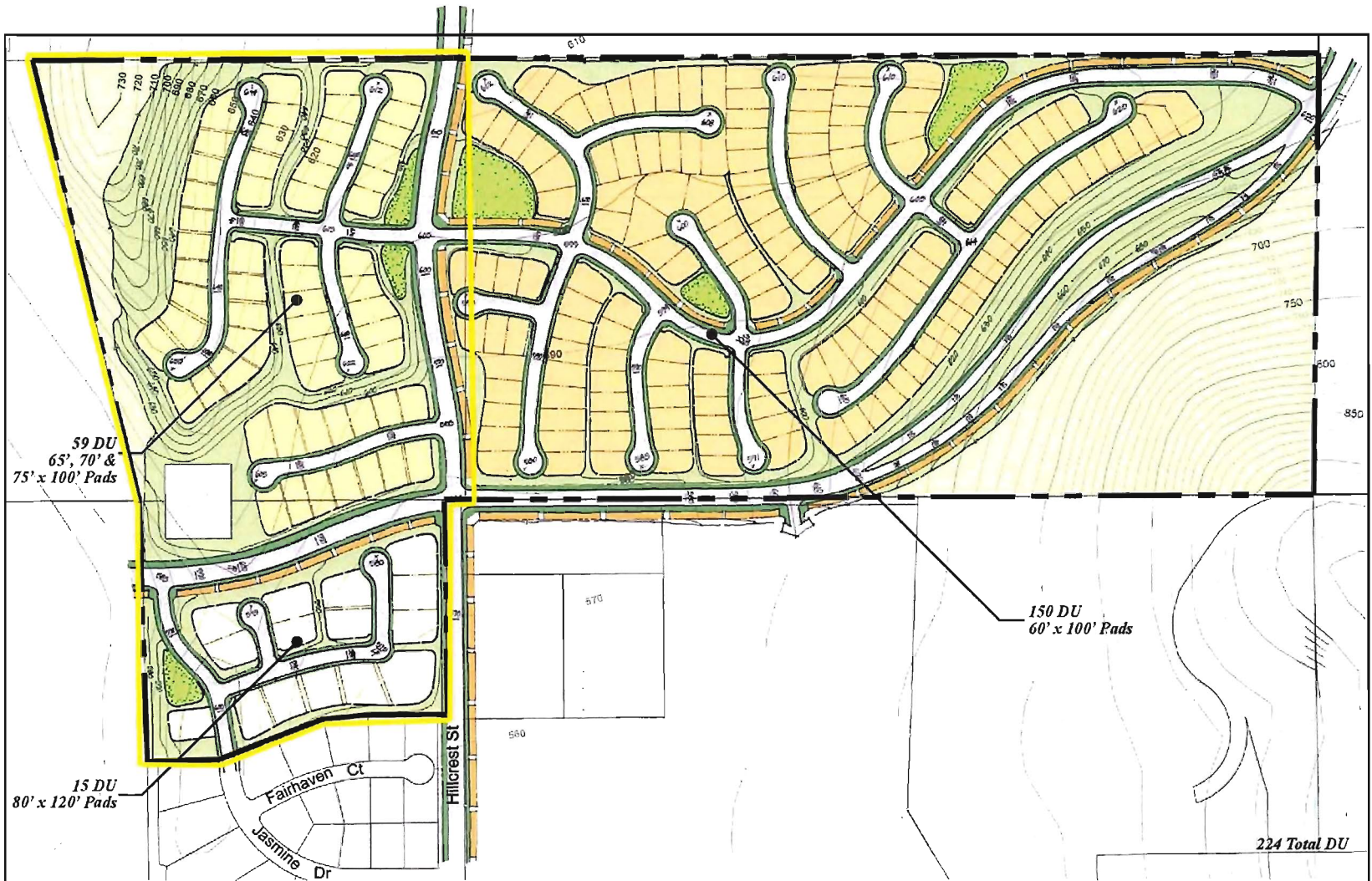
AERIAL PHOTOGRAPH



TOPOGRAPHICAL MAP



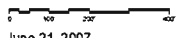
CONCEPTUAL PLAN FOR FUTURE DEVELOPMENT



Prepared For:
The City of Porterville



Scale: 1"=100'



June 21, 2007

Alternative D
HILLCREST PROPERTY



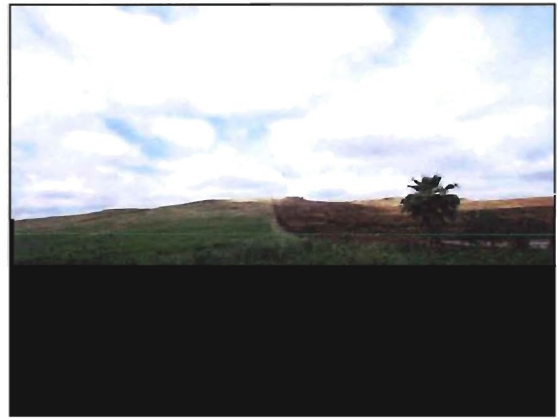
Street scene looking north on Hillcrest Street.
The subject is visible on the left side.



View of the subject property looking
northwesterly from the southeast corner.



View looking west from Hillcrest Street
towards the peak of the property.



View looking west from Hillcrest Street
along the property's north boundary line.



View looking north towards the subject
from the terminus of Jasmine Drive.



View of the subject property and the
existing tank site along the dirt access road.

ZONING AND PROPERTY RESTRICTIONS

The use and development of the subject property are governed by the following restrictions.

Zoning Ordinance

The subject property is zoned RS-2 by the City of Porterville as being within a low density residential zone. This is one of several residential zones available in the city and it is designed for low density concentrations of single-family dwellings. More specifically, the RS-2 zone is to provide areas for attached or detached single-family homes with a maximum residential density of 7.5 units per acre.

Land Use Restrictions

Uses that are permitted in the RS-2 zone include single-family dwellings, small family day care homes, residential care facilities, public park and recreation facilities, communications antennas and transmission towers, minor utility installations, home occupations, second dwelling units, and animal keeping. If a conditional use permit is obtained, then it may also be possible to have mobile home parks or religious facilities.

Development Standards

Development standards that are set for the RS-2 zone include:

1. Building Height – 35 feet maximum.
2. Lot Standards:
 - a. Lot Area – 6,000 square feet minimum.
 - b. Lot Width – 60 feet minimum.
 - c. Lot Depth – 75 feet minimum.
 - d. Lot Density – 7.5 lots per acre maximum.
3. Yard Setbacks:
 - a. Residence Front – 15 feet minimum.
 - b. Porch Front – 10 feet minimum.
 - c. Garage Front – 20 feet minimum.
 - d. Interior Yard – 5 feet minimum.
 - e. Street Side – 10 feet minimum.
 - f. Rear – 10 feet minimum.
4. Lot Coverage – 45% maximum.
5. Off-Street Parking – two spaces per dwelling unit in an enclosed garage or carport.

Hillside Zone Overlay District

Along with the underlying single-family zoning, the subject property also has an HZ hillside zone overlay. This district overlay is established to achieve the City's objective of facilitating and permitting the orderly development of property within the hillside areas of Porterville by setting development standards aimed at protecting natural resources, recognizing the inherent value of hillside properties, allowing

development based on available infrastructure and the geographic steepness of terrain, and optimizing the use of sensitive site design measures.

To this end, additional plans are required to be approved prior to development, including a topographical map, grading plan and cut and fill map, slope analysis map, future house plotting map, geological and biological resources surveys, architectural and landscape design guidelines, and visual simulations.

A hillside development permit must be obtained for any subdivision of land, lighting of sports courts, construction of detached garages or accessory structures, or installation of stables or corrals for private animal containment.

Conclusions

The subject property and the surrounding open land is within the city limits of Porterville and is zoned RS-2 for low density residential development. Additionally, much of the neighborhood is also within the Hillside Zone Overlay District due to the sloping nature of the land in that area. This overlay district adds an additional level of permitting and approval that residential development land on the flat valley floor is not subject to. Until a plan is submitted to the City of Porterville for approval it is difficult to determine the exact density that the subject property is capable of supporting without additional engineering work. At the current time, the property does not have any other development entitlements in place.

HIGHEST AND BEST USE OF THE LARGER PARCEL

Once the pertinent information about the subject property and the market in which it operates is understood, the next step in the appraisal process is to analyze the highest and best use of the property. Highest and best use may be defined to be that particular use or types of uses that are legally and physically permissible and for which there is sufficient demand that results in the most probable or most valuable use of the property.

The purpose of a highest and best use analysis is to determine the optimal or most likely use of the property. Once a logical conclusion is reached, the appropriate valuation approaches can be applied to estimate a value for the property interest being appraised. A proper highest and best use analysis provides the foundation for an accurate and market-oriented valuation of the subject property.

The highest and best use of the property is analyzed in two steps. First, the most probable use of the land as though vacant and unimproved is considered. Then, the analysis is performed again focusing on the property as it is improved and comparing this use to the optimal improvements. In each step four separate criteria are considered, including those uses that are legally permissible, physically possible, financially feasible, and maximally productive.

Because the subject property consists of vacant land only, there is no need to perform an analysis of the property as improved for this appraisal.

In an appraisal involving a partial taking two separate and distinct highest and best use analyses are performed. The first analysis is detailed below and it considers the highest and best use of the larger parcel in its condition before any taking. No consideration is given to any project enhancement or condemnation blight that may cause the property to increase or decline in value in anticipation of the project or a condemnation action. Later in this report, a second analysis is performed to estimate the highest and best use of the remainder property in its condition after the taking has occurred.

Land As Though Vacant Analysis

The RS-2 zoning that is applied to the subject property is primarily intended for the development of single-family residential homes, but other compatible uses like day care facilities, parks, and churches are also allowed. The HZ hillside overlay zone recognizes the unique nature of hillside properties in Porterville and it imposes significantly more requirements and restrictions on the development of such lands. Any use of the subject property must comply with these public land use regulations and development standards as well as obtain necessary government approvals and permits.

At 46.95 acres in size, the subject property is large enough to support a new residential subdivision development that creates multiple lots. However, other physical characteristics of the site make this challenging, including the sloping hillside topography and the rocky clay soils. Significant off-site work would be needed as part of an urban development project as well, like the full build out of Hillcrest Street and extension of utility services. Alternatively, the land could be farmed. Field crops that can be dry land farmed are most likely, although permanent plantings like citrus are possible if an irrigation water source is developed.

While the residential market in Porterville has shown some improvements in recent years, most of the new development activity is taking place on the west side of town where land tends to have a flatter topography and soils are more stable. Virtually no new subdivision activity is taking place on the east side where the sloping topography and expansive clay soils of many properties pose added costs and challenges to development. Vacant lots are still available in this neighborhood area and their very slow pace of sale suggests that homebuyer demand is soft at best.

Therefore, the maximally productive use of the property would be to hold it for a period of time while waiting for market conditions to improve and the financial feasibility of new residential subdivision development to become more assured. In the meantime, farming of the property would be appropriate to help control the growth of weeds and provide some interim income to help offset holding costs.

The highest and best use of the land as though vacant is to hold it in anticipation of future residential development opportunities once market conditions warrant such a project. The property could be left vacant and fallow or perhaps it could be farmed in some capacity in order to provide an income stream that will reduce the holding costs of the property.

DESCRIPTION OF THE PART TAKEN

The following descriptions detail the portion of the subject larger parcel that the City is seeking to acquire for the proposed project.

Legal Description of the Part Taken

The legal description below has been provided by the City of Porterville.

That portion of the Remainder parcel of Jasmine Ranch, Phase One Subdivision, as shown on map filed in Book 35 of maps, at page 49, in the Tulare County Recorder's office, situated in the Southeast quarter of the Southwest quarter of Section 19, Township 21 South, Range 28 East, Mount Diablo Base and Meridian, in the City of Porterville, County of Tulare, State of California, more particularly described as follows:

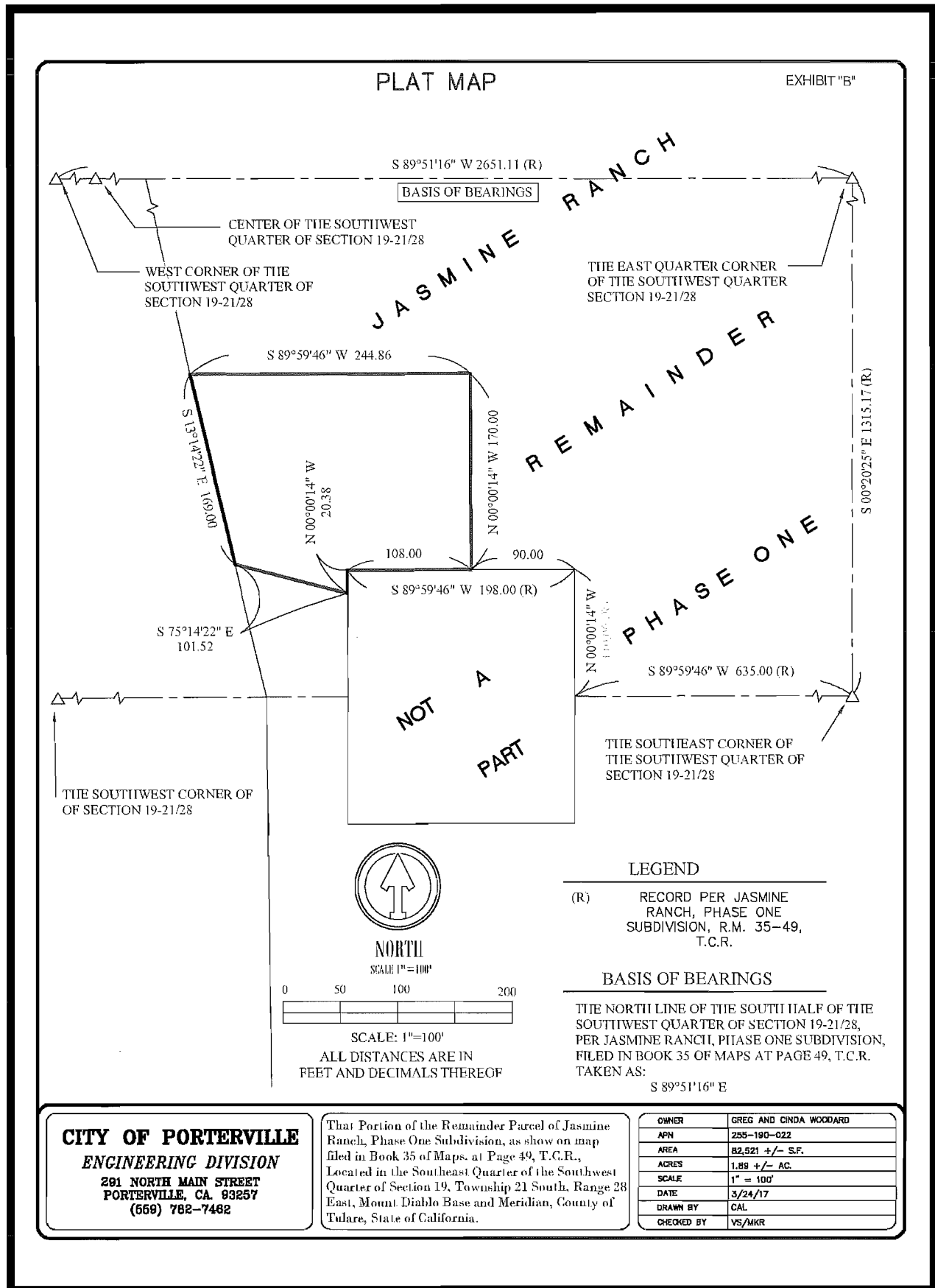
Commencing at the Southeast corner of the Southeast quarter, of said Southwest quarter: thence, South 89° 59' 46" West, along the south line of said Southeast quarter of the Southwest quarter, 635.00 feet, to a point in the east line of that portion designated as "Not-A-Part" parcel as shown on said Jasmine Ranch, Phase One Subdivision; thence, North 00° 00' 14" West, along said east line, 110 feet, to the Northeast corner of said "Not-A-Part" parcel; thence, South 89° 59' 46" West, along the north line of said "Not-A-Part" parcel, a distance 90.00 feet, to the POINT OF BEGINNING;

Thence, North 00° 00' 14" West, a distance of 170.00 feet; thence, South 89° 59' 46" West, 244.86 feet to a point in the west line of said Remainder parcel; thence, South 13° 14' 22" East, along said west line, a distance of 169.00 feet; thence, South 75° 14' 22" East, 101.52 feet, to a point in the west line of said "Not-A-Part" parcel; thence, North 00° 00' 14" West, along said west line, 20.38 feet, to the northwest corner thereof; thence, North 89° 59' 46" East, along the north line of said parcel, 108.00 feet, to the Point of Beginning.

Basis of Bearing for the parcel described herein is the North line of the South half of the Southwest quarter of said Section 19, Township 21 South, Range 28 East, taken as South 89°51'16" East per Jasmine Ranch, Phase One Subdivision filed in Book 35 of maps, at page 49, in the Office of the Tulare County Recorder.

Physical Description of the Part Taken

The take area adjoins the north and west sides of the existing tank site and it extends along a portion of the west boundary line of the larger parcel. It is irregular in shape with a maximum north-south width of 190.38 feet and a maximum east-west depth of 244.86 feet. Altogether, it contains 82,521 square feet or 1.89 acres of land area. The topography in this area slopes downward to the west and upward to the north of the existing tank site, and the soils are rocky. There are no improvements found within this take area.



CITY OF PORTERVILLE
ENGINEERING DIVISION
 201 NORTH MAIN STREET
 PORTERVILLE, CA. 93257
 (559) 782-7482

That Portion of the Remainder Parcel of Jasmine Ranch, Phase One Subdivision, as show on map filed in Book 35 of Maps, at Page 49, T.C.R., Located in the Southeast Quarter of the Southwest Quarter of Section 19, Township 21 South, Range 28 East, Mount Diablo Base and Meridian, County of Tulare, State of California.

OWNER	GREG AND CINDA WOODARD
APN	255-190-022
AREA	82,521 +/- S.F.
ACRES	1.89 +/- AC.
SCALE	1" = 100'
DATE	3/24/17
DRAWN BY	CAL
CHECKED BY	VS/MKR



View of the take area looking north from the northern side of the existing tank site.



View of the take area looking northwest from the west boundary of the existing tank site.



View of the take area looking west down the slope
from the west side of the existing tank site.



View of the existing tank site
looking south from the new take area.

DESCRIPTION OF THE REMAINDER PROPERTY

The remainder property is what is left of the subject after the part taken has been acquired. It represents the legal and physical property that the owner retains after the portion is severed and the project is built and used in the manner proposed. This description is based on the hypothetical condition of the property as if the project is completed and is being used in the manner proposed.

Analysis of the Remainder Property

In the after condition, the remainder property will be only slightly smaller at 45.06 acre. This is still large enough to support a future residential subdivision development or an interim farming use of the land. The shape of the property will be altered, but no uneconomic remnants will be created. No new utility services will be extended to the property for its benefit and access to the property will remain the same.

The new water storage tank will be similar in design and construction to the existing tank, although it will be somewhat smaller. This is an expansion of an existing facility, and while it will be bigger overall the tanks and piping are not expected to create a noise nuisance. The visual obstruction will be increased, but this should not adversely affect the land value. Overall, no severance damages or benefits to the remainder are anticipated.

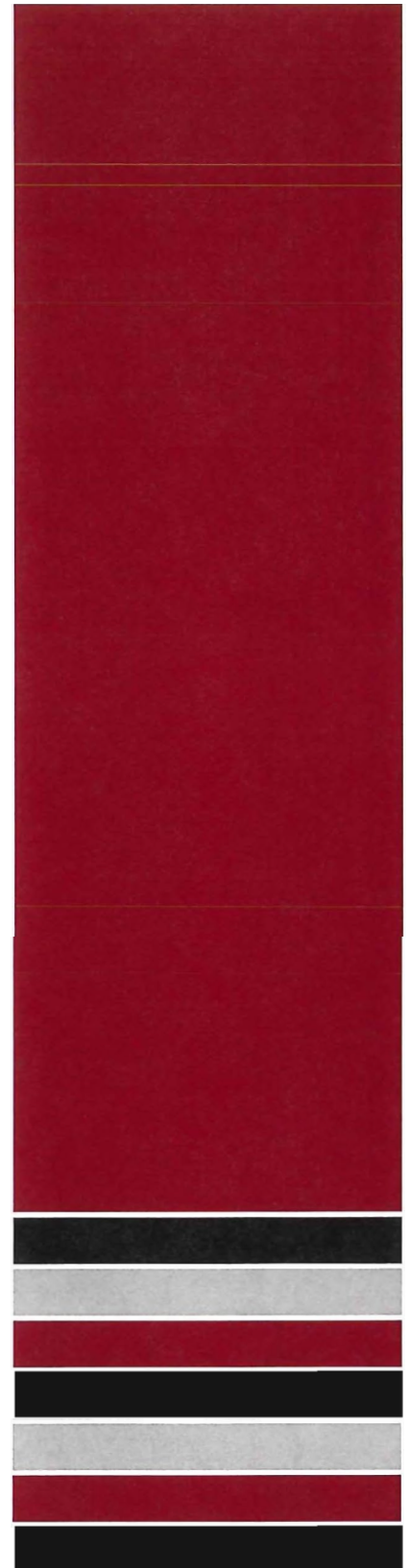
HIGHEST AND BEST USE OF THE REMAINDER PROPERTY

The highest and best use of the remainder property is the second of two highest and best use analyses that are performed in this appraisal. While the first analysis dealt with the larger parcel prior to any takings for the proposed project, this analysis focuses solely on the remainder property under the hypothetical assumption that the partial acquisition has occurred and the project has been constructed. It is proper and appropriate in this analysis to give full consideration to the impacts that the project will have on the remainder property, both beneficial and detrimental. This analysis is often more difficult to perform because the property must be viewed in its hypothetical condition after construction of the project and its use in the manner proposed.

Land As Though Vacant Analysis

The highest and best use of the remainder land as though vacant will not change as a result of the taking and project construction and use. It will still be to hold the property in anticipation of future development opportunities and perhaps farm the land in the interim to help offset holding costs.

ANALYSIS OF DATA AND CONCLUSIONS



HopperCompany
Real Property Valuation

METHOD OF VALUATION

The purpose of this appraisal is to provide an opinion of the fair market value of the fee title interest in the portion of the subject larger parcel that is to be taken, together with any net damages to the remainder property. This valuation will serve to assist the client in determining the just compensation to be paid for the partial taking.

In determining this estimate of just compensation a strict set of procedures known as the State Rule is used. In California, these procedures have been established as a means to facilitate proper and accurate estimates of value for compensation. The State Rule procedures encompass nine logical and progressive steps that lead to the appropriate value conclusions. These steps include:

1. Value of Larger Parcel Before the Taking	\$ _____
2. Value of the Part Taken as a Part of the Whole	– \$ _____
3. Value of the Remainder as a Part of the Whole	= \$ _____
4. Value of the Remainder After the Taking Without Benefits	– \$ _____
5. Severance Damages to the Remainder	= \$ _____
6. Value of the Remainder After the Taking With Benefits	\$ _____
7. Benefits to the Remainder (step 6 - step 4)	\$ _____
8. Net Damages to the Remainder (step 5 - step 7)	\$ _____
9. Total Just Compensation (step 2 + step 8)	\$ _____

Steps 1 through 3 deal with the larger parcel in its condition prior to any influence or acquisitions by reason of the proposed project. Steps 4 and 5 focus on the property in its after condition once the part taken has been severed and the project constructed in an effort to determine any damages that are caused to the remainder. Steps 6 and 7 also value the remainder property in the after condition, but in this instance attention is focused on any benefits that will accrue to the property due to the project. Step 8 compares the damages found in step 5 with the benefits derived in step 7 to provide an indication of any net severance damages that will remain once benefits are used as an offset. Finally, step 9 provides the total just compensation estimate for the partial taking by adding the value of the part taken from step 2 to the net damages to the remainder from step 8.

Each of these steps and the valuation approaches they employ are outlined in detail in the following sections of this report.

VALUE OF LARGER PARCEL BEFORE THE TAKING

Step 1

The first step in applying the State Rule of valuation for partial takings is to value the larger parcel before the acquisition. In valuing the larger parcel, both California and federal law require the appraisal to disregard any decrease or increase in the market value of the property, prior to the date of valuation, that is caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that which is due to physical deterioration within the reasonable control of the owner.

The sales comparison approach is used to value the larger parcel. The cost approach is not included because there are no building improvements that contribute to the overall property value. The income capitalization approach is also excluded because there is no lease agreement in place and land properties like the subject do not typically sell based on their rental income producing potential.

Sales Comparison Approach

The practice of making comparisons between the subject and the market in which it is located is central to all of the appraisal process, but in no method of valuation is this practice more prevalent than in the sales comparison approach. The sales comparison approach is based on the principles of supply and demand, substitution, and balance, and these principles often lead market participants to value properties on the basis of the prices being paid for other similar properties in the local market.

On this basis, the sales comparison approach seeks to value the subject property by comparing it to other similar properties that have recently sold, are currently under contract to be sold, or are actively being marketed for sale. Once appropriate market data is identified, comparisons and adjustments are made in an effort to equate the data to the subject property and provide an indication of its value.

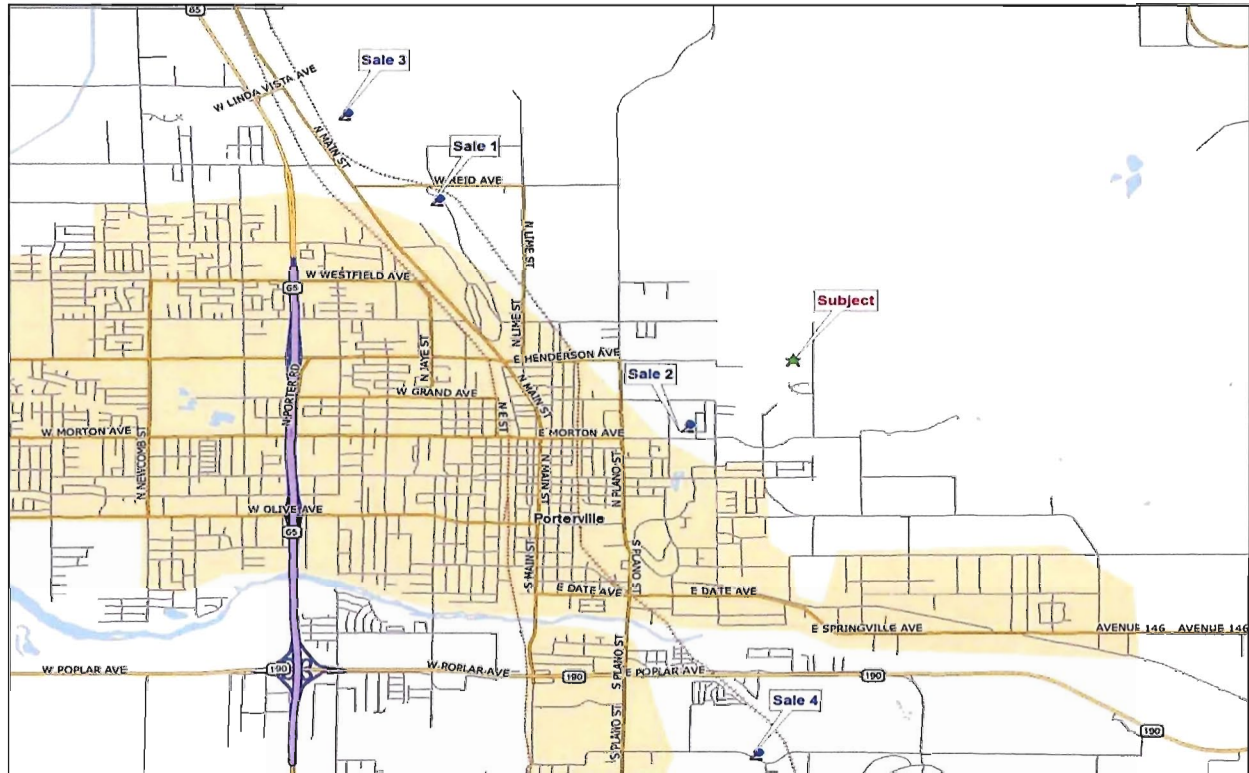
Comparable Land Sales

The search for comparable land sales for use in this appraisal began in the subject's surrounding neighborhood area and was expanded to include other areas of Porterville as well in order to have adequate data for proper comparisons and analysis. In the end, a total of four closed sales are selected. These data items are referred to in this report as sale nos. 1 through 4. Each is described below along with a map showing their location relative to the subject.

In summary, the sales took place between February 2016 and November 2016. The land parcels vary in size from 7.99 to 24.36 acres and they sold in a price range from \$10,513 to \$41,320 per acre. Three of the four sales have similar hillside topographies to the subject and are located near existing City water tank sites.

Sale no. 1 represents vacant land that is located on the northern edge of Porterville. The property occupies the southwest and southeast corners of Reid Avenue and Scenic Drive. While it is within the city limits and is zoned RS-1 for very low density residential uses, the surrounding neighborhood is mostly rural in character with active agricultural production and some scattered rural homesites. The parcel contains 9.21 acres and it has a sloping topography that drops off to the north. The land had

previously been farmed with citrus, but all trees had been removed some time ago and there was no well or other source of irrigation water. Soils include a mix of Cibo clay (69%, grade 4 - poor) and Porterville clay (31%, grade 3 - fair). No off-site improvements are installed and the only public utilities that are available are electricity, natural gas, and telephone. The buyers are investors who paid \$235,000 all cash or \$25,516 per acre at closing in February 2016. They owned other adjacent parcels and wanted this property to include with their proposed citrus ranch development. The property was not on the market for sale, but they approached the owner and made a deal.



Sale no. 2 refers to a 9.62-acre property that is located at the northeast corner of Morton Avenue and Park Street, in Porterville. The property has a single land parcel and it is zoned RM-3 for high density multifamily residential uses. Curb, gutter, and sidewalk are installed along the property's Morton Avenue frontage, but no off-site improvements are in place on the Park Street exposure. All public utilities are available with both water and sewer lines in Morton Avenue in front of the property. Public water service has been extended to the property, but septic systems are used by the three older houses that occupy the site. There are also an old domestic well and agricultural well, but they were not functional. The property is zoned RM-1 for low-medium density residential uses, which allows a density of up to 11.3 dwelling units per acre. There are three rental houses that were bringing a total of \$2,300 per month in gross rents. The buyers are local investors who paid all cash using proceeds from an exchange, but they were not motivated in this purchase. Prior to inspecting the houses, they agreed to a purchase price of \$400,000 and while in escrow a \$2,500 credit was negotiated from the seller for some needed repairs to the houses. Before the sale, the property was listed at an asking price of \$456,840 for five months.

Sale no. 3 is comprised of five adjoining parcels that combine to form an irregular-shaped property with 24.36 acres of land area. The property is located along the east side of Main Street, north of Grand

Avenue, in Porterville. It is within the city limits, but is at the northern edge of town in a neighborhood that is still largely rural in character with active farming going on. An RS-1 zoning is applied by the City for very low density residential uses, but no subdivision activity is taking place in the area. The property is vacant land with a sloping hillside topography and the soils include Porterville clay (84%, grade 3 - fair) and Cibo clay (16%, grade 4 - poor). It does not have its own water source for irrigation. The property was not listed for sale, but the buyers approached the owner and a deal was made. The buyers own an adjacent citrus grove and plan to develop additional citrus plantings on this ground. They had stock in two water companies along with an interest in a small off-site well, and they felt that this gave them sufficient water to irrigate the property. Initially, a price of \$25,000 per acre was agreed to, but while in escrow the seller sought a higher price and the parties agreed to raise it to \$661,000 or \$27,135 per acre. At the closing, the buyers put down \$350,000 and borrowed \$311,000 in a new loan from a third party. A 1.88-acre portion of the property is a narrow strip that is former railroad corridor, and the buyers planned to sell it to a neighboring owner at their cost.

Sale no. 4 refers to the sale of two parcels of land located across the street from each other at the northwest and southwest corners of Worth Avenue and Crestview Street, in southeast Porterville. The parcels combine for a total of 7.99 acres of land area, and one of the parcels is adjacent to an existing City water tank site. The property is outside of the city limits and is zoned R-A-217 by the County of Tulare for residential uses, but is within Porterville's general plan and is pre-zoned RS-1 for future low density residential development. The soils are comprised of Cibo clay (76%, grade 4 – poor), Porterville clay (14%, grade 3 – fair), and Centerville clay (10%, grade 4 – poor). No off-site improvements are in place along the street frontage. The property was listed for sale as two separate properties, but they were eventually sold in a single transaction in November 2016 to the same buyer after less than two months on the market. The buyer paid \$84,000 or \$10,513 per acre all cash.

Land Sales Comparisons

These sales are evidence of local market conditions and pricing for properties such as the subject and they are useful in shedding light on the value of the property being appraised. In analyzing these sales consideration is given to various elements of comparison that market participants recognize as having an impact on the prices that are paid for this type of property. These elements may include the property rights conveyed, financing terms, conditions of sale, market conditions, location, zoning, parcel size, and other physical and economic factors. While there can be an infinite number of variations between properties the market typically is concerned with only a limited number variables that are considered to be most influential.

The table below summarizes how each data item is compared to the subject. A "+" symbol is shown if the data item is inferior to the subject, a "-" is used if the sale is superior, and an "=" sign is indicated if the data item is generally comparable. Not all elements of comparison are weighted equally by the market, however; and in some instances the magnitude of impact on the sale price may be greater than in other comparisons where the same symbol is used.

LAND SALES COMPARISON GRID Comparable Land Sales				
	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4
Location	Reid & Scenic	Morton & Park	Main & N. Grand	Worth & Crestview
City	Porterville	Porterville	Porterville	Porterville
APN	255-240-011	253-070-007	243-180-033+	271-010-005 & -012
Buyer	Guthrie Invest. Co.	Guthrie Invest. Co.	Vanasen Trust	Felix
Document No.	10361	10365	14535	70767
Sale Date	2/25/2016	2/25/2016	3/18/2016	11/8/2016
Sale Price	\$235,000	\$397,500	\$661,000	\$84,000
Land Area – Ac	9.21	9.62	24.36	7.99
Price / Acre	\$25,516	\$41,320	\$27,135	\$10,513
Zoning	RS-1	RM-1	RS-1	R-A-217
Orientation	Corner	Corner	Interior	Corner
Topography	Sloping	Level	Sloping	Sloping
Utilities	G-E	W-S-G-E	G-E	G-E
Off-Sites	None	Partial C-G	None	None
Entitlements	None	None	None	None
Property Rights	=	=	=	=
Financing	=	=	=	=
Conds. of Sale	=	+ \$2,500	=	=
Market Conds.	=	=	=	=
Interim Value	= \$25,516	= \$41,580	= \$27,135	= \$10,513
Location	+	=	+	=
Zoning	=	-	=	+
Parcel Size	=	=	=	=
Orientation	=	=	=	=
Topography	=	-	=	=
Utilities	+	-	+	+
Off-Sites	=	-	=	=
Improvements	=	-	=	=
Final Indication	> \$25,516	< \$41,580	> \$27,135	> \$10,513

Land Value Indication

Based on these comparisons, the subject is worth more than \$27,135 per acre and less than \$41,580 per acre. Considering the “highest price” definition of market value that applies in this appraisal, a unit value of \$30,000 per acre is concluded. This provides the following value for the subject larger parcel:

$$\text{Land Size} \times \text{Value per Acre} = \text{Larger Parcel Value}$$

$$46.95 \text{ acres} \times \$30,000 = \$1,408,500$$

VALUE OF PART TAKEN AS PART OF THE WHOLE**Step 2**

The second step in applying the State Rule of valuation is to value the portion of the property that is being taken as a part of the whole larger parcel. In this step, the contributory value of the property within the area of the taking is valued. This may be different than its simple pro rata value as a part of the larger parcel because the individual physical characteristics and utility of the part taken can make it more or less valuable than the average unit value applied to the larger parcel.

In the case of the subject property, the part taken does not have any special physical attributes or functional utility that differentiate it from the other portions of the property. Thus, the same land value of \$30,000 per acre, which was applicable to the larger parcel, is also applied to the 1.89 acres in the proposed take area. This results in a land value of \$56,700 for the part taken as part of the whole.

$$\text{Land Size} \times \text{Value per Acre} = \text{Value of Part Taken}$$

$$1.89 \text{ acres} \times \$30,000 = \$56,700$$

VALUE OF REMAINDER AS PART OF THE WHOLE**Step 3**

Step three is a simple mathematical calculation with the value of the part taken (step two) deducted from the value of the larger parcel (step one). This provides the following value for the remainder property before the taking:

$$\text{Step One Value} - \text{Step Two Value} = \text{Value of Remainder Before the Taking}$$

$$\$1,408,500 - \$56,700 = \$1,351,800$$

VALUE OF REMAINDER AFTER THE TAKING WITHOUT BENEFITS**Step 4**

This step of the valuation addresses the remainder property after the part taken has been severed from the larger parcel. Step four focuses solely on measuring the damages, if any, that will result, with no consideration of any potential benefits. Benefits will be estimated later in step six.

Losses in value to the remainder are referred to as severance damages, and they may result either from the severing of the portion acquired from the larger parcel or from the construction and use of the project for which it was taken. This latter form of damage can occur whether or not the loss is caused by a portion of the project that is physically located on the part taken.

California courts have found that some damages are not compensable and should not be included in an appraisal. These include: (1) damages to business; (2) expenses for moving personal property; (3)

temporary damage to the use and occupancy of property that is reasonably incident to construction requirements; (4) damages due to annoyances and inconveniences suffered by the public generally; (5) circuitry of travel caused by dividing a highway; (6) rerouting or diversion of traffic or changing of a two-way street to a one-way street; and (7) in general, all those types of damages that can be considered to be conjectural, speculative, and remote.

In the case of the subject property, no severance damages are expected to occur as a result of the partial taking or the construction and use of the water tank facility. Therefore, the value of the remainder without benefits is \$1,351,800.

$$\text{Land Size} \times \text{Value per Acre} = \text{Value of Remainder Without Benefits}$$

$$45.06 \text{ acres} \times \$30,000 = \$1,351,800$$

SEVERANCE DAMAGES

Step 5

The estimate of total severance damages is determined by deducting the value of the remainder after the acquisition but without benefits (step four) from the value of the remainder as part of the whole (step three). This results in total severance damages to the subject remainder as follows:

$$\text{Step Three Value} - \text{Step Four Value} = \text{Severance Damages}$$

$$\$1,351,800 - \$1,351,800 = \$0$$

VALUE OF REMAINDER AFTER THE TAKING WITH BENEFITS

Step 6

Step six in the valuation process is similar to step four in that the remainder is valued in its expected condition after the partial taking and construction and use of the project in the manner proposed. However, in this step the attention is focused on the estimate of any benefits that will accrue to the remainder property in the after condition.

For the subject remainder no benefits are expected. Therefore, the value of the remainder property after the acquisition with benefits is equal to the value concluded for the property in step four of \$1,351,800.

$$\text{Land Size} \times \text{Value per Acre} = \text{Value of Remainder With Benefits}$$

$$45.06 \text{ acres} \times \$30,000 = \$1,351,800$$

BENEFITS TO THE REMAINDER***Step 7***

The calculation of the benefits that will accrue to the remainder after the project is built and is being used is determined by simply subtracting the value indicated in step four from the value reached in step six. This results in total benefits as shown below:

Step Six Value – Step Four Value = Benefits

$$\$1,351,800 - \$1,351,800 = \$0$$

NET DAMAGES TO THE REMAINDER***Step 8***

The law allows for benefits to the remainder to be used to offset any severance damages to the remainder as a result of the project. Benefits may not be used, however, to reduce the value of the taking, so if the benefits exceed the damages then net damages are considered to be \$0.

The net damages in step eight are determined by deducting the value in step seven from the value in step five. This provides net severance damages to the remainder property as follows:

Step Five Value – Step Seven Value = Net Damages to the Remainder

$$\$0 - \$0 = \$0$$

ESTIMATE OF JUST COMPENSATION FOR PARTIAL TAKING**Step 9**

The estimate of just compensation for the partial taking is summarized below:

1 – Value of Larger Parcel Before Taking		\$1,408,500
2 – Value of Part Taken as Part of Whole	–	\$56,700
3 – Value of Remainder as Part of Whole	=	\$1,351,800
4 – Value of Remainder Without Benefits:		
Remainder Property Value	\$1,351,800	
Curable Damages	\$0	
Permanent Damages	–	\$0
	–	\$1,351,800
5 – Severance Damages:		
Step Three Value	\$1,351,800	
Step Four Value	–	\$1,351,800
Total Severance Damages	=	\$0
6 – Value of Remainder With Benefits:		
Property Value	\$1,351,800	
Benefits	+	\$0
		\$1,351,800
7 – Benefits to the Remainder:		
Step Six Value	\$1,351,800	
Step Four Value	–	\$1,351,800
		\$0
8 – Net Damages to the Remainder:		
Step Five Value	\$0	
Step Seven Value	–	\$0
		\$0
9 – Estimate of Just Compensation:		
Step Two Value	\$56,700	
Step Eight Value	+	\$0
Total Estimate of Just Compensation		\$56,700
	Rounded to	\$57,000

Therefore, after considering all of the data and pertinent information regarding the subject property and the proposed tank site acquisition, it is our opinion that the just compensation for the partial taking as of April 14, 2017 is:

FIFTY-SEVEN THOUSAND DOLLARS
\$57,000

ADDENDA



HopperCompany
Real Property Valuation



QUALIFICATIONS OF RENEE E. HENDRICK
MAI, R/W-AC, ARA

Professional Designations

- MAI designation – Member of the Appraisal Institute
- R/W-AC designation – Appraisal Certification of the International Right of Way Association
- ARA designation – Accredited Rural Appraiser of the American Society of Farm Managers and Rural Appraisers

Certification

- California Certified General Real Estate Appraiser: Certificate No. AG040264

Education

- University of Denver: M.S. Degree, Real Estate and Construction Management – Appraisal Emphasis:
 - Income Property Finance – REAL 4407
 - Income Property Investment – REAL 4477
 - Residential Construction Systems – CMGT 4405
 - Commercial Construction Systems – CMGT 4410
 - Computer Applications for Real Estate Analysis – REAL 4007
 - Income Property Appraisal – REAL 4417
 - Advanced Real Estate Feasibility Analysis – REAL 4407
 - Management of Income Properties – REAL 4347
 - Argus Financial Analysis – REAL 4500
 - Advanced Valuation and Report Writing – REAL 4980
- California Polytechnic State University, San Luis Obispo: B.S. Degree, Agricultural Business – Finance and Appraisal Concentration:
 - Real Estate Appraisal Principles
 - Basic Valuation Procedures
- Appraisal Institute:
 - Evaluating Commercial Construction
 - Land Valuation Assignments
 - Land Valuation Adjustment Procedures
 - General Appraiser Market Analysis and Highest & Best Use
 - Advanced Market Analysis and Highest & Best Use
 - Rates and Ratios: Making Sense of GIMs, OARs, and DCFs
 - Complex Litigation Appraisal Case Studies
 - Federal and California Statutory and Regulatory Laws
- International Right of Way Association:
 - Principles of Real Estate Appraisal 400
 - Appraisal of Partial Acquisitions 401
 - Reviewing Appraisals in Eminent Domain 410
 - Ethics and the Right of Way Profession 103

Standards of Practice for the Right of Way Profession 104

Corridor Valuation

- American Society of Farm Managers and Rural Appraisers:
Integrated Approaches to Value A304

Employment History

- Farm Credit West – Santa Maria, CA:
Internship 6/04 – 8/04
- Schenberger, Taylor, McCormick & Jecker, Inc. – San Luis Obispo, CA:
Appraisal Trainee 3/05 – 8/05
- The Hopper Company – Visalia, CA:
Appraiser 9/06 – Current

Appraisal Experience

Actively engaged in real estate appraisal in the Central Valley since 2006. Appraised many types of commercial, industrial, residential, apartment, land, agricultural, and special purpose properties. A partial list of clients includes:

- Government: County of Tulare, City of Visalia, City of Tulare, City of Porterville, City of Farmersville, City of Woodlake, City of Exeter
- Schools: Visalia Unified, College of the Sequoias, San Joaquin Valley College
- Lenders: Wells Fargo, Union Bank, Citizens Business Bank, Valley Business Bank, Bank of the Sierra, Bank of the West, Rabobank, Suncrest Bank, Kingsburg Federal Land Bank, Farm Credit West, Temecula Valley Bank, Bank of Stockton, Central Valley Community Bank
- Corporations: Southern California Edison Company, Kaweah Management Company, Stihl Inc.
- Insurance Companies: Nationwide Mutual Insurance Company
- Attorneys: Rauber & Johnson, Baker Manock & Jensen, Dooley & Herr, Peltzer & Richardson, Houk & Hornburg, Kahn Soares & Conway
- Right-of-Way Firms: Universal Field Services, Bender Rosenthal, Paragon Partners, Tarvin & Associates, Hamner Jewell & Associates
- Health Care: Kaweah Delta Health Care District, Sierra View Local Health Care District



QUALIFICATIONS OF KEITH J. HOPPER

MAI, R/W-AC, AI-GRS

Professional Designations

- MAI designation – Member of the Appraisal Institute
- R/W-AC designation – Appraisal Certification of the International Right of Way Association
- AI-GRS designation – General Review Specialist of the Appraisal Institute

Certifications and Licenses

- California Certified General Real Estate Appraiser: Certificate No. AG002559
- California Real Estate Broker's License: License No. 01105905

Education

- California State University, Fresno: B.S. Degree, Business Admin. - Real Estate and Urban Land Economics
- Appraisal Institute:
 - Real Estate Appraisal Principles 1A-1 & Basic Valuation Procedures 1A-2: Univ. of Colorado, Boulder
 - Capitalization Theory & Techniques A & B: Tufts Univ., Massachusetts & Univ. of San Diego, California
 - Case Studies in Real Estate Valuation 2-1: Univ. of San Diego, California
 - Report Writing and Valuation Analysis 2-2: California State Univ., San Jose
 - Standards of Professional Practice, National USPAP Update, and California Laws and Regulations
 - Advanced Sales Comparison and Cost Approaches 530: Univ. of San Diego, California
 - Subdivision Valuation: Pleasanton, California
 - Land Valuation Assignments and Adjustment Procedures: Fresno, California
 - General Appraiser Market Analysis and Highest & Best Use: Univ. of San Diego, California
 - Real Estate Finance, Statistics, and Valuation Modeling: Bakersfield, California
 - Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book): San Jose, California
 - Litigation Professional Development Program:
 - Litigation Valuation Overview 700: Pepperdine University, California
 - Litigation Appraising – Specialized Topics and Applications 705: Oakland, California
 - Condemnation Appraising 710: Sunnyvale, California
 - Advanced Condemnation Appraising 720: Sacramento, California
 - Review Theory – General: Sacramento, California
- International Right of Way Association:
 - Principles of Real Estate Appraisal 400: Sacramento, California
 - Appraisal of Partial Acquisitions 401: Fresno, California
 - Easement Valuation 403 and Legal Aspects of Easements 802: San Luis Obispo, California
 - Reviewing Appraisals in Eminent Domain 410: Fresno, California
 - Ethics and the Right of Way Profession 103: Hayward, California
 - Standards of Practice for the Right of Way Profession 104
 - Corridor Valuation: San Jose, California
- American Society of Farm Managers and Rural Appraisers:
 - Integrated Approaches to Value A304: Paso Robles, California

Best Practices for Rural Property Appraisals

Highest and Best Use

- Marshall & Swift: Cost Approach to Commercial Appraisal: Marshall & Swift Certified Appraiser

Appraisal Experience

Actively engaged in appraisal in the Central Valley since 1989. Appraised many types of commercial, industrial, residential, apartment, subdivision, land, agricultural, and special purpose properties. A partial list of clients includes:

- Government: U.S. Postal Service, U.S. Navy, U.S. Marshall's Office, Calif. Dept. of Forestry, Calif. Dept. of Transportation, Resolution Trust Corp., Federal Deposit Insurance Corp., County of Tulare, County of Kings, Administrative Office of the Courts
- Cities: Visalia, Tulare, Porterville, Kingsburg, Dinuba, Exeter, Woodlake, Hanford, Bakersfield, Farmersville, Reedley
- Redevelopment: Visalia, Tulare, Dinuba, Tulare County
- Schools: Visalia Unified, Hanford Elementary, Central Valley Christian, College of the Sequoias, Tulare City Schools, Tulare High School District, Liberty Elementary, Porterville Unified, Burton School District, Alta Vista School District
- Lenders: Wells Fargo, Union Bank, J.P. Morgan, Valley Business Bank, Bank of the Sierra, Comerica Bank, Westamerica Bank, Archon Financial, Key Bank, Aegon Realty Advisors, Rabobank, Housing Capital Co., Citizens Business Bank, Premier Valley Bank, RBC Builder Finance, Farm Credit West, Kingsburg Land Bank, Bank of the West, Suncrest Bank, Central Valley Community Bank, Evangelical Christian Credit Union, United Security Bank
- Corporations: Kraft General Foods, Chevron USA, McDonald's Corp., Wal-Mart Stores, Campbell Soup Co., Pepsi Cola Co., Southern California Edison Co., Southern Pacific Railroad, Jostens, Payless Cashways, Frito Lay, Southland Corp., RR Donnelley, Leprino Foods, California Dairies, Sun Maid
- Insurance Companies: Nationwide Mutual Insurance Co., Chicago Title Insurance Co., Ticor Title Insurance Co., Fidelity National Title Co.
- Attorneys: McGregor Dahl Sullivan & Klug, Navy Exchange Service Command, Dale Bruder, Dennis Lynch, Rauber & Johnson, Hurley & Laird, Williams Jordan & Broderson, McKinney Wainwright & Saul-Olson, Paul Hastings Janofsky & Walker, Houk & Hornburg, Baker Manock & Jensen, Griswold LaSalle Cobb Dowd & Gin, Dowling Aaron & Keeler, Dooly & Herr, Peltzer & Richardson, Hooper Lundy & Bookman, McCormick Barstow, Kahn Soares & Conway, Ruddell Cochran Stanton Smith & Bixler, Michael Lampe
- Right-of-Way Firms: Universal Field Services, Bender Rosenthal, Paragon Partners, Tarvin & Associates, Hamner Jewell & Associates, Overland Pacific & Cutler
- Churches: Methodist, Baptist, Calvary Chapel, Nazarene, Mennonite, Catholic, Grace Community, Living Christ, Bethel Assembly, New Hope, Praise Center
- Health Care: Kaweah Delta HCD, Tulare Regional MC, Sierra View District Local HCD, Tulare Community Health Clinic, Visalia Medical Clinic
- Other: YMCA, Farm Bureau, Housing Authority, Tulare Irrigation District, International Agri-Center, Visalia Rescue Mission

Litigation Experience

Appraised properties on behalf of private and public agency clients for eminent domain, divorce, and other matters involving litigation. Have given depositions, appeared at mediation and arbitration hearings, and qualified as an expert witness in Tulare County and Kern County Superior Courts and Federal Bankruptcy Court.

APN's: 255-190-022 & 254-010-059
East Porterville Water Supply Project

SIGNING INSTRUCTIONS FOR OWNER

If you find the offer acceptable, **please sign and return** the following documents:

- 1) Purchase and Sale Agreement, 2 originals
- 2) Grant Deed
- 3) Please complete and sign W-9

Pages that require signatures are marked with "Sign Here" tags.

Please note that all signatures on the (Deed) must be acknowledged by a notary public. Bender Rosenthal, Inc., will provide a notary at your request that will meet with you at your convenience.

Please return the signed documents to me at Bender Rosenthal, Inc., 4400 Auburn Boulevard, Suite 102, Sacramento, CA 95841, in the enclosed self-addressed envelope.

A handwritten signature in blue ink, appearing to read "Quentin Green", is written over a horizontal line.

Quentin Green
Acquisition Agent
Telephone: (916) 978-4900

**PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS**

Between

**GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD
FAMILY REVOCABLE TRUST**

SELLER

And

**CITY OF PORTERVILLE,
a California municipal corporation**

BUYER

DATED: _____, 2017

First American Title Company
("Escrow Holder")
484 N. Prospect Street, Suite C
Porterville, California 93257
Attention: Ann Kay
Telephone: (559) 306-3387
E-Mail: akay@firstam.com

Escrow No. 54075415152

Date of Opening of
Escrow: _____

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the "Agreement") is made as of _____, 2017 ("Execution Date"), by and between **GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD FAMILY REVOCABLE TRUST** ("Seller"), and **CITY OF PORTERVILLE**, a California municipal corporation ("Buyer").

ARTICLE 1 PROPERTY

1.1 The Property. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the real property in Porterville, Tulare County, California, as described in **Exhibit A** (the "Property"), subject to the terms and conditions of this Agreement, any and all applicable federal, state and local laws, orders, rules, regulations, any and all outstanding rights of record or open and obvious on the ground, and all matters in the form of the Grant Deed also attached in **Exhibit A** (the "Deed").

ARTICLE 2 PURCHASE PRICE

2.1 Purchase Price The purchase price ("Purchase Price") for the Property is FIFTY SEVEN THOUSAND AND NO/100 DOLLARS (\$57,000.00).

ARTICLE 3 AS IS SALE

ARTICLE 4

TITLE TO PROPERTY

4.1 Title. At the Closing (as defined in Section 7.2.1), Seller shall execute and deliver to Buyer the Deed to the Property in the form of **Exhibit A** attached hereto. Title will be evidenced by the issuance by First American Title Company ("Title Company") of a CLTA Standard Coverage Owner's Policy of Title Insurance in the full amount of the Purchase Price (the "Title Policy"), insuring fee simple title to the Property in Buyer, subject only to:

4.1.1 A lien to secure payment of real property taxes and assessments, not delinquent;

4.1.2 Matters affecting the condition of title created or permitted to be created by or with the written consent of Buyer;

4.1.3 Standard exceptions in the Title Policy, and exceptions that are disclosed by the Title Report described in Section 5.1 or any supplementary report and that are approved or deemed approved by Buyer in accordance with Section 5.1; and

4.1.4 Any other exceptions or reservations set forth in the Deed.

4.2 Extended Coverage. Buyer, at its option and at its sole cost and expense, may obtain ALTA extended coverage and/or an ALTA survey, provided, however, that the failure to obtain such extended coverage will not be a condition to nor delay the Close of Escrow beyond the Closing Date, and that Seller will not be required to assume any obligations or liabilities in addition to Seller's obligations and liabilities under this Agreement.

ARTICLE 5 BUYER'S CONDITIONS TO CLOSING

The following are conditions precedent to Buyer's obligation to purchase the Property:

5.1 Approval of Title.

(a) Buyer, at its sole cost and expense, has obtained a preliminary title report on the Property ("Title Report") together with copies of all the documents referred to in the Title Report that are provided by the Title Company with the Title Report, and has or shall furnish a copy of same to Buyer. Within the earlier to occur of (i) ten (10) days after receipt by Buyer of the Title Report, or (ii) Sixty (60) days after Opening of Escrow ("Title Contingency Date"), per Section Article 6 below, Buyer shall deliver written notice to Seller ("Buyer's Title Notice") of all matters of title to the Property disapproved by Buyer ("Disapproved Items"). If Buyer timely notifies Seller of Disapproved Items and all or some of the Disapproved Items (except for those Disapproved Items, if any, which will be removed upon the Close of Escrow in accordance with the terms of this Agreement) are not cured or deleted as exceptions to title within ten (10) days

after Seller's receipt of Buyer's Title Notice ("Seller's Cure Period"), Buyer will have the option of either waiving its disapproval of such Disapproved Items and proceeding to the Close of Escrow or terminating this Agreement, in which event the provisions of Section 5.1(b) will govern. The procurement by Seller of a commitment for the issuance of the Title Policy, or an endorsement thereto, insuring Buyer against any Disapproved Item set forth in Buyer's Title Notice, will be deemed a cure by Seller of such Disapproved Item. In the event Buyer elects to terminate this Agreement pursuant to this Section 5.1, Buyer shall notify Seller of its election by written notice no later than five (5) days after expiration of Seller's Cure Period. Buyer's failure to timely deliver written notice to Seller of its election will be deemed to be Buyer's election to proceed to the Close of Escrow and to waive its disapproval of such Disapproved Items. In no event will Seller's failure to cure or delete as exceptions to the Title Policy any Disapproved Items be deemed to be a breach of this Agreement by Seller or entitle Buyer to any offset against the Purchase Price.

(b) If this Agreement is terminated pursuant to this Section 5.1., the Deposit will be returned to Buyer and neither party will have any further rights or obligations under this Agreement (other than the Surviving Obligations).

5.2 Compliance by Seller. Seller will have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Seller.

ARTICLE 6 SELLER'S CONDITIONS TO CLOSING

The following are conditions precedent to Seller's obligation to sell the Property:

6.1 Compliance by Buyer. Buyer will have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Buyer.

ARTICLE 7 OPENING AND CLOSING OF ESCROW

7.1 Opening of Escrow and Escrow Instructions. Upon execution of this Agreement, the parties shall deposit three (3) executed counterparts of this Agreement (and Buyer shall deposit the Deposit) with Escrow Holder and this instrument will serve as the instructions to Escrow Holder for consummation of the purchase and sale contemplated hereby, including Escrow Holder's general provisions which are contained in **Exhibit B** attached hereto to the extent said general provisions do not conflict with the provisions contained in these Escrow Instructions. Escrow Holder shall insert the date of the Opening of Escrow on the upper right hand corner of the first page of this Agreement on each of the three counterparts. The Opening of Escrow is the date upon which Escrow Holder has received executed counterparts of this Agreement from both Buyer and Seller and has received the Deposit from Buyer. Escrow Holder shall deliver to both Buyer and Seller a set of counterparts of the Agreement executed by Buyer, Seller and Escrow Holder and shall retain a set in Escrow. Escrow Holder is responsible only for undertaking such matters in conjunction with the Closing as are specifically provided for in this Agreement or in any additional or supplementary escrow instructions delivered by the parties.

7.2 Closing.

7.2.1 Closing Date. The consummation of the transaction contemplated by this Agreement and recording of the Deed (the "Closing" or "Close of Escrow") will occur and delivery of all items to be made at the Closing under the terms of this Agreement will be made within thirty (30) days after the date of Opening of Escrow, unless the Closing date is extended upon mutual agreement between the parties.

7.2.2 Preclosing Conditions. Provided that Escrow Holder can comply with these instructions, that Escrow Holder has received the deliveries described in Sections 8.3 and 8.4 below, that Escrow Holder has not received prior written notice from a party that any condition to such party's obligations has not been fulfilled, or that Buyer has elected to terminate its rights and obligations under this Agreement pursuant to Article 5 or Seller has elected to terminate its rights and obligations under this Agreement pursuant to Article 6 and the Title Company has issued or is unconditionally prepared to issue to Buyer, as of the Closing Date, the Title Policy, then Escrow Holder is authorized and instructed to (a) record the Deed, (b) deliver the Purchase Price to Seller, less prorations and costs of Escrow in accordance with Section 8.6, (c) deliver a conformed copy of the recorded Deed, and (d) deliver the closing statements to Buyer and Seller in accordance with Section 8.2.4.

7.2.3 Failure to Close. If the Closing does not occur on or before the Closing Date (or as extended by mutual agreement), then either party not then in default may elect to terminate this Agreement and cancel Escrow by giving written notice of such termination and cancellation to the other party and to Escrow Holder. In the event of such termination and cancellation, neither party will have any further obligations hereunder (other than the Surviving Obligations) and, unless the Escrow fails to close due to (a) a material default by Seller, (b) the failure of a condition precedent to Buyer's obligations hereunder, or (c) termination of this Agreement, the Deposit and any interest accrued thereon will be returned to Buyer, and all documents and other instruments must be returned to the party depositing the same into Escrow. If neither party is in default, then Buyer and Seller will share equally the cost of cancellation of Escrow. If only one of the parties hereto is in default or if this Agreement expressly so provides, then such defaulting party shall pay for the entire cost of cancellation of Escrow. The termination of this Agreement and cancellation of Escrow will be without prejudice to whatever legal rights, as such rights may be limited by the terms of this Agreement, that Buyer or Seller may have against each other arising out of this Agreement and the Escrow. If neither party so elects to terminate this Agreement and cancel Escrow, Escrow Holder shall close the Escrow as soon as possible.

7.2.4 Notification; Closing Statements. If Escrow Holder cannot comply with the instructions in this Agreement and to be provided, Escrow Holder is not authorized to cause the recording of the Deed or close this Escrow. If Escrow Holder is unable to cause the recording of the Deed, Escrow Holder shall notify Jason Ridenour at (559) 782-7460 and Greg Woodard, without delay. If Escrow Holder is able to comply with the instructions herein and to be provided, at the Closing Escrow Holder shall deliver to Seller at the addresses provided in Section 12.9 a true, correct and complete copy of the Seller's closing statement, in the form customarily prepared by Escrow Holder and shall deliver to Buyer at the address provided in Section 10.9 a true, correct

and complete copy of Buyer's closing statement, in the form customarily prepared by Escrow Holder.

7.3 Deliveries by Seller. Not later than one business day prior to the Closing Date, Seller shall deposit with Escrow Holder the following items:

7.3.1 Deed. The Deed in the form of **Exhibit A** duly executed and acknowledged by Seller.

7.3.2 California Form 593-C. California Form 593-C (Real Estate Withholding Certificate) duly executed by Seller, if applicable.

7.3.4 Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement and/or necessary to effectuate the sale that have not previously been delivered.

7.4 Deliveries by Buyer. Not later than one (1) business day prior to the Closing Date (or such other time specified below), Buyer shall deposit with Escrow Holder the following items:

7.4.1 Purchase Price. A sum, in an amount equal to the Purchase Price, plus Buyer's share of the prorations and costs of Escrow that are required pursuant to this Article 8 to close Escrow.

7.4.2 Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement and/or necessary to effectuate the sale that have not been previously delivered.

7.5 Other Instruments. Seller and Buyer shall each deposit such other instruments and take such other actions as are reasonably required by Escrow Holder or otherwise required to close the Escrow and consummate the purchase of the Property in accordance with the terms of this Agreement.

7.6 Prorations. All revenues and expenses of the Property, including, without limitation, real property taxes, special taxes, assessments and utility fees and/or deposits, and rentals under the Licenses, if any, will be prorated and apportioned between Buyer and Seller as of 12:01 a.m. on the Closing Date, so that Seller bears all expenses with respect to the Property and has the benefit of all income with respect to the Property through and including the date immediately preceding the Closing Date. Seller and Buyer agree that any of the aforesaid prorations that cannot be calculated accurately as of the Closing Date will be prorated on the basis of the parties' reasonable estimates, and will be recomputed between Seller and Buyer when actual tax statements for the year of Closing are received, and either party owing the other party a sum of money based on such subsequent proration adjustment will promptly pay said sum to the other party, and, if payment is not made within ten (10) days after delivery of a bill therefor, will pay interest thereon at the lesser of the rate of ten percent (10%) per annum or the highest rate permitted by law, from the Closing Date to the date of payment.

7.7 Special Taxes, Bonds or Assessments. If, at the time of Closing, any portion of the Property is affected by an assessment or other charge, whether for taxes or bonds, or interest thereon, which is or may become payable in installments, and an installment payment of such assessment is then a lien, then such installment will be prorated as of midnight at the end of the day preceding the Close of Escrow. All installments not then yet due whether or not the same have been prepaid will not be prorated and Buyer shall assume such bonds or assessments. Any prepaid assessments made in advance of its due date will be credited to Seller. In addition, Buyer shall assume any and all future bonds, assessments, special taxes, fees or charges applicable to the Property for liabilities now or hereafter imposed by any governmental authority (collectively referred to as "Governmental Requirements") including, without limitation, any such Governmental Requirements imposed by the City of Porterville, and those for (a) common area improvements, whether or not specifically set forth in this Agreement, (b) local assessment or improvement districts, (c) any special tax assessments, (d) traffic mitigation improvements, (e) park and recreation fees, and/or (f) any other public facility infrastructure or traffic mitigation required or imposed by the City of Porterville. Buyer shall assume all such bonds or future assessments without offset or adjustment.

7.8 Costs and Expenses. The costs and expenses of Escrow upon Close of Escrow will be, without limitation, all recording charges, if any, the premium for the Title Policy, the cost of any documentary or other transfer taxes applicable to the sale, if any, and all other standard costs and charges of the Escrow.

7.9 Disbursement of Funds. On the Close of Escrow, Escrow Holder shall disburse the Purchase Price less Seller's share of prorations as determined pursuant to this Agreement in immediately available funds, and, unless otherwise instructed by Seller, Escrow Holder shall cause such funds to be sent as follows: Greg and Cinda Woodard, Trustees, 461 North Crestview Street, Porterville, CA 93257.

7.10 Delivery of Documents. Upon the Close of Escrow, Escrow Holder shall promptly deliver all instruments and documents to the parties as specified in Section 10.9. Escrow Holder shall promptly deliver to the party entitled thereto the recorded originals of such instruments or documents upon Escrow Holder's receipt of the same.

7.11 Supplemental Taxes. Seller and Buyer acknowledge that the Property may be subject to supplemental taxes due as a result of change of ownership taking place through this Escrow. Any necessary adjustment due either party on receipt of a supplemental tax bill will be made by the parties outside of this Escrow and Escrow Holder is released of any liability in connection with same.

ARTICLE 8

REPRESENTATIONS, WARRANTIES AND COVENANTS;

8.1 Representations, Warranties and Covenants of Seller. Seller hereby represents, warrants and covenants to Buyer as of the date of this Agreement, as follows:

8.1.1 Organization. Sellers are private individuals.

8.1.2 Enforceability. This Agreement and all documents executed by Seller which are to be delivered to Buyer at the Closing are intended, provided Buyer has duly executed those documents requiring Buyer's signature, to be legal, valid, and binding obligations of Seller, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

8.1.3 Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against or contemplated by Seller.

8.2 Representations, Warranties and Covenants of Buyer. Buyer hereby represents, warrants and covenants to Seller as of the date of this Agreement, as follows:

8.2.1 Organization. Buyer is a municipal corporation, duly organized, validly existing and in good standing under the laws of the State of California and qualified to do business in California, with full power and authority to enter into and comply with the terms of this Agreement.

8.2.2 Enforceability. This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are intended, provided Seller has duly executed those documents requiring Seller's signature, to be legal, valid, and binding obligations of Buyer, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

8.2.3 Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against or contemplated by Buyer.

8.3 Mutual Representations and Covenants, Brokers and Finders. No broker's fee, finder's fee, commission or similar compensation will be paid to principals of Buyer or Seller in connection with this Agreement. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, agrees to indemnify and hold Seller harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Seller may sustain or incur by reason of such claim; and Seller, if such claim is based upon any agreement alleged to have been made by Seller, agrees to indemnify and hold Buyer harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Buyer may sustain or incur by reason of such claim. The provisions of this Section will survive the Close of Escrow or termination of this Agreement.

ARTICLE 9 POSSESSION

Possession of the Property will be delivered to Buyer upon deposit of the Purchase Funds into Escrow and the amount shown in Article 2 includes, but is not limited to, full payment for that possession and use, including damages, if any, from said date.

ARTICLE 10 MISCELLANEOUS

10.1 Agreement Expenses. The parties agree to bear their respective expenses, incurred or to be incurred in negotiating and preparing this Agreement and in Closing and carrying out the transactions contemplated by this Agreement.

10.2 Satisfaction or Waiver of Contingencies. The consummation of the Closing will be conclusive evidence that the contingencies and conditions to Closing have been fully satisfied or waived.

10.3 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

10.4 Parties in Interest. Except as expressly provided in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor will any provision give any third persons any right to subrogation or action over or against any party to this Agreement.

10.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior or contemporaneous oral or written agreements, representations, statements, documents, or understandings of the parties.

10.6 Amendment. No supplement, modification, or amendment of this Agreement will be binding unless executed in writing by the party to be bound.

10.7 Waiver. No waiver of any of the provisions of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

10.8 Timeliness. Seller and Buyer acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision of this Agreement and that failure to timely perform any of the material terms, conditions, obligations or provisions of this Agreement by either party is a material breach of and a non-curable (but waivable) default under this Agreement by the party so failing to perform.

10.9 Notices. Any notice or other communication required or permitted to be given under this Agreement ("Notices") must be in writing and must be (a) personally delivered; (b)

delivered by a reputable overnight courier; or (c) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. Notices will be deemed received at the earlier of (a) actual receipt or (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three business days following deposit in the U.S. Mail, as evidenced by a return receipt. Notices must be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other in the manner described above:

If to Seller: GREG AND CINDA WOODARD, TRUSTEES
461 North Crestview Street
Porterville, CA 93257

If to Buyer: CITY OF PORTERVILLE
ATTN: Jason Ridenour, Economic Development and Housing
Manager
291 Main Street
Porterville, California 93257
Telephone: (559) 782-7460

10.10 Governing Law and Venue. This Agreement is to be construed in accordance with, and governed by, the laws of the State of California, and any action or proceeding, including arbitration, brought by any party in which this Agreement is subject, will be brought in the county in which the Property is located. This Agreement is entered into and to be performed in Tulare County, California.

10.11 Effect of Headings. The headings of the paragraphs of this Agreement are included for purposes of convenience only, and will not affect the construction or interpretation of any of its provisions.

10.12 Invalidity. Any provision of this Agreement which is invalid, void, or illegal, will not affect, impair, or invalidate any other provision of this Agreement, and such other provisions of this Agreement will remain in full force and effect.

10.13 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

10.14 Number and Gender. When required by the context of this Agreement, each number (singular and plural) will include all numbers, and each gender will include all genders.

10.15 Joint and Several Liability. In the event either party hereto now or hereafter consists of more than one person, firm, or corporation, then and in such event, all such persons, firms, or corporations will be jointly and severally liable as parties under this Agreement.

10.16 Recording. Neither party may record this Agreement or any memorandum thereof.

10.17 Advice of Professionals. Each party has had the opportunity to be advised by legal counsel and other professionals in connection with this Agreement, and each party has obtained such advice as each party deems appropriate.

10.18 Negotiated Terms. The parties agree that the terms and conditions of this Agreement are the result of negotiations between the parties and that this Agreement will not be construed in favor of or against any party by reason of the extent to which any party or its professionals participated in the preparation of this Agreement.

10.19 Recitals and Exhibits. The recitals and contents of all Exhibits to this Agreement are incorporated by reference and constitute a material part of this Agreement.

10.20 Professional Fees and Costs. If any legal or equitable action, arbitration, bankruptcy, reorganization, or other proceeding, whether on the merits, application, or motion, are brought or undertaken, or an attorney retained, to enforce this Agreement or any closing document, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement or any closing document, then the successful or prevailing party or parties in such undertaking (or the party that would prevail if an action were brought) will be entitled to recover reasonable attorney's and other professional fees, expert witness fees, court costs and other expenses incurred in such action, proceeding, or discussions, in addition to any other relief to which such party may be entitled. The parties intend this provision to be given the most liberal construction possible and to apply to any circumstances in which such party reasonably incurs expenses. The provisions of this Section will survive the Close of Escrow or the termination of this Agreement.

10.21 Not an Offer. The submission of this Agreement to Buyer for review or signature does not constitute an offer to sell the Property to Buyer or the granting of an option or other rights with respect to the Property to Buyer. No agreement with respect to the purchase and sale of the Property will exist, and this writing will have no binding force or effect, until executed and delivered by both Seller and Buyer.

10.22 Severability. Any provision of this Agreement that is determined by a court of competent jurisdiction to be invalid or unenforceable will be invalid or unenforceable only to the extent of such determination, which will not invalidate or otherwise render ineffective any other provision of this Agreement.

10.23 Merger. Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties of Buyer and Seller in this Agreement will merge into the Deed to be delivered by Seller to Buyer at Closing and will not survive the Closing of Escrow.

SELLER: THE WOODARD FAMILY REVOCABLE TRUST OF AUGUST 10, 2006

By: _____

Name: Greg L. Woodard, Trustee

By: _____

Name: Cinda D. Woodard, Trustee

BUYER:

**CITY OF PORTERVILLE,
a California municipal corporation**

By: _____

Name: _____

Title: _____

THE UNDERSIGNED ESCROW HOLDER ACKNOWLEDGES ITS RECEIPT
OF THE DEPOSIT AND THREE (3) EXECUTED COPIES OF THIS AGREEMENT AND
AGREES TO ACT IN ACCORDANCE THEREWITH.

ESCROW HOLDER:

First American Title Company

By: _____

Ann Kay, Escrow Officer

EXHIBIT A

[Grant Deed with Legal Descriptions]

Exhibit A

WHEN RECORDED RETURN TO:

**Bender Rosenthal, Inc.
4400 Auburn Boulevard, Suite 102
Sacramento, California 95841**

NO FEE DOCUMENT

Per Cal Government Code 27383
and Cal Revenue and Taxation Code
11922

Project: East Porterville Water Supply Project

APNs: 255-190-022 & 254-010-059

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD FAMILY REVOCABLE TRUST OF AUGUST 10, 2006, ("Grantor"), GRANTS to the CITY OF PORTERVILLE ("Grantee"), a California municipal corporation, all that real property, or interest therein together with all improvements and fixtures thereon, in the County of Tulare, State of California, described in Exhibit "A", attached hereto and made a part thereof ("Property").

IN WITNESS WHEREOF, GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES, have caused this Grant Deed to be executed as of the date set forth below the signature line.

Greg L. Woodard, Trustee

Cinda D. Woodard, Trustee

DATED: _____

EXHIBIT "A"

That portion of the Remainder parcel of Jasmine Ranch, Phase One Subdivision, as shown on map filed in Book 35 of maps, at page 49, in the Tulare County Recorder's office, situated in the Southeast quarter of the Southwest quarter of Section 19, Township 21 South, Range 28 East, Mount Diablo Base and Meridian, in the City of Porterville, County of Tulare, State of California, more particularly described as follows: **COMMENCING** at the Southeast corner of the Southeast quarter, of said Southwest quarter:

THENCE, South $89^{\circ} 59' 46''$ West, along the south line of said Southeast quarter of the Southwest quarter, 635.00 feet, to a point in the east line of that portion designated as "Not-A-Part" parcel as shown on said Jasmine Ranch, Phase One Subdivision;

THENCE, North $00^{\circ} 00' 14''$ West, along said east line, 110 feet, to the Northeast corner of said "Not-A-Part" parcel;

THENCE, South $89^{\circ} 59' 46''$ West, along the north line of said "Not-A-Part" parcel, a distance 90.00 feet, to the **POINT OF BEGINNING**;

THENCE, North $00^{\circ} 00' 14''$ West, a distance of 170.00 feet;

THENCE, South $89^{\circ} 59' 46''$ West, 244.86 feet to a point in the west line of said Remainder parcel;

THENCE, South $13^{\circ} 14' 22''$ East, along said west line, a distance of 169.00 feet;

THENCE, South $75^{\circ} 14' 22''$ East, 101.52 feet, to a point in the west line of said "Not-A-Part" parcel;

THENCE, North $00^{\circ} 00' 14''$ West, along said west line, 20.38 feet, to the northwest corner thereof;

THENCE, North $89^{\circ} 59' 46''$ East, along the north line of said parcel, 108.00 feet, to the **POINT OF BEGINNING**.

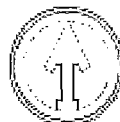
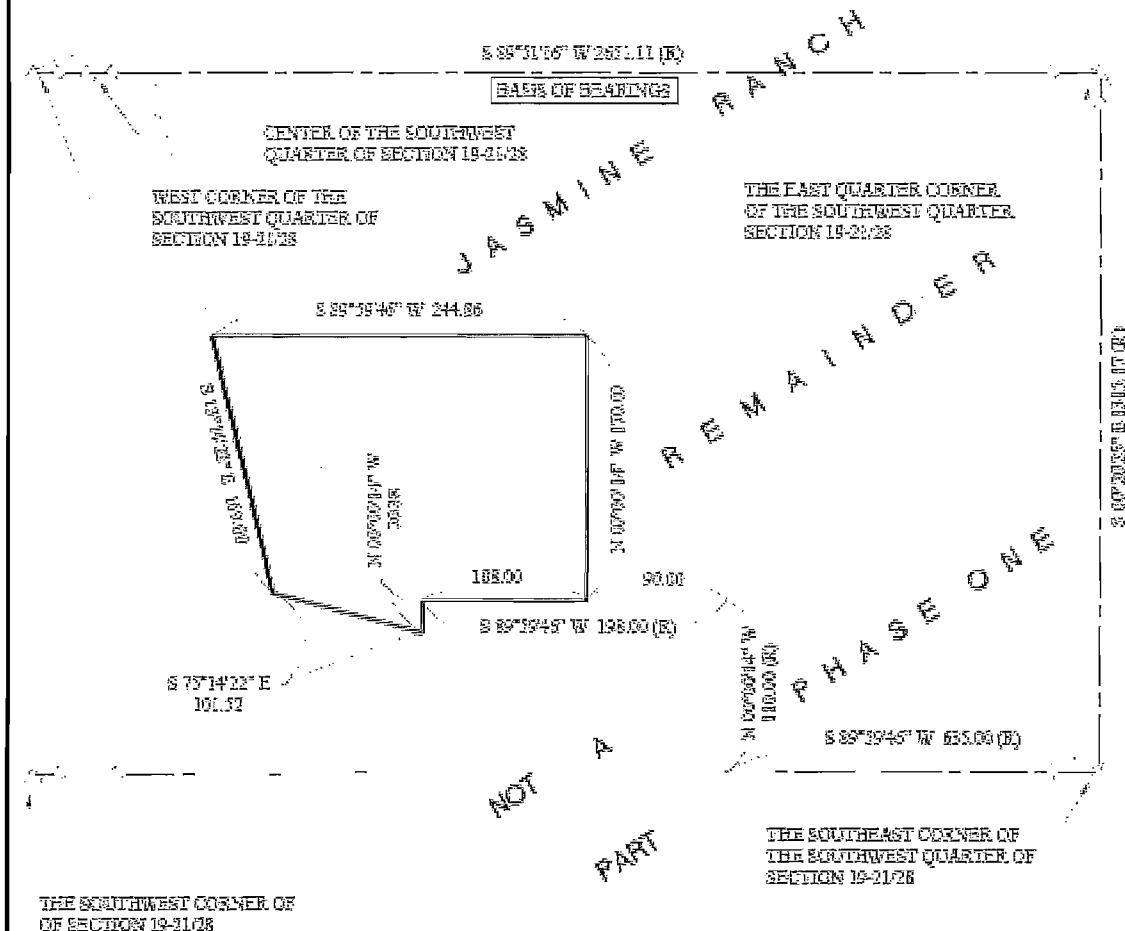
BASIS OF BEARING for the parcel described herein is the North line of the South half of the Southwest quarter of said Section 19, Township 21 South, Range 28 East, taken as South $89^{\circ} 51' 16''$ East per Jasmine Ranch, Phase One Subdivision filed in Book 35 of maps, at page 49, in the Office of the Tulare County Recorder.

End of Description

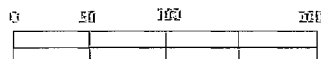


PLAT MAP

EXHIBIT "B"



NORTH
MAGNETIC



SCALE: 1"=100'

ALL DISTANCES ARE IN FEET AND DECIMALS THEREOF

CITY OF PORTERVILLE

ENGINEERING DIVISION

501 NORTH MAIN STREET
PORTERVILLE, CA 93257
(559) 782-7402

That Portion of the Homestead Parcel of Jasmine Ranch, Phase One Subdivision, as shown on map filed in Book 35 of Maps, at Page 49, T.C.R., Located in the Southeast Quarter of the Southwest Quarter of Section 19, Township 21 South, Range 29 East, Mount Diablo Base and Meridian, County of Tulare, State of California.

DATE	CHECK AND REVISION REQUIRED
AS	781-182-022
APP	51121-42-25
ACRS	133-42-25
SCALE	1" = 100'
DATE	10/24/03
PREP BY	CEL
CHECK BY	PS/ALB

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____
Date Here Insert Name and Title of the Officerpersonally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary PublicPlace Notary Seal Above**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

EXHIBIT B

ESCROW HOLDER GENERAL PROVISIONS

THE FOLLOWING EXCEPTION(S) MAY APPEAR IN THE TITLE POLICY:

<u>Item No./Description</u>	<u>Action</u>
1,2,3,	Current Taxes/Assessments - Taxes shall be cleared and prorated effective close of escrow
8 Utility Easement	Does not impact project
9 Utility Easement	Does not impact project

THE FOLLOWING MUST NOT APPEAR IN THE TITLE POLICY:

<u>Item No./Description</u>	<u>Reason</u>
4 Lien of supplemental taxes from this escrow	Lien of taxes shall be paid and eliminated
5 Temporary Easement	Eliminate – not in right of way
6 Water Easement	Eliminate – not in right of way
7 Water line and road	Eliminate – not in right of way
10 Grant Deed-Legal description metes/bounds description – this exception can be eliminated	This partial, public acquisition provides
11 Rights or claims to water	Eliminate – CLTA policy only
12 Rights of parties in possession	Eliminate – CLTA policy only
13 Trust documentation	Obtain required documentation and clear

WHEN RECORDED RETURN TO:
Bender Rosenthal, Inc.
4400 Auburn Boulevard, Suite 102
Sacramento, California 95841

NO FEE DOCUMENT

Per Cal Government Code 27383
and Cal Revenue and Taxation Code
11922

Project: East Porterville Water Supply Project

APNs: 255-190-022 & 254-010-059

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD FAMILY REVOCABLE TRUST OF AUGUST 10, 2006, ("Grantor"), GRANTS to the CITY OF PORTERVILLE ("Grantee"), a California municipal corporation, all that real property, or interest therein together with all improvements and fixtures thereon, in the County of Tulare, State of California, described in Exhibit "A", attached hereto and made a part thereof ("Property").

IN WITNESS WHEREOF, GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES, have caused this Grant Deed to be executed as of the date set forth below the signature line.

Greg L. Woodard, Trustee

Cinda D. Woodard, Trustee

DATED: _____

EXHIBIT "A"

That portion of the Remainder parcel of Jasmine Ranch, Phase One Subdivision, as shown on map filed in Book 35 of maps, at page 49, in the Tulare County Recorder's office, situated in the Southeast quarter of the Southwest quarter of Section 19, Township 21 South, Range 28 East, Mount Diablo Base and Meridian, in the City of Porterville, County of Tulare, State of California, more particularly described as follows:

COMMENCING at the Southeast corner of the Southeast quarter, of said Southwest quarter:

THENCE, South $89^{\circ} 59' 46''$ West, along the south line of said Southeast quarter of the Southwest quarter, 635.00 feet, to a point in the east line of that portion designated as "Not-A-Part" parcel as shown on said Jasmine Ranch, Phase One Subdivision;

THENCE, North $00^{\circ} 00' 14''$ West, along said east line, 110 feet, to the Northeast corner of said "Not-A-Part" parcel;

THENCE, South $89^{\circ} 59' 46''$ West, along the north line of said "Not-A-Part" parcel, a distance 90.00 feet, to the **POINT OF BEGINNING**;

THENCE, North $00^{\circ} 00' 14''$ West, a distance of 170.00 feet;

THENCE, South $89^{\circ} 59' 46''$ West, 244.86 feet to a point in the west line of said Remainder parcel;

THENCE, South $13^{\circ} 14' 22''$ East, along said west line, a distance of 169.00 feet;

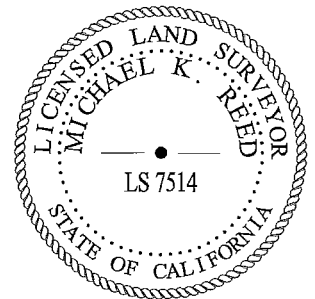
THENCE, South $75^{\circ} 14' 22''$ East, 101.52 feet, to a point in the west line of said "Not-A-Part" parcel;

THENCE, North $00^{\circ} 00' 14''$ West, along said west line, 20.38 feet, to the northwest corner thereof;

THENCE, North $89^{\circ} 59' 46''$ East, along the north line of said parcel, 108.00 feet, to the **POINT OF BEGINNING**.

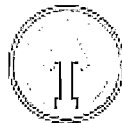
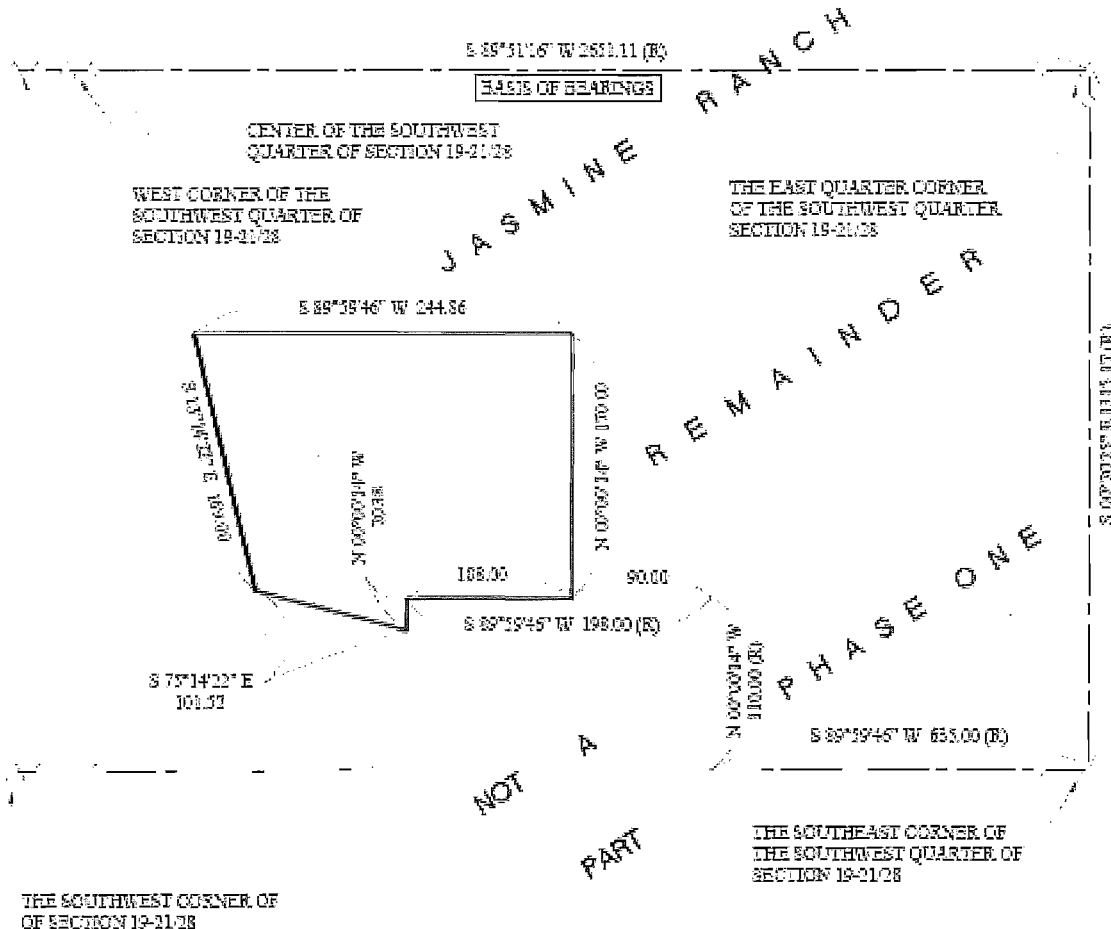
BASIS OF BEARING for the parcel described herein is the North line of the South half of the Southwest quarter of said Section 19, Township 21 South, Range 28 East, taken as South $89^{\circ} 51' 16''$ East per Jasmine Ranch, Phase One Subdivision filed in Book 35 of maps, at page 49, in the Office of the Tulare County Recorder.

End of Description

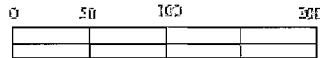


PLAT MAP

EXHIBIT "B"



NORTH
2x1 P=11.7



SCALE: 1"=100'
ALL DISTANCES ARE IN FEET AND DECIMALS THEREOF

LEGEND

(R) RECORDED EXHIBIT
T.C.R. FILE NO. 1113-07
T.C.R. FILE NO. 1113-07

BASIS OF BEARINGS

THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 19-21-28, PER JASMINE RANCH, PHASE ONE SUBDIVISION, FILED IN BOOK 35 OF MAPS AT PAGE 48, T.C.R. TAKEN AS:

S 89°51'16" E

CITY OF PORTERVILLE
ENGINEERING DIVISION
201 NORTH MAIN STREET
PORTERVILLE, CA. 93257
(559) 722-7403

That Portion of the Remainder Parcel of Jasmine Ranch, Phase One Subdivision, as shown on map filed in Book 35 of Maps, at Page 48, T.C.R., Located in the Southeast Quarter of the Southwest Quarter of Section 19, Township 21 South, Range 28 East, Mount Diablo Base and Meridian, County of Tulare, State of California.

OWNER	FILED AND DATE RECORDED
APR	1981-100-002
APR	97527 + 0.3 F
APR	1981 + 0.30
SCALE	1" = 100'
DATE	1/25/87
DESIGNED BY	CHL
CHECKED BY	1/25/87

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____

*Date**Here Insert Name and Title of the Officer*

personally appeared _____

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

*Signature of Notary Public**Place Notary Seal Above***OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only one of the following seven boxes:

- ☐ Individual/sole proprietor or single-member LLC
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
☐ Other (see instructions) ▶ _____
- ☐ C Corporation
☐ S Corporation
☐ Partnership
☐ Trust/estate

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____
Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number

				-					-				
--	--	--	--	---	--	--	--	--	---	--	--	--	--

or

Employer identification number

				-									
--	--	--	--	---	--	--	--	--	--	--	--	--	--

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here

Signature of
U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)

- Form 1099-C (canceled debt)

- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.



First American Title

First American Title Company

**484 N. Prospect Street, Suite C
Porterville, CA 93257**

Order Number: 54075415152 ()

Escrow Officer: Ann Kay
Phone: (559)306-3387
Fax No.: (559)306-3393
E-Mail: akay@firstam.com

E-Mail Loan Documents to: PortervilleEDocs@firstam.com
Buyer: City of Porterville
Property: Apn 255-190-022 & 254-010-059
Tulare County, CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of March 17, 2017 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

To Be Determined

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD FAMILY
REVOCABLE TRUST OF AUGUST 10, 2006, SUBJECT TO EXCEPTION NO. 10

The estate or interest in the land hereinafter described or referred to covered by this Report is:

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2017-2018, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2016-2017.

First Installment:	\$644.85, PAID
Penalty:	\$0.00
Second Installment:	\$644.85, OPEN
Penalty:	\$0.00
Tax Rate Area:	004-059
A. P. No.:	255-190-022
3. General and special taxes and assessments for the fiscal year 2016-2017.

First Installment:	\$949.12, PAID
Penalty:	\$0.00
Second Installment:	\$949.12, OPEN
Penalty:	\$0.00
Tax Rate Area:	004-059
A. P. No.:	254-010-059
4. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

5. An easement for FIFTEEN FOOT TEMPORARY ACCESS EASEMENT and incidental purposes, recorded May 08, 1986 as INSTRUMENT NO. [1986-23919](#), BOOK 4422, PAGE 140 of Official Records.
In Favor of: CITY OF PORTERVILLE, A MUNICIPAL CORPORATION
Affects: AS DESCRIBED THEREIN
6. An easement for TEN FOOT WATER EASEMENT and incidental purposes, recorded May 08, 1986 as INSTRUMENT NO. [1986-23920](#), BOOK 4422, PAGE 145 of Official Records.
In Favor of: CITY OF PORTERVILLE, A MUNICIPAL CORPORATION
Affects: AS DESCRIBED THEREIN
7. An easement shown or dedicated on the Map as referred to in the legal description
For: WATER LINE AND ROAD and incidental purposes.
8. An easement for PUBLIC UTILITIES and incidental purposes, recorded August 25, 1992 as INSTRUMENT NO. [1992-60413](#) of Official Records.
In Favor of: SOUTHERN CALIFORNIA EDISON COMPANY
Affects: AS DESCRIBED THEREIN
9. An easement for PUBLIC UTILITIES and incidental purposes, recorded September 12, 1992 as INSTRUMENT NO. [1992-66039](#) of Official Records.
In Favor of: SOUTHERN CALIFORNIA EDISON COMPANY
Affects: AS DESCRIBED THEREIN
10. The effect of a document entitled "GRANT DEED", recorded AUGUST 15, 2006 as INSTRUMENT NO. [2006-84548](#) of Official Records.

THE REQUIREMENT THE DOCUMENT IS RE-RECORDED TO INCLUDE A COMPLETE AND CORRECT LEGAL DESCRIPTION.
11. Water rights, claims or title to water, whether or not shown by the public records.
12. Rights of parties in possession.

Prior to the issuance of any policy of title insurance, the Company will require:

13. With respect to the trust referred to in the vesting:
 - a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
 - b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
 - c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. The property covered by this report is vacant land.
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
3. We find no open deeds of trust. Escrow please confirm before closing.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the City of Tulare County, County of Tulare, State of California, described as follows:

THAT PORTION OF THE SOUTH HALF OF THE SOUTHEAST QUARTER AND OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 19, AND OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 21 SOUTH, RANGE 28 EAST, MOUNT DIABLO BASE AND MERIDIAN IN THE CITY OF PORTERVILLE, COUNTY OF TULARE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 19, SOUTH 89° 50' 46" EAST, 1414.74 FEET FROM THE NORTHWEST CORNER OF THE SOUTH HALF OF THE SOUTHWEST QUARTER, SAID POINT ALSO BEING THE NORTHEAST CORNER OF THE LAND DESCRIBED IN DEED TO ADRIAN BULK, RECORDED JUNE 23, 1967 IN [BOOK 2718, PAGE 494](#) OF OFFICIAL RECORDS, THENCE SOUTH 13° 13' 52" EAST, 1356.21 FEET, MORE OR LESS TO A POINT ON THE SOUTH LINE OF SAID SECTION 19; THENCE SOUTH 0° 35' 32" EAST 1154 FEET; THENCE SOUTH 3° 06' 15" WEST 165.78 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 30, THENCE NORTH 89° 49' 43" EAST ALONG SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER; THENCE NORTH ALONG THE EAST LINE OF SAID NORTHWEST QUARTER TO THE NORTHEAST CORNER THEREOF THENCE EAST ALONG THE SOUTH LINE OF SAID SECTION 19 TO THE SOUTHEAST CORNER OF SAID SECTION 19; THENCE NORTH ALONG THE EAST LINE OF SAID SECTION 19, TO THE NORTHEAST CORNER OF THE SOUTH HALF OF THE SOUTHEAST QUARTER THEREOF; THENCE WEST ALONG THE NORTH LINE OF SAID SOUTH HALF OF THE SOUTHEAST QUARTER AND ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 19 TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 19, AND THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 21 SOUTH, RANGE 28 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF TULARE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 635.00 FEET WEST OF THE NORTHEAST CORNER AND ON THE NORTH LINE OF SAID NORTHWEST QUARTER OF SECTION 30; THENCE NORTHERLY PERPENDICULAR TO SAID NORTH LINE, 110.00 FEET; THENCE WESTERLY PARALLEL TO SAID NORTH LINE 198.00 FEET; THENCE SOUTHERLY PERPENDICULAR TO SAID NORTH LINE, 110.00 FEET TO A POINT ON SAID NORTH LINE, 198.00 FEET DISTANT FROM THE POINT OF BEGINNING; THENCE CONTINUING SOUTHERLY PERPENDICULAR TO SAID NORTH LINE, 110.00 FEET; THENCE EASTERLY PARALLEL WITH SAID NORTH LINE, 198.00 FEET; THENCE NORTHERLY PERPENDICULAR TO SAID NORTH LINE, 110.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 19, LYING EAST OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE NORTH LINE OF THE OF THE SOUTH HALF OF SAID SOUTHEAST QUARTER, SAID POINT BEING 50 FEET EAST OF THE NORTHWEST CORNER THEREOF THENCE SOUTH, PARALLEL WITH THE WEST LINE OF THE SOUTH HALF OF SAID SOUTHEAST QUARTER, TO A POINT ON THE SOUTH LINE OF SAID SOUTHEAST QUARTER, BEING 50 FEET EAST OF THE SOUTH QUARTER OF SAID SECTION 19, SAID POINT BEING THE SOUTHERLY TERMINUS OF THE LINE BEING DESCRIBED.

ALSO EXCEPTING THEREFROM ANY PORTION THEREOF LYING WITHIN LOTS 1 THROUGH 22 OF JASMINE RANCH, AS PER MAP RECORDED IN [BOOK 35, PAGE 49](#) OF TULARE COUNTY RECORDS.

ALSO EXCEPTING ANY WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS.

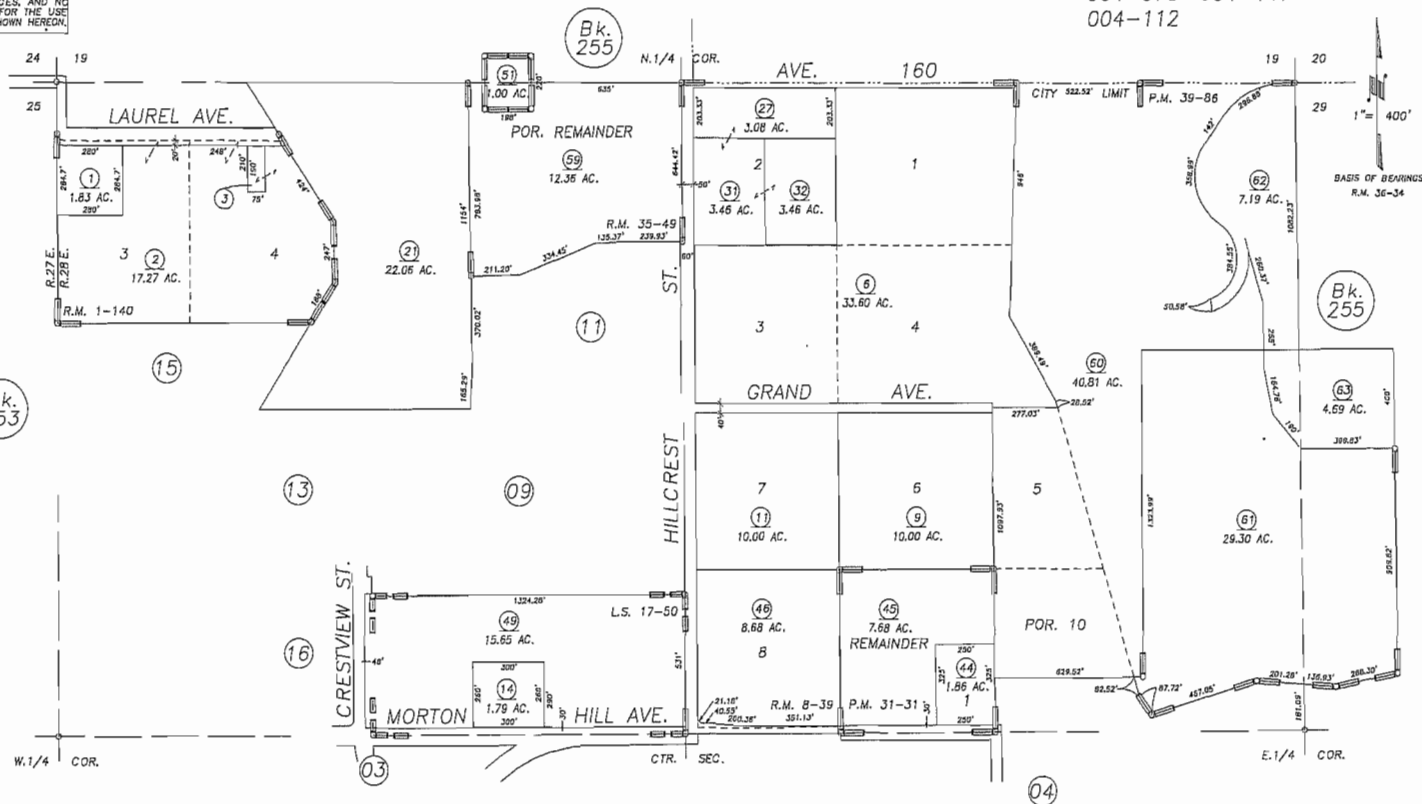
THE MENTIONED ABOVE PROPERTY IS ALSO SHOWN AS THE REMAINDER PARCEL OF JASMINE RANCH, AS PER MAP RECORDED IN [BOOK 35, PAGE 49](#) OF TULARE COUNTY RECORDS.

APN: 254-010-059 and 255-190-022

DISCLAIMER
THIS MAP WAS PREPARED FOR LOCAL
PROPERTY ASSESSMENT PURPOSES ONLY
AND THE PARCELS SHOWN HEREON MAY
NOT COMPLY WITH STATE AND LOCAL
SUBDIVISION ORDINANCES, AND NO
LIABILITY IS ASSUMED FOR THE USE
OF THE INFORMATION SHOWN HEREON.

N1/2 SEC.30. T.21S., R.28E., M.D.B.&M.

Tax Area Code 254-01
004-059 004-146
004-075 004-147
004-112



POR. A.R. HENRY'S SUB., R.M. 1-140
POR. MONACHE TRACT, R.M. 8-39
RECORD OF SURVEY, L.S. 17-50
POR. JASMINE RANCH PHASE 1, R.M. 35-49
PARCEL MAP 3030, P.M. 31-31
POR. REVERSION TO ACREAGE, P.M. 39-86

CITY OF PORTERVILLE
ASSESSOR'S MAPS BK.254 , PG.01
COUNTY OF TULARE, CALIFORNIA, U.S.A.

NOTE: Assessor's Parcel Numbers Shown in Circles
Assessor's Block Numbers Shown in Ellipses

T.R.A.C. CHANGE	09/22/2009	MLC
REVISION	DATE	TECH

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

INCOMING DOMESTIC WIRE INSTRUCTIONS

Beware of cyber-crime! If you receive an e-mail or any other communication that appears to be generated from a First American Title Company employee that contains new, revised or altered bank wire instructions, consider it suspect and call our office at a number you trust.

**** Our Wire Instructions Do Not Change. ****

Funds from other than buyer or seller: Other than funds from a designated lender, real estate agent or broker, or the attorney of record, we will only accept incoming wires that are from the buyer or seller on a transaction. Other third party deposits not accompanied by appropriate instructions will be returned to the remitter.

Funds from a U.S. Bank: Funds should be wired from a bank within the United States. Notify our office at (559)306-3386 when you have transmitted your wire.

Funds from a non-U.S. Bank: If your funds are being wired from a non-U.S. bank, additional charges may apply. Contact our office for Incoming International Wiring Instructions.

ACH Transfers are NOT wire transfers: An ACH transfer is not immediately available funds and requires additional time for clearance. An ACH transfer cannot be accepted for an imminent closing. Acceptance of ACH transfers are subject to state law. Contact our office at (559)306-3386 prior to sending funds by ACH transfer.

Contact our office at (559)306-3386 when funds are sent.

PAYABLE TO: First American Title Company
BANK: First American Trust, FSB
ADDRESS: 5 First American Way, Santa Ana, CA 92707
ACCOUNT NO.: 3131670000
ROUTING NUMBER: 122241255

PLEASE REFERENCE THE FOLLOWING:

PROPERTY: Apn 255-190-022 & 254-010-059, Tulare County, CA
FILE NUMBER: 54075415152 (AK)

FIRST AMERICAN TRUST, FSB CONTACT INFO: Banking Services (877)600-9473

**WIRES MAY BE RETURNED IF THE FILE NUMBER
AND PROPERTY REFERENCE ARE NOT INCLUDED**

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

CLTA STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
 Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$5,000

2006 ALTA LOAN POLICY (06-17-06)**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;

- (ii) the character, dimensions, or location of any improvement erected on the Land;
- (iii) the subdivision of land; or
- (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [t[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.]

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or

(iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters

(a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;

(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 or 10); or

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is

(a) a fraudulent conveyance or fraudulent transfer, or

(b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site. There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

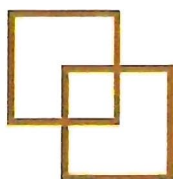
Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

Acquiring Real Property For:

THE CITY OF PORTERVILLE

EAST PORTERVILLE WATER SUPPLY PROJECT



**BENDER
ROSENTHAL, INC.**

COMMERCIAL VALUATION AND RIGHT OF WAY SERVICES

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INTRODUCTION

Government programs designed to benefit the public as a whole often result in acquisition of private property, and sometimes in the displacement of people from their residences, businesses, nonprofit organizations or farms. Acquisition of this kind has long been recognized as a right of government and is known as the power of eminent domain. The Fifth Amendment of the Constitution states that private property shall not be taken for public use without just compensation.

California law provides landowners whose property is taken for a public project certain rights and protections. An owner is to be compensated for the property being acquired, severance damages, if any, to the owner's remaining property if the entire property is not taken, and for loss of business goodwill if a business is being conducted on the property being acquired. Additionally, an owner or tenant who has to relocate because of a property acquisition may be entitled to certain relocation assistance and monetary compensation in connection with the relocation.

IMPORTANT TERMS USED IN THIS BROCHURE

Acquisition

Acquisition is the process of acquiring real property (real estate) or some interest therein.

Agency

An agency can be a government organization (Federal, State, or local), a non-government organization (such as a utility company). In this brochure, the word "agency" means the City of Porterville, when applicable, (the Agency) which is a local government entity.

Appraisal

An appraisal is a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

Condemnation

Condemnation is the legal process of acquiring private property for public use or purpose through the agency's power of eminent domain. Condemnation is usually not used until all attempts to reach a mutually satisfactory agreement through negotiations have failed. An agency then goes to court to acquire the needed property.

Easement

In general, an easement is the right of one person to use all or part of the property of another person for some specific purpose. Easements can be permanent or temporary (i.e., limited to a stated period of time). The term may be used to describe either the right itself or the document conferring the right. Examples are: permanent easement for utilities, permanent easement for perpetual maintenance of drainage structures, and temporary easement to allow reconstruction of a driveway during construction.

Eminent Domain

Eminent domain is the right of government to acquire private property for public use, subject to the owner of the property taken being given just compensation.

Fair Market Value

Fair market value is market value that has been adjusted to reflect constitutional and other legal requirements for public acquisition.

Interest

An interest is a right, title, or legal share in something. People who share in the ownership of real property have an interest in the property.

Just Compensation

Just compensation is the price an agency must pay to acquire real property. An agency official must make the estimate of just compensation to be offered to you for the property needed. That amount may not be less than the amount established in the approved appraisal report as the fair market value for your property. If you and the agency cannot agree on the amount of just compensation to be paid for the property needed, and it becomes necessary for the agency to use the condemnation process, the amount determined by the court will be the just compensation for your property.

Lien

A lien is a charge against a property in which the property is the security for payment of a debt. A mortgage is a lien. So are taxes. Customarily, liens must be paid in full when the property is acquired for a public project. Where not all of the property subject to a mortgage is taken, the mortgage need not be paid off unless the lender can demonstrate that its security interest is being impaired.

Market Value

Market value is the sale price that a willing and informed seller and a willing and informed buyer agree to for a particular property.

Negotiation

Negotiation is the process used by an agency to reach an amicable agreement with a property owner for the acquisition of needed property. An offer is made for the purchase of property in person, or by mail, and the offer is discussed with the owner.

Person

A person is an individual, partnership, corporation, or association.

Personal Property

In general, personal property is property that can be moved. It is not permanently attached to, or a part of, the real property. Personal property is not to be included and valued in the appraisal of real property.

Program or Project

A program or project is any activity or series of activities undertaken by an agency in order to build and maintain public works or public facilities.

Waiver Valuation

The term waiver valuation means an administrative process for estimating fair market value for relatively low-value, noncomplex acquisitions. A waiver valuation is prepared in lieu of an appraisal.

PROPERTY APPRAISAL

An agency determines what specific property needs to be acquired for a public program or project after the project has been planned and government requirements have been met.

If your property, or a portion of it, needs to be acquired, you, the property owner, will be notified as soon as possible of (1) the agency's interest in acquiring your property, (2) the agency's obligation to secure any necessary appraisals, and (3) any other useful information.

When an agency begins the acquisition process, the first personal contact with you, the property owner, should be no later than during the appraisal of the property.

An appraiser will contact you to make an appointment to inspect your property. The appraiser is responsible for determining the initial fair market value of the property.

You, or a representative that you designate, will be invited to accompany the appraiser when the appraiser inspects your property. You can point out any unusual or hidden features of the property that the appraiser could overlook. At this time, you should advise the appraiser if any of these conditions exist:

- There are other persons who have ownership or interest in the property.
- There are tenants on the property.
- Items of real or personal property that belong to someone else are located on your property.
- The presence of hazardous material, underground storage or utilities.

This is your opportunity to tell the appraiser about anything relevant to your property, including other properties in your area that have recently sold. The appraiser will inspect your property and note its physical characteristics. He or she will review sales of properties similar to yours in order to compare the facts of those sales with the facts about your property. The appraiser will analyze all elements that affect value.

The appraiser must consider normal depreciation and physical deterioration that has taken place. By law, the appraiser must disregard the influence of the future public project on the value of the property. This requirement may be partially responsible for any difference in the fair market value and market value of your property.

The appraisal report will describe your property and the agency will determine a value based on the condition of the property on the day that the appraiser last inspected it, as compared with other similar properties that have sold.

A recent change in California law makes you eligible to receive reimbursement of up to \$5,000 for the reasonable costs associated with retaining the services of a qualified real estate appraiser, licensed by the State Office of Real Estate Appraisers, to prepare an appraisal report for those same property rights for which an offer is being made.

JUST COMPENSATION

Once the appraisal of fair market value is complete, the appraisal report will be given to the agency to establish just compensation. This amount will never be less than the fair market value established by the appraisal.

If the agency is only acquiring a part of your property, there may be damages or benefits to your remaining property. Any allowable damages or benefits will be reflected in the just compensation amount. The agency will prepare a written offer of just compensation for you when negotiations begin.

Buildings, Structures and Improvements

The value of any buildings, structures, or other improvements on the property to be acquired will be taken into consideration in determining just compensation. An improvement will be valued as real property regardless of who owns it.

Tenant-Owned Buildings, Structures and Improvements

Sometimes tenants lease real property and build or add improvements for their use. Frequently, they have the right or obligation to remove the improvements at the expiration of the lease term. The agency must make an offer to the tenants to acquire these improvements as real property.

In order to be paid for these improvements, the tenant-owner must assign, transfer, and release to the agency all right, title, and interest in the improvements. Also, the owner of the real property on which the improvements are located must disclaim all interest in the improvements.

For an improvement, just compensation is the amount that the improvement contributes to the fair market value of the whole property, or its value for removal from the property (salvage value), whichever amount is greater.

Some improvements may be considered personal property under California law and, the tenant-owner may be reimbursed for moving them under the relocation assistance provision.

The agency will personally contact the tenant-owners of improvements to explain the procedures to be followed.

EXCEPTIONS TO THE APPRAISAL REQUIREMENT

The Uniform Act requires that all real property to be acquired must be appraised, but it also authorizes waiving that requirement for low value acquisitions.

Regulations provide that the appraisal may be waived:

- If you elect to donate the property and release the agency from the obligation of performing an appraisal, or
- If the agency believes the acquisition of your property is uncomplicated and a review of available data supports a fair market value likely to be \$10,000 or less, the agency may prepare a waiver valuation, rather than an appraisal, to estimate your fair market value.

THE WRITTEN OFFER

After the agency establishes just compensation it will begin negotiations with you or your designated representative by delivering the written offer of just compensation for the purchase of the real property. If practical, this offer will be delivered in person by a representative of the agency. Otherwise, the offer will be made by mail and followed up with a contact in person or by telephone. All owners of the property with known addresses will be contacted unless they collectively have designated one person to represent their interests.

An agency representative will explain agency acquisition policies and procedures in writing, either by use of an informational brochure, or in person.

The agency's written offer will consist of a written summary statement that includes all of the following information:

- The amount offered as just compensation.
- The description and location of the property and the interest to be acquired.
- The identification of the buildings and other improvements that are considered to be part of the real property.

In some cases, the offer will list items of real property (such as cabinets) that you wish to keep. If you decide to keep any or all of these items, the offer will be reduced by the value of the items retained. You will be responsible for removing the items from the property in a timely manner. The agency may elect to withhold a portion of the remaining offer until the retained items are removed from the property.

Any separately held ownership interests in the property, such as tenant-owned improvements, will be identified by the agency.

The agency may negotiate with each person who holds a separate ownership interest, or, may negotiate with the primary owner and prepare a check payable jointly to all owners.

The agency will give you a reasonable amount of time to consider the written offer and ask questions or seek clarification of anything that is not understood.

If you believe that all relevant material was not considered during the appraisal, you may present such information at this time. Modifications in the proposed terms and conditions of the purchase may be requested. The agency will consider any reasonable requests that are made during negotiations.

Partial Acquisition

Often an agency does not need all the property you own. The agency will usually purchase only what it needs.

If the agency intends to acquire only a portion of the property, the agency must state the amount to be paid for the part to be acquired.

In addition, an amount will be stated separately for damages, if any, to the portion of the property you will keep.

If the agency determines that the remainder property will have little or no value or use to you, the agency will consider this remainder to be an uneconomic remnant and will offer to purchase it. You have the option of accepting the offer for purchase of the uneconomic remnant or keeping the property.

Agreement between You and the Agency

When you reach agreement with the agency on the offer, you will be asked to sign a purchase agreement which will state the amount you are to be paid. Your signature will affirm that you and the agency are in agreement concerning the acquisition of the property, including terms and conditions.

If you do not reach an agreement with the agency because of some important point connected with the acquisition offer, the agency may suggest mediation as a means of coming to agreement. If the agency thinks that a settlement cannot be reached, it will initiate condemnation proceedings.

The agency may not take any action to force you into accepting its offer. Prohibited actions include:

- Advancing the condemnation process.
- Deferring negotiations.
- Deferring condemnation.
- Delaying the deposit of funds with the court for your use when condemnation is initiated.
- Any other coercive action designed to force an agreement regarding the price to be paid for your property.

PAYMENT

The next step in the acquisition process is payment for your property. As soon as all the necessary paperwork is completed for transferring title of the property, the agency will pay any liens that exist against the property and pay your equity to you. Your incidental expenses will also be paid or reimbursed.

Incidental expenses are reasonable expenses incurred as a result of transferring title to the agency, such as:

- Recording fees and transfer taxes.
- Documentary stamps.
- Evidence of title, however, the agency is not required to pay costs required solely to perfect your title or to assure that the title to the real property is entirely without defect.
- Surveys and legal descriptions of the real property.
- Other similar expenses necessary to convey the property to the agency.

Penalty costs and other charges for prepaying any pre-existing recorded mortgage entered into in good faith encumbering the real property will be reimbursed.

The pro rata share of any prepaid real property taxes that can be allocated to the period after the agency obtains title to the property or takes possession of it will be reimbursed.

If possible, the agency will pay these costs directly so that you will not need to pay the costs and then claim reimbursement.

POSSESSION

The agency may not take possession of your property unless:

- You have been paid the agreed purchase price, or
- In the case of condemnation, the agency has deposited with the court an amount for your benefit and use that is at least the amount of the agency's approved appraisal of the fair market value of your property, or
- The agency has paid the amount of the court award of compensation in the condemnation proceeding.

If the agency takes possession while persons still occupy the property:

- All persons occupying the property must receive a written notice to move in advance of the required date to move. In this context, the term person includes residential occupants, homeowners, tenants, businesses, non-profit organizations, and farms.
- Persons moving to another location are entitled to relocation assistance and certain monetary benefits provided by California law.

SETTLEMENT

The agency will make every effort to reach an agreement with you during negotiations. You may provide additional information, and make reasonable counter-offers and proposals for the agency to consider.

CONDEMNATION

If an agreement cannot be reached, the agency can acquire the property by exercising its power of eminent domain. It will do this by instituting formal condemnation proceedings in State court.

Litigation Expenses

Normally, the agency does not reimburse you for costs you incur as a result of condemnation proceedings. The agency will reimburse you, however, under any of the following conditions:

- The court determines that the agency cannot acquire your property by condemnation.
- The condemnation proceedings are abandoned by the agency without an agreed-upon settlement.
- The court determines, after it has established just compensation, that under California law you are entitled to recover "litigation expenses" (attorney fees and expert witness fees). California law provides that those items known as "statutory costs" (filing fees, deposition transcript fees, and similar items) are paid to you regardless of whether you are awarded litigation expenses.

The information is provided to assist you in understanding the requirements that must be met by agency, and your rights and obligations. If you have any questions, they will be promptly answered by an agency representative.

See the Eminent Domain – Information Pamphlet below for additional information.

EMINENT DOMAIN – INFORMATION PAMPHLET (SB 698)

I. Introduction

The Agency, City of Porterville, is a local government entity and is vested by law with the authority to exercise the power of eminent domain for this project.

Eminent domain is the power to purchase private property for a "public use" so long as the property owner is paid "just compensation." Whenever possible, the Agency tries to avoid use of the eminent domain power, exercising it only when it is necessary for a public project. The decision to acquire private property for a public project is made by the Agency only after a thorough review of the project, which often includes public hearings.

This pamphlet provides general information about the eminent domain process and the rights of the property owner in that process.¹

- **What is a "public use"?**

A "public use" is a use that confers public benefits, like the provision of public services or the promotion of public health, safety, and welfare. Public uses include a wide variety of projects such as street improvements, construction of water storage facilities, construction of civic buildings, redevelopment of blighted areas, and levee improvements to increase flood protection. Some public uses are for private entities, such as universities, hospitals and public utilities, which serve the public.

- **What is "just compensation"?**

Just compensation is the **fair market value** of the property being acquired by the government. The state law definition of fair market value is "the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available."

II. The Eminent Domain Process and the Property Owner's Rights

The eminent domain process begins with a public use project. When selecting a project location, the goal is to render the greatest public good and the least private injury or inconvenience. If it is determined that all or a portion of your property may be necessary for a public use project, the Agency will begin the appraisal process to determine the property's fair market value.

- **How is the fair market value of my property determined?**

The Agency will hire an independent, accredited appraiser familiar with local property values to appraise your property. The appraiser will invite you to accompany him or her during an inspection of your property. You may give the appraiser any information about improvements and any special features that you believe may affect the value of your property. It is in your best interest to provide the appraiser with all the useful information you can in order to ensure that nothing of value will be overlooked. If you are unable to meet with the appraiser, you may wish to have a person who is familiar with your property meet with the appraiser instead.

After the inspection, the appraiser will complete an appraisal that will include the appraiser's determination of your property's fair market value and the information upon which the fair market value is based. The appraiser will provide the Agency with the appraisal. The Agency will then make a written offer to purchase the property. The offer will also include a summary of the appraisal. The offer will be for no less than the amount of the appraisal.

¹ This pamphlet reflects the current law as of January 1, 2008. However, the information in this pamphlet is not, nor should it be construed as, legal advice. You should consult with qualified legal counsel regarding your specific situation rather than relying on this pamphlet as legal advice.

- **What factors does the appraiser consider in determining fair market value?**

Each parcel of real property is different and, therefore, no single formula can be used to appraise all properties. Among the factors an appraiser typically considers in estimating fair market value are:

- The location of the property;
- The age and condition of improvements on the property;
- How the property has been used;
- Whether there are any lease agreements relating to the property;
- Whether there are any environmental issues, such as contaminated soil;
- Applicable current and potential future zoning and land use requirements;
- How the property compares with similar properties in the area that have been sold recently;
- How much it would cost to reproduce the buildings and other structures, less any depreciation; and
- How much rental income the property produces, or could produce if put to its highest and best use.

- **Will I receive a copy of the appraisal?**

The Agency is required to provide you with its purchase offer, a summary of the appraiser's opinion, and the basis for the Agency's offer. Among other things, this summary must include:

- A general statement of the Agency's proposed use for the property;
- An accurate description of the property to be acquired;
- A list of the improvements covered by the offer;
- The amount of the offer; and
- The amount considered to be just compensation for each improvement which is owned by a tenant and the basis for determining that amount.

However, the Agency is only required to show you a copy of the full appraisal if your property is an owner-occupied residential property with four or fewer residential units. Otherwise, the Agency may, but is not required, to disclose its full appraisal during negotiations (though different disclosure requirements apply during the litigation process if the issue of fair market value goes to court).

- **Can I have my own appraisal done?**

Yes. You may decide to obtain your own appraisal of the property in negotiating the fair market value with the Agency. At the time of making its initial offer to you, the Agency must offer to reimburse you the reasonable costs, not to exceed \$5,000, of an independent appraisal of your property. To be eligible for reimbursement, the selected appraiser must be licensed with the Office of Real Estate Appraisers (OREA) and is to have experience in appraisal of properties required for public acquisition under eminent domain principles. You may contact OREA at (916) 552-9900.

- **What advantages are there in selling my property to the Agency?**

A real estate transaction with the Agency is typically handled in the same way as the sale of private property. However, there may be a financial advantage to selling to the Agency.

- You will not be required to pay for real estate commissions, title costs, preparation of documents, title policy or recording fees required in closing the sale. The Agency will pay all these costs.
- Although the Agency cannot give you tax advice or direction, you might also be eligible for certain property and income tax advantages. You should check with the Internal Revenue Service (IRS) for details or consult your personal tax advisor.

- **If only a portion of my property is taken, will I be paid for the loss to my remaining property?**

In general, when only a part of your property is needed, every reasonable effort is made to ensure you do not suffer a financial loss to the "remainder" property. The Agency will pay you the fair market value of the property being taken as well as compensation for any loss in value to your remaining property that is not offset by the benefits conferred by the project. The compensation for the loss in value to your remaining property is often referred to as "severance damages."

- **Will I be compensated for loss of goodwill to my business?**

If you are the owner of a business that is conducted on the property being acquired, you may have a right to compensation for lost business goodwill if the loss is caused by the acquisition of the property. "Goodwill" consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances resulting in probable retention of old or acquisition of new patronage.

- **What will happen to the loan on my property?**

Where the Agency is acquiring the entire property, generally the compensation payable to the owner is first used to satisfy outstanding loans or liens as in a typical real estate transaction. Where less than the entire property is being acquired, whether outstanding loans or liens are paid from the compensation will depend on the particular facts and circumstances.

- **Do I have to sell at the price offered?**

No. If you and the Agency are unable to reach an agreement on a mutually satisfactory price, you are not obligated to sign an offer to sell or enter into a purchase agreement.

- **If I agree to accept the Agency's offer, how soon will I be paid?**

If you reach a voluntary agreement to sell your property or an interest in the property to the Agency, payment will be made at a mutually acceptable time. Generally, this should be possible within 30 to 60 days after a purchase/sale contract is signed by all parties.

- **What happens if we are unable to reach an agreement on the property's fair market value?**

The Agency, to the greatest extent practicable, will make every reasonable effort to acquire your property by negotiated purchase. If, however, the negotiations are unsuccessful, the Agency may file an Eminent Domain action in a court located within the same county/city where your property is located.

The first step is for the Agency staff to request authority from the Agency's County Board of Supervisors ("Board") or City Council (Council) to file a condemnation action. The approval from the Board/Council is called a "Resolution of Necessity." In considering whether condemnation is necessary, the Board/Council must determine whether the public interest and necessity require the project, whether the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury, and whether your property is necessary for the project. You will be given notice (Notice of Intent to Adopt a Resolution of Necessity) and an opportunity to appear before the Board/Council when it considers whether to adopt the Resolution of Necessity. You may want to call an attorney or contact an attorney referral service right away. You or your representatives can raise any objections to the Resolution of Necessity and the condemnation either orally before the Board/Council, or in writing to the Board/Counsel.

If the Agency's Board/Council adopts the Resolution of Necessity, the Agency can file a complaint in court to acquire title to the property upon payment of the property's fair market value. The Agency is the plaintiff. Anyone with a legal interest in the property, generally determined from a title report on the property (including tenants or mortgage holders), are named as defendants. Often, the Agency will also deposit the amount the Agency believes is the "probable amount of compensation" with the Court where the complaint is filed. A deposit must be made if the Agency is seeking to acquire possession of the property before agreement is reached on the fair market value.

- **Can the Agency acquire possession of my property before an agreement is reached as to the property's fair market value?**

In some cases, the Agency may decide it needs possession of the property before the property's fair market value is finally determined. In such a case, the Agency must apply to the Court for an "order for possession" to allow it to take possession and control of the property prior to resolution of the property's fair market value. The Agency is required to schedule a hearing with the Court on the proposed order for possession and to give you notice of the hearing. Notice must generally be sent 90 days before the hearing date if the property is occupied and 60 days before the hearing date if the property is unoccupied. A judge will decide whether the

order for possession should be granted. As noted above, the Agency must deposit with the Court the probable amount of just compensation in order to obtain possession of the property.

- **Can I oppose the motion for an order for possession?**

Yes. You may oppose the motion in writing by serving the Agency and the court with your written opposition within the period of time set forth in the notice from the Agency.

- **Can I withdraw the amount deposited with the State Treasurer before the eminent domain action is completed, even if I don't agree that the amount reflects the fair market value of my property?**

Yes. Subject to the rights of any other persons having a property interest (such as a lender, tenant, or co-owner), you may withdraw the amount deposited with the Court before the eminent domain action is completed. If you withdraw the amount on deposit, you may still seek a higher fair market value during the eminent domain proceedings, but you may not contest the right of the Agency to acquire the property, meaning you cannot contest that the acquisition of your property is for a public purpose or is otherwise improper.

You also have the right to ask the court to require the Agency to increase the amount deposited with the Court if you believe the amount the Agency has deposited less than the "probable amount of compensation."

- **Can I contest the condemning agency's acquisition of the property?**

Yes. Provided you have not withdrawn the amount deposited, you can challenge in court the Agency's right to acquire or condemn the property.

- **What happens in an eminent domain trial?**

The main purpose of an eminent domain trial is to determine the fair market value of your property, including compensable interests such as lost business goodwill caused by the taking. The trial is usually conducted before a judge and jury. You (and any others with interests in the property) and the Agency will have the opportunity to present evidence of value, and the jury will determine the property's fair market value. In cases where the parties choose not to have a jury, the judge will decide the property's fair market value. Generally, each party to the litigation must disclose its respective appraisals to the other parties prior to trial.

If you challenge the Agency's right to acquire the property, the eminent domain trial will also determine whether or not the Agency has the legal right to acquire the property. In such cases, the judge (not the jury) will make this determination before any evidence is presented concerning the property's fair market value.

- **Am I entitled to interest?**

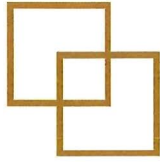
Anyone receiving compensation in an eminent domain action is generally entitled to interest on that compensation from the date the condemning agency takes possession of the property until the person receiving the compensation has been fully paid. The rate and calculation of the interest is determined under formulas in State law.

- **Will the Agency pay my attorneys' fees and costs?**

In an eminent domain action, you are entitled to be reimbursed by the condemning agency for your court costs such as court filing fees. In some circumstances, you may also be entitled to be reimbursed by the condemning agency for your attorneys' fees in the lawsuit. Whether you will be entitled to receive reimbursement for your attorneys' fees will depend on the particular facts and circumstances of the case and the offers and demand for compensation made in the action.

- **Will I receive assistance with relocation?**

Any person, business, or farm operation displaced as a result of the property acquisition is entitled to relocation advisory and financial assistance for eligible relocation expenses, such as moving expenses. The amount of relocation compensation is determined on a case-by-case basis in accordance with prescribed law. Relocation benefits are handled separate and apart from the determination of the property's fair market value and are not part of the eminent domain process.



**BENDER
ROSENTHAL, INC.**

COMMERCIAL VALUATION AND RIGHT OF WAY SERVICES

4400 Auburn Boulevard, Suite 102
Sacramento, CA 95841
main: 916.978.4900 • fax: 916.978.4904
www.benderrosenthal.com

August 7, 2017

WOODARD FAMILY REVOCABLE TRUST OF AUGUST 10, 2006

Greg and Cinda Woodard, Trustees
461 North Crestview Street
Porterville, CA 93257

Re: East Porterville Water Supply Project
Assessor's Parcel Nos. 255-190-022 & 254-010-059

Dear Mr. and Mrs. Woodard:

The City of Porterville desires to continue negotiations related to the purchase of property rights for the East Porterville Water Supply Project. This letter amends the offer that was previously sent to you.

The City has approved a revised offer of \$63,000, an increase of 10%.

Other sites have been considered as potential alternatives, however this site continues to be the preferred alternative due to factors including having existing facilities in place to support the project.

Enclosed for your review and approval are the following:

1. Signing Instructions for Owner;
2. Purchase and Sale Agreement, in duplicate;
3. Grant Deed;
4. W9

If you find the offer acceptable, please sign the documents, as stated in the Signing Instructions, and return the documents to me in the self addressed, stamped envelope provided. Copies of the documents are enclosed for your files. A response by August 18th is requested.

If you have any comments or items of specific concern you would like to discuss, please call me at (916) 978-4900.

Sincerely,

Quentin Green
Senior Right-of-Way Agent

Enclosures

APN's: 255-190-022 & 254-010-059
East Porterville Water Supply Project

SIGNING INSTRUCTIONS FOR OWNER

If you find the offer acceptable, **please sign and return** the following documents:

- 1) Purchase and Sale Agreement, 2 originals
- 2) Grant Deed
- 3) Please complete and sign W-9

Pages that require signatures are marked with "Sign Here" tags.

Please note that all signatures on the (Deed) must be acknowledged by a notary public. Bender Rosenthal, Inc., will provide a notary at your request that will meet with you at your convenience.

Please return the signed documents to me at Bender Rosenthal, Inc., 4400 Auburn Boulevard, Suite 102, Sacramento, CA 95841, in the enclosed self-addressed envelope.

Quentin Green
Acquisition Agent
Telephone: (916) 978-4900

**PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS**

Between

**GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD
FAMILY REVOCABLE TRUST**

SELLER

And

**CITY OF PORTERVILLE,
a California municipal corporation**

BUYER

DATED: _____, 2017

First American Title Company
("Escrow Holder")
484 N. Prospect Street, Suite C
Porterville, California 93257
Attention: Ann Kay
Telephone: (559) 306-3387
E-Mail: akay@firstam.com

Escrow No. 54075415152

Date of Opening of
Escrow: _____

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the "Agreement") is made as of _____, 2017 ("Execution Date"), by and between **GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD FAMILY REVOCABLE TRUST** ("Seller"), and **CITY OF PORTERVILLE**, a California municipal corporation ("Buyer").

ARTICLE 1 PROPERTY

1.1 The Property. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the real property in Porterville, Tulare County, California, as described in **Exhibit A** (the "Property"), subject to the terms and conditions of this Agreement, any and all applicable federal, state and local laws, orders, rules, regulations, any and all outstanding rights of record or open and obvious on the ground, and all matters in the form of the Grant Deed also attached in **Exhibit A** (the "Deed").

ARTICLE 2 PURCHASE PRICE

2.1 Purchase Price The purchase price ("Purchase Price") for the Property is SIXTY THREE THOUSAND AND NO/100 DOLLARS (\$63,000.00).

ARTICLE 3 AS IS SALE

ARTICLE 4 TITLE TO PROPERTY

4.1 Title. At the Closing (as defined in Section 7.2.1), Seller shall execute and deliver to Buyer the Deed to the Property in the form of **Exhibit A** attached hereto. Title will be evidenced by the issuance by First American Title Company ("Title Company") of a CLTA Standard Coverage Owner's Policy of Title Insurance in the full amount of the Purchase Price (the "Title Policy"), insuring fee simple title to the Property in Buyer, subject only to:

4.1.1 A lien to secure payment of real property taxes and assessments, not delinquent;

4.1.2 Matters affecting the condition of title created or permitted to be created by or with the written consent of Buyer;

4.1.3 Standard exceptions in the Title Policy, and exceptions that are disclosed by the Title Report described in Section 5.1 or any supplementary report and that are approved or deemed approved by Buyer in accordance with Section 5.1; and

4.1.4 Any other exceptions or reservations set forth in the Deed.

4.2 Extended Coverage. Buyer, at its option and at its sole cost and expense, may obtain ALTA extended coverage and/or an ALTA survey, provided, however, that the failure to obtain such extended coverage will not be a condition to nor delay the Close of Escrow beyond the Closing Date, and that Seller will not be required to assume any obligations or liabilities in addition to Seller's obligations and liabilities under this Agreement.

ARTICLE 5 BUYER'S CONDITIONS TO CLOSING

The following are conditions precedent to Buyer's obligation to purchase the Property:

5.1 Approval of Title.

(a) Buyer, at its sole cost and expense, has obtained a preliminary title report on the Property ("Title Report") together with copies of all the documents referred to in the Title Report that are provided by the Title Company with the Title Report, and has or shall furnish a copy of same to Buyer. Within the earlier to occur of (i) ten (10) days after receipt by Buyer of the Title Report, or (ii) Sixty (60) days after Opening of Escrow ("Title Contingency Date"), per Section Article 6 below, Buyer shall deliver written notice to Seller ("Buyer's Title Notice") of all matters of title to the Property disapproved by Buyer ("Disapproved Items"). If Buyer timely notifies Seller of Disapproved Items and all or some of the Disapproved Items (except for those Disapproved Items, if any, which will be removed upon the Close of Escrow in accordance with

the terms of this Agreement) are not cured or deleted as exceptions to title within ten (10) days after Seller's receipt of Buyer's Title Notice ("Seller's Cure Period"), Buyer will have the option of either waiving its disapproval of such Disapproved Items and proceeding to the Close of Escrow or terminating this Agreement, in which event the provisions of Section 5.1(b) will govern. The procurement by Seller of a commitment for the issuance of the Title Policy, or an endorsement thereto, insuring Buyer against any Disapproved Item set forth in Buyer's Title Notice, will be deemed a cure by Seller of such Disapproved Item. In the event Buyer elects to terminate this Agreement pursuant to this Section 5.1, Buyer shall notify Seller of its election by written notice no later than five (5) days after expiration of Seller's Cure Period. Buyer's failure to timely deliver written notice to Seller of its election will be deemed to be Buyer's election to proceed to the Close of Escrow and to waive its disapproval of such Disapproved Items. In no event will Seller's failure to cure or delete as exceptions to the Title Policy any Disapproved Items be deemed to be a breach of this Agreement by Seller or entitle Buyer to any offset against the Purchase Price.

(b) If this Agreement is terminated pursuant to this Section 5.1., the Deposit will be returned to Buyer and neither party will have any further rights or obligations under this Agreement (other than the Surviving Obligations).

5.2 Compliance by Seller. Seller will have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Seller.

ARTICLE 6 SELLER'S CONDITIONS TO CLOSING

The following are conditions precedent to Seller's obligation to sell the Property:

6.1 Compliance by Buyer. Buyer will have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Buyer.

ARTICLE 7 OPENING AND CLOSING OF ESCROW

7.1 Opening of Escrow and Escrow Instructions. Upon execution of this Agreement, the parties shall deposit three (3) executed counterparts of this Agreement (and Buyer shall deposit the Deposit) with Escrow Holder and this instrument will serve as the instructions to Escrow Holder for consummation of the purchase and sale contemplated hereby, including Escrow Holder's general provisions which are contained in **Exhibit B** attached hereto to the extent said general provisions do not conflict with the provisions contained in these Escrow Instructions. Escrow Holder shall insert the date of the Opening of Escrow on the upper right hand corner of the first page of this Agreement on each of the three counterparts. The Opening of Escrow is the date upon which Escrow Holder has received executed counterparts of this Agreement from both Buyer and Seller and has received the Deposit from Buyer. Escrow Holder shall deliver to both Buyer and Seller a set of counterparts of the Agreement executed by Buyer, Seller and Escrow Holder and shall retain a set in Escrow. Escrow Holder is responsible only for undertaking such matters in conjunction with the Closing as are specifically provided for in this Agreement or in any additional or supplementary escrow instructions delivered by the parties.

7.2 Closing.

7.2.1 Closing Date. The consummation of the transaction contemplated by this Agreement and recording of the Deed (the "Closing" or "Close of Escrow") will occur and delivery of all items to be made at the Closing under the terms of this Agreement will be made within thirty (30) days after the date of Opening of Escrow, unless the Closing date is extended upon mutual agreement between the parties.

7.2.2 Preclosing Conditions. Provided that Escrow Holder can comply with these instructions, that Escrow Holder has received the deliveries described in Sections 8.3 and 8.4 below, that Escrow Holder has not received prior written notice from a party that any condition to such party's obligations has not been fulfilled, or that Buyer has elected to terminate its rights and obligations under this Agreement pursuant to Article 5 or Seller has elected to terminate its rights and obligations under this Agreement pursuant to Article 6 and the Title Company has issued or is unconditionally prepared to issue to Buyer, as of the Closing Date, the Title Policy, then Escrow Holder is authorized and instructed to (a) record the Deed, (b) deliver the Purchase Price to Seller, less prorations and costs of Escrow in accordance with Section 8.6, (c) deliver a conformed copy of the recorded Deed, and (d) deliver the closing statements to Buyer and Seller in accordance with Section 8.2.4.

7.2.3 Failure to Close. If the Closing does not occur on or before the Closing Date (or as extended by mutual agreement), then either party not then in default may elect to terminate this Agreement and cancel Escrow by giving written notice of such termination and cancellation to the other party and to Escrow Holder. In the event of such termination and cancellation, neither party will have any further obligations hereunder (other than the Surviving Obligations) and, unless the Escrow fails to close due to (a) a material default by Seller, (b) the failure of a condition precedent to Buyer's obligations hereunder, or (c) termination of this Agreement, the Deposit and any interest accrued thereon will be returned to Buyer, and all documents and other instruments must be returned to the party depositing the same into Escrow. If neither party is in default, then Buyer and Seller will share equally the cost of cancellation of Escrow. If only one of the parties hereto is in default or if this Agreement expressly so provides, then such defaulting party shall pay for the entire cost of cancellation of Escrow. The termination of this Agreement and cancellation of Escrow will be without prejudice to whatever legal rights, as such rights may be limited by the terms of this Agreement, that Buyer or Seller may have against each other arising out of this Agreement and the Escrow. If neither party so elects to terminate this Agreement and cancel Escrow, Escrow Holder shall close the Escrow as soon as possible.

7.2.4 Notification; Closing Statements. If Escrow Holder cannot comply with the instructions in this Agreement and to be provided, Escrow Holder is not authorized to cause the recording of the Deed or close this Escrow. If Escrow Holder is unable to cause the recording of the Deed, Escrow Holder shall notify Jason Ridenour at (559) 782-7460 and Greg Woodard, without delay. If Escrow Holder is able to comply with the instructions herein and to be provided, at the Closing Escrow Holder shall deliver to Seller at the addresses provided in Section 12.9 a true, correct and complete copy of the Seller's closing statement, in the form customarily prepared by Escrow Holder and shall deliver to Buyer at the address provided in Section 10.9 a true, correct

and complete copy of Buyer's closing statement, in the form customarily prepared by Escrow Holder.

7.3 Deliveries by Seller. Not later than one business day prior to the Closing Date, Seller shall deposit with Escrow Holder the following items:

7.3.1 Deed. The Deed in the form of **Exhibit A** duly executed and acknowledged by Seller.

7.3.2 California Form 593-C. California Form 593-C (Real Estate Withholding Certificate) duly executed by Seller, if applicable.

7.3.4 Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement and/or necessary to effectuate the sale that have not previously been delivered.

7.4 Deliveries by Buyer. Not later than one (1) business day prior to the Closing Date (or such other time specified below), Buyer shall deposit with Escrow Holder the following items:

7.4.1 Purchase Price. A sum, in an amount equal to the Purchase Price, plus Buyer's share of the prorations and costs of Escrow that are required pursuant to this Article 8 to close Escrow.

7.4.2 Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement and/or necessary to effectuate the sale that have not been previously delivered.

7.5 Other Instruments. Seller and Buyer shall each deposit such other instruments and take such other actions as are reasonably required by Escrow Holder or otherwise required to close the Escrow and consummate the purchase of the Property in accordance with the terms of this Agreement.

7.6 Prorations. All revenues and expenses of the Property, including, without limitation, real property taxes, special taxes, assessments and utility fees and/or deposits, and rentals under the Licenses, if any, will be prorated and apportioned between Buyer and Seller as of 12:01 a.m. on the Closing Date, so that Seller bears all expenses with respect to the Property and has the benefit of all income with respect to the Property through and including the date immediately preceding the Closing Date. Seller and Buyer agree that any of the aforesaid prorations that cannot be calculated accurately as of the Closing Date will be prorated on the basis of the parties' reasonable estimates, and will be recomputed between Seller and Buyer when actual tax statements for the year of Closing are received, and either party owing the other party a sum of money based on such subsequent proration adjustment will promptly pay said sum to the other party, and, if payment is not made within ten (10) days after delivery of a bill therefor, will pay interest thereon at the lesser of the rate of ten percent (10%) per annum or the highest rate permitted by law, from the Closing Date to the date of payment.

7.7 Special Taxes, Bonds or Assessments. If, at the time of Closing, any portion of the Property is affected by an assessment or other charge, whether for taxes or bonds, or interest thereon, which is or may become payable in installments, and an installment payment of such assessment is then a lien, then such installment will be prorated as of midnight at the end of the day preceding the Close of Escrow. All installments not then yet due whether or not the same have been prepaid will not be prorated and Buyer shall assume such bonds or assessments. Any prepaid assessments made in advance of its due date will be credited to Seller. In addition, Buyer shall assume any and all future bonds, assessments, special taxes, fees or charges applicable to the Property for liabilities now or hereafter imposed by any governmental authority (collectively referred to as "Governmental Requirements") including, without limitation, any such Governmental Requirements imposed by the City of Porterville, and those for (a) common area improvements, whether or not specifically set forth in this Agreement, (b) local assessment or improvement districts, (c) any special tax assessments, (d) traffic mitigation improvements, (e) park and recreation fees, and/or (f) any other public facility infrastructure or traffic mitigation required or imposed by the City of Porterville. Buyer shall assume all such bonds or future assessments without offset or adjustment.

7.8 Costs and Expenses. The costs and expenses of Escrow upon Close of Escrow will be, without limitation, all recording charges, if any, the premium for the Title Policy, the cost of any documentary or other transfer taxes applicable to the sale, if any, and all other standard costs and charges of the Escrow.

7.9 Disbursement of Funds. On the Close of Escrow, Escrow Holder shall disburse the Purchase Price less Seller's share of prorations as determined pursuant to this Agreement in immediately available funds, and, unless otherwise instructed by Seller, Escrow Holder shall cause such funds to be sent as follows: Greg and Cinda Woodard, Trustees, 461 North Crestview Street, Porterville, CA 93257.

7.10 Delivery of Documents. Upon the Close of Escrow, Escrow Holder shall promptly deliver all instruments and documents to the parties as specified in Section 10.9. Escrow Holder shall promptly deliver to the party entitled thereto the recorded originals of such instruments or documents upon Escrow Holder's receipt of the same.

7.11 Supplemental Taxes. Seller and Buyer acknowledge that the Property may be subject to supplemental taxes due as a result of change of ownership taking place through this Escrow. Any necessary adjustment due either party on receipt of a supplemental tax bill will be made by the parties outside of this Escrow and Escrow Holder is released of any liability in connection with same.

ARTICLE 8
REPRESENTATIONS, WARRANTIES AND COVENANTS;

8.1 Representations, Warranties and Covenants of Seller. Seller hereby represents, warrants and covenants to Buyer as of the date of this Agreement, as follows:

8.1.1 Organization. Sellers are private individuals.

8.1.2 Enforceability. This Agreement and all documents executed by Seller which are to be delivered to Buyer at the Closing are intended, provided Buyer has duly executed those documents requiring Buyer's signature, to be legal, valid, and binding obligations of Seller, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

8.1.3 Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against or contemplated by Seller.

8.2 Representations, Warranties and Covenants of Buyer. Buyer hereby represents, warrants and covenants to Seller as of the date of this Agreement, as follows:

8.2.1 Organization. Buyer is a municipal corporation, duly organized, validly existing and in good standing under the laws of the State of California and qualified to do business in California, with full power and authority to enter into and comply with the terms of this Agreement.

8.2.2 Enforceability. This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are intended, provided Seller has duly executed those documents requiring Seller's signature, to be legal, valid, and binding obligations of Buyer, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

8.2.3 Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against or contemplated by Buyer.

8.3 Mutual Representations and Covenants, Brokers and Finders. No broker's fee, finder's fee, commission or similar compensation will be paid to principals of Buyer or Seller in connection with this Agreement. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, agrees to indemnify and hold Seller harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Seller may sustain or incur by reason of such claim; and Seller, if such claim is based upon any agreement alleged to have been made by Seller, agrees to indemnify and hold

Buyer harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Buyer may sustain or incur by reason of such claim. The provisions of this Section will survive the Close of Escrow or termination of this Agreement.

ARTICLE 9 POSSESSION

Possession of the Property will be delivered to Buyer upon deposit of the Purchase Funds into Escrow and the amount shown in Article 2 includes, but is not limited to, full payment for that possession and use, including damages, if any, from said date.

ARTICLE 10 MISCELLANEOUS

10.1 Agreement Expenses. The parties agree to bear their respective expenses, incurred or to be incurred in negotiating and preparing this Agreement and in Closing and carrying out the transactions contemplated by this Agreement.

10.2 Satisfaction or Waiver of Contingencies. The consummation of the Closing will be conclusive evidence that the contingencies and conditions to Closing have been fully satisfied or waived.

10.3 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

10.4 Parties in Interest. Except as expressly provided in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor will any provision give any third persons any right to subrogation or action over or against any party to this Agreement.

10.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior or contemporaneous oral or written agreements, representations, statements, documents, or understandings of the parties.

10.6 Amendment. No supplement, modification, or amendment of this Agreement will be binding unless executed in writing by the party to be bound.

10.7 Waiver. No waiver of any of the provisions of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

10.8 Timeliness. Seller and Buyer acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision of this Agreement and that failure to timely perform any of the material terms, conditions, obligations or provisions of this Agreement by either party is a material breach of and a non-curable (but waivable) default under this Agreement by the party so failing to perform.

10.9 Notices. Any notice or other communication required or permitted to be given under this Agreement ("Notices") must be in writing and must be (a) personally delivered; (b) delivered by a reputable overnight courier; or (c) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. Notices will be deemed received at the earlier of (a) actual receipt or (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three business days following deposit in the U.S. Mail, as evidenced by a return receipt. Notices must be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other in the manner described above:

If to Seller: GREG AND CINDA WOODARD, TRUSTEES
461 North Crestview Street
Porterville, CA 93257

If to Buyer: CITY OF PORTERVILLE
ATTN: Jason Ridenour, Economic Development and Housing
Manager
291 Main Street
Porterville, California 93257
Telephone: (559) 782-7460

10.10 Governing Law and Venue. This Agreement is to be construed in accordance with, and governed by, the laws of the State of California, and any action or proceeding, including arbitration, brought by any party in which this Agreement is subject, will be brought in the county in which the Property is located. This Agreement is entered into and to be performed in Tulare County, California.

10.11 Effect of Headings. The headings of the paragraphs of this Agreement are included for purposes of convenience only, and will not affect the construction or interpretation of any of its provisions.

10.12 Invalidity. Any provision of this Agreement which is invalid, void, or illegal, will not affect, impair, or invalidate any other provision of this Agreement, and such other provisions of this Agreement will remain in full force and effect.

10.13 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

10.14 Number and Gender. When required by the context of this Agreement, each number (singular and plural) will include all numbers, and each gender will include all genders.

10.15 Joint and Several Liability. In the event either party hereto now or hereafter consists of more than one person, firm, or corporation, then and in such event, all such persons, firms, or corporations will be jointly and severally liable as parties under this Agreement.

10.16 Recording. Neither party may record this Agreement or any memorandum thereof.

10.17 Advice of Professionals. Each party has had the opportunity to be advised by legal counsel and other professionals in connection with this Agreement, and each party has obtained such advice as each party deems appropriate.

10.18 Negotiated Terms. The parties agree that the terms and conditions of this Agreement are the result of negotiations between the parties and that this Agreement will not be construed in favor of or against any party by reason of the extent to which any party or its professionals participated in the preparation of this Agreement.

10.19 Recitals and Exhibits. The recitals and contents of all Exhibits to this Agreement are incorporated by reference and constitute a material part of this Agreement.

10.20 Professional Fees and Costs. If any legal or equitable action, arbitration, bankruptcy, reorganization, or other proceeding, whether on the merits, application, or motion, are brought or undertaken, or an attorney retained, to enforce this Agreement or any closing document, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement or any closing document, then the successful or prevailing party or parties in such undertaking (or the party that would prevail if an action were brought) will be entitled to recover reasonable attorney's and other professional fees, expert witness fees, court costs and other expenses incurred in such action, proceeding, or discussions, in addition to any other relief to which such party may be entitled. The parties intend this provision to be given the most liberal construction possible and to apply to any circumstances in which such party reasonably incurs expenses. The provisions of this Section will survive the Close of Escrow or the termination of this Agreement.

10.21 Not an Offer. The submission of this Agreement to Buyer for review or signature does not constitute an offer to sell the Property to Buyer or the granting of an option or other rights with respect to the Property to Buyer. No agreement with respect to the purchase and sale of the Property will exist, and this writing will have no binding force or effect, until executed and delivered by both Seller and Buyer.

10.22 Severability. Any provision of this Agreement that is determined by a court of competent jurisdiction to be invalid or unenforceable will be invalid or unenforceable only to the extent of such determination, which will not invalidate or otherwise render ineffective any other provision of this Agreement.

10.23 Merger. Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties of Buyer and Seller in this Agreement will merge into the Deed to be delivered by Seller to Buyer at Closing and will not survive the Closing of Escrow.

SELLER: THE WOODARD FAMILY REVOCABLE TRUST OF AUGUST 10, 2006

By: _____

Name: Greg L. Woodard, Trustee

By: _____

Name: Cinda D. Woodard, Trustee

**BUYER: CITY OF PORTERVILLE,
a California municipal corporation**

By: _____

Name: _____

Title: _____

THE UNDERSIGNED ESCROW HOLDER ACKNOWLEDGES ITS RECEIPT OF THE DEPOSIT AND THREE (3) EXECUTED COPIES OF THIS AGREEMENT AND AGREES TO ACT IN ACCORDANCE THEREWITH.

ESCROW HOLDER: First American Title Company

By: _____

Ann Kay, Escrow Officer

EXHIBIT A

[Grant Deed with Legal Descriptions]

WHEN RECORDED RETURN TO:
Bender Rosenthal, Inc.
4400 Auburn Boulevard, Suite 102
Sacramento, California 95841

NO FEE DOCUMENT

Per Cal Government Code 27383
and Cal Revenue and Taxation Code
11922

Project: East Porterville Water Supply Project

APNs: 255-190-022 & 254-010-059

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD FAMILY REVOCABLE TRUST OF AUGUST 10, 2006, ("Grantor"), GRANTS to the CITY OF PORTERVILLE ("Grantee"), a California municipal corporation, all that real property, or interest therein together with all improvements and fixtures thereon, in the County of Tulare, State of California, described in Exhibit "A", attached hereto and made a part thereof ("Property").

IN WITNESS WHEREOF, GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES, have caused this Grant Deed to be executed as of the date set forth below the signature line.

Greg L. Woodard, Trustee

Cinda D. Woodard, Trustee

DATED: _____

EXHIBIT "A"

That portion of the Remainder parcel of Jasmine Ranch, Phase One Subdivision, as shown on map filed in Book 35 of maps, at page 49, in the Tulare County Recorder's office, situated in the Southeast quarter of the Southwest quarter of Section 19, Township 21 South, Range 28 East, Mount Diablo Base and Meridian, in the City of Porterville, County of Tulare, State of California, more particularly described as follows:

COMMENCING at the Southeast corner of the Southeast quarter, of said Southwest quarter:

THENCE, South $89^{\circ} 59' 46''$ West, along the south line of said Southeast quarter of the Southwest quarter, 635.00 feet, to a point in the east line of that portion designated as "Not-A-Part" parcel as shown on said Jasmine Ranch, Phase One Subdivision;

THENCE, North $00^{\circ} 00' 14''$ West, along said east line, 110 feet, to the Northeast corner of said "Not-A-Part" parcel;

THENCE, South $89^{\circ} 59' 46''$ West, along the north line of said "Not-A-Part" parcel, a distance 90.00 feet, to the **POINT OF BEGINNING**;

THENCE, North $00^{\circ} 00' 14''$ West, a distance of 170.00 feet;

THENCE, South $89^{\circ} 59' 46''$ West, 244.86 feet to a point in the west line of said Remainder parcel;

THENCE, South $13^{\circ} 14' 22''$ East, along said west line, a distance of 169.00 feet;

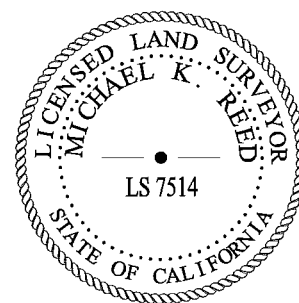
THENCE, South $75^{\circ} 14' 22''$ East, 101.52 feet, to a point in the west line of said "Not-A-Part" parcel;

THENCE, North $00^{\circ} 00' 14''$ West, along said west line, 20.38 feet, to the northwest corner thereof;

THENCE, North $89^{\circ} 59' 46''$ East, along the north line of said parcel, 108.00 feet, to the **POINT OF BEGINNING**.

BASIS OF BEARING for the parcel described herein is the North line of the South half of the Southwest quarter of said Section 19, Township 21 South, Range 28 East, taken as South $89^{\circ} 51' 16''$ East per Jasmine Ranch, Phase One Subdivision filed in Book 35 of maps, at page 49, in the Office of the Tulare County Recorder.

End of Description



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____, before me, _____

Date

Here Insert Name and Title of the Officer

personally appeared _____

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Signature of Notary Public

*Place Notary Seal Above***OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

EXHIBIT B

ESCROW HOLDER GENERAL PROVISIONS

THE FOLLOWING EXCEPTION(S) MAY APPEAR IN THE TITLE POLICY:

<u>Item No./Description</u>	<u>Action</u>
1,2,3,	Current Taxes/Assessments - Taxes shall be cleared and prorated effective close of escrow
8 Utility Easement	Does not impact project
9 Utility Easement	Does not impact project

THE FOLLOWING MUST NOT APPEAR IN THE TITLE POLICY:

<u>Item No./Description</u>	<u>Reason</u>
4 Lien of supplemental taxes	Lien of taxes shall be paid and eliminated from this escrow
5 Temporary Easement	Eliminate – not in right of way
6 Water Easement	Eliminate – not in right of way
7 Water line and road	Eliminate – not in right of way
10 Grant Deed-Legal description	This partial, public acquisition provides metes/bounds description – this exception can be eliminated
11 Rights or claims to water	Eliminate – CLTA policy only
12 Rights of parties in possession	Eliminate – CLTA policy only
13 Trust documentation	Obtain required documentation and clear

**PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS**

Between

**GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD
FAMILY REVOCABLE TRUST**

SELLER

And

**CITY OF PORTERVILLE,
a California municipal corporation**

BUYER

DATED: _____, 2017

First American Title Company
("Escrow Holder")
484 N. Prospect Street, Suite C
Porterville, California 93257
Attention: Ann Kay
Telephone: (559) 306-3387
E-Mail: akay@firstam.com

Escrow No. 54075415152

Date of Opening of
Escrow: _____

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the "Agreement") is made as of _____, 2017 ("Execution Date"), by and between **GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD FAMILY REVOCABLE TRUST** ("Seller"), and **CITY OF PORTERVILLE**, a California municipal corporation ("Buyer").

ARTICLE 1 PROPERTY

1.1 The Property. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the real property in Porterville, Tulare County, California, as described in **Exhibit A** (the "Property"), subject to the terms and conditions of this Agreement, any and all applicable federal, state and local laws, orders, rules, regulations, any and all outstanding rights of record or open and obvious on the ground, and all matters in the form of the Grant Deed also attached in **Exhibit A** (the "Deed").

ARTICLE 2 PURCHASE PRICE

2.1 Purchase Price The purchase price ("Purchase Price") for the Property is SIXTY THREE THOUSAND AND NO/100 DOLLARS (\$63,000.00).

ARTICLE 3 AS IS SALE

ARTICLE 4 TITLE TO PROPERTY

4.1 Title. At the Closing (as defined in Section 7.2.1), Seller shall execute and deliver to Buyer the Deed to the Property in the form of **Exhibit A** attached hereto. Title will be evidenced by the issuance by First American Title Company ("Title Company") of a CLTA Standard Coverage Owner's Policy of Title Insurance in the full amount of the Purchase Price (the "Title Policy"), insuring fee simple title to the Property in Buyer, subject only to:

4.1.1 A lien to secure payment of real property taxes and assessments, not delinquent;

4.1.2 Matters affecting the condition of title created or permitted to be created by or with the written consent of Buyer;

4.1.3 Standard exceptions in the Title Policy, and exceptions that are disclosed by the Title Report described in Section 5.1 or any supplementary report and that are approved or deemed approved by Buyer in accordance with Section 5.1; and

4.1.4 Any other exceptions or reservations set forth in the Deed.

4.2 Extended Coverage. Buyer, at its option and at its sole cost and expense, may obtain ALTA extended coverage and/or an ALTA survey, provided, however, that the failure to obtain such extended coverage will not be a condition to nor delay the Close of Escrow beyond the Closing Date, and that Seller will not be required to assume any obligations or liabilities in addition to Seller's obligations and liabilities under this Agreement.

ARTICLE 5 BUYER'S CONDITIONS TO CLOSING

The following are conditions precedent to Buyer's obligation to purchase the Property:

5.1 Approval of Title.

(a) Buyer, at its sole cost and expense, has obtained a preliminary title report on the Property ("Title Report") together with copies of all the documents referred to in the Title Report that are provided by the Title Company with the Title Report, and has or shall furnish a copy of same to Buyer. Within the earlier to occur of (i) ten (10) days after receipt by Buyer of the Title Report, or (ii) Sixty (60) days after Opening of Escrow ("Title Contingency Date"), per Section Article 6 below, Buyer shall deliver written notice to Seller ("Buyer's Title Notice") of all matters of title to the Property disapproved by Buyer ("Disapproved Items"). If Buyer timely notifies Seller of Disapproved Items and all or some of the Disapproved Items (except for those Disapproved Items, if any, which will be removed upon the Close of Escrow in accordance with

the terms of this Agreement) are not cured or deleted as exceptions to title within ten (10) days after Seller's receipt of Buyer's Title Notice ("Seller's Cure Period"), Buyer will have the option of either waiving its disapproval of such Disapproved Items and proceeding to the Close of Escrow or terminating this Agreement, in which event the provisions of Section 5.1(b) will govern. The procurement by Seller of a commitment for the issuance of the Title Policy, or an endorsement thereto, insuring Buyer against any Disapproved Item set forth in Buyer's Title Notice, will be deemed a cure by Seller of such Disapproved Item. In the event Buyer elects to terminate this Agreement pursuant to this Section 5.1, Buyer shall notify Seller of its election by written notice no later than five (5) days after expiration of Seller's Cure Period. Buyer's failure to timely deliver written notice to Seller of its election will be deemed to be Buyer's election to proceed to the Close of Escrow and to waive its disapproval of such Disapproved Items. In no event will Seller's failure to cure or delete as exceptions to the Title Policy any Disapproved Items be deemed to be a breach of this Agreement by Seller or entitle Buyer to any offset against the Purchase Price.

(b) If this Agreement is terminated pursuant to this Section 5.1., the Deposit will be returned to Buyer and neither party will have any further rights or obligations under this Agreement (other than the Surviving Obligations).

5.2 Compliance by Seller. Seller will have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Seller.

ARTICLE 6 SELLER'S CONDITIONS TO CLOSING

The following are conditions precedent to Seller's obligation to sell the Property:

6.1 Compliance by Buyer. Buyer will have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Buyer.

ARTICLE 7 OPENING AND CLOSING OF ESCROW

7.1 Opening of Escrow and Escrow Instructions. Upon execution of this Agreement, the parties shall deposit three (3) executed counterparts of this Agreement (and Buyer shall deposit the Deposit) with Escrow Holder and this instrument will serve as the instructions to Escrow Holder for consummation of the purchase and sale contemplated hereby, including Escrow Holder's general provisions which are contained in **Exhibit B** attached hereto to the extent said general provisions do not conflict with the provisions contained in these Escrow Instructions. Escrow Holder shall insert the date of the Opening of Escrow on the upper right hand corner of the first page of this Agreement on each of the three counterparts. The Opening of Escrow is the date upon which Escrow Holder has received executed counterparts of this Agreement from both Buyer and Seller and has received the Deposit from Buyer. Escrow Holder shall deliver to both Buyer and Seller a set of counterparts of the Agreement executed by Buyer, Seller and Escrow Holder and shall retain a set in Escrow. Escrow Holder is responsible only for undertaking such matters in conjunction with the Closing as are specifically provided for in this Agreement or in any additional or supplementary escrow instructions delivered by the parties.

7.2 Closing.

7.2.1 Closing Date. The consummation of the transaction contemplated by this Agreement and recording of the Deed (the "Closing" or "Close of Escrow") will occur and delivery of all items to be made at the Closing under the terms of this Agreement will be made within thirty (30) days after the date of Opening of Escrow, unless the Closing date is extended upon mutual agreement between the parties.

7.2.2 Preclosing Conditions. Provided that Escrow Holder can comply with these instructions, that Escrow Holder has received the deliveries described in Sections 8.3 and 8.4 below, that Escrow Holder has not received prior written notice from a party that any condition to such party's obligations has not been fulfilled, or that Buyer has elected to terminate its rights and obligations under this Agreement pursuant to Article 5 or Seller has elected to terminate its rights and obligations under this Agreement pursuant to Article 6 and the Title Company has issued or is unconditionally prepared to issue to Buyer, as of the Closing Date, the Title Policy, then Escrow Holder is authorized and instructed to (a) record the Deed, (b) deliver the Purchase Price to Seller, less prorations and costs of Escrow in accordance with Section 8.6, (c) deliver a conformed copy of the recorded Deed, and (d) deliver the closing statements to Buyer and Seller in accordance with Section 8.2.4.

7.2.3 Failure to Close. If the Closing does not occur on or before the Closing Date (or as extended by mutual agreement), then either party not then in default may elect to terminate this Agreement and cancel Escrow by giving written notice of such termination and cancellation to the other party and to Escrow Holder. In the event of such termination and cancellation, neither party will have any further obligations hereunder (other than the Surviving Obligations) and, unless the Escrow fails to close due to (a) a material default by Seller, (b) the failure of a condition precedent to Buyer's obligations hereunder, or (c) termination of this Agreement, the Deposit and any interest accrued thereon will be returned to Buyer, and all documents and other instruments must be returned to the party depositing the same into Escrow. If neither party is in default, then Buyer and Seller will share equally the cost of cancellation of Escrow. If only one of the parties hereto is in default or if this Agreement expressly so provides, then such defaulting party shall pay for the entire cost of cancellation of Escrow. The termination of this Agreement and cancellation of Escrow will be without prejudice to whatever legal rights, as such rights may be limited by the terms of this Agreement, that Buyer or Seller may have against each other arising out of this Agreement and the Escrow. If neither party so elects to terminate this Agreement and cancel Escrow, Escrow Holder shall close the Escrow as soon as possible.

7.2.4 Notification; Closing Statements. If Escrow Holder cannot comply with the instructions in this Agreement and to be provided, Escrow Holder is not authorized to cause the recording of the Deed or close this Escrow. If Escrow Holder is unable to cause the recording of the Deed, Escrow Holder shall notify Jason Ridenour at (559) 782-7460 and Greg Woodard, without delay. If Escrow Holder is able to comply with the instructions herein and to be provided, at the Closing Escrow Holder shall deliver to Seller at the addresses provided in Section 12.9 a true, correct and complete copy of the Seller's closing statement, in the form customarily prepared by Escrow Holder and shall deliver to Buyer at the address provided in Section 10.9 a true, correct

and complete copy of Buyer's closing statement, in the form customarily prepared by Escrow Holder.

7.3 Deliveries by Seller. Not later than one business day prior to the Closing Date, Seller shall deposit with Escrow Holder the following items:

7.3.1 Deed. The Deed in the form of **Exhibit A** duly executed and acknowledged by Seller.

7.3.2 California Form 593-C. California Form 593-C (Real Estate Withholding Certificate) duly executed by Seller, if applicable.

7.3.4 Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement and/or necessary to effectuate the sale that have not previously been delivered.

7.4 Deliveries by Buyer. Not later than one (1) business day prior to the Closing Date (or such other time specified below), Buyer shall deposit with Escrow Holder the following items:

7.4.1 Purchase Price. A sum, in an amount equal to the Purchase Price, plus Buyer's share of the prorations and costs of Escrow that are required pursuant to this Article 8 to close Escrow.

7.4.2 Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement and/or necessary to effectuate the sale that have not been previously delivered.

7.5 Other Instruments. Seller and Buyer shall each deposit such other instruments and take such other actions as are reasonably required by Escrow Holder or otherwise required to close the Escrow and consummate the purchase of the Property in accordance with the terms of this Agreement.

7.6 Prorations. All revenues and expenses of the Property, including, without limitation, real property taxes, special taxes, assessments and utility fees and/or deposits, and rentals under the Licenses, if any, will be prorated and apportioned between Buyer and Seller as of 12:01 a.m. on the Closing Date, so that Seller bears all expenses with respect to the Property and has the benefit of all income with respect to the Property through and including the date immediately preceding the Closing Date. Seller and Buyer agree that any of the aforesaid prorations that cannot be calculated accurately as of the Closing Date will be prorated on the basis of the parties' reasonable estimates, and will be recomputed between Seller and Buyer when actual tax statements for the year of Closing are received, and either party owing the other party a sum of money based on such subsequent proration adjustment will promptly pay said sum to the other party, and, if payment is not made within ten (10) days after delivery of a bill therefor, will pay interest thereon at the lesser of the rate of ten percent (10%) per annum or the highest rate permitted by law, from the Closing Date to the date of payment.

7.7 Special Taxes, Bonds or Assessments. If, at the time of Closing, any portion of the Property is affected by an assessment or other charge, whether for taxes or bonds, or interest thereon, which is or may become payable in installments, and an installment payment of such assessment is then a lien, then such installment will be prorated as of midnight at the end of the day preceding the Close of Escrow. All installments not then yet due whether or not the same have been prepaid will not be prorated and Buyer shall assume such bonds or assessments. Any prepaid assessments made in advance of its due date will be credited to Seller. In addition, Buyer shall assume any and all future bonds, assessments, special taxes, fees or charges applicable to the Property for liabilities now or hereafter imposed by any governmental authority (collectively referred to as "Governmental Requirements") including, without limitation, any such Governmental Requirements imposed by the City of Porterville, and those for (a) common area improvements, whether or not specifically set forth in this Agreement, (b) local assessment or improvement districts, (c) any special tax assessments, (d) traffic mitigation improvements, (e) park and recreation fees, and/or (f) any other public facility infrastructure or traffic mitigation required or imposed by the City of Porterville. Buyer shall assume all such bonds or future assessments without offset or adjustment.

7.8 Costs and Expenses. The costs and expenses of Escrow upon Close of Escrow will be, without limitation, all recording charges, if any, the premium for the Title Policy, the cost of any documentary or other transfer taxes applicable to the sale, if any, and all other standard costs and charges of the Escrow.

7.9 Disbursement of Funds. On the Close of Escrow, Escrow Holder shall disburse the Purchase Price less Seller's share of prorations as determined pursuant to this Agreement in immediately available funds, and, unless otherwise instructed by Seller, Escrow Holder shall cause such funds to be sent as follows: Greg and Cinda Woodard, Trustees, 461 North Crestview Street, Porterville, CA 93257.

7.10 Delivery of Documents. Upon the Close of Escrow, Escrow Holder shall promptly deliver all instruments and documents to the parties as specified in Section 10.9. Escrow Holder shall promptly deliver to the party entitled thereto the recorded originals of such instruments or documents upon Escrow Holder's receipt of the same.

7.11 Supplemental Taxes. Seller and Buyer acknowledge that the Property may be subject to supplemental taxes due as a result of change of ownership taking place through this Escrow. Any necessary adjustment due either party on receipt of a supplemental tax bill will be made by the parties outside of this Escrow and Escrow Holder is released of any liability in connection with same.

ARTICLE 8
REPRESENTATIONS, WARRANTIES AND COVENANTS;

8.1 Representations, Warranties and Covenants of Seller. Seller hereby represents, warrants and covenants to Buyer as of the date of this Agreement, as follows:

8.1.1 Organization. Sellers are private individuals.

8.1.2 Enforceability. This Agreement and all documents executed by Seller which are to be delivered to Buyer at the Closing are intended, provided Buyer has duly executed those documents requiring Buyer's signature, to be legal, valid, and binding obligations of Seller, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

8.1.3 Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against or contemplated by Seller.

8.2 Representations, Warranties and Covenants of Buyer. Buyer hereby represents, warrants and covenants to Seller as of the date of this Agreement, as follows:

8.2.1 Organization. Buyer is a municipal corporation, duly organized, validly existing and in good standing under the laws of the State of California and qualified to do business in California, with full power and authority to enter into and comply with the terms of this Agreement.

8.2.2 Enforceability. This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are intended, provided Seller has duly executed those documents requiring Seller's signature, to be legal, valid, and binding obligations of Buyer, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

8.2.3 Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against or contemplated by Buyer.

8.3 Mutual Representations and Covenants, Brokers and Finders. No broker's fee, finder's fee, commission or similar compensation will be paid to principals of Buyer or Seller in connection with this Agreement. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, agrees to indemnify and hold Seller harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Seller may sustain or incur by reason of such claim; and Seller, if such claim is based upon any agreement alleged to have been made by Seller, agrees to indemnify and hold

Buyer harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Buyer may sustain or incur by reason of such claim. The provisions of this Section will survive the Close of Escrow or termination of this Agreement.

ARTICLE 9 POSSESSION

Possession of the Property will be delivered to Buyer upon deposit of the Purchase Funds into Escrow and the amount shown in Article 2 includes, but is not limited to, full payment for that possession and use, including damages, if any, from said date.

ARTICLE 10 MISCELLANEOUS

10.1 Agreement Expenses. The parties agree to bear their respective expenses, incurred or to be incurred in negotiating and preparing this Agreement and in Closing and carrying out the transactions contemplated by this Agreement.

10.2 Satisfaction or Waiver of Contingencies. The consummation of the Closing will be conclusive evidence that the contingencies and conditions to Closing have been fully satisfied or waived.

10.3 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

10.4 Parties in Interest. Except as expressly provided in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor will any provision give any third persons any right to subrogation or action over or against any party to this Agreement.

10.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior or contemporaneous oral or written agreements, representations, statements, documents, or understandings of the parties.

10.6 Amendment. No supplement, modification, or amendment of this Agreement will be binding unless executed in writing by the party to be bound.

10.7 Waiver. No waiver of any of the provisions of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

10.8 Timeliness. Seller and Buyer acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision of this Agreement and that failure to timely perform any of the material terms, conditions, obligations or provisions of this Agreement by either party is a material breach of and a non-curable (but waivable) default under this Agreement by the party so failing to perform.

10.9 Notices. Any notice or other communication required or permitted to be given under this Agreement ("Notices") must be in writing and must be (a) personally delivered; (b) delivered by a reputable overnight courier; or (c) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. Notices will be deemed received at the earlier of (a) actual receipt or (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three business days following deposit in the U.S. Mail, as evidenced by a return receipt. Notices must be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other in the manner described above:

If to Seller: GREG AND CINDA WOODARD, TRUSTEES
461 North Crestview Street
Porterville, CA 93257

If to Buyer: CITY OF PORTERVILLE
ATTN: Jason Ridenour, Economic Development and Housing
Manager
291 Main Street
Porterville, California 93257
Telephone: (559) 782-7460

10.10 Governing Law and Venue. This Agreement is to be construed in accordance with, and governed by, the laws of the State of California, and any action or proceeding, including arbitration, brought by any party in which this Agreement is subject, will be brought in the county in which the Property is located. This Agreement is entered into and to be performed in Tulare County, California.

10.11 Effect of Headings. The headings of the paragraphs of this Agreement are included for purposes of convenience only, and will not affect the construction or interpretation of any of its provisions.

10.12 Invalidity. Any provision of this Agreement which is invalid, void, or illegal, will not affect, impair, or invalidate any other provision of this Agreement, and such other provisions of this Agreement will remain in full force and effect.

10.13 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

10.14 Number and Gender. When required by the context of this Agreement, each number (singular and plural) will include all numbers, and each gender will include all genders.

10.15 Joint and Several Liability. In the event either party hereto now or hereafter consists of more than one person, firm, or corporation, then and in such event, all such persons, firms, or corporations will be jointly and severally liable as parties under this Agreement.

10.16 Recording. Neither party may record this Agreement or any memorandum thereof.

10.17 Advice of Professionals. Each party has had the opportunity to be advised by legal counsel and other professionals in connection with this Agreement, and each party has obtained such advice as each party deems appropriate.

10.18 Negotiated Terms. The parties agree that the terms and conditions of this Agreement are the result of negotiations between the parties and that this Agreement will not be construed in favor of or against any party by reason of the extent to which any party or its professionals participated in the preparation of this Agreement.

10.19 Recitals and Exhibits. The recitals and contents of all Exhibits to this Agreement are incorporated by reference and constitute a material part of this Agreement.

10.20 Professional Fees and Costs. If any legal or equitable action, arbitration, bankruptcy, reorganization, or other proceeding, whether on the merits, application, or motion, are brought or undertaken, or an attorney retained, to enforce this Agreement or any closing document, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement or any closing document, then the successful or prevailing party or parties in such undertaking (or the party that would prevail if an action were brought) will be entitled to recover reasonable attorney's and other professional fees, expert witness fees, court costs and other expenses incurred in such action, proceeding, or discussions, in addition to any other relief to which such party may be entitled. The parties intend this provision to be given the most liberal construction possible and to apply to any circumstances in which such party reasonably incurs expenses. The provisions of this Section will survive the Close of Escrow or the termination of this Agreement.

10.21 Not an Offer. The submission of this Agreement to Buyer for review or signature does not constitute an offer to sell the Property to Buyer or the granting of an option or other rights with respect to the Property to Buyer. No agreement with respect to the purchase and sale of the Property will exist, and this writing will have no binding force or effect, until executed and delivered by both Seller and Buyer.

10.22 Severability. Any provision of this Agreement that is determined by a court of competent jurisdiction to be invalid or unenforceable will be invalid or unenforceable only to the extent of such determination, which will not invalidate or otherwise render ineffective any other provision of this Agreement.

10.23 Merger. Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties of Buyer and Seller in this Agreement will merge into the Deed to be delivered by Seller to Buyer at Closing and will not survive the Closing of Escrow.

SELLER: THE WOODARD FAMILY REVOCABLE TRUST OF AUGUST 10, 2006

By: _____

Name: Greg L. Woodard, Trustee

By: _____

Name: Cinda D. Woodard, Trustee

**BUYER: CITY OF PORTERVILLE,
a California municipal corporation**

By: _____

Name: _____

Title: _____

THE UNDERSIGNED ESCROW HOLDER ACKNOWLEDGES ITS RECEIPT OF THE DEPOSIT AND THREE (3) EXECUTED COPIES OF THIS AGREEMENT AND AGREES TO ACT IN ACCORDANCE THEREWITH.

ESCROW HOLDER: First American Title Company

By: _____

Ann Kay, Escrow Officer

EXHIBIT A

[Grant Deed with Legal Descriptions]

WHEN RECORDED RETURN TO:
Bender Rosenthal, Inc.
4400 Auburn Boulevard, Suite 102
Sacramento, California 95841

NO FEE DOCUMENT

Per Cal Government Code 27383
and Cal Revenue and Taxation Code
11922

Project: East Porterville Water Supply Project

APNs: 255-190-022 & 254-010-059

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD FAMILY REVOCABLE TRUST OF AUGUST 10, 2006, ("Grantor"), GRANTS to the CITY OF PORTERVILLE ("Grantee"), a California municipal corporation, all that real property, or interest therein together with all improvements and fixtures thereon, in the County of Tulare, State of California, described in Exhibit "A", attached hereto and made a part thereof ("Property").

IN WITNESS WHEREOF, GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES, have caused this Grant Deed to be executed as of the date set forth below the signature line.

Greg L. Woodard, Trustee

Cinda D. Woodard, Trustee

DATED: _____

EXHIBIT "A"

That portion of the Remainder parcel of Jasmine Ranch, Phase One Subdivision, as shown on map filed in Book 35 of maps, at page 49, in the Tulare County Recorder's office, situated in the Southeast quarter of the Southwest quarter of Section 19, Township 21 South, Range 28 East, Mount Diablo Base and Meridian, in the City of Porterville, County of Tulare, State of California, more particularly described as follows: **COMMENCING** at the Southeast corner of the Southeast quarter, of said Southwest quarter:

THENCE, South $89^{\circ} 59' 46''$ West, along the south line of said Southeast quarter of the Southwest quarter, 635.00 feet, to a point in the east line of that portion designated as "Not-A-Part" parcel as shown on said Jasmine Ranch, Phase One Subdivision;

THENCE, North $00^{\circ} 00' 14''$ West, along said east line, 110 feet, to the Northeast corner of said "Not-A-Part" parcel;

THENCE, South $89^{\circ} 59' 46''$ West, along the north line of said "Not-A-Part" parcel, a distance 90.00 feet, to the **POINT OF BEGINNING**;

THENCE, North $00^{\circ} 00' 14''$ West, a distance of 170.00 feet;

THENCE, South $89^{\circ} 59' 46''$ West, 244.86 feet to a point in the west line of said Remainder parcel;

THENCE, South $13^{\circ} 14' 22''$ East, along said west line, a distance of 169.00 feet;

THENCE, South $75^{\circ} 14' 22''$ East, 101.52 feet, to a point in the west line of said "Not-A-Part" parcel;

THENCE, North $00^{\circ} 00' 14''$ West, along said west line, 20.38 feet, to the northwest corner thereof;

THENCE, North $89^{\circ} 59' 46''$ East, along the north line of said parcel, 108.00 feet, to the **POINT OF BEGINNING**.

BASIS OF BEARING for the parcel described herein is the North line of the South half of the Southwest quarter of said Section 19, Township 21 South, Range 28 East, taken as South $89^{\circ} 51' 16''$ East per Jasmine Ranch, Phase One Subdivision filed in Book 35 of maps, at page 49, in the Office of the Tulare County Recorder.

End of Description



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____

Date

Here Insert Name and Title of the Officer

personally appeared _____

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

EXHIBIT B

ESCROW HOLDER GENERAL PROVISIONS

THE FOLLOWING EXCEPTION(S) MAY APPEAR IN THE TITLE POLICY:

<u>Item No./Description</u>	<u>Action</u>
1,2,3,	Current Taxes/Assessments - Taxes shall be cleared and prorated effective close of escrow
8 Utility Easement	Does not impact project
9 Utility Easement	Does not impact project

THE FOLLOWING MUST NOT APPEAR IN THE TITLE POLICY:

<u>Item No./Description</u>	<u>Reason</u>
4 Lien of supplemental taxes	Lien of taxes shall be paid and eliminated from this escrow
5 Temporary Easement	Eliminate – not in right of way
6 Water Easement	Eliminate – not in right of way
7 Water line and road	Eliminate – not in right of way
10 Grant Deed-Legal description	This partial, public acquisition provides metes/bounds description – this exception can be eliminated
11 Rights or claims to water	Eliminate – CLTA policy only
12 Rights of parties in possession	Eliminate – CLTA policy only
13 Trust documentation	Obtain required documentation and clear

WHEN RECORDED RETURN TO:
Bender Rosenthal, Inc.
4400 Auburn Boulevard, Suite 102
Sacramento, California 95841

NO FEE DOCUMENT

Per Cal Government Code 27383
and Cal Revenue and Taxation Code
11922

Project: East Porterville Water Supply Project

APNs: 255-190-022 & 254-010-059

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES OF THE WOODARD FAMILY REVOCABLE TRUST OF AUGUST 10, 2006, ("Grantor"), GRANTS to the CITY OF PORTERVILLE ("Grantee"), a California municipal corporation, all that real property, or interest therein together with all improvements and fixtures thereon, in the County of Tulare, State of California, described in Exhibit "A", attached hereto and made a part thereof ("Property").

IN WITNESS WHEREOF, GREG L. WOODARD AND CINDA D. WOODARD, TRUSTEES, have caused this Grant Deed to be executed as of the date set forth below the signature line.

Greg L. Woodard, Trustee

Cinda D. Woodard, Trustee

DATED: _____

EXHIBIT "A"

That portion of the Remainder parcel of Jasmine Ranch, Phase One Subdivision, as shown on map filed in Book 35 of maps, at page 49, in the Tulare County Recorder's office, situated in the Southeast quarter of the Southwest quarter of Section 19, Township 21 South, Range 28 East, Mount Diablo Base and Meridian, in the City of Porterville, County of Tulare, State of California, more particularly described as follows: **COMMENCING** at the Southeast corner of the Southeast quarter, of said Southwest quarter:

THENCE, South $89^{\circ} 59' 46''$ West, along the south line of said Southeast quarter of the Southwest quarter, 635.00 feet, to a point in the east line of that portion designated as "Not-A-Part" parcel as shown on said Jasmine Ranch, Phase One Subdivision;

THENCE, North $00^{\circ} 00' 14''$ West, along said east line, 110 feet, to the Northeast corner of said "Not-A-Part" parcel;

THENCE, South $89^{\circ} 59' 46''$ West, along the north line of said "Not-A-Part" parcel, a distance 90.00 feet, to the **POINT OF BEGINNING**;

THENCE, North $00^{\circ} 00' 14''$ West, a distance of 170.00 feet;

THENCE, South $89^{\circ} 59' 46''$ West, 244.86 feet to a point in the west line of said Remainder parcel;

THENCE, South $13^{\circ} 14' 22''$ East, along said west line, a distance of 169.00 feet;

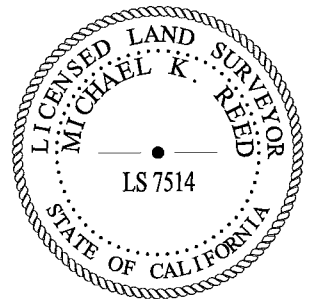
THENCE, South $75^{\circ} 14' 22''$ East, 101.52 feet, to a point in the west line of said "Not-A-Part" parcel;

THENCE, North $00^{\circ} 00' 14''$ West, along said west line, 20.38 feet, to the northwest corner thereof;

THENCE, North $89^{\circ} 59' 46''$ East, along the north line of said parcel, 108.00 feet, to the **POINT OF BEGINNING**.

BASIS OF BEARING for the parcel described herein is the North line of the South half of the Southwest quarter of said Section 19, Township 21 South, Range 28 East, taken as South $89^{\circ} 51' 16''$ East per Jasmine Ranch, Phase One Subdivision filed in Book 35 of maps, at page 49, in the Office of the Tulare County Recorder.

End of Description



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____, before me, _____
Date Here Insert Name and Title of the Officerpersonally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification; check only one of the following seven boxes: ☐ Individual/sole proprietor or single-member LLC ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. ☐ Other (see instructions) ▶ _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number									
				-					
or									
Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here Signature of U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Request for a Conditional Use Permit for Joe's Westside Market for a Type 21 Alcohol License and for Big Bite BBQ for a Type 41 Alcohol License at 22388 Avenue 152

SOURCE: Community Development

BACKGROUND:

The applicant is requesting approval of a Conditional Use Permit (CUP) to allow the sale of beer and wine under an on-sale license. The sale of alcohol will be in conjunction with the serving of meals (Big Bite BBQ), within an existing tenant space at 22388 Avenue 152 in the CR (Retail Centers) Zone District and General Plan Land Use designation of Retail Centers. Section 301.03 of the Porterville Development Ordinance requires approval of a CUP for any use involving the sale of alcoholic beverages.

COMMENT: Additionally, the conditional use permit will also legalize the existing non-conforming service station (Valero) and the Type 21 off-sale alcohol license (Joe's Westside Market) that was established prior to annexation into the City of Porterville. The Porterville Development Ordinance requires Auto Service Stations to be located, developed and operated in compliance with the additional regulations of §301.05. No physical improvements or modifications are proposed to the existing site.

The California Department of Alcoholic Beverage Control (ABC) allows for a specific number of licenses per census tract, based on population. Whenever the ratio of on-sale licenses to population in a census tract exceeds the average ratio for the county, an "undue concentration" of licenses is determined to exist. The subject site is located within Census Tract 35.01; this tract contains one license for alcohol sales, which is a Type 21 off-sale license for the existing Joe's Westside Market. In Census tract 35.01, two on-sale and two off-sale are allowed without being deemed over-concentrated.

The applicant is not proposing any live entertainment, which would require subsequent Council approval prior to offering live entertainment. Hours of operations have been identified by the applicant: Big Bite BBQ hours of operation would be seven days per week, between 10:30 a.m. and 9:00 p.m.; Joe's Westside Market hours of operation are seven days per week, between 6 a.m. to 11:00 p.m. The fuel station component is open 24 hours per day, seven days per week, though customers are limited to kiosk payment methods when the convenience store is closed. Staff has included in the draft resolution proposed conditions for the facility to operate and be maintained so as not to be detrimental

to the public health, safety, or welfare to properties or improvements in the vicinity. The existing restaurant includes an outdoor seating area with a wrought iron fence surrounding the space. The seating area complies with §300.08 Outdoor Seating. As the area is adjacent to a residential district, conditions are in place to address potential noise issues.

ANALYSIS: The subject site is consistent with the General Plan Land Use Designation and Zoning Standards for CR. The CR designation is intended to provide for a full range of commercial uses. The proposed restaurant with alcohol sales would suit the purpose of the zone designation. The restaurant and auto service station are permitted uses in the CR Zone, and alcohol sales, as well as fuel sales may be permitted in that zone with the requested Conditional Use Permit.

ENVIRONMENTAL REVIEW:

On September 7, 2017, the Environmental Coordinator made a preliminary determination that the project is exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) of the California Code of Regulation (CEQA Guidelines), under the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

RECOMMENDATION: That the City Council adopt the draft resolution approving Conditional Use Permit (PRC 2017-030-C) subject to conditions of approval.

ATTACHMENTS:

1. Locator Map
2. Site Plan
3. Big Bite BBQ Floor Plan
4. Joe's Westside Market Floor Plan
5. Existing licenses in Census Tract 35.01
6. Draft Resolution

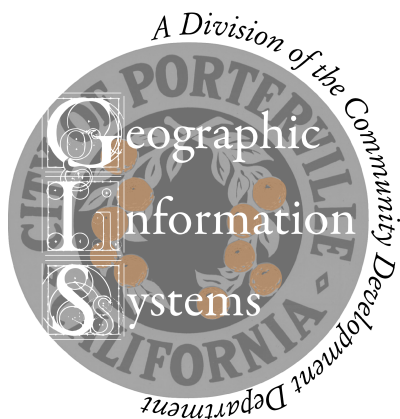
Appropriated/Funded:

Review By:

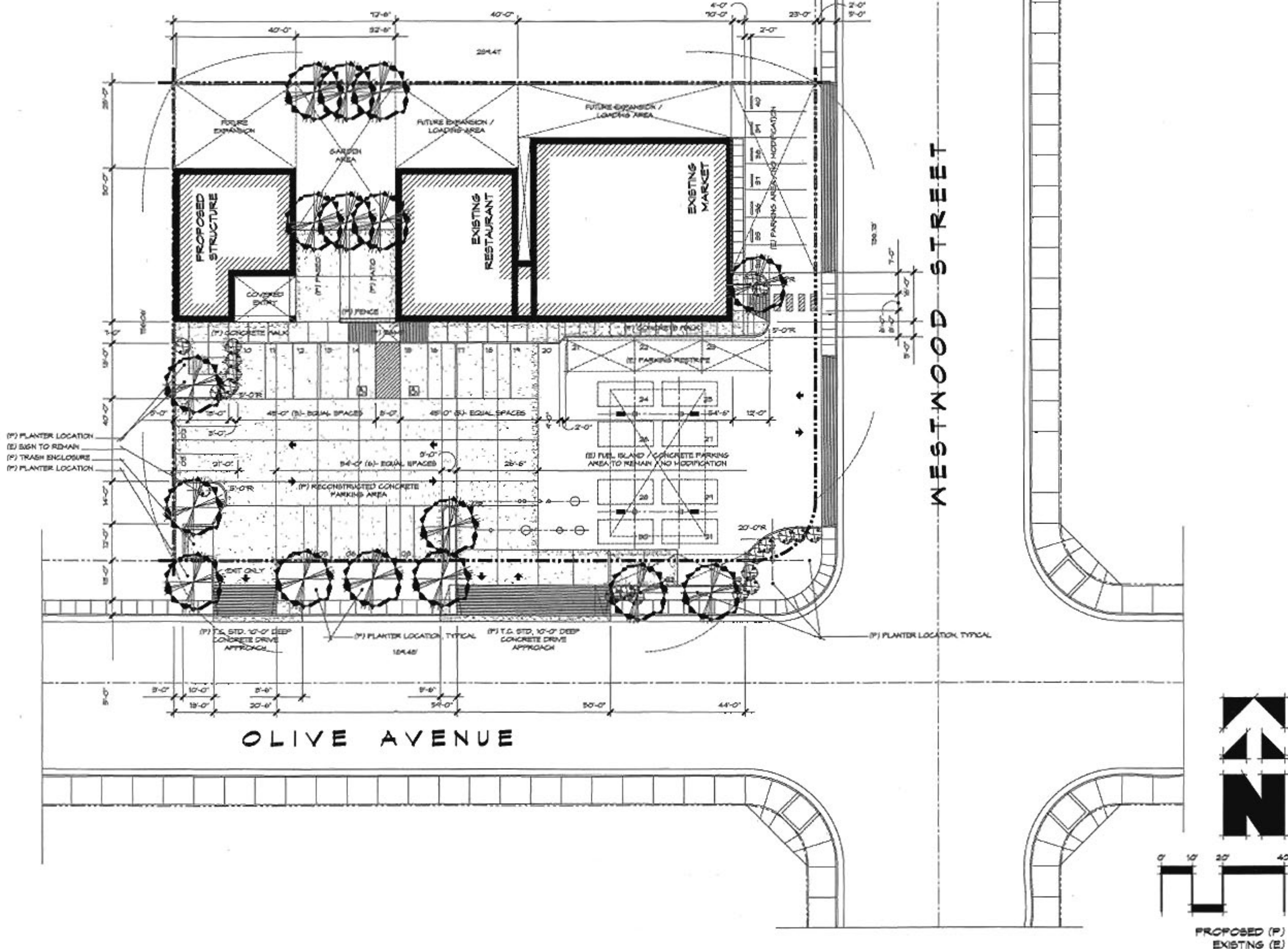
Department Director:

Jenni Byers, Community Development Director

Final Approver: John Lollis, City Manager



PRC 2017-030
CUP for Big Bite BBQ @ 22388 ave 152
Project Locator Map
1" = 200ft

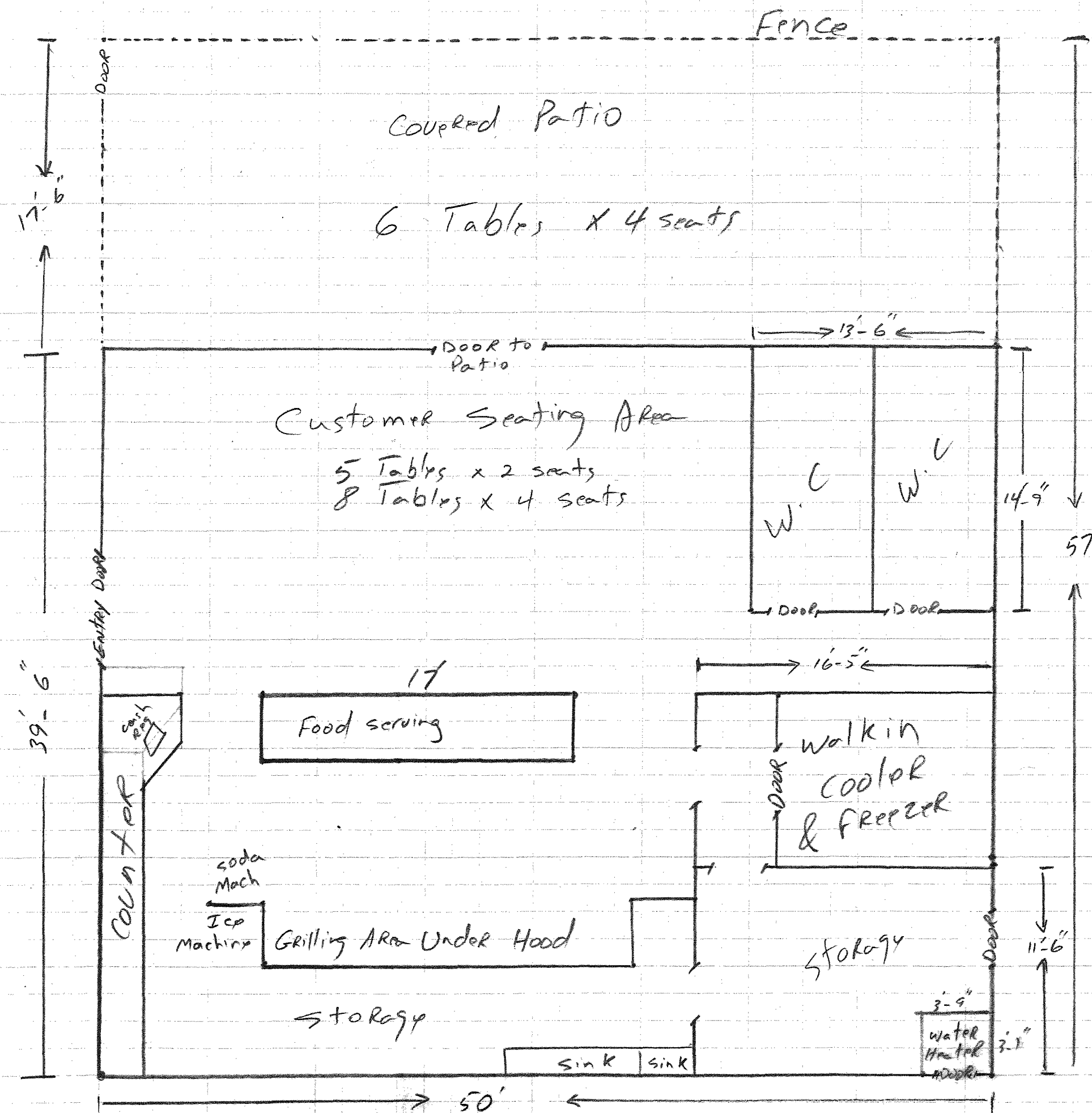


Big Bite BBQ

22388 Ave 152
Porterville

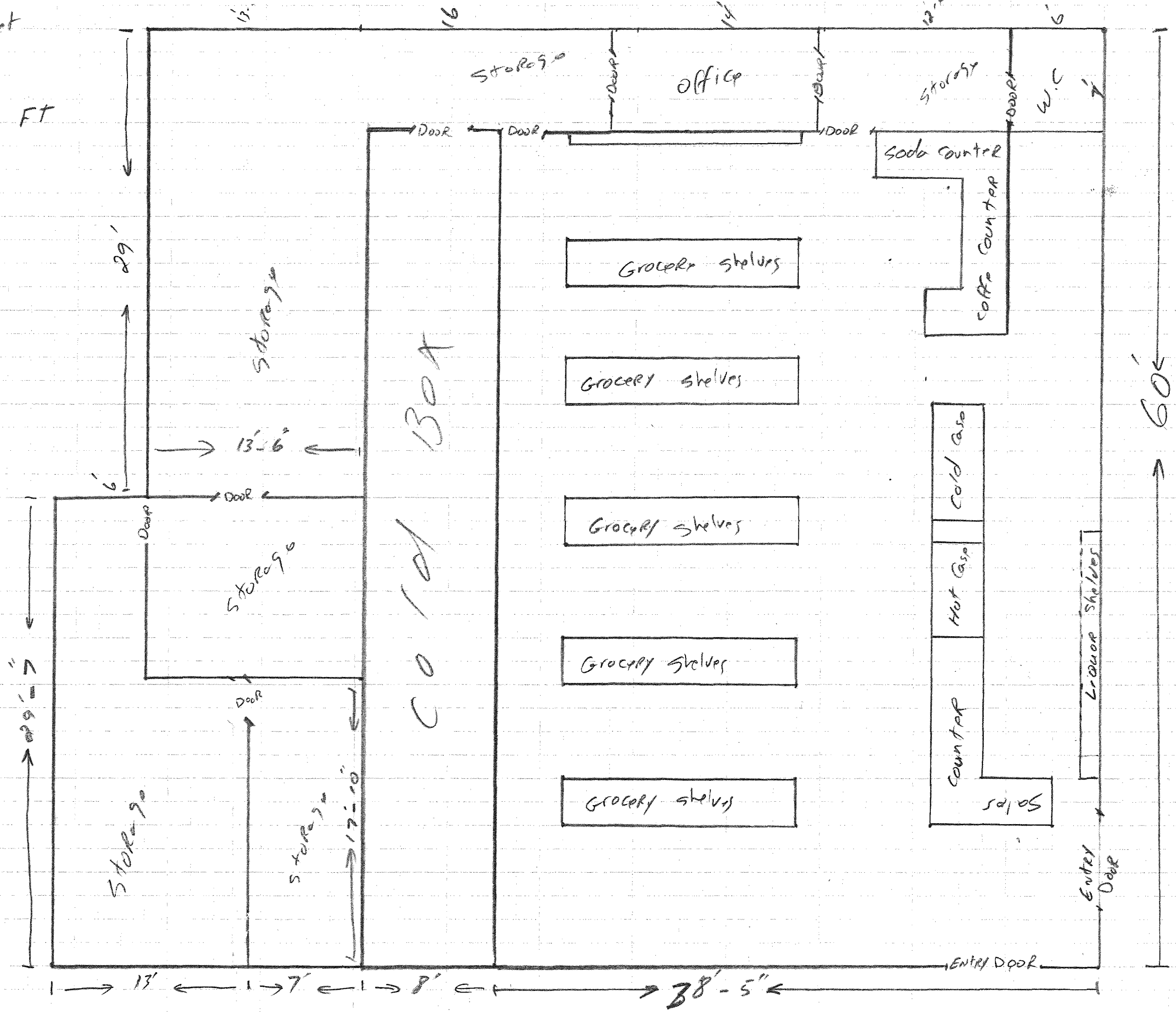
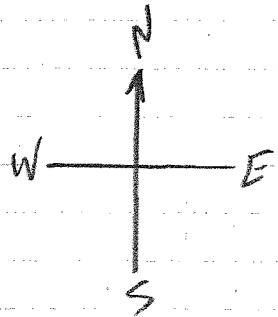
1 square = 1.5 ft

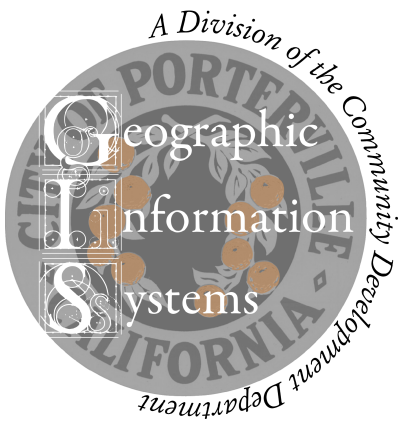
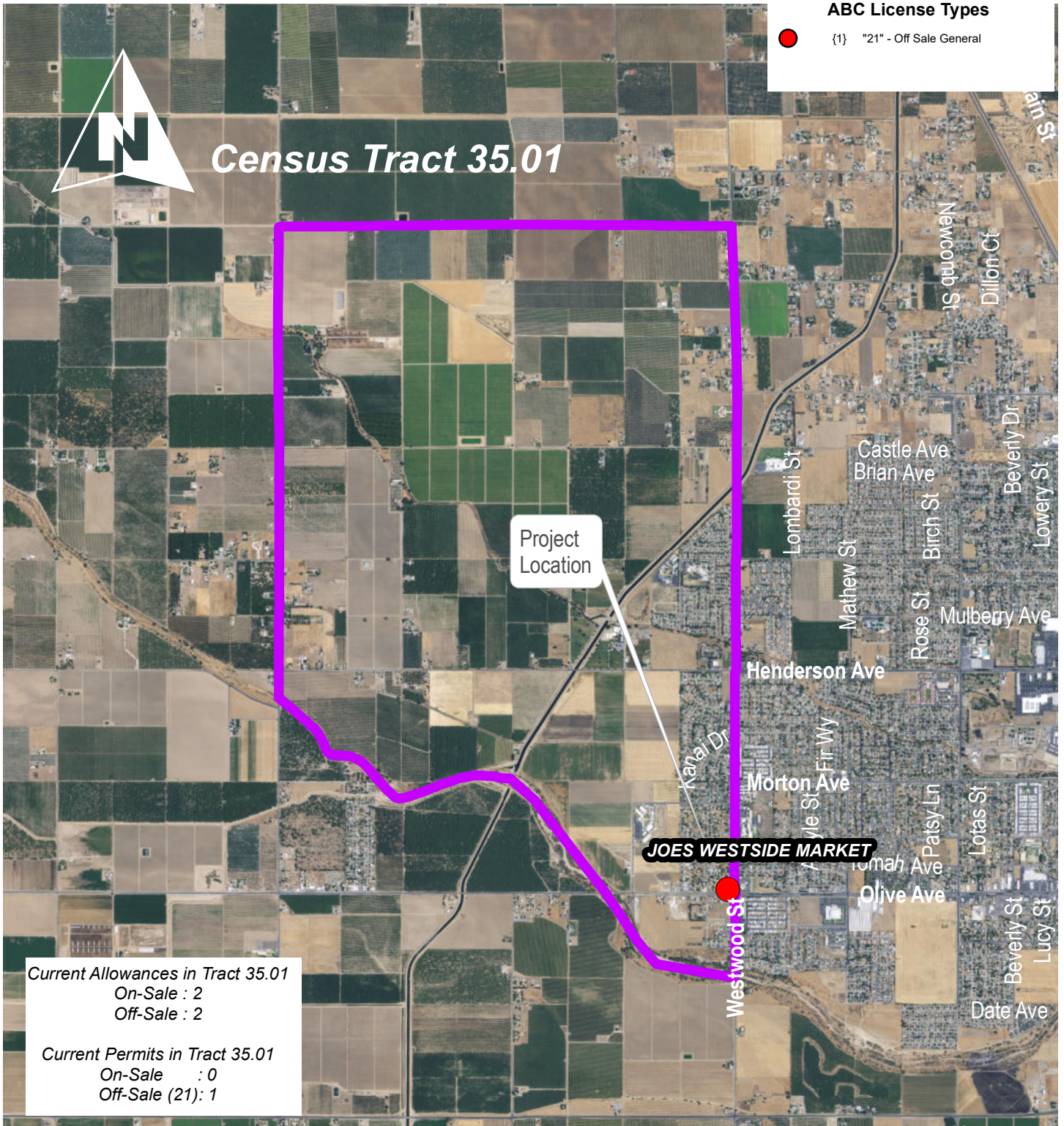
→ N



Joe's Westside Market
22388 - Ave 152, Porterville

1 SQUARE = 1.5 FT





PRC 2017-030
CUP for Big Bite BBQ @ 22388 ave 152
ABC Permit Map

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
CONTAINING FINDINGS AND CONDITIONS IN SUPPORT OF CONDITIONAL USE
PERMIT (PRC 2017-030-C) TO ALLOW FOR THE SALE OF ALCOHOL UNDER A TYPE
41 ON-SALE (BEER AND WINE) ALCOHOL LICENSE FOR A BONA FIDE PUBLIC
EATING PLACE FOR BIG BITE BBQ, AND TO LEGALLY ESTABLISH PRE-EXISTING
NON-CONFORMING USES AT JOE’S WESTSIDE MARKET

WHEREAS: The subject site, 22388 Avenue 152, includes three businesses, as shown in Exhibit A. Two of the three are the subject of this conditional use permit: Big Bite BBQ, a restaurant in the center of the commercial development, and Joe’s Westside Market, a convenience store with a gas station. This Conditional Use Permit allows for the sale of alcohol under a Type 41 (beer and wine) alcohol license for a restaurant, as well as outdoor seating for said restaurant. The Conditional Use Permit further serves to legalize an existing non-conformity associated with Joe’s Westside Market, inasmuch as the market was established and operational prior to annexation into the city limits, and lacked the required conditional use permit to operate an auto service station and for off-sale of alcohol (Type 21 – General); and

WHEREAS: The City Council of the City of Porterville, at its regular scheduled meeting of September 19, 2017, conducted a public hearing to consider Conditional Use Permit (PRC 2017-030-C); and

WHEREAS: On September 7, 2017, the Environmental Coordinator made a preliminary determination that the project is exempt from California Environmental Quality Act pursuant to the “General Rule” exemption §15061(b)(3), that CEQA applies only to projects which have the potential for causing a significant effect on the environment; and

WHEREAS: The City Council of the City of Porterville received testimony from all interested parties related to said Conditional Use Permit; and

WHEREAS: The City Council made the following findings:

1. That the proposed project will advance the goals and objectives of, and is consistent with, the policies of the General Plan and any other applicable plan that the City has adopted.

The subject site is consistent with the General Plan Land Use Designation and Zoning Standards for Retail Centers (CR). The CR designation is intended to maintain areas for regional shopping centers located at major circulation intersections. Large formal or “big box” retail and auto sales as well as travel related services, such as hotels and gas stations are allowed. While no new construction activities are proposed, the existing development is consistent with the purposes of this zoning district, as the complex includes a gas station, convenience store, restaurant, and a specialty grocery store. All of those uses are consistent with and permitted in the CR zone district, and with the Conditional Use Permit, the sale of alcohol at the convenience store and the restaurant would be compliant with the Development

Code; likewise, the Conditional Use Permit would bring the existing auto service station into compliance with the Development Code.

2. That the proposed location of the project and the conditions under which it will be operated or maintained will not be detrimental to the public health, safety, welfare, or materially injurious to properties or improvements in the vicinity.

Conditions of approval are included herein to ensure adequate operational standards are met. The project is located within an existing building and is conditioned that all activities associated with the consumption of alcohol on premises, in association with the Type 41 on-sale license shall be exclusively confined to the interior of the building or the enclosed patio area at the west of the building. Alcohol purchased from the service station with the Type 21 off-sale license shall not be consumed on-site. The sale of fuel and gasoline shall comply with all local, regional, state, and federal regulations that apply, including Section 301.05 of the Development Code.

Additionally, the project is conditioned to preserve the public safety, health and welfare to prevent the use from becoming a nuisance and operate the business in compliance with all laws, ordinances and regulations regarding the sale of alcohol. In the event that this or any other condition of approval is violated, the City Council may modify or revoke the conditional use permit.

3. This project is exempt from CEQA pursuant to §15061(b)(3) that CEQA only applies to projects which have the potential for causing a significant effect on the environment.
4. The California Department of Alcoholic Beverage Control (ABC) allows for a specific number of licenses per census tract, based on population. The subject site is located within Census Tract 35.01; this tract contains one license for alcohol sales: zero on-sale and one off-sale. In Census Tract 35.01, two on-sale and two off-sale are permitted without being deemed over-concentrated. No special letter of public convenience and necessity will be required for this permit.

NOW, THEREFORE, BE IT RESOLVED: That the City Council of the City of Porterville does hereby approve Conditional Use Permit (PRC 2017-030-C) subject to the following conditions:

1. No advertising of alcohol products shall be displayed and/or viewed from the outside of any of the buildings on site.
2. The wrought iron fence surrounding the outdoor seating area complies with §300.08 Outdoor Seating, of the Porterville Development Ordinance. Given the close proximity of residential uses to the north, outdoor seating must not result in a nuisance. Outdoor entertainment is not a component of this project, and an excess of noise related complaints, or any complaints related to the use of the outdoor seating area may result in revocation or future limitation of this permit.

3. Any future change in operation which substantially alters the conditions or nature of the subject business will require approval by the City Council. Further, any future violations of regulations of the codes relating to the sales or consumption of alcohol, and/or excessive service calls by the Police Department resulting from the sales of alcohol may result in revocation of the Conditional Use Permit.
4. At all times, the facility shall be operated and maintained to comply with State Laws, the City of Porterville Zoning Ordinance, adopted Building Codes and all other applicable laws and ordinances.
5. The property owner shall operate the establishment in such a manner as to preserve the public safety, health and welfare, to prevent the use from becoming a nuisance and operate the business in compliance with all laws, ordinances and regulations regarding the sale of alcohol. In the event that this or any other condition of approval is violated, the City Council may modify or revoke the conditional use permit as provided in Section 601.10 of the Porterville Development Ordinance.
6. The hours of operation during which alcoholic beverages may be sold shall be limited to 9:30 a.m. - 9:00 p.m for the restaurant, and 6:00 a.m. to 11:00 p.m. for the convenience store. The gas station component is open 24 hours per day, seven days per week, though customers are limited to kiosk payment methods when the convenience store is closed. Any amendment to business hours that would modify this condition may be subject to a modification of this permit.
7. In the event the gas station is abandoned or is closed for business, this portion of the site must be dismantled as outlined in Section 301.05 of the Development Code.
8. All activities associated with the proposed use shall be exclusively confined to the interior of the building. Outdoor dining is permitted only as shown on site plan (i.e. patio), and only in association with the restaurant use.
9. Live entertainment is not authorized through this permit, and would be considered a substantial amendment subject to further review of the City Council.
10. Pursuant to Section 601.10(d) The City Council may revoke the permit if it makes any of the following findings:
 - a. That approval was obtained by means of fraud or misrepresentation of a material fact;
 - b. That the use in question has ceased to exist or has been suspended for one year or more;
 - c. That there is or has been a violation of or failure to observe the terms or conditions of the permit or variance, or the use has been conducted in violation of the provisions of this ordinance, law or regulation; or
 - d. That the use to which the permit or variance applies has been conducted in a manner detrimental to the public safety, health and welfare or so as to be a nuisance.

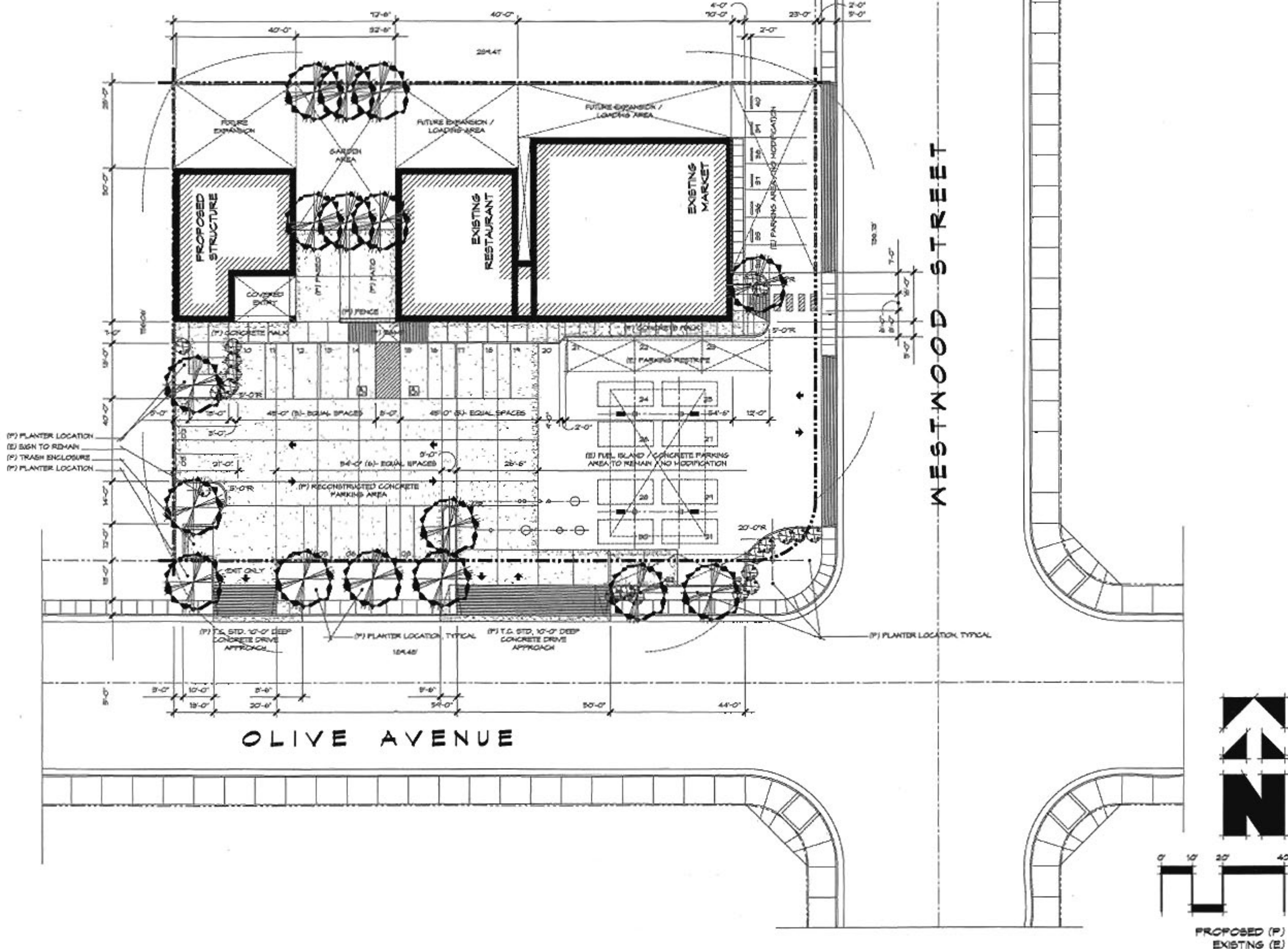
11. The elements of the conditional use permit approving the alcohol sales will be subject to modification or revocation if either alcohol license is sanctioned by the State of California.
12. The entire site shall be permanently maintained free of accumulated dirt and litter and in an otherwise neat and attractive manner.

PASSED, APPROVED AND ADOPTED this 19th day of September, 2017.

Milt Stowe, Mayor

ATTEST:
John D. Lollis, City Clerk

By _____
Patrice Hildreth, Chief Deputy City Clerk





CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Request for a Conditional Use Permit for the 99 Cents Store for a Type 20 Alcohol License at 825 W. Henderson Avenue

SOURCE: Community Development

BACKGROUND:

The applicant is requesting approval of a Conditional Use Permit (CUP) to allow the sale of beer and wine under an off-sale license. The sale of alcohol will be in conjunction with the 99 Cents Only grocery store, within an existing retail space at 825 W. Henderson Avenue in the PD (Planned Development) Zone District and General Plan Land Use designation of Commercial Mixed Use. Section 301.03 of the Porterville Development Ordinance (PDO) requires approval of a CUP for any use involving the sale of alcoholic beverages.

COMMENT: The California Department of Alcoholic Beverage Control (ABC) allows for a specific number of licenses per census tract, based on population. Whenever the ratio of on-sale licenses to population in a census tract exceeds the average ratio for the county, an “undue concentration” of licenses is determined to exist. The subject site is located within Census Tract 37.00; this tract contains 17 licenses for alcohol sales; eleven on-sale and six off-sale. In Census tract 37.00, four on-sale and five off-sale are allowed without being deemed over-concentrated. Approval of this off-sale license would be the seventh off-sale license. Due to the over-concentration of off-sale licenses, a Letter of Public Convenience or Necessity will be required.

Hours of operations during which alcoholic beverages may be sold have been identified by the applicant to be 8:00 a.m. to 10:00 p.m., seven days per week. The applicant has included an Operational Statement (attached), that provides guidelines for the 36 linear feet of display area, as well as security measures and employee training.

The City in the past has received various code enforcement complaints regarding maintenance of the property, specifically regarding the exterior walls, block wall fence and the landscaping. The site is required to comply with Section 306.08 Maintenance. Staff has included in the draft resolution proposed conditions for the facility to operate and be maintained so as not to be detrimental to the public health, safety, or welfare to properties or improvements in the vicinity.

ANALYSIS: The subject site is consistent with the General Plan Land Use Designation of Commercial Mixed use and Zoning Standards for PD Zone.

ENVIRONMENTAL REVIEW:

On September 7, 2017, the Environmental Coordinator made a preliminary determination that the project is exempt from the California Environmental Quality Act pursuant to Section 15061(b), (3) of the California Code of Regulation (CEQA Guidelines), under the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

RECOMMENDATION: That the City Council adopt the draft resolution approving Conditional Use Permit (PRC 2017-033-C) subject to conditions of approval.

ATTACHMENTS:

1. Locator Map
2. Floor Plan
3. Existing Licenses in Census Tract 37.00
4. Statement of Operations
5. Draft Resolution

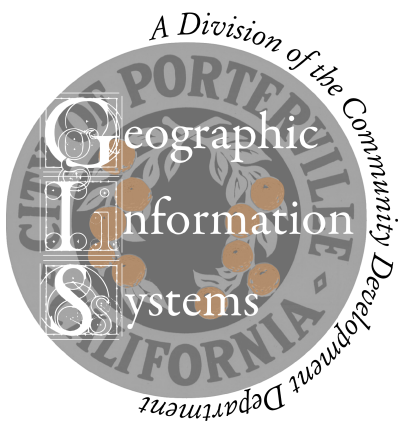
Appropriated/Funded:

Review By:

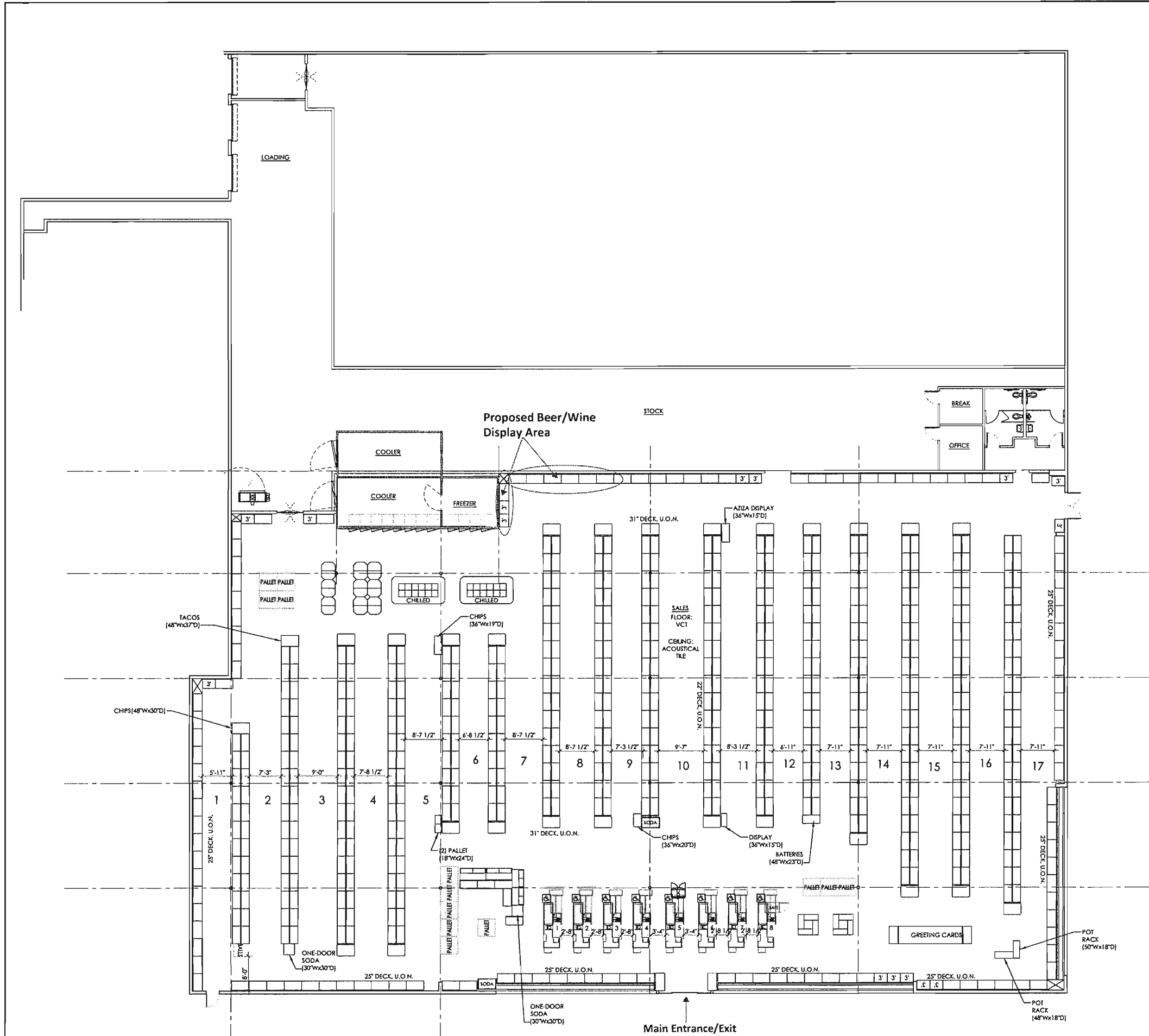
Department Director:

Jenni Byers, Community Development Director

Final Approver: John Lollis, City Manager



PRC 2017-033
CUP for Type 20 Alcohol License
@ 825 W. Henderson 99 Cents Only Store
Project Locator Map
1" = 200ft



AS-BUILT FIXTURE PLAN

FIXTURE COUNT

TYPE	DESCRIPTION	FIXTURE QTY.	LINEAL FEET
FIXTURES	GONDOLAS	514	2056
	END CAPS	25	100
	WALL UNITS	106	412
	WINDOW DISPLAYS	34	133
	DRY GOODS	9	-
	-	-	-
TOTALS		688	2701

REFRIGERATION COUNT

TYPE	DESCRIPTION	FIXTURE QTY.	LINEAL FEET
REFRIGERATION	ICE VENDOR	0	0
	ICE CREAM	4	20
	SODA	4	12
	PRODUCE TABLE	2	24
	COOLER	0	8-DOORS
	FREEZER	0	4-DOORS
	-	-	-
TOTALS		10	56

FIXTURE PLAN SUMMARY

BUILDING	INTERIOR BUILDING AREA OF THIS PROJECT:	29,277	100%
	SALES AREA OF THIS PROJECT:	22,830	78%
	NON-SALES AREA OF THIS PROJECT:	6,447	22%
	STOCK AREA OF THIS PROJECT:	5,888	-

NO NEW CONSTRUCTION PROPOSED.

PMgroupdesign
Architects

16219 SE 12th STREET,
SUITE 202
VANCOUVER, WA 98683
(360) 834-6536
kmccracken@pmdginc.com
Ken McCracken, Architect

Seal

REVISION

AS-BUILT FIXTURE PLAN

DATE

3/6/14

MARK

99%

Store #0162
825 WEST HENDERSON
PORTERVILLE, CA

Project Number

NN14012

Sheet Name

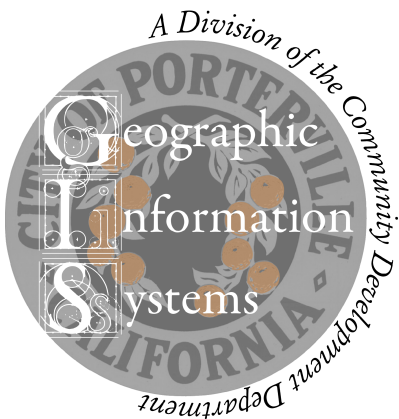
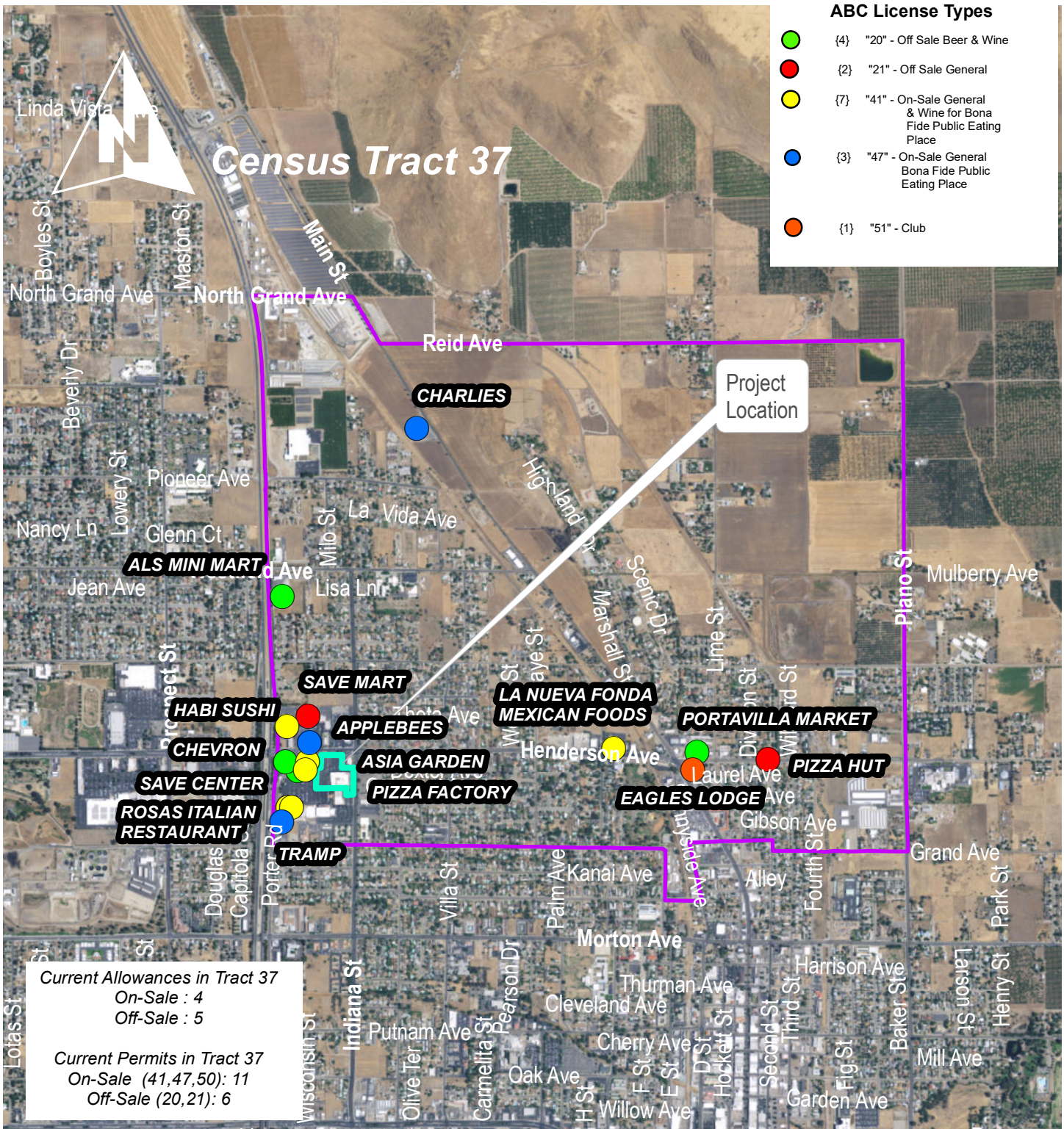
AS-BUILT
FIXTURE
PLAN

Sheet Number

A1

1/8"=1'-0"

1



PRC 2017-033
CUP for Type 20 Alcohol License
@ 825 W. Henderson 99 Cents Only Store
ABC Permit Map

Statement of Operations
99 Cents Only Store #162
825 W. Henderson Avenue
Porterville, CA
6/30/17

About 99 Cents Only Stores

Founded in 1982, 99 Cent Only Stores has expanded to nearly 400 extreme value grocery and consumer goods stores with over 60% grocery items including a large area dedicated to fresh produce and bread. 99 Cents Only operates more than 300 stores in California with over 100 selling beer and wine to offer a full line of grocery products. 99 Cents Only buys directly from almost every major name-brand grocery and consumer goods manufacturer in the nation including Del Monte, Dole, Kraft Foods, Nestle Foods, Procter & Gamble, Quaker, Revlon and Johnson & Johnson. Most customers consider 99 Cents Only Store as their primary grocery store and frequent the store an average of 3 times per week.

Proposed Additional Use: Finding of public convenience and permit to sell beer/ wine for off-site consumption (ABC Type 20 License) within an existing 20,880 square foot grocery store.

Hours of Operation: 8am to 10pm - 7 days per week.

Beer and Wine Display Area: Display of beer and wine will not exceed 36 lineal feet of shelf space. There will be no posters advertising beer or wine in store windows. All beer and wine will be displayed on shelves and not in coolers.

Security Measures: 99 Cents Only currently operates 100+ locations in California that sell alcoholic beverages. This store has approximately 12 surveillance cameras. Cameras are located in a manner that every part of the sales area including checkout stands are videotaped during store hours. The videos are stored for a minimum of 30 days and are made available to locate police departments upon request.

Point of sale system automatically prompts cashiers to input date of birth of person attempting to make alcohol purchase. System will not allow transaction to be completed if invalid date of birth is input.

Employee Training: Employees that handle alcohol sales are required to go through corporate training for alcohol sales that is similar to the ABC LEAD program. 99 Cents Only stores has a zero tolerance policy for employees and immediately terminate employees that violate ABC laws. Employees are trained to contact law enforcement when faced with incidents of public intoxication, suspicious or harassing behavior, theft and loitering.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
CONTAINING FINDINGS AND CONDITIONS IN SUPPORT OF CONDITIONAL USE
PERMIT (PRC 2017-033-C) TO ALLOW FOR THE SALE OF ALCOHOL UNDER A TYPE
20 OFF-SALE (BEER AND WINE) LICENSE IN CONJUNCTION WITH THE
99 CENTS ONLY STORE LOCATED AT 825 W. HENDERSON AVE.

WHEREAS: The City Council of the City of Porterville, at its regular scheduled meeting of September 19, 2017, conducted a public hearing to consider Conditional Use Permit (PRC 2017-033-C) to allow for the sale of alcohol under a Type 20 (beer and wine) alcohol license for a grocery store located at 825 W. Henderson Avenue; and

WHEREAS: On September 7, 2017, the Environmental Coordinator made a preliminary determination that the project is exempt from California Environmental Quality Act pursuant to the "General Rule" exemption §15061(b)(3), that CEQA applies only to projects which have the potential for causing a significant effect on the environment; and

WHEREAS: The City Council of the City of Porterville authorized the Mayor to sign the Letter of Public Convenience or Necessity due to the over concentration of alcohol licenses within Census Tract 37.00; and

WHEREAS: The City Council of the City of Porterville received testimony from all interested parties related to said Conditional Use Permit; and

WHEREAS: The City Council made the following findings:

1. That the proposed project will advance the goals and objectives of, and is consistent with, the policies of the General Plan and any other applicable plan that the City has adopted.

The subject site is consistent with the General Plan Land Use Designation of Commercial Mixed use and Zoning Standards for PD Zone. The PD designation is intended to provide for a variety of commercial uses, while the Commercial Mixed Use designation is intended to provide areas for either horizontal or vertical mixed-use development consisting of commercial, service, office, and residential uses.

2. That the proposed location of the project and the conditions under which it will be operated or maintained will not be detrimental to the public health, safety, welfare, or materially injurious to properties or improvements in the vicinity.

Conditions of approval are included herein to ensure adequate operational standards are met. Additionally, the project is conditioned to preserve the public safety, health and welfare to prevent the use from becoming a nuisance and operate the business in compliance with all laws, ordinances and regulations regarding the sale of alcohol. In the event that this or any other condition of approval is violated, the City Council may modify or revoke the conditional use permit.

3. This project is exempt from CEQA pursuant to §15061(b)(3) that CEQA only applies to projects which have the potential for causing a significant effect on the environment.
4. The California Department of Alcoholic Beverage Control (ABC) allows for a specific number of licenses per census tract, based on population. Whenever the ratio of on-sale licenses to population in a census tract exceeds the average ratio for the county, an “undue concentration” of licenses is determined to exist. The subject site is located within Census Tract 37.00; this tract contains 17 licenses for alcohol sales; eleven on-sale and six off-sale. In Census tract 37.00, four on-sale and five off-sale are allowed without being deemed over-concentrated. Approval of this on-sale license would be the seventh off-sale license. Due to the over-concentration of off-sale licenses, a Letter of Public Convenience or Necessity will be required.

NOW, THEREFORE, BE IT RESOLVED: That the City Council of the City of Porterville does hereby approve Conditional Use Permit (PRC 2017-033-C) subject to the following conditions:

1. Census Tract 37.00 contains six off-sale alcohol licenses, and 11 for on-sale. The California Department of Alcoholic Beverage Control allows a specific number of licenses per census tract population. In Census Tract 37.00, the current allowances are four on-sale and five off-sale licenses. Due to the over-concentration of off-sale licenses a letter of public convenience or necessity will be required.
2. No alcohol advertising shall be displayed and/or viewed from the outside of the building.
3. Any future change in operation which substantially alters the conditions or nature of the subject business will require approval by the City Council. Further, any future violations of regulations of the codes relating to the sales or consumption of alcohol, and/or excessive service calls by the Police Department resulting from the sales of alcohol may result in revocation of the Conditional Use Permit.
4. At all times, the facility shall be operated and maintained to comply with State Laws, the City of Porterville Development Ordinance (PDO), adopted Building Codes and all other applicable laws and ordinances.
5. Unless an extension of time is granted by the City Council, the conditional use permit shall expire two (2) years after the date of approval if the on-sale Type 20 (off-sale beer and wine) is not active or actively pursued.
6. The property owner shall ensure the establishment operate in such a manner as to preserve the public safety, health and welfare, to prevent the use from becoming a nuisance and operate the business in compliance with all laws, ordinances and regulations regarding the sale of alcohol. In the event that this or any other condition of approval is violated, the City Council may modify or revoke the conditional use permit as provided in Section 601.10 of

the PDO.

7. The hours of operation during which alcoholic beverages may be sold shall be limited to 8:00 a.m. - 10:00 p.m., seven days per week. Any amendment to business hours that would modify this condition may be subject to a modification of this permit.
8. All activities associated with the proposed use shall be exclusively confined to the interior of the building.
9. The applicant/owner shall maintain all exterior lighting.
10. An applicant for the conditional use permit or building permit shall be required to provide for said public improvements along the frontage of such property where such public improvements for whatever cause have deteriorated to a condition that they no longer adequately serve their intended purpose per PDO §300.11.
11. The site is required to comply with §306.08 of the PDO, particularly the excerpt below. Sites and facilities shall be maintained free of refuse, debris, or other accumulated matter and shall be kept in good repair at all times.

Specifically, the block walls at the perimeter of the property on the eastern property line are regularly damaged; the landscaping is poorly maintained, is either overgrown or absent, and fails to comply with the landscaping standards; and the canopies at the north of the building suffer a severe pigeon infestation.

The perimeter short walls on the east side shall be kept in good repair. Landscaping shall be improved and subsequently maintained to include a minimum of trees and shrubs in the perimeter planter beds; trees are required at least one per every 35 feet. The pigeon infestation is a public health issue, and shall be promptly remediated.

- **Walls.** Walls shall be maintained in good repair, including painting, if required, and shall be kept free of graffiti, litter, or advertising. Where hedges are used as screening, trimming or pruning shall be employed as necessary to maintain the maximum allowed height.
- **Signs.** Every sign displayed within the city, including exempt signs, shall be maintained in good physical condition. All defective or broken parts shall be replaced. Exposed surfaces shall be kept clean, in good repair, free from graffiti, and painted where paint is required. The Zoning Administrator may order the repair or removal of any sign determined by the City to be unsafe, defective, damaged, or substantially deteriorated.
- **Landscaping.** All planting and other landscape elements shall be permanently maintained in good growing condition. Such maintenance shall include, where appropriate, pruning, mowing, weeding, cleaning, fertilizing, and regular watering. Wherever necessary, plantings shall be replaced with other plant materials to insure continued compliance with applicable landscaping requirements.

- **Trees.** Trees shall be maintained by property owners to be free from physical damage or injury arising from lack of water, chemical damage, accidents, vandalism, insects and disease. Any tree showing significant damage shall be replaced with another tree.
- **Parking Lots.** Parking lots, including landscaped areas, driveways, and loading areas, shall be maintained free of refuse, debris, or other accumulated matter and shall be kept in good repair at all times.

12. A backflow device is required on the water meter. The developer/applicant shall comply with the City standard for “backflow” prevention pursuant to Resolution No. 9615.

13. The developer/applicant shall comply with Ordinance No. 1636 regarding Waste Water Discharge requirements and shall complete and submit the following:

- Wastewater Discharge Permit Application; and
- Payment of Permit Fee, if applicable.

14. If monitoring is required, based on the responses to questions in the Wastewater Discharge Permit, then the developer/applicant shall provide monitoring facilities complying with City standards to allow inspection, sampling, and flow measurement of the flows in the sewer and drainage system.

15. The permit will be reviewed after one year to ensure ongoing compliance with the conditions herein.

PASSED, APPROVED AND ADOPTED this 19th day of September, 2017.

Milt Stowe, Mayor

ATTEST:
John D. Lollis, City Clerk

By _____
Patrice Hildreth, Chief Deputy City Clerk



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Consideration of Appointment to the Arts Commission

SOURCE: Administrative Services

COMMENT: As the Council is aware, vacancies currently exist on the Arts Commission. The Arts Commission was formed in 2010 to foster the development and enjoyment of the arts; to work cooperatively with city entities for the inclusion of art in areas of planning and development; and to make recommendations to the Council regarding policies and practices pertaining to the arts in Porterville.

To be eligible for appointment, individuals must be associated with at least one category of the arts (theatrical/performing; visual/graphic; or music). The Commission is comprised of five members with staggered terms, and one student member serving a one-year term. The Commission serves in an advisory capacity to the City Council and currently meets on the third Wednesday of each month at City Hall.

Staff has received one new request for appointment to the Arts Commission from Kyree Perkins, which is attached for Council's consideration.

Staff has received no additional requests for appointment to the Arts Commission, but will continue to advertise and solicit applications from interested individuals for the remaining vacancies.

RECOMMENDATION: That the City Council consider the appointment of an individual to the City's Arts Commission to a term ending in July of 2019.

ATTACHMENTS: 1. Request for Appointment-Perkins

Appropriated/Funded:

Review By:

Department Director:

Patrice Hildreth, Administrative Services Dir

Final Approver: John Lollis, City Manager

CITY OF PORTERVILLE REQUEST FOR APPOINTMENT

RECEIVED
SEP 07 2017
CITY OF PORTERVILLE
CITY CLERK OFFICE

Please complete all blanks.

Name: KYRE E. PERKINS

(Please Print)

Appointment to: Art Commission

(Name of Board, Commission, or Committee)

☐ Reappointment; or IF NEW, please provide :

Street Address:

[REDACTED]

Strathmore CA

Mailing Address:

Name of Business:

☐ Own

☐ Operate

Business Address:

Telephone: Home

[REDACTED]

Work

FAX

E-mail

City of Porterville resident:

☐ Yes

☒ No

Registered Voter:

☐ Yes

☒ No

Qualifications: MY qualifications include Painting
(acrylic, Water colour, tempera) Drawing (ink, pencil)
graphic design. I also do custom art and
designs. I've been making art for 7 yrs. I have
displayed my work in multiple places including
Fresno, Visalia, Porterville and Los Angeles. I
am also attending college in Porterville,
My major is commercial art. As of currently
I am also a member of the Porterville
art association.

- ☒ Resume attached
☐ Letter of request attached

Submitted By: Kyree Perkins 9/7/17
Date

Received by: Juliana Andrade

Forwarded to: City Clerk ☐ Date: _____
City Council ☐ Date: _____
City Manager ☐ Date: _____
Applicable Dept. ☐ Date: _____

Tentative Council Mtg Date: _____

Kyree Perkins

Strathmore, CA 93267

Professional Objective

To obtain a long term employment with growth potential with a company where I can contribute my hardworking ability and my positive attitude.

Skills and Experience

Analytical Skills

- Skilled at interpreting complex regulations
- Ability to quickly analyze a problem and develop an effective response
- Tactful with both professionals and nonprofessionals

General Skills

- Understands different methods of painting
- Able to work in a team environment
- Able to understand and execute written instructions

Interpersonal Skills

- Child care
- Quick learner
- Food Handlers Permit

Education

- | | |
|------|---|
| 2014 | Sierra Charter |
| | <ul style="list-style-type: none">• High school diploma |
| 2015 | Weingart Center Association |
| | <ul style="list-style-type: none">• Job Readiness Certificate |

Work Experience

- | | |
|-----------------------|--|
| All Things Fresno | Artist |
| | <ul style="list-style-type: none">• Created art from acrylics, tempera, pencil drawings, watercolor and charcoal• Polish paintings for display• Sold and earned profit for paintings• Communicated and explained different types of paintings to potential buyers |
| Crossroads | Family Services Coordinator |
| | <ul style="list-style-type: none">• The responsibilities that I had were to organize events, volunteer and assist in group activities |
| Funtastic Kettle Korn | Concessions |
| | <ul style="list-style-type: none">• Cashier• Preparing food and beverage• Setting up• Cleaning |

Community Service

- | | |
|------|--|
| 2015 | Joined the Porterville Art Association |
| 2015 | Participated in Tulare County Youth Count |
| 2015 | Assisted in organizing a fundraising event |



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Proposition 64 Ad Hoc Committee Update

SOURCE: City Attorney

COMMENT: On March 7, 2017, the City Council held a study session regarding Proposition 64. The purpose of the study session was for City Council to review the Adult Use of Marijuana Act (“AUMA”) and the portions of the new State law that allow additional local control, and to provide direction to staff concerning those areas of local control.

Council established an Ad Hoc committee consisting of Councilmembers Hamilton and Reyes and directed staff to coordinate a meeting of the committee.

On May 2, 2017, the Cannabis Ad Hoc committee met with staff members and two members of the community representing the cultivation of personal use cannabis. Chapter 21, Section 301.23 of the Porterville Municipal Code currently allows a qualified patient to cultivate up to 12 medical marijuana plants outdoors, if the patient meets the qualifications and is able to obtain a cultivation permit. With the passage of Proposition 64, individuals may cultivate up to six living marijuana plants indoors. The Police Department continued to advocate that the City Council consider allowing a maximum of six plants be cultivated (consistent with Prop. 64), regardless of whether the purpose is medical or recreational. The Police also recommended that no registration be required for said use. A city may allow the cultivation of the six plants, allowed by Prop. 64, to be cultivated outdoors. The community members present at the meeting were favorable to providing regulations to allow outdoor cultivation of no more than six plants and removing the requirement for a permit.

The Ad Hoc committee met with various staff members from the Police and Fire departments, as well as Community Development and Public Works, on August 15, 2017 to discuss the various types of commercial activities. Public Works staff, in light of the Sustainable Groundwater Management Act and the Council’s goals for water conservation, strongly discourage commercial crop cultivation in the Tule River sub-basin. The committee recognized that there have not been any meetings with representatives from the various types of commercial cannabis activities. Councilmembers requested an item be brought back to City Council in light of the fact that the law requires that if a jurisdiction wants to regulate commercial activity, the agency must have regulations in place by January 1, 2018.

At this time, staff is recommending repealing Ordinance 1817; and replace with an Ordinance which permits the cultivation of up to six plants indoors or

outdoors with certain restrictions, allow those with an existing medical cannabis cultivation permit to continue until said permit expires, and prohibit all commercial cannabis activities to be in effect by January 1, 2018; and determine goals for the Ad Hoc committee in regards to the possible commercial uses, as well as whether or not to evaluate the requirements of a tax measure to be placed on the November 2018 election.

RECOMMENDATION: That the City Council provide direction that the City Attorney prepare an ordinance which permits the personal cultivation of up to six plants indoors or outdoors with certain restrictions, allow those with an existing medical cannabis cultivation permit to continue until said permit expires, and prohibit all commercial cannabis activities to be in effect by January 1, 2018; and determine goals for the Ad Hoc committee in regards to the possible commercial uses, as well as whether or not to evaluate the requirements of a tax measure to be placed on the November 2018 election.

ATTACHMENTS: 1. Staff Report - March 7, 2017

Appropriated/Funded:

Review By:

Department Director:

Final Approver: John Lollis, City Manager



CITY COUNCIL AGENDA – MARCH 7, 2017

SUBJECT: Proposition 64 Study Session

SOURCE: City Attorney

COMMENT: The purpose of this study session is for the City Council to review the Adult Use of Marijuana Act ("AUMA") and the portions of the new State law that allow additional local control, and to provide direction to staff concerning those areas of local control.

As the City Council is aware, in November 2016, the California voters passed Proposition 64, also known as the Control, Regulate and Tax Adult Use of Marijuana Act, or "AUMA." The AUMA legalizes the non-medical use of marijuana by persons 21 years of age or older and allows the personal cultivation of up to six plants. The Act also creates a State regulatory and licensing system governing the commercial cultivation, testing, distribution, and manufacturing of non-medical marijuana and marijuana products. Much (but not all) of the system mirrors the State laws now in place for medical marijuana (per "MMRSA").

The City currently has regulations in place that regulate medical marijuana cultivation which had been applied to the cultivation of medical marijuana prior to the passage of Proposition 64 (Chapter 21, Section 301.23 of the Porterville Municipal Code). Now that Proposition 64 has passed, the staff recommends that the Council consider changes to the City's regulations.

The following is background information concerning the AUMA, the City's current regulations, and the issue concerning conflicts between State and Federal law, as well as a summary of the concerns/recommendations from various City departments.

THE AUMA

Upon the passage by the voters, certain portions of Prop. 64 went into effect immediately. This means that the personal cultivation and use provisions took effect on November 9, 2016. Individuals may cultivate up to six living marijuana plants indoors – either inside the private residence or a fully enclosed greenhouse or structure that is secure and not visible from a public space – unless a City enacts regulations imposing a reasonable regulatory scheme that would preclude this activity until the individual complies with the City's regulations. A private residence includes a house, apartment unit, mobile home, or other dwelling unit. Bans by cities on this activity are no longer permitted.

However, the City may regulate or ban all outdoor personal cultivation (at least until the California Attorney General makes a determination that non-medical use of marijuana is legal under Federal law).

With regard to use of marijuana, the AUMA prohibits the smoking of marijuana in any public place **except where a local jurisdiction has authorized use on the premises of a retailer or microbusiness as authorized by law.** Smoking of marijuana is further prohibited anywhere smoking tobacco is prohibited; within 1,000 feet of a school, day care, or youth center while children are present; and while driving or riding in the passenger seat of any vehicle. There are also restrictions on possession, and Cities may prohibit possession and smoking in buildings owned, leased, or occupied by the City. Cities may also maintain a drug and alcohol free workplace by prohibiting the use, consumption, possession, transfer, transportation, sale, display, or growth of marijuana in the workplace. All this stated, individuals may possess, process, purchase, or give away to persons 21 years or older marijuana (within the statutory limits) and these activities cannot be prohibited under local law.

Concerning local control of commercial non-medical marijuana businesses, the AUMA sets up a comprehensive state regulatory system that covers the industry from “seed to sale,” and all non-medical businesses will be required to have a state license. These activities will not be authorized/permitted under the new law until the State licensing process is in place – and this is estimated to occur late in 2017. **The AUMA does not limit the authority of a City to adopt regulations that restrict or completely prohibit these businesses – if a City wishes to do so it should prior to the implementation of the State system.**

State licenses cannot be issued to an applicant whose operations would violate local regulations, but the applicant is not required to provide evidence of a local license or permit to the State.

Local authorities will be responsible for enforcing any local regulations and can also enforce State regulations if that power has been delegated by the State.

Concerning the taxation of non-medical marijuana, the AUMA adds a State excise tax of 15% on the privilege of purchasing non-medical marijuana at retail, effective January 1, 2018, and also adds a tax of \$9.25/dry weight oz. (flowers) and \$2.75/dry weight oz. (leaves) on the privilege of commercial cultivation. A limited portion of these funds will be available for local grants, but a City that bans cultivation (including outside personal cultivation), or the retail sale of marijuana, will not be eligible for those grants. Local governments are not precluded from imposing additional taxes, and the most common local excise tax imposed is a business license tax on dispensing, manufacturing, commercially cultivating, and commercially transporting. There are currently 55 cities with local marijuana taxes, with 37 of those having just been authorized in the November 2016 election. A City can also adopt a local transactions and use tax, if it has not already exceeded its limits per State law on this tax.

CITY REGULATION OF MEDICAL MARIJUANA

The City's regulations currently allow a qualified patient to cultivate medical marijuana, if the patient meets the qualification and is able to obtain a cultivation permit. If permitted, up to 12 plants (with no more than 12 plants cultivated outside or within an accessory structure) are allowed. There are additional restrictions as well – for instance cultivation sites are prohibited within 100 feet of a sensitive use and are not permitted in mobile homes or multi-family developments. Qualified patients are also allowed to prepare for personal use the cannabis cultivated on the property provided that the delineated conditions are met (e.g. area of preparation secured and locked, use of gas products prohibited).

Commercial marijuana processing or distribution facilities are currently prohibited, and delivery from such facilities outside the city limits is expressly prohibited.

The City's current medical marijuana regulations are attached as Attachment 1.

CONFLICTS BETWEEN FEDERAL AND STATE LAW

Federal and State law conflict concerning the legality of marijuana. Under federal law the use, possession, and cultivation of marijuana is unlawful.

Notwithstanding this conflict, in the past federal authorities have been disinclined to intervene in states where the use of marijuana has been legalized.

The federal authorities' stance may shift given the recent change in administration. Recently, the White House Press Secretary stated that he believed we'd see greater enforcement of recreational marijuana, and noted a distinction between medical and recreational marijuana. However cannabis proponents are quick to point out that the President, while on the campaign trail, stated that he'd leave the matter of recreational marijuana to the States. In summary, the only current conclusion that can be drawn is that it is uncertain what federal authorities may do.

CONCERNS/RECOMMENDATIONS

Noncommercial Regulations

Public Safety: Per the City Police Department, Marijuana enforcement dominated the Porterville Police Department's Narcotics Investigations Unit's (NIU) time during 2016, especially from April through October. By the end of April, NIU had surpassed previous marijuana seizures from 2013-2015. The majority of the time detectives accompanied Code Enforcement on marijuana compliance checks. By the end of 2016 approximately **142** properties were reported as cultivating marijuana, however **11** were never checked (due to time restraints and other issues). Of the **131** that were checked **20** were found to not be cultivating marijuana, leaving **111** that were cultivating. Of those properties cultivating marijuana, approximately 70% were deemed criminal and eradicated, an increase of about 60% over last year. Detectives also seized 6 Butane Honey Oil (BHO) labs, twice as many as last year. Several of these

eradication cases resulted in other drug charges. With the passage of Proposition 64, this law also allowed for prior arrests to be vacated and significantly impacted several cases previously completed by NIU detectives.

Marijuana seized (approximate):

237,799 grams (524 lbs) of Marijuana (49,111 grams in 2015)

6110 Marijuana Plants seized (1131 in 2015)

181 grams of Concentrated Cannabis (41 in 2015)

The Police Department has suggested that the City Council consider allowing a maximum of 6 plants be cultivated (consistent with Prop.64), regardless of whether the purpose is medical or recreational, and consistent with AUMA, that the cultivation only be allowed indoors. The police also recommend that no registration be required for said use. This would help cut back on the tremendous amount of hours spent by law enforcement concerning medical marijuana related issues. There are also legal concerns with police involvement in code enforcement compliance and inspections due to the conflict between State and Federal law.

Land Use: Community Development and Public Works staff also expressed a desire to see the current medical marijuana cultivation and preparation regulations reconciled with the Prop. 64 requirements. Limiting personal cultivation to what is allowed under the new law, and only allowing indoors would streamline the City's regulations. Furthermore, the more extensive permitting process set up for medical marijuana cultivation would no longer be needed. If the City Council wishes to consider cultivation of more than six plants (and/or allowing outdoor cultivation), the Council should review the current permit process to see if it should remain in place or be revised.

Commercial Activities

Public Safety: Given the current uncertainties as to the federal authorities' position on enforcement, the Police Department recommends the Council consider prohibiting commercial activities, at least for the time being, and at least with regard to commercial activities related to recreational marijuana. If the City Council is inclined to permit and regulate certain activities, additional staffing may be necessary depending on the activities allowed. Police would suggest that commercial cultivation only be allowed indoors. Specific types of product manufacturing should be prohibited such as oils. The Police and Fire Departments note that in-person security and monitoring be required 24/7. The Public Safety Departments also suggested that the City consider only allowing smaller scale commercial operations.

Land Use: Community Development and Public Works reiterate Public Safety's position that additional staffing may be necessary if commercial activities are permitted. The City Council would need to consider what commercial activities to allow, whether they be allowed for medical or recreational marijuana (or both), where to allow such uses, whether to allow such uses by permit (CUP) or right, and under what conditions.

Community Development Staff will be providing additional information, including location maps showing possible areas to consider and avoid in locating businesses. Staff also suggested that if the Council wishes to consider such activities, that they be permitted on a smaller scale. It should be noted that any current commercial crop cultivation is prohibited from using city water – that position should remain consistent with regard to commercial marijuana cultivation, and that this could be difficult to enforce on indoor cultivation in an existing building as recommended by Police.

Other: If the City Council wishes to consider allowing commercial activities, it may also wish to consider imposing a local tax, which is permitted on recreational activities, and to a more limited extent on commercial medical activities. There may also be additional concerns, such as whether the City can regulate where the cultivated product comes from (regarding dispensary or processing operations). This City Attorney is currently reviewing the approaches of various cities throughout California concerning the permitting, regulating, and taxing of commercial marijuana activities, and this information is attached as Attachment 2.

RECOMMENDATION: That the City Council review the information and provide direction to staff.

ATTACHMENTS: 1. Section 301.23 of Chapter 21, Porterville Municipal Code
 2. Regulatory Status of Commercial Activities in Nearby Jurisdictions
 3. Proposition 64 Text

Appropriated/Funded:

Review By:

Department Director:
Final Approver: Luisa Zavala, Deputy City Clerk

301.23 Medical Cannabis Cultivation

(a) Purpose and Intent

- (1) The City Council of the City of Porterville, based on evidence presented to it in the proceedings leading to the adoption of this chapter, hereby finds that the cultivation, preparation, and distribution of medical cannabis in the city has caused and is causing ongoing impacts to the community. These impacts are intensified by the activities of those who are abusing the current State statutory provisions for the cultivation, processing and distribution of cannabis for nonmedical, improper and illegal purposes. These impacts include increases in various types of crime due to outdoor grows, damage to buildings containing indoor grows, including improper and dangerous electrical alterations and use, inadequate ventilation leading to mold and mildew, increased frequency of home-invasion robberies and related crimes. Many of these impacts have fallen disproportionately on residential neighborhoods, but nonetheless also negatively impact properties in the commercial districts. These impacts have also created an increase in response costs, including code enforcement, building, land use, fire, and police staff time and expenses.
- (2) The City Council also acknowledges that the voters of the State of California have provided a criminal defense to the cultivation, possession and use of medical cannabis for medical purposes under the Compassionate Use Act, but that the Compassionate Use Act does not address land use or building code impacts or issues arising from the resulting increase in cannabis cultivation within the city.
- (3) The purpose and intent of this chapter is to regulate the cultivation, preparation and distribution of medical cannabis in a manner that protects the public health, safety, and welfare of the community and mitigates for the cost to the community of the oversight of these activities.

(b) Interpretation and Applicability

- (1) No part of this chapter shall be deemed to conflict with federal law as contained in the Controlled Substances Act, 21 U.S.C. Section 800 et seq., nor to otherwise permit any activity that is prohibited under that Act or any other local, state, federal law, statute, rule or regulation. The cultivation, preparation, and distribution of medical cannabis in the city is controlled by the provisions of this chapter of the Porterville Development Ordinance.
- (2) Nothing in this chapter is intended to, nor shall it be construed to, preclude a landlord from limiting or prohibiting cannabis cultivation, smoking or other related activities by tenants.
- (3) Nothing in this chapter is intended to, nor shall it be construed to, burden any defense to criminal prosecution otherwise afforded by California law.
- (4) Nothing in this chapter is intended to, nor shall it be construed to, exempt any cannabis related activity from any and all applicable local and state construction, electrical,

plumbing, land use, or any other building or land use standards or permitting requirements.

- (5) Nothing in this chapter is intended to, nor shall it be construed to, make legal any cultivation, transportation, sale or other use of cannabis that is otherwise prohibited under California law.
 - (6) All cultivation, preparation and distribution of medical cannabis within city limits shall be subject to the provisions of this chapter and other applicable provisions of this Code, regardless of whether cultivation, preparation, or distribution existed or occurred prior to adoption of this chapter.
- (c) **Definitions:** For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:
- (1) **Accessory Structure.** A residential accessory structure shall include any uses that are customarily related to a residence, including garages, greenhouses, storage sheds, studios, and workshops. Any accessory structure must be compliant with Section 301.01 and any other applicable provisions of the Municipal Code.
 - (2) **Dwelling Unit.** A room or suite of rooms including one (1) and only one (1) kitchen, and designed or occupied as separate living quarters for one (1) family.
 - (3) **Medical Cannabis** (also known as medical marijuana). Cannabis, including constituents of cannabis, THC and other cannabinoids, used as a physician-recommended form of medicine or herbal therapy.
 - (4) **Medical Cannabis Cooperative or Collective.** Any person, association, cooperative, affiliation, or collective of persons who provide education, referral, or network services, and/or facilitation or assistance in the cultivation, preparation or distribution of medical cannabis.
 - (5) **Medical Cannabis Cultivation Area.** The area allowed for the growing and preparation of medical cannabis.
 - (6) **Medical Cannabis Cultivation Facility.** A facility at which medical cannabis is grown and harvested for supply to a medical cannabis preparation facility and/or a medical cannabis distribution facility.
 - (7) **Medical Cannabis Distribution.** The supply to a qualified patient by any person, including a primary caregiver, cooperative or collective, of medical cannabis that is not grown in the qualified patient's residence.
 - (8) **Medical Cannabis Distribution Facility/Dispensary.** Any facility or location where the primary purpose is to distribute medical cannabis as a medication upon recommendation by a physician and where medical cannabis is made available to or distributed by or to a primary caregiver or a qualified patient in strict accordance with the Compassionate Use Act of 1996 (Cal. Health and Safety Code §§ 11362.5 et seq.).
 - (9) **Medical Cannabis Preparation.** Includes, but is not limited to: manicuring, drying, curing, pressing, cooking, baking, infusing, grinding, bagging, packaging, rolling.

- (10) **Medical Cannabis Preparation Facility.** A facility at which medical cannabis is processed for supply to a medical cannabis distribution facility.
- (11) **Qualified Patient.** As defined in Cal. Health and Safety Code §§ 11362.7 et seq., and as it may be amended from time to time.
- (12) **Residence.** A legal dwelling unit.
- (d) **Severability:** If any part of this chapter is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter.
- (e) **Cultivation Generally:** A qualified patient shall be allowed to cultivate medical cannabis for their own personal use. Cultivation of medical cannabis for said use shall be in conformance with the following standards:
 - (1) No more than one medical cannabis cultivation area shall be permitted on a legal parcel, regardless of the number of dwelling units on the parcel;
 - (2) No medical cannabis cultivation site shall be located within 100 feet of a sensitive use “use, sensitive” as defined in Chapter 700;
 - (3) The residence shall remain at all times a residence with legal and functioning cooking, sleeping and sanitation facilities. Medical cannabis cultivation shall remain at all times accessory to the residential use of the property;
 - (4) The qualified patient shall reside at the residence where the medical cannabis cultivation occurs. This shall be confirmed through the application process by comparing the addresses on the patient’s identification (for example, a California issued Driver’s License) and the patient’s recommendation card;
 - (5) Cultivation of medical cannabis for personal use shall occur only on the parcel occupied by a qualified patient and shall be for the exclusive use of the qualified patient and otherwise in conformance with this chapter (i.e. no collectives or cooperatives);
 - (6) Cultivation of medical cannabis for personal use shall not displace required off-street parking, or violate any other provisions of the Porterville Municipal Code;
 - (7) Qualified patients shall have no more than the number of plants the patient is permitted under State law to have, provided that in no case shall any parcel/dwelling have more than 12 plants; with not more than 12 cultivated outdoors and/or within an Accessory Structure;
 - (8) The use of gas products (e.g., CO2, butane, etc.) for medical cannabis cultivation is prohibited;
 - (9) There shall be no exterior evidence of medical cannabis cultivation occurring at the property, from a public right-of-way;
 - (10) Medical cannabis cultivation is prohibited as a home occupation;
 - (11) No distribution of medical cannabis cultivated for personal use shall be allowed other than as otherwise authorized by this Code;
 - (12) Medical cannabis cultivation shall be an accessory use to a primary residential use on a property within the RS-1 and RS-2 zones, or at a single-family residence within the

RM-1, RM-2 or RM-3 zones;

- (13) Medical cannabis cultivation is not allowed in multi-family developments or in mobile home parks. However, where a property within a residential zone district is developed with two single-family residential detached units, could be legally subdivided as developed, both residences have separate utilities, and a fence separates the residences, one of the two residences may apply for a permit, subject to Zoning Administrator approval and conditions as deemed necessary for each unique situation;
- (14) The cultivation of medical cannabis shall not adversely affect the health or safety of the residents of the property on which it is cultivated, or nearby properties through creation of mold, mildew, dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, surface runoff, or other impacts, or be hazardous because of the use or storage of materials, processes, products or wastes pursuant to the standards contained in Chapter 306 Performance Standards of this Code;
- (15) Medical cannabis cultivation lighting shall not exceed 1,200 watts;
- (16) The accessory structure(s) shall at all times meet the requirements of the latest adopted version of the California Building, Fire, Mechanical, Electrical and Plumbing Codes (collectively California Codes);
- (17) All electrical equipment used in the cultivation of medical cannabis, (e.g., lighting and ventilation) shall be plugged directly into a wall outlet or otherwise hardwired and permits obtained pursuant to the California Building, Electrical, Mechanical, Plumbing or other state or local laws rules and regulations;
- (18) Prior to performing any work on electrical wiring/rewiring the applicant shall first obtain a building, mechanical and/or electrical permit from the Building Division;
- (19) If required by California Building or Fire Code, the wall(s) adjacent to the cultivation area shall be constructed with 5/8-inch Type X moisture-resistant drywall;
- (20) The growing of medical cannabis outdoors shall comply with the setback requirements for the primary residence on the property subject to the zoning classification of the property;
- (21) Medical Cannabis plants shall be grown in an area enclosed with a solid view obscuring fence, secured with self-closing and locking gates, and shall not exceed a maximum height of five (5) feet for properties with a six (6) foot tall fence. In the alternative, plants may grow to a maximum height of seven (7) feet if the area is fenced and screened to eight (8) feet in compliance with applicable Development Ordinance and California Building Code standards; and
- (22) Areas for cultivation of medical cannabis shall be secured, locked, and fully enclosed and rendered inaccessible to minors.

(f) **Preparation**

A qualified patient shall be allowed to prepare for personal use medical cannabis cultivated on the property or within his or her private residence or accessory structure. Preparation of medical cannabis cultivated at the residence shall be in conformance with the following standards:

- (1) Only medical cannabis cultivated at the residence in conformance with this chapter shall be allowed to be prepared for use at the residence;

- (2) The primary use of a dwelling unit shall remain at all times a residence with legal and functioning cooking, sleeping and sanitation facilities. Medical cannabis preparation shall remain at all times accessory to the residential use of the property;
 - (3) The medical cannabis preparation shall be in compliance with the current adopted edition of the California Codes;
 - (4) The use of gas products (e.g., CO₂, butane, etc.) for medical cannabis preparation is prohibited;
 - (5) The preparation of medical cannabis shall not adversely affect the health or safety of the residents, residence or accessory building in which it is processed, or nearby properties through creation of mold, mildew, dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, surface runoff, or other impacts, or be hazardous because of the use or storage of materials, processes, products or wastes pursuant to the standards contained in Chapter 306 Performance Standards of this Code; and
 - (6) Cultivation of medical cannabis for personal use shall not displace required off-street parking, or violate any other provisions of the Porterville Municipal Code.
 - (7) Areas for preparation of medical cannabis shall be secured, locked, and fully enclosed and rendered inaccessible to minors.
- (g) Medical cannabis preparation is prohibited as a home occupation.
- (h) No sale or distributing of medical cannabis processed for personal use shall be allowed.
- (i) ***Individual Distribution Prohibited.*** Medical cannabis cultivated or processed for personal use as provided for in this chapter shall not be distributed to any person, cooperative or collective, unless as otherwise proscribed by this Article.
- (j) ***Cultivation Permit:***
- (1) Prior to commencing any medical cannabis cultivation, the person(s) owning, leasing, occupying, or having charge or possession of any legal parcel or premises where medical cannabis cultivation is proposed to occur must obtain a medical cannabis cultivation permit from the Community Development Director or his or her designee. The following information will be required with the initial permit application and subsequent permit extensions:
 - a. A notarized signature from the owner of the property consenting to the cultivation of cannabis at the premises on a form acceptable to the City.
 - b. The name of each person owning, leasing, occupying, or having charge of any legal parcel or premises where medical cannabis will be cultivated.
 - c. The name of each qualified patient or primary caregiver who participates in the medical cannabis cultivation.
 - d. A copy of the a current valid medical recommendation or county-issued medical marijuana card for each qualified patient identified as required above, and for each qualified patient for whom any person identified as required above is the primary caregiver.
 - e. The physical site address of where the marijuana will be cultivated.

- f. A signed consent form, acceptable to the City, authorizing City staff, including the Police Department authority, to conduct an inspection of the cultivation area without notice.
 - g. Proof that the applicant and any resident or person assisting in cultivation has had no drug related felony convictions within the past seven (7) years.
- (2) The initial permit shall be valid for no more than two (2) years and may be extended in increments of two (2) years. Applications will be accepted after January 1 and shall be submitted not later than June 30 of a calendar year.
- (3) To the extent permitted by law, any personal or medical information submitted with a medical cannabis cultivation permit application or permit extension shall be kept confidential and shall only be used for purposes of administering this chapter.
- (4) The Zoning Administrator may, in his or her discretion, deny any application for a medical cannabis cultivation permit, or extension thereof, where he or she finds, based on articulated facts, that the issuance of such permit, or extension thereof, would be detrimental to the public health, safety, or welfare. The Zoning Administrator shall deny any application for a medical cannabis permit, or extension thereof, which does not demonstrate satisfaction of the minimum requirements of this chapter. Failure to comply with requirements twice within a permitting period constitutes grounds for permit revocation and serves as a basis for denial of any new application or extension. In the event a permit holder becomes subject to criminal proceedings related to the cultivation and/or sale of cannabis, the holder's permit shall be suspended until such time as said criminal case is resolved. The denial of any permit application, or permit extension, shall be subject to appeal pursuant to Section 601.11 Appeals.
- (5) The City may establish a fee or fees required to be paid upon filing of any application for permit(s) as provided by this Chapter, which fees shall not exceed the reasonable cost of administering this chapter, including but not limited to review of applications for permits, monitoring and inspections, and enforcement costs. Said fee or fees shall be established by Resolution of the City Council.
- (k) ***Medical Cannabis Cultivation or Distribution Facility/Dispensary.*** Medical cannabis distributing facilities, dispensaries, or services are not a permitted use and are prohibited in any and all zoning designations or districts within the city limits. Further, delivery of medical cannabis from a dispensary, facility, or service outside this jurisdiction into the city limits of Porterville is expressly prohibited.
- (l) ***Enforcement.*** Any violation of this chapter is subject to any and all penalties as prescribed in the Porterville Municipal Code, in addition to being subject to other remedies provided by law, including but not limited to, injunctive relief, nuisance abatement action, summary abatement of immediately hazardous conditions, and all other applicable fines, penalties and remedies. This chapter is adopted to address public health and safety issues, and as such, carries with it an express legislative intent to be interpreted strictly, enforced with an emphasis on public and community safety, and enforced rigorously in a manner such as to deter further violations.
- (m) ***Appeals.*** With the exception of the appeal process set forth in subsection (J)(4) for consideration of applications for permits, any other decisions made by the Zoning

Administrator related to the application and enforcement of this Section including, but not limited to decisions to suspend, revoke or modify a permit, shall be subject to the appeal provisions set forth in Chapter 612 Appeals of the Porterville Development Code.

REGULATORY STATUS OF COMMERCIAL ACTIVITIES IN NEARBY LOCAL JURISDICTIONS

Visalia: waiting for 6 months to make a decision; currently regulates medical marijuana, but not recreational

Fresno: a ban on commercial business activities has been proposed by a Council Member. The City Council will consider the proposal on March 30th

Clovis: currently prohibits commercial activities

Lemoore: currently prohibits commercial activities

Tulare: currently permits and regulates medical marijuana businesses

Hanford: currently considering allowing commercial cultivation businesses, with a particular indoor site in mind

Coalinga: currently permits commercial marijuana operations, including cultivation and manufacturing. In Nov. 2016 adopted a tax on activities, of \$25/sq.ft. for the first 3000 sq. ft., and \$10/sq. ft. thereafter

Fresno County: considering a temporary ban on commercial activities

Tulare County: currently prohibits commercial recreation growing for 2 years and also bans other business operations

Enclosed is additional information on statewide local tax measures that appeared on the November 2016 ballot.

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December 7, 2015

RECEIVED

DEC 07 2015

VIA MESSENGEROffice of the Attorney General
1300 "I" Street
Sacramento, CA 95814INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Attention: Ashley Johansson, Initiative Coordinator

**RE: Submission of Amendment to Statewide Initiative Measure –
Control, Regulate and Tax Adult Use of Marijuana Act, No. 15-0103**

Dear Ms. Johansson:

As you know, I serve as counsel for the proponents of the proposed statewide initiative, "Control, Regulate and Tax Adult Use of Marijuana Act." The proponents of the proposed initiative are Dr. Donald Lyman and Mr. Michael Sutton. On their behalf, I am enclosing the following documents:

- The amended text of "Control, Regulate and Tax Adult Use of Marijuana Act"
- A red-line version showing the changes made in the amended text
- Signed authorizations from each of the proponents for the submission of the amended text together with their requests that the Attorney General's Office prepare a circulating title and summary using the amended text.

Please continue to direct all inquiries or correspondence relative to this proposed initiative to me at the address listed below:

Lance H. Olson
Olson, Hagel & Fishburn LLP
555 Capitol Mall, Suite 1425
Sacramento, CA 95814

Very truly yours,

OLSON HAGEL & FISHBURN LLP


LANCE H. OLSON
LHO:rndm

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VIA MESSENGER

December 7, 2016

Office of the Attorney General
1300 "I" Street
Sacramento, CA 95814

Attention: Ashley Johansson, Initiative Coordinator

Re: Submission of Amendment to Control, Regulate and Tax Adult Use of Marijuana Act, No. 15-0103, and Request to Prepare Circulating Title and Summary

Dear Ms. Johansson:

On November 2, 2015, the proponents of a proposed statewide initiative titled "Control, Regulate and Tax Adult Use of Marijuana Act" ("Initiative") submitted a request that the Attorney General prepare a circulating title and summary pursuant to section 10(d) of Article II of the California Constitution. Pursuant to Elections Code section 9002(b), the proponents hereby submit timely amendments to the text of the Initiative. As one of the proponents of the Initiative, I approve the submission of the amended text to the Initiative and I declare that the amendment is reasonably germane to the theme, purpose, and subject of the Initiative. I request that the Attorney General prepare a circulating title and summary using the amended Initiative.

Sincerely,



Michael Sutton

VIA MESSENGER

December 7, 2016

Office of the Attorney General
1300 "I" Street
Sacramento, CA 95814

Attention: Ashley Johansson, Initiative Coordinator

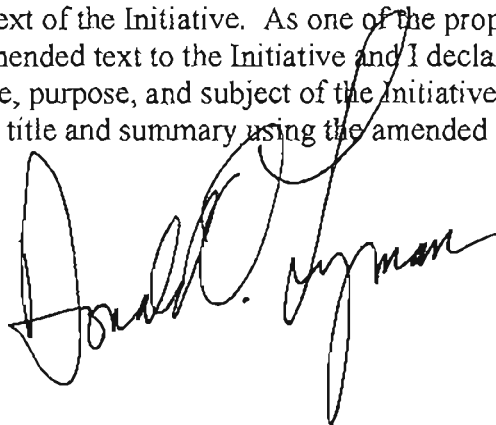
Re: Submission of Amendment to Control, Regulate and Tax Adult Use of Marijuana Act, No. 15-0103, and Request to Prepare Circulating Title and Summary

Dear Ms. Johansson:

On November 2, 2015, the proponents of a proposed statewide initiative titled "Control, Regulate and Tax Adult Use of Marijuana Act" ("Initiative") submitted a request that the Attorney General prepare a circulating title and summary pursuant to section 10(d) of Article II of the California Constitution. Pursuant to Elections Code section 9002(b), the proponents hereby submit timely amendments to the text of the Initiative. As one of the proponents of the Initiative, I approve the submission of the amended text to the Initiative and I declare that the amendment is reasonably germane to the theme, purpose, and subject of the Initiative. I request that the Attorney General prepare a circulating title and summary using the amended Initiative.

Sincerely,

Dr. Donald Lyman

A handwritten signature in black ink, appearing to read "Donald Lyman", is written over the typed name. The signature is fluid and cursive, with a large loop at the end.

SECTION 1. TITLE.

This measure shall be known as the Control, Regulate and Tax Adult Use of Marijuana Act ("the Adult Use of Marijuana Act").

SECTION 2. FINDINGS AND DECLARATIONS.

A. Currently in California, nonmedical marijuana use is unregulated, untaxed, and occurs without any consumer or environmental protections. The Control, Regulate and Tax Adult Use of Marijuana Act will legalize marijuana for those over 21 years old, protect children, and establish laws to regulate marijuana cultivation, distribution, sale and use, and will protect Californians and the environment from potential dangers. It establishes the Bureau of Marijuana Control within the Department of Consumer Affairs to regulate and license the marijuana industry.

B. Marijuana is currently legal in our state for medical use and illegal for nonmedical use. Abuse of the medical marijuana system in California has long been widespread, but recent bipartisan legislation signed by Governor Jerry Brown is establishing a comprehensive regulatory scheme for medical marijuana. The Control, Regulate and Tax Adult Use of Marijuana Act (hereafter called the Adult Use of Marijuana Act) will consolidate and streamline regulation and taxation for both nonmedical and medical marijuana.

C. Currently, marijuana growth and sale is not being taxed by the State of California, which means our state is missing out on hundreds of millions of dollars in potential tax revenue every year. The Adult Use of Marijuana Act will tax both the growth and sale of marijuana to generate hundreds of millions of dollars annually. The revenues will cover the cost of administering the new law and will provide funds to: invest in public health programs that educate youth to prevent and treat serious substance abuse; train local law enforcement to enforce the new law with a focus on DUI enforcement; invest in communities to reduce the illicit market and create job opportunities; and provide for environmental cleanup and restoration of public lands damaged by illegal marijuana cultivation.

D. Currently, children under the age of 18 can just as easily purchase marijuana on the black market as adults can. By legalizing marijuana, the Adult Use of Marijuana Act will incapacitate the black market, and move marijuana purchases into a legal structure with strict safeguards against children accessing it. The Adult Use of Marijuana Act prohibits the sale of nonmedical marijuana to those under 21 years old, and provides new resources to educate youth against drug abuse and train local law enforcement to enforce the new law. It bars marijuana businesses from being located within 600 feet of schools and other areas where children congregate. It establishes mandatory and strict packaging and labeling requirements for marijuana and marijuana products. And it mandates that marijuana and marijuana products cannot be advertised or marketed towards children.

E. There are currently no laws governing adult use marijuana businesses to ensure that they operate in accordance with existing California laws. Adult use of marijuana may only be

accessed from the unregulated illicit market. The Adult Use of Marijuana Act sets up a comprehensive system governing marijuana businesses at the state level and safeguards local control, allowing local governments to regulate marijuana-related activities, to subject marijuana businesses to zoning and permitting requirements, and to ban marijuana businesses by a vote of the people within a locality.

F. Currently, illegal marijuana growers steal or divert millions of gallons of water without any accountability. The Adult Use of Marijuana Act will create strict environmental regulations to ensure that the marijuana is grown efficiently and legally, to regulate the use of pesticides, to prevent wasting water, and to minimize water usage. The Adult Use of Marijuana Act will crack down on the illegal use of water and punish bad actors, while providing funds to restore lands that have been damaged by illegal marijuana grows. If a business does not demonstrate they are in full compliance with the applicable water usage and environmental laws, they will have their license revoked.

G. Currently, the courts are clogged with cases of non-violent drug offenses. By legalizing marijuana, the Adult Use of Marijuana Act will alleviate pressure on the courts, but continue to allow prosecutors to charge the most serious marijuana-related offenses as felonies, while reducing the penalties for minor marijuana-related offenses as set forth in the Act.

H. By bringing marijuana into a regulated and legitimate market, the Adult Use of Marijuana Act creates a transparent and accountable system. This will help police crackdown on the underground black market that currently benefits violent drug cartels and transnational gangs, which are making billions from marijuana trafficking and jeopardizing public safety.

I. The Adult Use of Marijuana Act creates a comprehensive regulatory structure in which every marijuana business is overseen by a specialized agency with relevant expertise. The Bureau of Marijuana Control, housed in the Department of Consumer Affairs, will oversee the whole system and ensure a smooth transition to the legal market, with licenses issued beginning in 2018. The Department of Consumer Affairs will also license and oversee marijuana retailers, distributors, and microbusinesses. The Department of Food and Agriculture will license and oversee marijuana cultivation, ensuring it is environmentally safe. The Department of Public Health will license and oversee manufacturing and testing, ensuring consumers receive a safe product. The State Board of Equalization will collect the special marijuana taxes, and the Controller will allocate the revenue to administer the new law and provide the funds to critical investments.

J. The Adult Use of Marijuana Act ensures the nonmedical marijuana industry in California will be built around small and medium sized businesses by prohibiting large-scale cultivation licenses for the first five years. The Adult Use of Marijuana Act also protects consumers and small businesses by imposing strict anti-monopoly restrictions for businesses that participate in the nonmedical marijuana industry.

SECTION 3. PURPOSE AND INTENT.

The purpose of the Adult Use of Marijuana Act is to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical marijuana, including marijuana products, for use by adults 21 years and older, and to tax the commercial growth and retail sale of marijuana. It is the intent of the People in enacting this Act to accomplish the following:

- (a) Take nonmedical marijuana production and sales out of the hands of the illegal market and bring them under a regulatory structure that prevents access by minors and protects public safety, public health, and the environment.
- (b) Strictly control the cultivation, processing, manufacture, distribution, testing and sale of nonmedical marijuana through a system of state licensing, regulation, and enforcement.
- (c) Allow local governments to enforce state laws and regulations for nonmedical marijuana businesses and enact additional local requirements for nonmedical marijuana businesses, but not require that they do so for a nonmedical marijuana business to be issued a state license and be legal under state law.
- (d) Allow local governments to ban nonmedical marijuana businesses as set forth in this Act.
- (e) Require track and trace management procedures to track nonmedical marijuana from cultivation to sale.
- (f) Require nonmedical marijuana to be comprehensively tested by independent testing services for the presence of contaminants, including mold and pesticides, before it can be sold by licensed businesses.
- (g) Require nonmedical marijuana sold by licensed businesses to be packaged in child-resistant containers and be labeled so that consumers are fully informed about potency and the effects of ingesting nonmedical marijuana.
- (h) Require licensed nonmedical marijuana businesses to follow strict environmental and product safety standards as a condition of maintaining their license.
- (i) Prohibit the sale of nonmedical marijuana by businesses that also sell alcohol or tobacco.
- (j) Prohibit the marketing and advertising of nonmedical marijuana to persons younger than 21 years old or near schools or other places where children are present.
- (k) Strengthen the state's existing medical marijuana system by requiring patients to obtain by January 1, 2018, a new recommendation from their physician that meets the strict standards signed into law by the Governor in 2015, and by providing new privacy protections for patients who obtain medical marijuana identification cards as set forth in this Act.

- (l) Permit adults 21 years and older to use, possess, purchase and grow nonmedical marijuana within defined limits for use by adults 21 years and older as set forth in this Act.
- (m) Allow local governments to reasonably regulate the cultivation of nonmedical marijuana for personal use by adults 21 years and older through zoning and other local laws, and only to ban outdoor cultivation as set forth in this Act.
- (n) Deny access to marijuana by persons younger than 21 years old who are not medical marijuana patients.
- (o) Prohibit the consumption of marijuana in a public place unlicensed for such use, including near K-12 schools and other areas where children are present.
- (p) Maintain existing laws making it unlawful to operate a car or other vehicle used for transportation while impaired by marijuana.
- (q) Prohibit the cultivation of marijuana on public lands or while trespassing on private lands.
- (r) Allow public and private employers to enact and enforce workplace policies pertaining to marijuana.
- (s) Tax the growth and sale of marijuana in a way that drives out the illicit market for marijuana and discourages use by minors, and abuse by adults.
- (t) Generate hundreds of millions of dollars in new state revenue annually for restoring and repairing the environment, youth treatment and prevention, community investment, and law enforcement.
- (u) Prevent illegal production or distribution of marijuana.
- (v) Prevent the illegal diversion of marijuana from California to other states or countries or to the illegal market.
- (w) Preserve scarce law enforcement resources to prevent and prosecute violent crime.
- (x) Reduce barriers to entry into the legal, regulated market.
- (y) Require minors who commit marijuana-related offenses to complete drug prevention education or counseling and community service.
- (z) Authorize courts to resentence persons who are currently serving a sentence for offenses for which the penalty is reduced by the Act, so long as the person does not pose a risk to public safety, and to redesignate or dismiss such offenses from the criminal records of persons who have completed their sentences as set forth in this Act.

(aa) Allow industrial hemp to be grown as an agricultural product, and for agricultural or academic research, and regulated separately from the strains of cannabis with higher delta-9 tetrahydrocannabinol concentrations.

SECTION 4. PERSONAL USE.

Sections 11018 of the Health and Safety Code is hereby amended, and Sections 11018.1 and 11018.2 of the Health and Safety Code are hereby added to read:

11018. Marijuana

"Marijuana" means all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It does not include ~~the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination:~~

(a) industrial hemp, as defined in Section 11018.5; or

(b) the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other product.

11018.1. Marijuana Products

"Marijuana products" means marijuana that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing marijuana or concentrated cannabis and other ingredients.

11018.2. Marijuana Accessories

"Marijuana accessories" means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana or marijuana products into the human body.

Sections 11362.1 through 11362.45 are added to the Health and Safety Code, to read:

11362.1.

(a) Subject to Sections 11362.2, 11362.3, 11362.4, and 11362.45, but notwithstanding any other provision of law, it shall be lawful under state and local law, and shall not be a violation of state or local law, for persons 21 years of age or older to:

(1) Possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older without any compensation whatsoever, not more than 28.5 grams of marijuana not in the form of concentrated cannabis;

- (2) Possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older without any compensation whatsoever, not more than eight grams of marijuana in the form of concentrated cannabis, including as contained in marijuana products;*
- (3) Possess, plant, cultivate, harvest, dry, or process not more than six living marijuana plants and possess the marijuana produced by the plants;*
- (4) Smoke or ingest marijuana or marijuana products; and*
- (5) Possess, transport, purchase, obtain, use, manufacture, or give away marijuana accessories to persons 21 years of age or older without any compensation whatsoever.*
- (b) Paragraph (5) of subdivision (a) is intended to meet the requirements of subdivision (f) of Section 863 of Title 21 of the United States Code (21 U.S.C. § 863(f)) by authorizing, under state law, any person in compliance with this section to manufacture, possess, or distribute marijuana accessories.*
- (c) Marijuana and marijuana products involved in any way with conduct deemed lawful by this section are not contraband nor subject to seizure, and no conduct deemed lawful by this section shall constitute the basis for detention, search, or arrest.*

11362.2.

(a) Personal cultivation of marijuana under paragraph (3) of subdivision (a) of Section 11362.1 is subject to the following restrictions:

- (1) A person shall plant, cultivate, harvest, dry, or process plants in accordance with local ordinances, if any, adopted in accordance with subdivision (b) of this section.*
- (2) The living plants and any marijuana produced by the plants in excess of 28.5 grams are kept within the person's private residence, or upon the grounds of that private residence (e.g., in an outdoor garden area), are in a locked space, and are not visible by normal unaided vision from a public place.*
- (3) Not more than six living plants may be planted, cultivated, harvested, dried, or processed within a single private residence, or upon the grounds of that private residence, at one time.*
- (b)(1) A city, county, or city and county may enact and enforce reasonable regulations to reasonably regulate the actions and conduct in paragraph (3) of subdivision (a) of Section 11362.1.*
- (2) Notwithstanding paragraph (1), no city, county, or city and county may completely prohibit persons engaging in the actions and conduct under paragraph (3) of subdivision (a) of Section 11362.1 inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure.*
- (3) Notwithstanding paragraph (3) of subdivision (a) of Section 11362.1, a city, county, or city and county may completely prohibit persons from engaging in actions and conduct under paragraph (3) of subdivision (a) of Section 11362.1 outdoors upon the grounds of a private residence.*
- (4) Paragraph (3) of this subdivision shall become inoperable upon a determination by the California Attorney General that nonmedical use of marijuana is lawful in the State of California under federal law, and an act taken by a city, county, or city and county under paragraph (3) shall be deemed repealed upon the date of such determination by the California Attorney General.*
- (5) For purposes of this section, "private residence" means a house, an apartment unit, a mobile home, or other similar dwelling.*

11362.3.

(a) Nothing in Section 11362.1 shall be construed to permit any person to:

(1) Smoke or ingest marijuana or marijuana products in any public place, except in accordance with Section 26200 of the Business and Professions Code.

(2) Smoke marijuana or marijuana products in a location where smoking tobacco is prohibited.

(3) Smoke marijuana or marijuana products within 1,000 feet of a school, day care center, or youth center while children are present at such a school, day care center, or youth center, except in or upon the grounds of a private residence or in accordance with Section 26200 of the Business and Professions Code or Chapter 3.5 of Division 8 of the Business and Professions Code and only if such smoking is not detectable by others on the grounds of such a school, day care center, or youth center while children are present.

(4) Possess an open container or open package of marijuana or marijuana products while driving, operating, or riding in the passenger seat or compartment of a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation.

(5) Possess, smoke or ingest marijuana or marijuana products in or upon the grounds of a school, day care center, or youth center while children are present.

(6) Manufacture concentrated cannabis using a volatile solvent, unless done in accordance with a license under Chapter 3.5 of Division 8 or Division 10 of the Business and Professions Code.

(7) Smoke or ingest marijuana or marijuana products while driving, operating a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation.

(8) Smoke or ingest marijuana or marijuana products while riding in the passenger seat or compartment of a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation except as permitted on a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation that is operated in accordance with Section 26200 of the Business and Professions Code and while no persons under the age of 21 years are present.

(b) For purposes of this section, "day care center" has the same meaning as in Section 1596.76.

(c) For purposes of this section, "smoke" means to inhale, exhale, burn, or carry any lighted or heated device or pipe, or any other lighted or heated marijuana or marijuana product intended for inhalation, whether natural or synthetic, in any manner or in any form. "Smoke" includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking in a place.

(d) For purposes of this section, "volatile solvent" means volatile organic compounds, including: (1) explosive gases, such as Butane, Propane, Xylene, Styrene, Gasoline, Kerosene, O₂ or H₂; and (2) dangerous poisons, toxins, or carcinogens, such as Methanol, Iso-propyl Alcohol, Methylene Chloride, Acetone, Benzene, Toluene, and Tri-chloro-ethylene.

(e) For purposes of this section, "youth center" has the same meaning as in Section 11353.1.

(f) Nothing in this section shall be construed or interpreted to amend, repeal, affect, restrict, or preempt laws pertaining to the Compassionate Use Act of 1996.

11362.4.

(a) A person who engages in the conduct described in paragraph (1) of subdivision (a) of Section 11362.3 is guilty of an infraction punishable by no more than a one hundred dollar (\$100) fine; provided, however, that persons under the age of 18 shall instead be required to complete four hours of a drug education program or counseling, and up to 10 hours of community service, over

a period not to exceed 60 days once the drug education program or counseling and community service opportunity are made available to the person.

(b) A person who engages in the conduct described in paragraphs (2) through (4) of subdivision (a) of Section 11362.3 shall be guilty of an infraction punishable by no more than a two hundred and fifty dollar (\$250) fine, unless such activity is otherwise permitted by state and local law; provided, however, that persons under the age of 18 shall instead be required to complete four hours of drug education or counseling, and up to 20 hours of community service, over a period not to exceed 90 days once the drug education program or counseling and community service opportunity are made available to the person.

(c) A person who engages in the conduct described in paragraph (5) of subdivision (a) of Section 11362.3 shall be subject to the same punishment as provided under subdivisions (c) or (d) of Section 11357.

(d) A person who engages in the conduct described in paragraph (6) of subdivision (a) of Section 11362.3 shall be subject to punishment under Section 11379.6.

(e) A person who violates the restrictions in subdivision (a) of Section 11362.2 is guilty of an infraction punishable by no more than a two hundred and fifty dollar (\$250) fine.

(f) Notwithstanding subdivision (e), a person under the age of 18 who violates the restrictions in subdivision (a) of Section 11362.2 shall be punished under subdivision (a) of Section 11358.

(g)(1) The drug education program or counseling hours required by this section shall be mandatory unless the court makes a finding that such a program or counseling is unnecessary for the person or that a drug education program or counseling is unavailable.

(2) The drug education program required by this section for persons under the age of 18 must be free to participants and provide at least four hours of group discussion or instruction based on science and evidence-based principles and practices specific to the use and abuse of marijuana and other controlled substances.

(h) Upon a finding of good cause, the court may extend the time for a person to complete the drug education or counseling, and community service required under this section.

11362.45.

Nothing in section 11362.1 shall be construed or interpreted to amend, repeal, affect, restrict, or preempt:

(a) Laws making it unlawful to drive or operate a vehicle, boat, vessel, or aircraft, while smoking, ingesting, or impaired by, marijuana or marijuana products, including, but not limited to, subdivision (e) of Section 23152 of the Vehicle Code, or the penalties prescribed for violating those laws.

(b) Laws prohibiting the sale, administering, furnishing, or giving away of marijuana, marijuana products, or marijuana accessories, or the offering to sell, administer, furnish, or give away marijuana, marijuana products, or marijuana accessories to a person younger than 21 years of age.

(c) Laws prohibiting a person younger than 21 years of age from engaging in any of the actions or conduct otherwise permitted under Section 11362.1.

(d) Laws pertaining to smoking or ingesting marijuana or marijuana products on the grounds of, or within, any facility or institution under the jurisdiction of the Department of Corrections and Rehabilitation or the Division of Juvenile Justice, or on the grounds of, or within, any other facility or institution referenced in Section 4573 of the Penal Code.

- (e) Laws providing that it would constitute negligence or professional malpractice to undertake any task while impaired from smoking or ingesting marijuana or marijuana products.*
- (f) The rights and obligations of public and private employers to maintain a drug and alcohol free workplace or require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growth of marijuana in the workplace, or affect the ability of employers to have policies prohibiting the use of marijuana by employees and prospective employees, or prevent employers from complying with state or federal law.*
- (g) The ability of a state or local government agency to prohibit or restrict any of the actions or conduct otherwise permitted under Section 11362.1 within a building owned, leased, or occupied by the state or local government agency.*
- (h) The ability of an individual or private entity to prohibit or restrict any of the actions or conduct otherwise permitted under Section 11362.1 on the individual's or entity's privately owned property.*
- (i) Laws pertaining to the Compassionate Use Act of 1996.*

SECTION 5. USE OF MARIJUANA FOR MEDICAL PURPOSES.

Sections 11362.712, 11362.713, 11362.84 and 11362.85 are added to the Health and Safety Code, and 11362.755 of the Health and Safety Code is amended to read:

11362.712.

- (a) Commencing on January 1, 2018, a qualified patient must possess a physician's recommendation that complies with Article 25 (commencing with Section 2525) of Chapter 5 of Division 2 of the Business and Professions Code. Failure to comply with this requirement shall not, however, affect any of the protections provided to patients or their primary caregivers by Section 11362.5.*
- (b) A county health department or the county's designee shall develop protocols to ensure that, commencing upon January 1, 2018, all identification cards issued pursuant to Section 11362.71 are supported by a physician's recommendation that complies with Article 25 (commencing with Section 2525) of Chapter 5 of Division 2 of the Business and Professions Code.*

11362.713.

- (a) Information identifying the names, addresses, or social security numbers of patients, their medical conditions, or the names of their primary caregivers, received and contained in the records of the Department of Public Health and by any county public health department are hereby deemed "medical information" within the meaning of the Confidentiality of Medical Information Act (Civil Code § 56, et seq.) and shall not be disclosed by the Department or by any county public health department except in accordance with the restrictions on disclosure of individually identifiable information under the Confidentiality of Medical Information Act.*
- (b) Within 24 hours of receiving any request to disclose the name, address, or social security number of a patient, their medical condition, or the name of their primary caregiver, the Department of Public Health or any county public health agency shall contact the patient and inform the patient of the request and if the request was made in writing, a copy of the request.*
- (c) Notwithstanding Section 56.10 of the Civil Code, neither the Department of Public Health, nor any county public health agency, shall disclose, nor shall they be ordered by agency or court to disclose, the names, addresses, or social security numbers of patients, their medical*

conditions, or the names of their primary caregivers, sooner than the 10th day after which the patient whose records are sought to be disclosed has been contacted.

(d) No identification card application system or database used or maintained by the Department of Public Health or by any county department of public health or the county's designee as provided in Section 11362.71 shall contain any personal information of any qualified patient, including but not limited to, the patient's name, address, social security number, medical conditions, or the names of their primary caregivers. Such an application system or database may only contain a unique user identification number, and when that number is entered, the only information that may be provided is whether the card is valid or invalid.

11362.755.

(a) ~~The department shall establish application and renewal fees for persons seeking to obtain or renew identification cards that are sufficient to cover the expenses incurred by the department, including the startup cost, the cost of reduced fees for Medi-Cal beneficiaries in accordance with subdivision (b), the cost of identifying and developing a cost-effective Internet Web-based system, and the cost of maintaining the 24-hour toll-free telephone number. Each county health department or the county's designee may charge an additional a fee for all costs incurred by the county or the county's designee for administering the program pursuant to this article.~~

(b) In no event shall the amount of the fee charged by a county health department exceed \$100 per application or renewal.

(c) Upon satisfactory proof of participation and eligibility in the Medi-Cal program, a Medi-Cal beneficiary shall receive a 50 percent reduction in the fees established pursuant to this section.

(d) Upon satisfactory proof that a qualified patient, or the legal guardian of a qualified patient under the age of 18, is a medically indigent adult who is eligible for and participates in the County Medical Services Program, the fee established pursuant to this section shall be waived.

(e) In the event the fees charged and collected by a county health department are not sufficient to pay for the administrative costs incurred in discharging the county health department's duties with respect to the mandatory identification card system, the Legislature, upon request by the county health department, shall reimburse the county health department for those reasonable administrative costs in excess of the fees charged and collected by the county health department.

11362.84.

The status and conduct of a qualified patient who acts in accordance with the Compassionate Use Act shall not, by itself, be used to restrict or abridge custodial or parental rights to minor children in any action or proceeding under the jurisdiction of family or juvenile court.

11362.85.

Upon a determination by the California Attorney General that the federal schedule of controlled substances has been amended to reclassify or declassify marijuana, the Legislature may amend or repeal the provisions of the Health and Safety Code, as necessary, to conform state law to such changes in federal law.

SECTION 6. MARIJUANA REGULATION AND SAFETY.

Division 10 is hereby added to the Business and Professions Code to read as follows:

Division 10. Marijuana

Chapter 1. General Provisions and Definitions

26000.

(a) The purpose and intent of this division is to establish a comprehensive system to control and regulate the cultivation, distribution, transport, storage, manufacturing, processing, and sale of nonmedical marijuana and marijuana products for adults 21 years of age and over.

(b) In the furtherance of subdivision (a), this division expands the power and duties of the existing state agencies responsible for controlling and regulating the medical cannabis industry under Chapter 3.5 of Division 8 to include the power and duty to control and regulate the commercial nonmedical marijuana industry.

(c) The Legislature may, by majority vote, enact laws to implement this division, provided such laws are consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

26001.

For purposes of this division, the following definitions shall apply:

(a) "Applicant" means the following:

(1) The owner or owners of a proposed licensee. "Owner" means all persons having (A) an aggregate ownership interest (other than a security interest, lien, or encumbrance) of 20 percent or more in the licensee and (B) the power to direct or cause to be directed, the management or control of the licensee.

(2) If the applicant is a publicly traded company, "owner" includes the chief executive officer and any member of the board of directors and any person or entity with an aggregate ownership interest in the company of 20 percent or more. If the applicant is a nonprofit entity, "owner" means both the chief executive officer and any member of the board of directors.

(b) "Bureau" means the Bureau of Marijuana Control within the Department of Consumer Affairs.

(c) "Child resistant" means designed or constructed to be significantly difficult for children under five years of age to open, and not difficult for normal adults to use properly.

(d) "Commercial marijuana activity" includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, distribution, delivery or sale of marijuana and marijuana products as provided for in this division.

(e) "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

(f) "Customer" means a natural person 21 years of age or over.

(g) "Day care center" shall have the same meaning as in Section 1596.76 of the Health and Safety Code.

(h) "Delivery" means the commercial transfer of marijuana or marijuana products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this division, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.

(i) "Director" means the Director of the Department of Consumer Affairs.

- (j) "Distribution" means the procurement, sale, and transport of marijuana and marijuana products between entities licensed pursuant to this division.*
- (k) "Fund" means the Marijuana Control Fund established pursuant to Section 26210.*
- (l) "Kind" means applicable type or designation regarding a particular marijuana variant or marijuana product type, including, but not limited to, strain name or other grower trademark, or growing area designation.*
- (m) "License" means a state license issued under this division.*
- (n) "Licensee" means any person or entity holding a license under this division.*
- (o) "Licensing authority" means the state agency responsible for the issuance, renewal, or reinstatement of the license, or the state agency authorized to take disciplinary action against the licensee.*
- (p) "Local jurisdiction" means a city, county, or city and county.*
- (q) "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a marijuana product.*
- (r) "Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of marijuana or marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages marijuana or marijuana products or labels or re-labels its container, that holds a state license pursuant to this division.*
- (s) "Marijuana" has the same meaning as in Section 11018 of the Health and Safety Code, except that it does not include marijuana that is cultivated, processed, transported, distributed, or sold for medical purposes under Chapter 3.5 of Division 8.*
- (t) "Marijuana accessories" has the same meaning as in Section 11018.2 of the Health and Safety Code.*
- (u) "Marijuana products" has the same meaning as in Section 11018.1 of the Health and Safety Code, except that it does not include marijuana products manufactured, processed, transported, distributed, or sold for medical purposes under Chapter 3.5 of Division 8.*
- (v) "Nursery" means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of marijuana.*
- (w) "Operation" means any act for which licensure is required under the provisions of this division, or any commercial transfer of marijuana or marijuana products.*
- (x) "Package" means any container or receptacle used for holding marijuana or marijuana products.*
- (y) "Person" includes any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.*
- (z) "Purchaser" means the customer who is engaged in a transaction with a licensee for purposes of obtaining marijuana or marijuana products.*
- (aa) "Sell," "sale," and "to sell" include any transaction whereby, for any consideration, title to marijuana is transferred from one person to another, and includes the delivery of marijuana or marijuana products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of marijuana or marijuana products by a licensee to the licensee from whom such marijuana or marijuana product was purchased.*

(bb) "Testing service" means a laboratory, facility, or entity in the state, that offers or performs tests of marijuana or marijuana products, including the equipment provided by such laboratory, facility, or entity, and that is both of the following:

(1) Accredited by an accrediting body that is independent from all other persons involved in commercial marijuana activity in the state.

(2) Registered with the Department of Public Health.

(cc) "Unique identifier" means an alphanumeric code or designation used for reference to a specific plant on a licensed premises.

(dd) "Unreasonably impracticable" means that the measures necessary to comply with the regulations require such a high investment of risk, money, time, or any other resource or asset, that the operation of a marijuana establishment is not worthy of being carried out in practice by a reasonably prudent business person.

(ee) "Youth center" shall have the same meaning as in Section 11353.1 of the Health and Safety Code.

Chapter 2. Administration

26010.

(a) The Bureau of Medical Marijuana Regulation established in Section 19302 in Chapter 3.5 of Division 8 is hereby renamed the Bureau of Marijuana Control. The director shall administer and enforce the provisions of this division in addition to the provisions of Chapter 3.5 of Division 8. The director shall have the same power and authority as provided by subdivisions (b) and (c) of Section 19302.1 for purposes of this division.

(b) The bureau and the director shall succeed to and are vested with all the duties, powers, purposes, responsibilities, and jurisdiction vested in the Bureau of Medical Marijuana Regulation under Chapter 3.5 of Division 8.

(c) In addition to the powers, duties, purposes, responsibilities, and jurisdiction referenced in subdivision (b), the bureau shall heretofore have the power, duty, purpose, responsibility, and jurisdiction to regulate commercial marijuana activity as provided in this division.

(d) Upon the effective date of this section, whenever "Bureau of Medical Marijuana Regulation" appears in any statute, regulation, or contract, or in any other code, it shall be construed to refer to the bureau.

26011.

Neither the chief of the bureau nor any member of the Marijuana Control Appeals Panel established under Section 26040 shall have nor do any of the following:

(a) Receive any commission or profit whatsoever, directly or indirectly, from any person applying for or receiving any license or permit under this division or Chapter 3.5 of Division 8.

(b) Engage or have any interest in the sale or any insurance covering a licensee's business or premises.

(c) Engage or have any interest in the sale of equipment for use upon the premises of a licensee engaged in commercial marijuana activity.

(d) Knowingly solicit any licensee for the purchase of tickets for benefits or contributions for benefits.

(e) Knowingly request any licensee to donate or receive money, or any other thing of value, for the benefit of any person whatsoever.

26012.

(a) It being a matter of statewide concern, except as otherwise authorized in this division:

(1) The Department of Consumer Affairs shall have the exclusive authority to create, issue, renew, discipline, suspend, or revoke licenses for the transportation, storage unrelated to manufacturing activities, distribution, and sale of marijuana within the state.

(2) The Department of Food and Agriculture shall administer the provisions of this division related to and associated with the cultivation of marijuana. The Department of Food and Agriculture shall have the authority to create, issue, and suspend or revoke cultivation licenses for violations of this division.

(3) The Department of Public Health shall administer the provisions of this division related to and associated with the manufacturing and testing of marijuana. The Department of Public Health shall have the authority to create, issue, and suspend or revoke manufacturing and testing licenses for violations of this division.

(b) The licensing authorities and the bureau shall have the authority to collect fees in connection with activities they regulate concerning marijuana. The bureau may create licenses in addition to those identified in this division that the bureau deems necessary to effectuate its duties under this division.

(c) Licensing authorities shall begin issuing licenses under this division by January 1, 2018.

26013.

(a) Licensing authorities shall make and prescribe reasonable rules and regulations as may be necessary to implement, administer and enforce their respective duties under this division in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Such rules and regulations shall be consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

(b) Licensing authorities may prescribe, adopt, and enforce any emergency regulations as necessary to implement, administer and enforce their respective duties under this division. Any emergency regulation prescribed, adopted or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare.

(c) Regulations issued under this division shall be necessary to achieve the purposes of this division, based on best available evidence, and shall mandate only commercially feasible procedures, technology, or other requirements, and shall not unreasonably restrain or inhibit the development of alternative procedures or technology to achieve the same substantive requirements, nor shall such regulations make compliance unreasonably impracticable.

26014.

(a) The bureau shall convene an advisory committee to advise the bureau and licensing authorities on the development of standards and regulations pursuant to this division, including best practices and guidelines that protect public health and safety while ensuring a regulated environment for commercial marijuana activity that does not impose such unreasonably

impracticable barriers so as to perpetuate, rather than reduce and eliminate, the illicit market for marijuana.

(b) The advisory committee members shall include, but not be limited to, representatives of the marijuana industry, representatives of labor organizations, appropriate state and local agencies, public health experts, and other subject matter experts, including representatives from the Department of Alcoholic Beverage Control, with expertise in regulating commercial activity for adult-use intoxicating substances. The advisory committee members shall be determined by the director.

(c) Commencing on January 1, 2019, the advisory committee shall publish an annual public report describing its activities including, but not limited to, the recommendations the advisory committee made to the bureau and licensing authorities during the immediately preceding calendar year and whether those recommendations were implemented by the bureau or licensing authorities.

26015.

A licensing authority may make or cause to be made such investigation as it deems necessary to carry out its duties under this division.

26016.

For any hearing held pursuant to this division, except a hearing held under Chapter 4, a licensing authority may delegate the power to hear and decide to an administrative law judge. Any hearing before an administrative law judge shall be pursuant to the procedures, rules, and limitations prescribed in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

26017.

In any hearing before a licensing authority pursuant to this division, the licensing authority may pay any person appearing as a witness at the hearing at the request of the licensing authority pursuant to a subpoena, his or her actual, necessary, and reasonable travel, food, and lodging expenses, not to exceed the amount authorized for state employees.

26018.

A licensing authority may on its own motion at any time before a penalty assessment is placed into effect, and without any further proceedings, review the penalty, but such review shall be limited to its reduction.

Chapter 3. Enforcement

26030.

Grounds for disciplinary action include:

(a) Failure to comply with the provisions of this division or any rule or regulation adopted pursuant to this division.

(b) Conduct that constitutes grounds for denial of licensure pursuant to Chapter 3 (commencing with Section 490) of Division 1.5.

(c) Any other grounds contained in regulations adopted by a licensing authority pursuant to this division.

(d) Failure to comply with any state law including, but not limited to, the payment of taxes as required under the Revenue and Taxation Code, except as provided for in this division or other California law.

(e) Knowing violations of any state or local law, ordinance, or regulation conferring worker protections or legal rights on the employees of a licensee.

(f) Failure to comply with the requirement of a local ordinance regulating commercial marijuana activity.

(g) The intentional and knowing sale of marijuana or marijuana products by a licensee to a person under the legal age to purchase or possess.

26031.

Each licensing authority may suspend or revoke licenses, after proper notice and hearing to the licensee, if the licensee is found to have committed any of the acts or omissions constituting grounds for disciplinary action. The disciplinary proceedings under this chapter shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director of each licensing authority shall have all the powers granted therein.

26032.

Each licensing authority may take disciplinary action against a licensee for any violation of this division when the violation was committed by the licensee's agent or employee while acting on behalf of the licensee or engaged in commercial marijuana activity.

26033.

Upon suspension or revocation of a license, the licensing authority shall inform the bureau. The bureau shall then inform all other licensing authorities.

26034.

Accusations against licensees under this division shall be filed within the same time limits as specified in Section 19314 or as otherwise provided by law.

26035.

(a) The director shall designate the persons employed by the Department of Consumer Affairs for purposes of the administration and enforcement of this division. The director shall ensure that a sufficient number of employees are qualified peace officers for purposes of enforcing this division.

26036.

Nothing in this division shall be interpreted to supersede or limit state agencies from exercising their existing enforcement authority, including, but not limited to, under the Fish and Game Code, the Food and Agricultural Code, the Government Code, the Health and Safety Code, the Public Resources Code, the Water Code, or the application of those laws.

26037.

(a) The actions of a licensee, its employees, and its agents that are: (1) permitted under a license issued under this division and any applicable local ordinances; and (2) conducted in accordance

with the requirements of this division and regulations adopted pursuant to this division, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.

(b) The actions of a person who, in good faith, allows his or her property to be used by a licensee, its employees, and its agents, as permitted pursuant to a state license and any applicable local ordinances, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.

26038.

(a) A person engaging in commercial marijuana activity without a license required by this division shall be subject to civil penalties of up to three times the amount of the license fee for each violation, and the court may order the destruction of marijuana associated with that violation in accordance with Section 11479 of the Health and Safety Code. Each day of operation shall constitute a separate violation of this section. All civil penalties imposed and collected pursuant to this section by a licensing authority shall be deposited into the General Fund except as provided in subdivision (b).

(b) If an action for civil penalties is brought against a licensee pursuant to this division by the Attorney General on behalf of the people, the penalty collected shall be deposited into the General Fund. If the action is brought by a district attorney or county counsel, the penalty shall first be used to reimburse the district attorney or county counsel for the costs of bringing the action for civil penalties, with the remainder, if any, to be deposited into the General Fund. If the action is brought by a city attorney or city prosecutor, the penalty collected shall first be used to reimburse the city attorney or city prosecutor for the costs of bringing the action for civil penalties, with the remainder, if any, to be deposited into the General Fund.

(c) Notwithstanding subdivision (a), criminal penalties shall continue to apply to an unlicensed person engaging in commercial marijuana activity in violation of this division.

Chapter 4: Appeals

26040.

(a) There is established in state government a Marijuana Control Appeals Panel which shall consist of three members appointed by the Governor and subject to confirmation by a majority vote of all of the members elected to the Senate. Each member, at the time of his or her initial appointment, shall be a resident of a different county from the one in which either of the other members resides. Members of the panel shall receive an annual salary as provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) The members of the panel may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove any member from office for dereliction of duty, corruption or incompetency.

(c) A concurrent resolution for the removal of any member of the panel may be introduced in the Legislature only if five Members of the Senate, or ten Members of the Assembly, join as authors.

26041.

All personnel of the panel shall be appointed, employed, directed, and controlled by the panel consistent with state civil service requirements. The director shall furnish the equipment, supplies, and housing necessary for the authorized activities of the panel and shall perform such other mechanics of administration as the panel and the director may agree upon.

26042.

The panel shall adopt procedures for appeals similar to the procedures used in Articles 3 and 4 in Chapter 1.5 in Division 9 of the Business and Professions Code. Such procedures shall be adopted in accordance with the Administrative Procedure Act (Government Code, Title 2, Division 3, section 11340 et seq.).

26043.

(a) When any person aggrieved thereby appeals from a decision of the bureau or any licensing authority ordering any penalty assessment, issuing, denying, transferring, conditioning, suspending or revoking any license provided for under this division, the panel shall review the decision subject to such limitations as may be imposed by the Legislature. In such cases, the panel shall not receive evidence in addition to that considered by the bureau or the licensing authority.

(b) Review by the panel of a decision of the bureau or a licensing authority shall be limited to the following questions:

(1) Whether the bureau or any licensing authority has proceeded without or in excess of its jurisdiction.

(2) Whether the bureau or any licensing authority has proceeded in the manner required by law.

(3) Whether the decision is supported by the findings.

(4) Whether the findings are supported by substantial evidence in the light of the whole record.

26044.

(a) In appeals where the panel finds that there is relevant evidence which, in the exercise of reasonable diligence, could not have been produced or which was improperly excluded at the hearing before the bureau or licensing authority, it may enter an order remanding the matter to the bureau or licensing authority for reconsideration in the light of such evidence.

(b) Except as provided in subdivision (a), in all appeals, the panel shall enter an order either affirming or reversing the decision of the bureau or licensing authority. When the order reverses the decision of the bureau or licensing authority, the board may direct the reconsideration of the matter in the light of its order and may direct the bureau or licensing authority to take such further action as is specially enjoined upon it by law, but the order shall not limit or control in any way the discretion vested by law in the bureau or licensing authority.

26045.

Orders of the panel shall be subject to judicial review under Section 1094.5 of the Code of Civil Procedure upon petition by the bureau or licensing authority or any party aggrieved by such order.

Chapter 5. Licensing

26050.

(a) The license classification pursuant to this division shall, at a minimum, be as follows:

- (1) Type 1 = Cultivation; Specialty outdoor; Small.*
- (2) Type 1A = Cultivation; Specialty indoor; Small.*
- (3) Type 1B = Cultivation; Specialty mixed-light; Small.*
- (4) Type 2 = Cultivation; Outdoor; Small.*
- (5) Type 2A = Cultivation; Indoor; Small.*
- (6) Type 2B = Cultivation; Mixed-light; Small.*
- (7) Type 3 = Cultivation; Outdoor; Medium.*
- (8) Type 3A = Cultivation; Indoor; Medium.*
- (9) Type 3B = Cultivation; Mixed-light; Medium.*
- (10) Type 4 = Cultivation; Nursery.*
- (11) Type 5 = Cultivation; Outdoor; Large.*
- (12) Type 5A = Cultivation; Indoor; Large.*
- (13) Type 5B = Cultivation; Mixed-light; Large.*
- (14) Type 6 = Manufacturer 1.*
- (15) Type 7 = Manufacturer 2.*
- (16) Type 8 = Testing.*
- (17) Type 10 = Retailer.*
- (18) Type 11 = Distributor.*
- (19) Type 12 = Microbusiness.*

(b) All licenses issued under this division shall bear a clear designation indicating that the license is for commercial marijuana activity as distinct from commercial medical cannabis activity licensed under Chapter 3.5 of Division 8. Examples of such a designation include, but are not limited to, "Type 1 – Nonmedical," or "Type 1NM."

(c) A license issued pursuant to this division shall be valid for 12 months from the date of issuance. The license may be renewed annually.

(d) Each licensing authority shall establish procedures for the issuance and renewal of licenses.

(e) Notwithstanding subdivision (c), a licensing authority may issue a temporary license for a period of less than 12 months. This subdivision shall cease to be operable on January 1, 2019.

26051.

(a) In determining whether to grant, deny, or renew a license authorized under this division, a licensing authority shall consider factors reasonably related to the determination, including, but not limited to, whether it is reasonably foreseeable that issuance, denial, or renewal of the license could:

- (1) allow unreasonable restraints on competition by creation or maintenance of unlawful monopoly power;*
- (2) perpetuate the presence of an illegal market for marijuana or marijuana products in the state or out of the state;*
- (3) encourage underage use or adult abuse of marijuana or marijuana products, or illegal diversion of marijuana or marijuana products out of the state;*
- (4) result in an excessive concentration of licensees in a given city, county, or both;*

(5) present an unreasonable risk of minors being exposed to marijuana or marijuana products; or

(6) result in violations of any environmental protection laws.

(b) A licensing authority may deny a license or renewal of a license based upon the considerations in subdivision (a).

(c) For purposes of this section, "excessive concentration" means when the premises for a retail license, microbusiness license, or a license issued under Section 26070.5 is located in an area where either of the following conditions exist:

(1) The ratio of a licensee to population in the census tract or census division in which the applicant premises are located exceeds the ratio of licensees to population in the county in which the applicant premises are located, unless denial of the application would unduly limit the development of the legal market so as to perpetuate the illegal market for marijuana or marijuana products.

(2) The ratio of retail licenses, microbusiness licenses, or licenses under Section 26070.5 to population in the census tract, division or jurisdiction exceeds that allowable by local ordinance adopted under Section 26200.

26052.

(a) No licensee shall perform any of the following acts, or permit any such acts to be performed by any employee, agent, or contractor of such licensee:

(1) Make any contract in restraint of trade in violation of Section 16600;

(2) Form a trust or other prohibited organization in restraint of trade in violation of Section 16720;

(3) Make a sale or contract for the sale of marijuana or marijuana products, or to fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement or understanding that the consumer or purchaser thereof shall not use or deal in the goods, merchandise, machinery, supplies, commodities, or services of a competitor or competitors of such seller, where the effect of such sale, contract, condition, agreement or understanding may be to substantially lessen competition or tend to create a monopoly in any line of trade or commerce;

(4) Sell any marijuana or marijuana products at less than cost for the purpose of injuring competitors, destroying competition, or misleading or deceiving purchasers or prospective purchasers;

(5) Discriminate between different sections, communities, or cities or portions thereof, or between different locations in such sections, communities, cities or portions thereof in this state, by selling or furnishing marijuana or marijuana products at a lower price in one section, community, or city or any portion thereof, or in one location in such section, community, or city or any portion thereof, than in another, for the purpose of injuring competitors or destroying competition; or

(6) Sell any marijuana or marijuana products at less than the cost thereof to such vendor, or to give away any article or product for the purpose of injuring competitors or destroying competition.

(b) Any person who, either as director, officer or agent of any firm or corporation, or as agent of any person, violates the provisions of this chapter, assists or aids, directly or indirectly, in such violation is responsible therefor equally with the person, firm or corporation for which such person acts.

- (c) A licensing authority may enforce this section by appropriate regulation.*
- (d) Any person or trade association may bring an action to enjoin and restrain any violation of this section for the recovery of damages.*

26053.

- (a) The bureau and licensing authorities may issue licenses under this division to persons or entities that hold licenses under Chapter 3.5 of Division 8.*
- (b) Notwithstanding subdivision (a), a person or entity that holds a state testing license under this division or Chapter 3.5 of Division 8 is prohibited from licensure for any other activity, except testing, as authorized under this division.*
- (c) Except as provided in subdivision (b), a person or entity may apply for and be issued more than one license under this division.*

26054.

- (a) A licensee shall not also be licensed as a retailer of alcoholic beverages under Division 9 or of tobacco products.*
- (b) No licensee under this division shall be located within a 600-foot radius of a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the license is issued, unless a licensing authority or a local jurisdiction specifies a different radius. The distance specified in this section shall be measured in the same manner as provided in paragraph (c) of Section 11362.768 of the Health and Safety Code unless otherwise provided by law.*
- (c) It shall be lawful under state and local law, and shall not be a violation of state or local law, for a business engaged in the manufacture of marijuana accessories to possess, transport, purchase or otherwise obtain small amounts of marijuana or marijuana products as necessary to conduct research and development related to such marijuana accessories, provided such marijuana and marijuana products are obtained from a person or entity licensed under this division or Chapter 3.5 of Division 8 permitted to provide or deliver such marijuana or marijuana products.*

26054.1

- (a) No licensing authority shall issue or renew a license to any person that cannot demonstrate continuous California residency from or before January 1, 2015. In the case of an applicant or licensee that is an entity, the entity shall not be considered a resident if any person controlling the entity cannot demonstrate continuous California residency from and before January 1, 2015.*
- (b) Subdivision (a) shall cease to be operable on December 31, 2019 unless reenacted prior thereto by the Legislature.*

26054.2

- (a) A licensing authority shall give priority in issuing licenses under this division to applicants that can demonstrate to the authority's satisfaction that the applicant operated in compliance with the Compassionate Use Act and its implementing laws before September 1, 2016, or currently operates in compliance with Chapter 3.5 of Division 8.*
- (b) The bureau shall request that local jurisdictions identify for the bureau potential applicants for licensure based on the applicants' prior operation in the local jurisdiction in compliance with state law, including the Compassionate Use Act and its implementing laws, and any*

applicable local laws. The bureau shall make the requested information available to licensing authorities.

(c) In addition to or in lieu of the information described in subdivision (b), an applicant may furnish other evidence to demonstrate operation in compliance with the Compassionate Use Act or Chapter 3.5 of Division 8. The bureau and licensing authorities may accept such evidence to demonstrate eligibility for the priority provided for in subdivision (a).

(d) This section shall cease to be operable on December 31, 2019 unless otherwise provided by law.

26055.

(a) Licensing authorities may issue state licenses only to qualified applicants.

(b) Revocation of a state license issued under this division shall terminate the ability of the licensee to operate within California until the licensing authority reinstates or reissues the state license.

(c) Separate licenses shall be issued for each of the premises of any licensee having more than one location, except as otherwise authorized by law or regulation.

(d) After issuance or transfer of a license, no licensee shall change or alter the premises in a manner which materially or substantially alters the premises, the usage of the premises, or the mode or character of business operation conducted from the premises, from the plan contained in the diagram on file with the application, unless and until prior written assent of the licensing authority or bureau has been obtained. For purposes of this section, material or substantial physical changes of the premises, or in the usage of the premises, shall include, but not be limited to, a substantial increase or decrease in the total area of the licensed premises previously diagrammed, or any other physical modification resulting in substantial change in the mode or character of business operation.

(e) Licensing authorities shall not approve an application for a state license under this division if approval of the state license will violate the provisions of any local ordinance or regulation adopted in accordance with Section 26200.

26056.

An applicant for any type of state license issued pursuant to this division shall comply with the same requirements as set forth in Section 19322 of Chapter 3.5 of Division 8 unless otherwise provided by law, including electronic submission of fingerprint images, and any other requirements imposed by law or a licensing authority, except as follows:

(a) notwithstanding paragraph (2) of subdivision (a) of Section 19322 of Chapter 3.5 of Division 8, an applicant need not provide documentation that the applicant has obtained a license, permit or other authorization to operate from the local jurisdiction in which the applicant seeks to operate;

(b) an application for a license under this division shall include evidence that the proposed location meets the restriction in subdivision (b) of Section 26054; and

(c) for applicants seeking licensure to cultivate, distribute, or manufacture nonmedical marijuana or marijuana products, the application shall also include a detailed description of the applicant's operating procedures for all of the following, as required by the licensing authority:

(1) Cultivation.

(2) Extraction and infusion methods.

(3) The transportation process.

- (4) The inventory process.*
- (5) Quality control procedures.*
- (6) The source or sources of water the applicant will use for the licensed activities, including a certification that the applicant may use that water legally under state law.*
- (d) The applicant shall provide a complete detailed diagram of the proposed premises wherein the license privileges will be exercised, with sufficient particularity to enable ready determination of the bounds of the premises, showing all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, and common or shared entryways, and include a brief statement or description of the principal activity to be conducted therein, and, for licenses permitting cultivation, measurements of the planned canopy including aggregate square footage and individual square footage of separate cultivation areas, if any.*

26056.5.

The bureau shall devise protocols that each licensing authority shall implement to ensure compliance with state laws and regulations related to environmental impacts, natural resource protection, water quality, water supply, hazardous materials, and pesticide use in accordance with regulations, including but not limited to, the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.), the California Endangered Species Act (Fish and Game Code, Section 2800 et. seq.), lake or streambed alteration agreements (Fish and Game Code, Section 1600 et. seq.), the Clean Water Act, the Porter-Cologne Water Quality Control Act, timber production zones, wastewater discharge requirements, and any permit or right necessary to divert water.

26057.

- (a) The licensing authority shall deny an application if either the applicant, or the premises for which a state license is applied, do not qualify for licensure under this division.*
- (b) The licensing authority may deny the application for licensure or renewal of a state license if any of the following conditions apply:*
 - (1) Failure to comply with the provisions of this division, any rule or regulation adopted pursuant to this division, or any requirement imposed to protect natural resources, including, but not limited to, protections for instream flow and water quality.*
 - (2) Conduct that constitutes grounds for denial of licensure under Chapter 2 of Division 1.5, except as otherwise specified in this section and Section 26059.*
 - (3) Failure to provide information required by the licensing authority.*
 - (4) The applicant or licensee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the licensing authority determines that the applicant or licensee is otherwise suitable to be issued a license, and granting the license would not compromise public safety, the licensing authority shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and shall evaluate the suitability of the applicant or licensee to be issued a license based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the licensing authority shall include, but not be limited to, the following:*
 - (A) A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.*

(B) A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.

(C) A felony conviction involving fraud, deceit, or embezzlement.

(D) A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.

(E) A felony conviction for drug trafficking with enhancements pursuant to Sections 11370.4 or 11379.8.

(5) Except as provided in subparagraphs (D) and (E) of paragraph (4) and notwithstanding Chapter 2 of Division 1.5, a prior conviction, where the sentence, including any term of probation, incarceration, or supervised release, is completed, for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is not considered substantially related, and shall not be the sole ground for denial of a license. Conviction for any controlled substance felony subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.

(6) The applicant, or any of its officers, directors, or owners, has been subject to fines or penalties for cultivation or production of a controlled substance on public or private lands pursuant to Sections 12025 or 12025.1 of the Fish and Game Code.

(7) The applicant, or any of its officers, directors, or owners, has been sanctioned by a licensing authority or a city, county, or city and county for unauthorized commercial marijuana activities or commercial medical cannabis activities, has had a license revoked under this division or Chapter 3.5 of Division 8 in the three years immediately preceding the date the application is filed with the licensing authority, or has been sanctioned under Sections 12025 or 12025.1 of the Fish and Game Code.

(8) Failure to obtain and maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.

(9) Any other condition specified in law.

26058.

Upon the denial of any application for a license, the licensing authority shall notify the applicant in writing.

26059.

An applicant shall not be denied a state license if the denial is based solely on any of the following:

(a) A conviction or act that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made for which the applicant or licensee has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code.

(b) A conviction that was subsequently dismissed pursuant to Sections 1203.4, 1203.4a, or 1203.41 of the Penal Code or any other provision allowing for dismissal of a conviction.

Chapter 6. Licensed Cultivation Sites

26060.

(a) Regulations issued by the Department of Food and Agriculture governing the licensing of indoor, outdoor, and mixed-light cultivation sites shall apply to licensed cultivators under this division.

(b) Standards developed by the Department of Pesticide Regulation, in consultation with the Department of Food and Agriculture, for the use of pesticides in cultivation, and maximum tolerances for pesticides and other foreign object residue in harvested cannabis shall apply to licensed cultivators under this division.

(c) The Department of Food and Agriculture shall include conditions in each license requested by the Department of Fish and Wildlife and the State Water Resources Control Board to ensure that individual and cumulative effects of water diversion and discharge associated with cultivation do not affect the instream flows needed for fish spawning, migration, and rearing, and the flows needed to maintain natural flow variability, and to otherwise protect fish, wildlife, fish and wildlife habitat, and water quality.

(d) The regulations promulgated by the Department of Food and Agriculture under this division shall, at a minimum, address in relation to commercial marijuana activity, the same matters described in subdivision (e) of Section 19332 of Chapter 3.5 of Division 8.

(e) The Department of Pesticide Regulation, in consultation with the State Water Resources Control Board, shall promulgate regulations that require that the application of pesticides or other pest control in connection with the indoor, outdoor, or mixed light cultivation of marijuana meets standards equivalent to Division 6 (commencing with Section 11401) of the Food and Agricultural Code and its implementing regulations.

26061.

(a) The state cultivator license types to be issued by the Department of Food and Agriculture under this division shall include Type 1, Type 1A, Type 1B, Type 2, Type 2A, Type 2B, Type 3, Type 3A, Type 3B, Type 4, and Type 5, Type 5A, and Type 5B unless otherwise provided by law.

(b) Except as otherwise provided by law, Type 1, Type 1A, Type 1B, Type 2, Type 2A, Type 2B, Type 3, Type 3A, Type 3B and Type 4 licenses shall provide for the cultivation of marijuana in the same amount as the equivalent license type for cultivation of medical cannabis as specified in subdivision (g) of Section 19332 of Chapter 3.5 of Division 8.

(c) Except as otherwise provided by law:

(1) Type 5, or "outdoor," means for outdoor cultivation using no artificial lighting greater than one acre, inclusive, of total canopy size on one premises.

(2) Type 5A, or "indoor," means for indoor cultivation using exclusively artificial lighting greater than 22,000 square feet, inclusive, of total canopy size on one premises.

(3) Type 5B, or "mixed-light," means for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, greater than 22,000 square feet, inclusive, of total canopy size on one premises.

(d) No Type 5, Type 5A, or Type 5B cultivation licenses may be issued before January 1, 2023.

(e) Commencing on January 1, 2023, A Type 5, Type 5A, or Type 5B licensee may apply for and hold a Type 6 or Type 7 license and apply for and hold Type 10 license. A Type 5, Type 5A, or Type 5B licensee shall not eligible to apply for or hold a Type 8, Type 11, or Type 12 license.

26062.

The Department of Food and Agriculture, in conjunction with the bureau, shall establish a certified organic designation and organic certification program for marijuana and marijuana products in the same manner as provided in Section 19332.5 of Chapter 3.5 of Division 8.

26063.

(a) The bureau shall establish standards for recognition of a particular appellation of origin applicable to marijuana grown or cultivated in a certain geographical area in California.

(b) Marijuana shall not be marketed, labeled, or sold as grown in a California county when the marijuana was not grown in that county.

(c) The name of a California county shall not be used in the labeling, marketing, or packaging of marijuana products unless the marijuana contained in the product was grown in that county.

26064.

Each licensed cultivator shall ensure that the licensed premises do not pose an unreasonable risk of fire or combustion. Each cultivator shall ensure that all lighting, wiring, electrical and mechanical devices, or other relevant property is carefully maintained to avoid unreasonable or dangerous risk to the property or others.

26065.

An employee engaged in the cultivation of marijuana under this division shall be subject to Wage Order No. 4-2001 of the Industrial Welfare Commission.

26066.

Indoor and outdoor marijuana cultivation by persons and entities licensed under this division shall be conducted in accordance with state and local laws related to land conversion, grading, electricity usage, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters. State agencies, including, but not limited to, the Board of Forestry and Fire Protection, the Department of Fish and Wildlife, the State Water Resources Control Board, the California regional water quality control boards, and traditional state law enforcement agencies, shall address environmental impacts of marijuana cultivation and shall coordinate when appropriate with cities and counties and their law enforcement agencies in enforcement efforts.

26067.

(a) The Department of Food and Agriculture shall establish a Marijuana Cultivation Program to be administered by the secretary. The secretary shall administer this section as it pertains to the cultivation of marijuana. For purposes of this division, marijuana is an agricultural product.

(b) A person or entity shall not cultivate marijuana without first obtaining a state license issued by the department pursuant to this section.

(c)(1) The department, in consultation with, but not limited to, the bureau, the State Water Resources Control Board, and the Department of Fish and Wildlife, shall implement a unique identification program for marijuana. In implementing the program, the department shall consider issues including, but not limited to, water use and environmental impacts. In implementing the program, the department shall ensure that:

- (A) Individual and cumulative effects of water diversion and discharge associated with cultivation do not affect the instream flows needed for fish spawning, migration, and rearing, and the flows needed to maintain natural flow variability. If a watershed cannot support additional cultivation, no new plant identifiers will be issued for that watershed.*
- (B) Cultivation will not negatively impact springs, riparian wetlands and aquatic habitats.*
- (2) The department shall establish a program for the identification of permitted marijuana plants at a cultivation site during the cultivation period. A unique identifier shall be issued for each marijuana plant. The department shall ensure that unique identifiers are issued as quickly as possible to ensure the implementation of this division. The unique identifier shall be attached at the base of each plant or as otherwise required by law or regulation.*
- (A) Unique identifiers will only be issued to those persons appropriately licensed by this section.*
- (B) Information associated with the assigned unique identifier and licensee shall be included in the trace and track program specified in Section 26170.*
- (C) The department may charge a fee to cover the reasonable costs of issuing the unique identifier and monitoring, tracking, and inspecting each marijuana plant.*
- (D) The department may promulgate regulations to implement this section.*
- (3) The department shall take adequate steps to establish protections against fraudulent unique identifiers and limit illegal diversion of unique identifiers to unlicensed persons.*
- (d) Unique identifiers and associated identifying information administered by local jurisdictions shall adhere to the requirements set by the department and be the equivalent to those administered by the department.*
- (e) (1) This section does not apply to the cultivation of marijuana in accordance with Section 11362.1 of the Health and Safety Code or the Compassionate Use Act.*
- (2) Subdivision (b) of this section does not apply to persons or entities licensed under either paragraph (3) of subdivision (a) of Section 26070 or subdivision (b) of Section 26070.5.*
- (f) "Department" for purposes of this section means the Department of Food and Agriculture.*

Chapter 7. Retailers and Distributors

26070. Retailers and Distributors

- (a) State licenses to be issued by the Department of Consumer Affairs are as follows:*
- (1) "Retailer," for the retail sale and delivery of marijuana or marijuana products to customers.*
- (2) "Distributor," for the distribution of marijuana and marijuana products. A distributor licensee shall be bonded and insured at a minimum level established by the licensing authority.*
- (3) "Microbusiness," for the cultivation of marijuana on an area less than 10,000 square feet and to act as a licensed distributor, Level 1 manufacturer, and retailer under this division, provided such licensee complies with all requirements imposed by this division on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the licensee engages in such activities. Microbusiness licenses that authorize cultivation of marijuana shall include conditions requested by the Department of Fish and Wildlife and the State Water Resources Control Board to ensure that individual and cumulative effects of water diversion and discharge associated with cultivation do not affect the instream flows needed for fish spawning, migration, and rearing, and the flow needed to maintain flow variability, and otherwise protect fish, wildlife, fish and wildlife habitat, and water quality.*
- (b) The bureau shall establish minimum security and transportation safety requirements for the commercial distribution and delivery of marijuana and marijuana products. The transportation*

safety standards established by the bureau shall include, but not be limited to, minimum standards governing the types of vehicles in which marijuana and marijuana products may be distributed and delivered and minimum qualifications for persons eligible to operate such vehicles.

(c) Licensed retailers and microbusinesses, and licensed nonprofits under Section 26070.5, shall implement security measures reasonably designed to prevent unauthorized entrance into areas containing marijuana or marijuana products and theft of marijuana or marijuana products from the premises. These security measures shall include, but not be limited to, all of the following:

(1) Prohibiting individuals from remaining on the licensee's premises if they are not engaging in activity expressly related to the operations of the dispensary.

(2) Establishing limited access areas accessible only to authorized personnel.

(3) Other than limited amounts of marijuana used for display purposes, samples, or immediate sale, storing all finished marijuana and marijuana products in a secured and locked room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss.

26070.5

(a) The bureau shall, by January 1, 2018, investigate the feasibility of creating one or more classifications of nonprofit licenses under this section. The feasibility determination shall be made in consultation with the relevant licensing agencies and representatives of local jurisdictions which issue temporary licenses pursuant to subdivision (b).

The bureau shall consider factors including, but not limited to, the following:

(1) Should nonprofit licensees be exempted from any or all state taxes, licensing fees and regulatory provisions applicable to other licenses in this division?

(2) Should funding incentives be created to encourage others licensed under this division to provide professional services at reduced or no cost to nonprofit licensees?

(3) Should nonprofit licenses be limited to, or prioritize those, entities previously operating on a not-for-profit basis primarily providing whole-plant marijuana and marijuana products and a diversity of marijuana strains and seed stock to low income persons?

(b) Any local jurisdiction may issue temporary local licenses to nonprofit entities primarily providing whole-plant marijuana and marijuana products and a diversity of marijuana strains and seed stock to low income persons so long as the local jurisdiction:

(1) confirms the license applicant's status as a nonprofit entity registered with the California Attorney General's Registry of Charitable Trusts and that the applicant is in good standing with all state requirements governing nonprofit entities;

(2) licenses and regulates any such entity to protect public health and safety, and so as to require compliance with all environmental requirements in this division;

(3) provides notice to the bureau of any such local licenses issued, including the name and location of any such licensed entity and all local regulations governing the licensed entity's operation, and;

(4) certifies to the bureau that any such licensed entity will not generate annual gross revenues in excess of two million dollars (\$2,000,000).

(c) Temporary local licenses authorized under subdivision (b) shall expire after twelve months unless renewed by the local jurisdiction.

(d) The bureau may impose reasonable additional requirements on the local licenses authorized under subdivision (b).

(e) (1) No new temporary local licenses shall be issued pursuant to this section after the date the bureau determines that creation of nonprofit licenses under this division is not feasible, or if the bureau determines such licenses are feasible, after the date a licensing agency commences issuing state nonprofit licenses.

(2) If the bureau determines such licenses are feasible, no temporary license issued under subdivision (b) shall be renewed or extended after the date on which a licensing agency commences issuing state nonprofit licenses.

(3) If the bureau determines that creation of nonprofit licenses under this division is not feasible, the bureau shall provide notice of this determination to all local jurisdictions that have issued temporary licenses under subdivision (b). The bureau may, in its discretion, permit any such local jurisdiction to renew or extend on an annual basis any temporary license previously issued under subdivision (b).

Chapter 8. Distribution and Transport

26080.

(a) This division shall not be construed to authorize or permit a licensee to transport or distribute, or cause to be transported or distributed, marijuana or marijuana products outside the state, unless authorized by federal law.

(b) A local jurisdiction shall not prevent transportation of marijuana or marijuana products on public roads by a licensee transporting marijuana or marijuana products in compliance with this division.

Chapter 9. Delivery

26090.

(a) Deliveries, as defined in this division, may only be made by a licensed retailer or microbusiness, or a licensed nonprofit under Section 26070.5.

(b) A customer requesting delivery shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers.

(c) A local jurisdiction shall not prevent delivery of marijuana or marijuana products on public roads by a licensee acting in compliance with this division and local law as adopted under Section 26200.

Chapter 10. Manufacturers and Testing Laboratories

26100.

The Department of Public Health shall promulgate regulations governing the licensing of marijuana manufacturers and testing laboratories. Licenses to be issued are as follows:

(a) "Manufacturing Level 1," for sites that manufacture marijuana products using nonvolatile solvents, or no solvents.

(b) "Manufacturing Level 2," for sites that manufacture marijuana products using volatile solvents.

(c) "Testing," for testing of marijuana and marijuana products. Testing licensees shall have their facilities or devices licensed according to regulations set forth by the Department. A testing

licensee shall not hold a license in another license category of this division and shall not own or have ownership interest in a non-testing facility licensed pursuant to this division.

(d) For purposes of this section, "volatile solvents" shall have the same meaning as in subdivision (d) of Section 11362.2 of the Health and Safety Code unless otherwise provided by law or regulation.

26101.

(a) Except as otherwise provided by law, no marijuana or marijuana products may be sold pursuant to a license provided for under this division unless a representative sample of such marijuana or marijuana product has been tested by a certified testing service to determine:

(1) Whether the chemical profile of the sample conforms to the labeled content of compounds, including, but not limited to, all of the following:

(A) Tetrahydrocannabinol (THC).

(B) Tetrahydrocannabinolic Acid (THCA).

(C) Cannabidiol (CBD).

(D) Cannabidiolic Acid (CBDA).

(E) The terpenes described in the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia.

(F) Cannabigerol (CBG).

(G) Cannabinol (CBN).

(2) That the presence of contaminants does not exceed the levels in the most current version of the American Herbal Pharmacopoeia monograph. For purposes of this paragraph, contaminants includes, but is not limited to, all of the following:

(A) Residual solvent or processing chemicals, including explosive gases, such as Butane, propane, O₂ or H₂, and poisons, toxins, or carcinogens, such as Methanol, Iso-propyl Alcohol, Methylene Chloride, Acetone, Benzene, Toluene, and Tri-chloro-ethylene.

(B) Foreign material, including, but not limited to, hair, insects, or similar or related adulterant.

(C) Microbiological impurity, including total aerobic microbial count, total yeast mold count, *P. aeruginosa*, *aspergillus* spp., *s. aureus*, aflatoxin B1, B2, G1, or G2, or ochratoxin A.

(b) Residual levels of volatile organic compounds shall satisfy standards of the cannabis inflorescence monograph set by the United States Pharmacopeia (U.S.P. Chapter 467).

(c) The testing required by paragraph (a) shall be performed in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025 to test marijuana and marijuana products that are approved by an accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement.

(d) Any pre-sale inspection, testing transfer, or transportation of marijuana products pursuant to this section shall conform to a specified chain of custody protocol and any other requirements imposed under this division.

26102.

A licensed testing service shall not handle, test, or analyze marijuana or marijuana products unless the licensed testing laboratory meets the requirements of Section 19343 in Chapter 3.5 of Division 8 or unless otherwise provided by law.

26103.

A licensed testing service shall issue a certificate of analysis for each lot, with supporting data, to report the same information required in Section 19344 in Chapter 3.5 of Division 8 or unless otherwise provided by law.

26104.

(a) A licensed testing service shall, in performing activities concerning marijuana and marijuana products, comply with the requirements and restrictions set forth in applicable law and regulations.

(b) The Department of Public Health shall develop procedures to:

(1) ensure that testing of marijuana and marijuana products occurs prior to distribution to retailers, microbusinesses, or nonprofits licensed under Section 26070.5;

(2) specify how often licensees shall test marijuana and marijuana products, and that the cost of testing marijuana shall be borne by the licensed cultivators and the cost of testing marijuana products shall be borne by the licensed manufacturer, and that the costs of testing marijuana and marijuana products shall be borne a nonprofit licensed under Section 26070.5; and

(3) require destruction of harvested batches whose testing samples indicate noncompliance with health and safety standards promulgated by the Department of Public Health, unless remedial measures can bring the marijuana or marijuana products into compliance with quality assurance standards as promulgated by the Department of Public Health.

26105.

Manufacturing Level 2 licensees shall enact sufficient methods or procedures to capture or otherwise limit risk of explosion, combustion, or any other unreasonably dangerous risk to public safety created by volatile solvents. The Department of Public Health shall establish minimum standards concerning such methods and procedures for Level 2 licensees.

26106.

Standards for the production and labeling of all marijuana products developed by the Department of Public Health shall apply to licensed manufacturers and microbusinesses, and nonprofits licensed under Section 26070.5 unless otherwise specified by the Department of Public Health.

Chapter 11. Quality Assurance, Inspection, and Testing

26110.

(a) All marijuana and marijuana products shall be subject to quality assurance, inspection, and testing.

(b) All marijuana and marijuana products shall undergo quality assurance, inspection, and testing in the same manner as provided in Section 19326 in Chapter 3.5 of Division 8 except as otherwise provided in this division or by law.

Chapter 12. Packaging and Labeling

26120.

(a) Prior to delivery or sale at a retailer, marijuana and marijuana products shall be labeled and placed in a resealable, child resistant package.

(b) Packages and labels shall not be made to be attractive to children.

(c) All marijuana and marijuana product labels and inserts shall include the following information prominently displayed in a clear and legible fashion in accordance with the requirements, including font size, prescribed by the bureau or the Department of Public Health: ~~not less than 8 point font:~~

(1) Manufacture date and source.

(2) The following statements, in bold print:

(A) For marijuana: "**GOVERNMENT WARNING: THIS PACKAGE CONTAINS MARIJUANA, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. MARIJUANA MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. MARIJUANA USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF MARIJUANA IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION.**"

(B) For marijuana products: "**GOVERNMENT WARNING: THIS PRODUCT CONTAINS MARIJUANA, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. MARIJUANA PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF MARIJUANA PRODUCTS MAY BE DELAYED UP TO TWO HOURS. MARIJUANA USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF MARIJUANA PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION.**"

(3) For packages containing only dried flower, the net weight of marijuana in the package.

(4) Identification of the source and date of cultivation, the type of marijuana or marijuana product and the date of manufacturing and packaging.

(5) The appellation of origin, if any.

(6) List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total, and the potency of the marijuana or marijuana product by reference to the amount of tetrahydrocannabinol and cannabidiol in each serving.

(7) For marijuana products, a list of all ingredients and disclosure of nutritional information in the same manner as the federal nutritional labeling requirements in 21 C.F.R. section 101.9.

(8) A list of any solvents, nonorganic pesticides, herbicides, and fertilizers that were used in the cultivation, production, and manufacture of such marijuana or marijuana product.

(9) A warning if nuts or other known allergens are used.

(10) Information associated with the unique identifier issued by the Department of Food and Agriculture.

(11) Any other requirement set by the bureau or the Department of Public Health.

- (d) Only generic food names may be used to describe the ingredients in edible marijuana products.*
- (e) In the event the bureau determines that marijuana is no longer a schedule I controlled substance under federal law, the label prescribed in subdivision (c) shall no longer require a statement that marijuana is a schedule I controlled substance.*

Chapter 13. Marijuana Products

26130.

- (a) Marijuana products shall be:*
- (1) Not designed to be appealing to children or easily confused with commercially sold candy or foods that do not contain marijuana.*
 - (2) Produced and sold with a standardized dosage of cannabinoids not to exceed ten (10) milligrams tetrahydrocannabinol per serving.*
 - (3) Delineated or scored into standardized serving sizes if the marijuana product contains more than one serving and is an edible marijuana product in solid form.*
 - (4) Homogenized to ensure uniform disbursement of cannabinoids throughout the product.*
 - (5) Manufactured and sold under sanitation standards established by the Department of Public Health, in consultation with the bureau, for preparation, storage, handling and sale of food products.*
 - (6) Provided to customers with sufficient information to enable the informed consumption of such product, including the potential effects of the marijuana product and directions as to how to consume the marijuana product, as necessary.*
- (b) Marijuana, including concentrated cannabis, included in a marijuana product manufactured in compliance with law is not considered an adulterant under state law.*

Chapter 14. Protection of Minors

26140.

- (a) No licensee shall:*
- (1) Sell marijuana or marijuana products to persons under 21 years of age.*
 - (2) Allow any person under 21 years of age on its premises.*
 - (3) Employ or retain persons under 21 years of age.*
 - (4) Sell or transfer marijuana or marijuana products unless the person to whom the marijuana or marijuana product is to be sold first presents documentation which reasonably appears to be a valid government-issued identification card showing that the person is 21 years of age or older.*
- (b) Persons under 21 years of age may be used by peace officers in the enforcement of this division and to apprehend licensees, or employees or agents of licensees, or other persons who sell or furnish marijuana to minors. Notwithstanding any provision of law, any person under 21 years of age who purchases or attempts to purchase any marijuana while under the direction of a peace officer is immune from prosecution for that purchase or attempt to purchase marijuana. Guidelines with respect to the use of persons under 21 years of age as decoys shall be adopted and published by the bureau in accordance with the rulemaking portion of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).*

(c) Notwithstanding subdivision (a), a licensee that is also a dispensary licensed under Chapter 3.5 of Division 8 may:

(1) Allow on the premises any person 18 years of age or older who possesses a valid identification card under Section 11362.71 of the Health and Safety Code and a valid government-issued identification card;

(2) Sell marijuana, marijuana products, and marijuana accessories to a person 18 years of age or older who possesses a valid identification card under Section 11362.71 of the Health and Safety Code and a valid government-issued identification card.

Chapter 15. Advertising and Marketing Restrictions

26150.

For purposes of this chapter:

(a) "Advertise" means the publication or dissemination of an advertisement.

(b) "Advertisement" includes any written or verbal statement, illustration, or depiction which is calculated to induce sales of marijuana or marijuana products, including any written, printed, graphic, or other material, billboard, sign, or other outdoor display, public transit card, other periodical literature, publication, or in a radio or television broadcast, or in any other media; except that such term shall not include:

(1) Any label affixed to any marijuana or marijuana products, or any individual covering, carton, or other wrapper of such container that constitutes a part of the labeling under provisions of this division.

(2) Any editorial or other reading material (e.g., news release) in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any licensee, and which is not written by or at the direction of the licensee.

(c) "Advertising sign" is any sign, poster, display, billboard, or any other stationary or permanently-affixed advertisement promoting the sale of marijuana or marijuana products which are not cultivated, manufactured, distributed, or sold on the same lot.

(d) "Health-related statement" means any statement related to health, and includes statements of a curative or therapeutic nature that, expressly or by implication, suggest a relationship between the consumption of marijuana or marijuana products and health benefits, or effects on health.

(e) "Market" or "Marketing" means any act or process of promoting or selling marijuana or marijuana products, including but not limited to, sponsorship of sporting events, point of sale advertising, development of products specifically designed to appeal to certain demographics, etc.

26151.

(a) All advertisements and marketing shall accurately and legibly identify the licensee responsible for its content.

(b) Any advertising or marketing placed in broadcast, cable, radio, print and digital communications shall only be displayed where at least 71.6 percent of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, up-to-date audience composition data.

(c) Any advertising or marketing involving direct, individualized communication or dialogue controlled by the licensee shall utilize a method of age affirmation to verify that the recipient is 21 years of age or older prior to engaging in such communication or dialogue controlled by the licensee. For purposes of this section, such method of age affirmation may include user confirmation, birth date disclosure, or other similar registration method.

(d) All advertising shall be truthful and appropriately substantiated.

26152.

No licensee shall:

(a) Advertise or market in a manner that is false or untrue in any material particular, or that, irrespective of falsity, directly, or by ambiguity, omission, or inference, or by the addition of irrelevant, scientific or technical matter tends to create a misleading impression;

(b) Publish or disseminate advertising or marketing containing any statement concerning a brand or product that is inconsistent with any statement on the labeling thereof;

(c) Publish or disseminate advertising or marketing containing any statement, design, device, or representation which tends to create the impression that the marijuana originated in a particular place or region, unless the label of the advertised product bears an appellation of origin, and such appellation of origin appears in the advertisement;

(d) Advertise or market on a billboard or similar advertising device located on an Interstate Highway or State Highway which crosses the border of any other state;

(e) Advertise or market marijuana or marijuana products in a manner intended to encourage persons under the age of 21 years to consume marijuana or marijuana products;

(f) Publish or disseminate advertising or marketing containing symbols, language, music, gestures, cartoon characters or other content elements known to appeal primarily to persons below the legal age of consumption; or

(g) Advertise or market marijuana or marijuana products on an advertising sign within 1,000 feet of a day care center, school providing instruction in kindergarten or any grades 1 through 12, playground, or youth center.

26153.

No licensee shall give away any amount of marijuana or marijuana products, or any marijuana accessories, as part of a business promotion or other commercial activity.

26154.

No licensee shall publish or disseminate advertising or marketing containing any health-related statement that is untrue in any particular manner or tends to create a misleading impression as to the effects on health of marijuana consumption.

26155.

(a) The provisions of subsection (g) of section 26152 shall not apply to the placement of advertising signs inside a licensed premises and which are not visible by normal unaided vision from a public place, provided that such advertising signs do not advertise marijuana or marijuana products in a manner intended to encourage persons under the age of 21 years to consume marijuana or marijuana products.

(b) This chapter does not apply to any noncommercial speech.

Chapter 16. Records

26160.

- (a) A licensee shall keep accurate records of commercial marijuana activity.*
- (b) All records related to commercial marijuana activity as defined by the licensing authorities shall be maintained for a minimum of seven years.*
- (c) The bureau may examine the books and records of a licensee and inspect the premises of a licensee as the licensing authority, or a state or local agency, deems necessary to perform its duties under this division. All inspections shall be conducted during standard business hours of the licensed facility or at any other reasonable time.*
- (d) Licensees shall keep records identified by the licensing authorities on the premises of the location licensed. The licensing authorities may make any examination of the records of any licensee. Licensees shall also provide and deliver copies of documents to the licensing agency upon request.*
- (e) A licensee, or its agent or employee, that refuses, impedes, obstructs, or interferes with an inspection of the premises or records of the licensee pursuant to this section, has engaged in a violation of this division.*
- (f) If a licensee, or an agent or employee of a licensee, fails to maintain or provide the records required pursuant to this section, the licensee shall be subject to a citation and fine of up to thirty thousand dollars (\$30,000) per individual violation.*

26161.

- (a) Every sale or transport of marijuana or marijuana products from one licensee to another licensee must be recorded on a sales invoice or receipt. Sales invoices and receipts may be maintained electronically and must be filed in such manner as to be readily accessible for examination by employees of the bureau or Board of Equalization and shall not be commingled with invoices covering other commodities.*
- (b) Each sales invoice required by subdivision (a) shall include the name and address of the seller and shall include the following information:*
 - (1) Name and address of the purchaser.*
 - (2) Date of sale and invoice number.*
 - (3) Kind, quantity, size, and capacity of packages of marijuana or marijuana products sold.*
 - (4) The cost to the purchaser, together with any discount applied to the price as shown on the invoice.*
 - (5) The place from which transport of the marijuana or marijuana product was made unless transport was made from the premises of the licensee.*
 - (6) Any other information specified by the bureau or the licensing authority.*

Chapter 17. Track and Trace System

26170.

- (a) The Department of Food and Agriculture, in consultation with the bureau and the State Board of Equalization, shall expand the track and trace program provided for under Article 7.5 to include the reporting of the movement of marijuana and marijuana products throughout the distribution chain and provide, at a minimum, the same level of information for marijuana and marijuana products as required to be reported for medical cannabis and medical cannabis*

products, and in addition, the amount of the cultivation tax due pursuant to Part 14.5 of the Revenue and Taxation Code. The expanded track and trace program shall include an electronic seed to sale software tracking system with data points for the different stages of commercial activity including, but not limited to, cultivation, harvest, processing, distribution, inventory, and sale.

(b) The Department, in consultation with the bureau, shall ensure that licensees under this division are allowed to use third-party applications, programs and information technology systems to comply with the requirements of the expanded track and trace program described in subdivision (a) to report the movement of marijuana and marijuana products throughout the distribution chain and communicate such information to licensing agencies as required by law.

(c) Any software, database or other information technology system utilized by the Department to implement the expanded track and trace program shall support interoperability with third-party cannabis business software applications and allow all licensee-facing system activities to be performed through a secure application programming interface (API) or comparable technology which is well documented, bi-directional, and accessible to any third-party application that has been validated and has appropriate credentials. The API or comparable technology shall have version control and provide adequate notice of updates to third-party applications. The system should provide a test environment for third-party applications to access that mirrors the production environment.

Chapter 18. License Fees

26180.

Each licensing authority shall establish a scale of application, licensing, and renewal fees, based upon the cost of enforcing this division, as follows:

(a) Each licensing authority shall charge each licensee a licensure and renewal fee, as applicable. The licensure and renewal fee shall be calculated to cover the costs of administering this division. The licensure fee may vary depending upon the varying costs associated with administering the various regulatory requirements of this division as they relate to the nature and scope of the different licensure activities, including, but not limited to, the track and trace program required pursuant to Section 26170, but shall not exceed the reasonable regulatory costs to the licensing authority.

(b) The total fees assessed pursuant to this division shall be set at an amount that will fairly and proportionately generate sufficient total revenue to fully cover the total costs of administering this division.

(c) All license fees shall be set on a scaled basis by the licensing authority, dependent on the size of the business.

(d) The licensing authority shall deposit all fees collected in a fee account specific to that licensing authority, to be established in the Marijuana Control Fund. Moneys in the licensing authority fee accounts shall be used, upon appropriation by the Legislature, by the designated licensing authority for the administration of this division.

26181.

The State Water Resources Control Board, the Department of Fish and Wildlife, and other agencies may establish fees to cover the costs of their marijuana regulatory programs.

Chapter 19. Annual Reports; Performance Audit

26190.

Beginning on March 1, 2020, and on or before March 1 of each year thereafter, each licensing authority shall prepare and submit to the Legislature an annual report on the authority's activities concerning commercial marijuana activities and post the report on the authority's website. The report shall include, but not be limited to, the same type of information specified in Section 19353, and a detailed list of the petitions for regulatory relief or rulemaking changes received by the office from licensees requesting modifications of the enforcement of rules under this division.

26191.

(a) Commencing January 1, 2019, and by January 1 of each year thereafter, the Bureau of State Audits shall conduct a performance audit of the bureau's activities under this division, and shall report its findings to the bureau and the Legislature by July 1 of that same year. The report shall include, but not be limited to, the following:

(1) The actual costs of the program.

(2) The overall effectiveness of enforcement programs.

(3) Any report submitted pursuant to this section shall be submitted in compliance with Section 9795 of the Government Code.

(b) The Legislature shall provide sufficient funds to the Bureau of State Audits to conduct the annual audit required by this section.

Chapter 20. Local Control

26200.

(a) Nothing in this division shall be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under this division, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to second hand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed under this division within the local jurisdiction.

(b) Nothing in this division shall be interpreted to require a licensing authority to undertake local law enforcement responsibilities, enforce local zoning requirements, or enforce local licensing requirements.

(c) A local jurisdiction shall notify the bureau upon revocation of any local license, permit, or authorization for a licensee to engage in commercial marijuana activity within the local jurisdiction. Within ten (10) days of notification, the bureau shall inform the relevant licensing authorities. Within ten (10) days of being so informed by the bureau, the relevant licensing authorities shall commence proceedings under Chapter 3 of this Division to determine whether a license issued to the licensee should be suspended or revoked.

(d) Notwithstanding paragraph (1) of subdivision (a) of Section 11362.3 of the Health and Safety Code, a local jurisdiction may allow for the smoking, vaporizing, and ingesting of marijuana or marijuana products on the premises of a retailer or microbusiness licensed under this division if:

(1) Access to the area where marijuana consumption is allowed is restricted to persons 21 years of age and older;

- (2) Marijuana consumption is not visible from any public place or non-age restricted area; and*
- (3) Sale or consumption of alcohol or tobacco is not allowed on the premises.*

26201.

Any standards, requirements, and regulations regarding health and safety, environmental protection, testing, security, food safety, and worker protections established by the state shall be the minimum standards for all licensees under this division statewide. A local jurisdiction may establish additional standards, requirements, and regulations.

26202.

- (a) A local jurisdiction may enforce this division and the regulations promulgated by the bureau or any licensing authority if delegated the power to do so by the bureau or a licensing authority.*
- (b) The bureau or any licensing authority shall implement the delegation of enforcement authority in subdivision (a) through a memorandum of understanding between the bureau or licensing authority and the local jurisdiction to which enforcement authority is to be delegated.*

Chapter 21. Funding

26210.

- (a) The Medical Marijuana Regulation and Safety Act Fund established in Section 19351 of Chapter 3.5 of Division 8 is hereby renamed the Marijuana Control Fund.*
- (b) Upon the effective date of this section, whenever "Medical Marijuana Regulation and Safety Act Fund" appears in any statute, regulation, or contract, or in any other code, it shall be construed to refer to the Marijuana Control Fund.*

26211.

(a) Funds for the initial establishment and support of the regulatory activities under this division, including the public information program described in subdivision (c), and for the activities of the Board of Equalization under Part 14.5 of Division 2 of the Revenue and Taxation Code until July 1, 2017, or until the 2017 Budget Act is enacted, whichever occurs later, shall be advanced from the General Fund and shall be repaid by the initial proceeds from fees collected pursuant to this division, any rule or regulation adopted pursuant to this division, or revenues collected from the tax imposed by Sections 34011 and 34012 of the Revenue and Taxation Code, by January 1, 2025.

(1) Funds advanced pursuant to this subdivision shall be appropriated to the bureau, which shall distribute the moneys to the appropriate licensing authorities, as necessary to implement the provisions of this division, and to the Board of Equalization, as necessary, to implement the provisions of Part 14.5 of Division 2 of the Revenue and Taxation Code.

(2) Within 45 days of this section becoming operative:

(A) The Director of Finance shall determine an amount of the initial advance from the General Fund to the Marijuana Control Fund that does not exceed thirty million dollars (\$30,000,000); and

(B) There shall be advanced a sum of five million dollars (\$5,000,000) from the General Fund to the Department of Health Care Services to provide for the public information program described in subdivision (c).

(b) Notwithstanding subdivision (a), the Legislature shall provide sufficient funds to the Marijuana Control Fund to support the activities of the bureau, state licensing authorities under this division, and the Board of Equalization to support its activities under Part 14.5 of Division 2 of the Revenue and Taxation Code. It is anticipated that this funding will be provided annually beginning on July 1, 2017.

(c) The Department of Health Care Services shall establish and implement a public information program no later than September 1, 2017. This public information program shall, at a minimum, describe the provisions of the Control, Regulate, and Tax Adult Use of Marijuana Act of 2016, the scientific basis for restricting access of marijuana and marijuana products to persons under the age of 21 years, describe the penalties for providing access to marijuana and marijuana products to persons under the age of 21 years, provide information regarding the dangers of driving a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation while impaired from marijuana use, the potential harms of using marijuana while pregnant or breastfeeding, and the potential harms of overusing marijuana or marijuana products.

Section 147.6 of the Labor Code is hereby added as follows:

147.6.

(a) By March 1, 2018, the Division of Occupational Safety and Health shall convene an advisory committee to evaluate whether there is a need to develop industry-specific regulations related to the activities of licensees under Division 10 of the Business and Professions Code, including but not limited to, whether specific requirements are needed to address exposure to second-hand marijuana smoke by employees at facilities where on-site consumption of marijuana is permitted under subdivision (d) of Section 26200 of the Business and Professions Code, and whether specific requirements are needed to address the potential risks of combustion, inhalation, armed robberies or repetitive strain injuries.

(b) By October 1, 2018, the advisory committee shall present to the board its findings and recommendations for consideration by the board. By October 1, 2018, the board shall render a decision regarding the adoption of industry-specific regulations pursuant to this section.

Section 13276 of the Water Code is amended to read:

13276.

(a) The multiagency task force, the Department of Fish and Wildlife and State Water Resources Control Board pilot project to address the Environmental Impacts of Cannabis Cultivation, assigned to respond to the damages caused by marijuana cultivation on public and private lands in California, shall continue its enforcement efforts on a permanent basis and expand them to a statewide level to ensure the reduction of adverse impacts of marijuana cultivation on water quality and on fish and wildlife throughout the state.

(b) Each regional board shall, and the State Water Resources Control Board may, address discharges of waste resulting from medical marijuana cultivation and commercial marijuana cultivation under Division 10 of the Business and Profession Code and associated activities, including by adopting a general permit, establishing waste discharge requirements, or taking action pursuant to Section 13269. In addressing these discharges, each regional board shall include conditions to address items that include, but are not limited to, all of the following:

(1) Site development and maintenance, erosion control, and drainage features.

- (2) Stream crossing installation and maintenance.
- (3) Riparian and wetland protection and management.
- (4) Soil disposal.
- (5) Water storage and use.
- (6) Irrigation runoff.
- (7) Fertilizers and soil.
- (8) Pesticides and herbicides.
- (9) Petroleum products and other chemicals.
- (10) Cultivation-related waste.
- (11) Refuse and human waste.
- (12) Cleanup, restoration, and mitigation.

SECTION 7. MARIJUANA TAX.

Part 14.5 (commencing with Section 34010) is added to Division 2 of the Revenue and Taxation Code, to read:

Part 14.5. Marijuana Tax

34010.

For purposes of this part:

- (a) "Board" shall mean the Board of Equalization or its successor agency.*
- (b) "Bureau" shall mean the Bureau of Marijuana Control within the Department of Consumer Affairs.*
- (c) "Tax Fund" means the California Marijuana Tax Fund created by Section 34018.*
- (d) "Marijuana" shall have the same meaning as set forth in Section 11018 of the Health and Safety Code and shall also mean medical cannabis.*
- (e) "Marijuana products" shall have the same meaning as set forth in Section 11018.1 of the Health and Safety Code and shall also mean medical concentrates and medical cannabis products.*
- (f) "Marijuana flowers" shall mean the dried flowers of the marijuana plant as defined by the Board.*
- (g) "Marijuana leaves" shall mean all parts of the marijuana plant other than marijuana flowers that are sold or consumed.*
- (h) "Gross receipts" shall have the same meaning as set forth in Section 6012.*
- (i) "Retail sale" shall have the same meaning as set forth in Section 6007.*
- (j) "Person" shall have the same meaning as set for in section 6005.*
- (k) "Microbusiness" shall have the same meaning as set for in Section 26070(a)(3) of the Business and Professions Code.*
- (l) "Nonprofit" shall have the same meaning as set for in Section 26070.5 of the Business and Professions Code.*

34011.

(a) Effective January 1, 2018, a marijuana excise tax shall be imposed upon purchasers of marijuana or marijuana products sold in this state at the rate of fifteen percent (15%) of the gross receipts of any retail sale by a dispensary or other person required to be licensed pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or a retailer, microbusiness,

nonprofit, or other person required to be licensed pursuant to Division 10 of the Business and Professions Code to sell marijuana and marijuana products directly to a purchaser.

(b) Except as otherwise provided by regulation, the tax levied under this section shall apply to the full price, if non-itemized, of any transaction involving both marijuana or marijuana products and any other otherwise distinct and identifiable goods or services, and the price of any goods or services, if a reduction in the price of marijuana or marijuana products is contingent on purchase of those goods or services.

(c) A dispensary or other person required to be licensed pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or a retailer, microbusiness, nonprofit, or other person required to be licensed pursuant to Division 10 of the Business and Professions Code shall be responsible for collecting this tax and remitting it to the board in accordance with rules and procedures established under law and any regulations adopted by the board.

(d) The excise tax imposed by this section shall be in addition to the sales and use tax imposed by the state and local governments.

(e) Gross receipts from the sale of marijuana or marijuana products for purposes of assessing the sales and use tax under Part 1 of this division shall include the tax levied pursuant to this section.

(f) No marijuana or marijuana products may be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

(g) The sales and use tax imposed by Part 1 of this division shall not apply to retail sales of medical cannabis, medical cannabis concentrate, edible medical cannabis products or topical cannabis as those terms are defined in Chapter 3.5 of Division 8 of the Business and Professions Code when a qualified patient (or primary caregiver for a qualified patient) provides his or her card issued under Section 11362.71 of the Health and Safety Code and a valid government-issued identification card.

34012.

(a) Effective January 1, 2018, there is hereby imposed a cultivation tax on all harvested marijuana that enters the commercial market upon all persons required to be licensed to cultivate marijuana pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code. The tax shall be due after the marijuana is harvested.

(1) The tax for marijuana flowers shall be nine dollars and twenty five cents (\$9.25) per dry-weight ounce.

(2) The tax for marijuana leaves shall be set at two dollars and seventy five cents (\$2.75) per dry-weight ounce.

(b) The board may adjust the tax rate for marijuana leaves annually to reflect fluctuations in the relative price of marijuana flowers to marijuana leaves.

(c) The board may from time to time establish other categories of harvested marijuana, categories for unprocessed or frozen marijuana or immature plants, or marijuana that is shipped directly to manufacturers. These categories shall be taxed at their relative value compared with marijuana flowers.

(d) The board may prescribe by regulation a method and manner for payment of the cultivation tax that utilizes tax stamps or state-issued product bags that indicate that all required tax has been paid on the product to which the tax stamp is affixed or in which the marijuana is packaged.

(e) The tax stamps and product bags shall be of the designs, specifications and denominations as may be prescribed by the board and may be purchased by any licensee under Chapter 3.5 of Division 8 of the Business and Professions Code or under Division 10 of the Business and Professions Code.

(f) Subsequent to the establishment of a tax stamp program, the board may by regulation provide that no marijuana may be removed from a licensed cultivation facility or transported on a public highway unless in a state-issued product bag bearing a tax stamp in the proper denomination.

(g) The tax stamps and product bags shall be capable of being read by a scanning or similar device and must be traceable utilizing the track and trace system pursuant to Section 26170 of the Business and Professions Code.

(h) Persons required to be licensed to cultivate marijuana pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code shall be responsible for payment of the tax pursuant to regulations adopted by the board. No marijuana may be sold unless the tax has been paid as provided in this part.

(i) All marijuana removed from a cultivator's premises, except for plant waste, shall be presumed to be sold and thereby taxable under this section.

(j) The tax imposed by this section shall be imposed on all marijuana cultivated in the state pursuant to rules and regulations promulgated by the board, but shall not apply to marijuana cultivated for personal use under Section 11362.1 of the Health and Safety Code or cultivated by a qualified patient or primary caregiver in accordance with the Compassionate Use Act.

(k) Beginning January 1, 2020, the rates set forth in subdivisions (a), (b), and (c) shall be adjusted by the board annually thereafter for inflation.

34013.

(a) The board shall administer and collect the taxes imposed by this part pursuant to the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code). For purposes of this part, the references in the Fee Collection Procedures Law to "fee" shall include the tax imposed by this part, and references to "feepayer" shall include a person required to pay or collect the tax imposed by this part.

(b) The board may prescribe, adopt, and enforce regulations relating to the administration and enforcement of this part, including, but not limited to, collections, reporting, refunds, and appeals.

(c) The board shall adopt necessary rules and regulations to administer the taxes in this part. Such rules and regulations may include methods or procedures to tag marijuana or marijuana products, or the packages thereof, to designate prior tax payment.

(d) The board may prescribe, adopt, and enforce any emergency regulations as necessary to implement, administer and enforce its duties under this division. Any emergency regulation prescribed, adopted, or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding any other provision of law, the emergency regulations adopted by the board may remain in effect for two years from adoption.

(e) Any person who fails to pay the taxes imposed under this part shall, in addition to owing the taxes not paid, be subject to a penalty of at least one-half the amount of the taxes not paid, and

shall be subject to having its license revoked pursuant to Section 26031 of the Business and Professions Code or pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code.
(f) The board may bring such legal actions as are necessary to collect any deficiency in the tax required to be paid, and, upon the board's request, the Attorney General shall bring the actions.

34014.

(a) All persons required to be licensed involved in the cultivation and retail sale of marijuana or marijuana products must obtain a separate permit from the board pursuant to regulations adopted by the board. No fee shall be charged to any person for issuance of the permit. Any person required to obtain a permit who engages in business as a cultivator, dispensary, retailer, microbusiness or nonprofit pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code without a permit or after a permit has been canceled, suspended, or revoked, and each officer of any corporation which so engages in business, is guilty of a misdemeanor.

(b) The board may require every licensed dispensary, cultivator, microbusiness, nonprofit, or other person required to be licensed, to provide security to cover the liability for taxes imposed by state law on marijuana produced or received by the cultivator, microbusiness, nonprofit, or other person required to be licensed in accordance with procedures to be established by the board. Notwithstanding anything herein to the contrary, the board may waive any security requirement it imposes for good cause, as determined by the board. "Good cause" includes, but is not limited to, the inability of a cultivator, microbusiness, nonprofit, or other person required to be licensed to obtain security due to a lack of service providers or the policies of service providers that prohibit service to a marijuana business. A person may not commence or continue any business or operation relating to marijuana cultivation until any surety required by the board with respect to the business or operation have been properly prepared, executed and submitted under this part.

(c) In fixing the amount of any security required by the board, the board shall give consideration to the financial hardship that may be imposed on licensees as a result of any shortage of available surety providers.

34015.

(a) The marijuana excise tax and cultivation tax imposed by this part is due and payable to the board quarterly on or before the last day of the month following each quarterly period of three months. On or before the last day of the month following each quarterly period, a return for the preceding quarterly period shall be filed with the board by each person required to be licensed for cultivation or retail sale under Divisions 8 or 10 of the Business and Professions Code using electronic media. Returns shall be authenticated in a form or pursuant to methods as may be prescribed by the board. If the cultivation tax is paid by stamp pursuant to section 34012(d) the board may by regulation determine when and how the tax shall be paid.

(b) The board may require every person engaged in the cultivation, distribution or retail sale of marijuana and marijuana products required to be licensed pursuant to Chapter 3.5 of Division 8 of the Business or Professions Code or Division 10 of the Business and Professions Code to file, on or before the 25th day of each month, a report using electronic media respecting the person's inventory, purchases, and sales during the preceding month and any other information as the board may require to carry out the purposes of this part. Reports shall be authenticated in a form or pursuant to methods as may be prescribed by the board.

34016.

(a) Any peace officer, or board employee granted limited peace officer status pursuant to paragraph (6) of subdivision (a) of Section 830.11 of the Penal Code, upon presenting appropriate credentials, is authorized to enter any place as described in paragraph (3) and to conduct inspections in accordance with the following paragraphs, inclusive.

(1) Inspections shall be performed in a reasonable manner and at times that are reasonable under the circumstances, taking into consideration the normal business hours of the place to be entered.

(2) Inspections may be at any place at which marijuana or marijuana products are sold to purchasers, cultivated, or stored, or at any site where evidence of activities involving evasion of tax may be discovered.

(3) Inspections shall be requested or conducted no more than once in a 24-hour period.

(b) Any person who fails or refuses to allow an inspection shall be subject to a misdemeanor. Each offense shall be punished by a fine not to exceed five thousand dollars (\$5,000), or imprisonment not exceeding one year in a county jail, or both the fine and imprisonment. The court shall order any fines assessed be deposited in the California Marijuana Tax Fund.

(c) Upon discovery by the board or a law enforcement agency that a licensee or any other person possesses, stores, owns, or has made a retail sale of marijuana or marijuana products, without evidence of tax payment or not contained in secure packaging, the board or the law enforcement agency shall be authorized to seize the marijuana or marijuana products. Any marijuana or marijuana products seized by a law enforcement agency or the board shall within seven days be deemed forfeited and the board shall comply with the procedures set forth in Sections 30436 through 30449, inclusive.

(d) Any person who renders a false or fraudulent report is guilty of a misdemeanor and subject to a fine not to exceed one thousand dollars (\$1,000) for each offense.

(e) Any violation of any provisions of this part, except as otherwise provided, is a misdemeanor and is punishable as such.

(f) All moneys remitted to the board under this part shall be credited to the California Marijuana Tax Fund.

34017.

The Legislative Analyst's Office shall submit a report to the Legislature by January 1, 2020, with recommendations to the Legislature for adjustments to the tax rate to achieve the goals of undercutting illicit market prices and discouraging use by persons younger than 21 years of age while ensuring sufficient revenues are generated for the programs identified in Section 34019.

34018.

(a) The California Marijuana Tax Fund is hereby created in the State Treasury. The Tax Fund shall consist of all taxes, interest, penalties, and other amounts collected and paid to the board pursuant to this part, less payment of refunds.

(b) Notwithstanding any other law, the California Marijuana Tax Fund is a special trust fund established solely to carry out the purposes of the Control, Regulate and Tax Adult Use of Marijuana Act and all revenues deposited into the Tax Fund, together with interest or dividends earned by the fund, are hereby continuously appropriated for the purposes of the Control,

Regulate and Tax Adult Use of Marijuana Act without regard to fiscal year and shall be expended only in accordance with the provisions of this part and its purposes.

(c) Notwithstanding any other law, the taxes imposed by this part and the revenue derived therefrom, including investment interest, shall not be considered to be part of the General Fund, as that term is used in Chapter 1 (commencing with section 16300) of Part 2 of Division 4 of the Government Code, shall not be considered General Fund revenue for purposes of Section 8 of Article XVI of the California Constitution and its implementing statutes, and shall not be considered "moneys" for purposes of subdivisions (a) and (b) of Section 8 of Article XVI of the California Constitution and its implementing statutes.

34019.

(a) Beginning with fiscal year 2017-2018 the Department of Finance shall estimate revenues to be received pursuant to sections 34011 and 34012 and provide those estimates to the Controller no later than June 15 of each year. The Controller shall use these estimates when disbursing funds pursuant to this section. Before any funds are disbursed pursuant to subdivisions (b), (c), (d), and (e) of this section the Controller shall disburse from the Tax Fund to the appropriate account, without regard to fiscal year, the following:

(1) Reasonable costs incurred by the board for administering and collecting the taxes imposed by this part; provided, however, such costs shall not exceed four percent (4%) of tax revenues received.

(2) Reasonable costs incurred by the Bureau, the Department of Consumer Affairs, the Department of Food and Agriculture, and the Department of Public Health for implementing, administering, and enforcing Chapter 3.5 of Division 8 of the Business and Professions Code and Division 10 of the Business and Professions Code to the extent those costs are not reimbursed pursuant to Section 26180 of the Business and Professions Code or pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code. This paragraph shall remain operative through fiscal year 2022-2023.

(3) Reasonable costs incurred by the Department of Fish and Wildlife, the State Water Resources Control Board, and the Department of Pesticide Regulation for carrying out their respective duties under Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code to the extent those costs are not otherwise reimbursed.

(4) Reasonable costs incurred by the Controller for performing duties imposed by the Control, Regulate and Tax Adult Use of Marijuana Act, including the audit required by Section 34020.

(5) Reasonable costs incurred by the State Auditor for conducting the performance audit pursuant to Section 26191 of the Business and Professions Code.

(6) Reasonable costs incurred by the Legislative Analyst's Office for performing duties imposed by Section 34017.

(7) Sufficient funds to reimburse the Division of Labor Standards Enforcement and Occupational Safety and Health within the Department of Industrial Relations and the Employment Development Department for the costs of applying and enforcing state labor laws to licensees under Chapter 3.5 of Division 8 of the Business and Professions Code and Division 10 of the Business and Professions Code.

(b) The Controller shall next disburse the sum of ten million dollars (\$10,000,000) to a public university or universities in California annually beginning with fiscal year 2018-2019 until fiscal year 2028-2029 to research and evaluate the implementation and effect of the Control, Regulate and Tax Adult Use of Marijuana Act, and shall, if appropriate, make recommendations to the

Legislature and Governor regarding possible amendments to the Control, Regulate and Tax Adult Use of Marijuana Act. The recipients of these funds shall publish reports on their findings at a minimum of every two years and shall make the reports available to the public. The Bureau shall select the universities to be funded. The research funded pursuant to this subdivision shall include but not necessarily be limited to:

- (1) Impacts on public health, including health costs associated with marijuana use, as well as whether marijuana use is associated with an increase or decrease in use of alcohol or other drugs.*
 - (2) The impact of treatment for maladaptive marijuana use and the effectiveness of different treatment programs.*
 - (3) Public safety issues related to marijuana use, including studying the effectiveness of the packaging and labeling requirements and advertising and marketing restrictions contained in the Act at preventing underage access to and use of marijuana and marijuana products, and studying the health-related effects among users of varying potency levels of marijuana and marijuana products.*
 - (4) Marijuana use rates, maladaptive use rates for adults and youth, and diagnosis rates of marijuana-related substance use disorders.*
 - (5) Marijuana market prices, illicit market prices, tax structures and rates, including an evaluation of how to best tax marijuana based on potency, and the structure and function of licensed marijuana businesses.*
 - (6) Whether additional protections are needed to prevent unlawful monopolies or anti-competitive behavior from occurring in the nonmedical marijuana industry and, if so, recommendations as to the most effective measures for preventing such behavior.*
 - (7) The economic impacts in the private and public sectors, including but not necessarily limited to, job creation, workplace safety, revenues, taxes generated for state and local budgets, and criminal justice impacts, including, but not necessarily limited to, impacts on law enforcement and public resources, short and long term consequences of involvement in the criminal justice system, and state and local government agency administrative costs and revenue.*
 - (8) Whether the regulatory agencies tasked with implementing and enforcing the Control, Regulate and Tax Adult Use of Marijuana Act are doing so consistent with the purposes of the Act, and whether different agencies might do so more effectively.*
 - (9) Environmental issues related to marijuana production and the criminal prohibition of marijuana production.*
 - (10) The geographic location, structure, and function of licensed marijuana businesses, and demographic data, including race, ethnicity, and gender, of license holders.*
 - (11) The outcomes achieved by the changes in criminal penalties made under the Control, Regulate, and Tax Adult Use of Marijuana Act for marijuana-related offenses, and the outcomes of the juvenile justice system, in particular, probation-based treatments and the frequency of up-charging illegal possession of marijuana or marijuana products to a more serious offense.*
- (c) The Controller shall next disburse the sum of three million dollars (\$3,000,000) annually to the Department of the California Highway Patrol beginning fiscal year 2018-2019 until fiscal year 2022-2023 to establish and adopt protocols to determine whether a driver is operating a vehicle while impaired, including impairment by the use of marijuana or marijuana products, and to establish and adopt protocols setting forth best practices to assist law enforcement agencies. The department may hire personnel to establish the protocols specified in this subdivision. In addition, the department may make grants to public and private research*

institutions for the purpose of developing technology for determining when a driver is operating a vehicle while impaired, including impairment by the use of marijuana or marijuana products.

(d) The Controller shall next disburse the sum of ten million dollars (\$10,000,000) beginning fiscal year 2018-2019 and increasing ten million dollars (\$10,000,000) each fiscal year thereafter until fiscal year 2022-2023, at which time the disbursement shall be fifty million dollars (\$50,000,000) each year thereafter, to the Governor's Office of Business and Economic Development, in consultation with the Labor and Workforce Development Agency and the Department of Social Services, to administer a Community Reinvestments grants program to local health departments and at least fifty-percent to qualified community-based nonprofit organizations to support job placement, mental health treatment, substance use disorder treatment, system navigation services, legal services to address barriers to reentry, and linkages to medical care for communities disproportionately affected by past federal and state drug policies. The Office shall solicit input from community-based job skills, job placement, and legal service providers with relevant expertise as to the administration of the grants program. In addition, the Office shall periodically evaluate the programs it is funding to determine the effectiveness of the programs, shall not spend more than four percent (4%) for administrative costs related to implementation, evaluation and oversight of the programs, and shall award grants annually, beginning no later than January 1, 2020.

(e) The Controller shall next disburse the sum of two million dollars (\$2,000,000) annually to the University of California San Diego Center for Medicinal Cannabis Research to further the objectives of the Center including the enhanced understanding of the efficacy and adverse effects of marijuana as a pharmacological agent.

(f) By July 15 of each fiscal year beginning in fiscal year 2018-2019, the Controller shall, after disbursing funds pursuant to subdivisions (a), (b), (c), (d), and (e), disburse funds deposited in the Tax Fund during the prior fiscal year into sub-trust accounts, which are hereby created, as follows:

(1) Sixty percent (60%) shall be deposited in the Youth Education, Prevention, Early Intervention and Treatment Account, and disbursed by the Controller to the Department of Health Care Services for programs for youth that are designed to educate about and to prevent substance use disorders and to prevent harm from substance use. The Department of Health Care services shall enter into inter-agency agreements with the Department of Public Health and the Department of Education to implement and administer these programs. The programs shall emphasize accurate education, effective prevention, early intervention, school retention, and timely treatment services for youth, their families and caregivers. The programs may include, but are not limited to, the following components:

(A) Prevention and early intervention services including outreach, risk survey and education to youth, families, caregivers, schools, primary care health providers, behavioral health and substance use disorder service providers, community and faith-based organizations, foster care providers, juvenile and family courts, and others to recognize and reduce risks related to substance use, and the early signs of problematic use and of substance use disorders.

(B) Grants to schools to develop and support Student Assistance Programs, or other similar programs, designed to prevent and reduce substance use, and improve school retention and performance, by supporting students who are at risk of dropping out of school and promoting alternatives to suspension or expulsion that focus on school retention, remediation, and professional care. Schools with higher than average dropout rates should be prioritized for grants.

(C) Grants to programs for outreach, education and treatment for homeless youth and out-of-school youth with substance use disorders.

(D) Access and linkage to care provided by county behavioral health programs for youth, and their families and caregivers, who have a substance use disorder or who are at risk for developing a substance use disorder.

(E) Youth-focused substance use disorder treatment programs that are culturally and gender competent, trauma-informed, evidence-based and provide a continuum of care that includes screening and assessment (substance use disorder as well as mental health), early intervention, active treatment, family involvement, case management, overdose prevention, prevention of communicable diseases related to substance use, relapse management for substance use and other co-occurring behavioral health disorders, vocational services, literacy services, parenting classes, family therapy and counseling services, medication-assisted treatments, psychiatric medication and psychotherapy. When indicated, referrals must be made to other providers.

(F) To the extent permitted by law and where indicated, interventions shall utilize a two-generation approach to addressing substance use disorders with the capacity to treat youth and adults together. This would include supporting the development of family-based interventions that address substance use disorders and related problems within the context of families, including parents, foster parents, caregivers and all their children.

(G) Programs to assist individuals, as well as families and friends of drug using young people, to reduce the stigma associated with substance use including being diagnosed with a substance use disorder or seeking substance use disorder services. This includes peer-run outreach and education to reduce stigma, anti-stigma campaigns, and community recovery networks.

(H) Workforce training and wage structures that increase the hiring pool of behavioral health staff with substance use disorder prevention and treatment expertise. Provide ongoing education and coaching that increases substance use treatment providers' core competencies and trains providers on promising and evidenced-based practices.

(I) Construction of community-based youth treatment facilities.

(J) The departments may contract with each county behavioral health program for the provision of services.

(K) Funds shall be allocated to counties based on demonstrated need, including the number of youth in the county, the prevalence of substance use disorders among adults, and confirmed through statistical data, validated assessments or submitted reports prepared by the applicable county to demonstrate and validate need.

(L) The departments shall periodically evaluate the programs they are funding to determine the effectiveness of the programs.

(M) The departments may use up to four percent (4%) of the moneys allocated to the Youth Education, Prevention, Early Intervention and Treatment Account for administrative costs related to implementation, evaluation and oversight of the programs.

(N) If the Department of Finance ever determines that funding pursuant to marijuana taxation exceeds demand for youth prevention and treatment services in the state, the departments shall provide a plan to the Department of Finance to provide treatment services to adults as well as youth using these funds.

(O) The departments shall solicit input from volunteer health organizations, physicians who treat addiction, treatment researchers, family therapy and counseling providers, and professional education associations with relevant expertise as to the administration of any grants made pursuant to this paragraph.

(2) Twenty percent (20%) shall be deposited in the Environmental Restoration and Protection Account, and disbursed by the Controller as follows:

(A) To the Department of Fish and Wildlife and the Department of Parks and Recreation for the cleanup, remediation, and restoration of environmental damage in watersheds affected by marijuana cultivation and related activities including, but not limited to, damage that occurred prior to enactment of this part, and to support local partnerships for this purpose. The Department of Fish and Wildlife and the Department of Parks and Recreation may distribute a portion of the funds they receive from the Environmental Restoration and Protection Account through grants for purposes specified in this paragraph.

(B) To the Department of Fish and Wildlife and the Department of Parks and Recreation for the stewardship and operation of state-owned wildlife habitat areas and state park units in a manner that discourages and prevents the illegal cultivation, production, sale and use of marijuana and marijuana products on public lands, and to facilitate the investigation, enforcement and prosecution of illegal cultivation, production, sale, and use of marijuana or marijuana products on public lands.

(C) To the Department of Fish and Wildlife to assist in funding the watershed enforcement program and multiagency task force established pursuant to subdivisions (b) and (c) of Section 12029 of the Fish and Game Code to facilitate the investigation, enforcement, and prosecution of these offenses and to ensure the reduction of adverse impacts of marijuana cultivation, production, sale, and use on fish and wildlife habitats throughout the state.

(D) For purposes of this paragraph, the Secretary of the Natural Resources Agency shall determine the allocation of revenues between the departments. During the first five years of implementation, first consideration should be given to funding purposes specified in subparagraph (A).

(E) Funds allocated pursuant to this paragraph shall be used to increase and enhance activities described in subparagraphs (A), (B), and (C), and not replace allocation of other funding for these purposes. Accordingly, annual General Fund appropriations to the Department of Fish and Wildlife and the Department of Parks and Recreation shall not be reduced below the levels provided in the Budget Act of 2014 (Chapter 25 of Statutes of 2014).

(3) Twenty percent (20%) shall be deposited into the State and Local Government Law Enforcement Account and disbursed by the Controller as follows:

(A) To the Department of the California Highway Patrol for conducting training programs for detecting, testing and enforcing laws against driving under the influence of alcohol and other drugs, including driving under the influence of marijuana. The Department may hire personnel to conduct the training programs specified in this subparagraph.

(B) To the Department of the California Highway Patrol to fund internal California Highway Patrol programs and grants to qualified nonprofit organizations and local governments for education, prevention and enforcement of laws related to driving under the influence of alcohol and other drugs, including marijuana; programs that help enforce traffic laws, educate the public in traffic safety, provide varied and effective means of reducing fatalities, injuries and economic losses from collisions; and for the purchase of equipment related to enforcement of laws related to driving under the influence of alcohol and other drugs, including marijuana.

(C) To the Board of State and Community Corrections for making grants to local governments to assist with law enforcement, fire protection, or other local programs addressing public health and safety associated with the implementation of the Control, Regulate and Tax Adult Use of Marijuana Act. The Board shall not make any grants to local governments which have banned

the cultivation, including personal cultivation under Section 11362.2(b)(3) of the Health and Safety Code, or retail sale of marijuana or marijuana products pursuant to Section 26200 of the Business and Professions Code or as otherwise provided by law.

(D) For purposes of this paragraph the Department of Finance shall determine the allocation of revenues between the agencies; provided, however, beginning in fiscal year 2022-2023 the amount allocated pursuant to subparagraph (A) shall not be less than ten million dollars (\$10,000,000) annually and the amount allocated pursuant to subparagraph (B) shall not be less than forty million dollars (\$40,000,000) annually. In determining the amount to be allocated before fiscal year 2022-2023 pursuant to this paragraph, the Department of Finance shall give initial priority to subparagraph (A).

(g) Funds allocated pursuant to subdivision (f) shall be used to increase the funding of programs and purposes identified and shall not be used to replace allocation of other funding for these purposes.

(h) Effective July 1, 2028, the Legislature may amend this section by majority vote to further the purposes of the Control, Regulate and Tax Adult Use of Marijuana Act, including allocating funds to programs other than those specified in subdivisions (d) and (f) of this section. Any revisions pursuant to this subdivision shall not result in a reduction of funds to accounts established pursuant to subdivisions (d) and (f) in any subsequent year from the amount allocated to each account in fiscal year 2027-2028. Prior to July 1, 2028, the Legislature may not change the allocations to programs specified in subdivisions (d) and (f) of this section.

34020.

The Controller shall periodically audit the Tax Fund to ensure that those funds are used and accounted for in a manner consistent with this part and as otherwise required by law.

34021.

(a) The taxes imposed by this Part shall be in addition to any other tax imposed by a city, county, or city and county.

34021.5

(a) (1) A county may impose a tax on the privilege of cultivating, manufacturing, producing, processing, preparing, storing, providing, donating, selling, or distributing marijuana or marijuana products by a licensee operating under Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code.

(2) The board of supervisors shall specify in the ordinance proposing the tax the activities subject to the tax, the applicable rate or rates, the method of apportionment, if necessary, and the manner of collection of the tax. The tax may be imposed for general governmental purposes or for purposes specified in the ordinance by the board of supervisors.

(3) In addition to any other method of collection authorized by law, the board of supervisors may provide for the collection of the tax imposed pursuant to this section in the same manner, and subject to the same penalties and priority of lien, as other charges and taxes fixed and collected by the county. A tax imposed pursuant to this section is a tax and not a fee or special assessment. The board of supervisors shall specify whether the tax applies throughout the entire county or within the unincorporated area of the county.

(4) The tax authorized by this section may be imposed upon any or all of the activities set forth in paragraph (1), as specified in the ordinance, regardless of whether the activity is undertaken

individually, collectively, or cooperatively, and regardless of whether the activity is for compensation or gratuitous, as determined by the board of supervisors.

(b) A tax imposed pursuant to this section shall be subject to applicable voter approval requirements imposed by law.

(c) This section is declaratory of existing law and does not limit or prohibit the levy or collection of any other fee, charge, or tax, or a license or service fee or charge upon, or related to, the activities set forth in subdivision (a) as otherwise provided by law. This section shall not be construed as a limitation upon the taxing authority of a county as provided by law.

(d) This section shall not be construed to authorize a county to impose a sales or use tax in addition to the sales and use tax imposed under an ordinance conforming to the provisions of Sections 7202 and 7203 of the Revenue and Taxation Code.

SECTION 8. CRIMINAL OFFENSES, RECORDS, AND RESENTENCING.

Sections 11357, 11358, 11359, 11360 and 11361.5 of the Health and Safety Code are amended, and Sections 11361.1 and 11361.8 are added to read as follows:

11357. Possession

~~(a) Except as authorized by law, every person who possesses any concentrated cannabis shall be punished by imprisonment in the county jail for a period of not more than one year or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment, except that such person may instead be punished pursuant to subdivision (b) of Section 1170 of the Penal Code if that person has one or more prior convictions for an offense specified in clause (iv) of subparagraph (C) of paragraph (2) of subdivision (e) of Section 667 of the Penal Code or for an offense requiring registration pursuant to subdivision (c) of Section 290 of the Penal Code.~~

~~(ba) Except as authorized by law, every person who possesses of not more than 28.5 grams of marijuana, other than or not more than four grams of concentrated cannabis, is guilty of an infraction punishable by a fine of not more than one hundred dollars (\$100), or both, shall be punished or adjudicated as follows:~~

~~(1) Persons under the age of 18 shall be guilty of an infraction and shall be required to:~~

~~(A) Upon a finding that a first offense has been committed, complete four hours of drug education or counseling and up to 10 hours of community service over a period not to exceed 60 days.~~

~~(B) Upon a finding that a second offense or subsequent offense has been committed, complete six hours of drug education or counseling and up to 20 hours of community service over a period not to exceed 90 days.~~

~~(2) Persons at least 18 years of age but less than 21 years of age shall be guilty of an infraction and punishable by a fine of not more than one hundred dollars (\$100).~~

~~(eb) Except as authorized by law, every person who possesses of more than 28.5 grams of marijuana, or more than four grams of other than concentrated cannabis, shall be punished as follows:~~

~~(1) Persons under the age of 18 who possess more than 28.5 grams of marijuana or more than four grams of concentrated cannabis, or both, shall be guilty of an infraction and shall be required to:~~

(A) Upon a finding that a first offense has been committed, complete eight hours of drug education or counseling and up to 40 hours of community service over a period not to exceed 90 days.

(B) Upon a finding that a second or subsequent offense has been committed, complete 10 hours of drug education or counseling and up to 60 hours of community service over a period not to exceed 120 days.

(2) Persons 18 years of age or over who possess more than 28.5 grams of marijuana, or more than four grams of concentrated cannabis, or both, shall be punished by imprisonment in a county jail for a period of not more than six months or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment.

(dc) Except as authorized by law, every person 18 years of age or over who possesses not more than 28.5 grams of marijuana, or not more than four grams of ~~either than~~ concentrated cannabis, upon the grounds of, or within, any school providing instruction in kindergarten or any of grades 1 through 12 during hours the school is open for classes or school-related programs is guilty of a misdemeanor and shall be punished by a as follows:

(1) A fine of not more than two hundred fifty dollars (\$250), upon a finding that a first offense has been committed.

(2) A fine of not more than five hundred dollars (\$500), or by imprisonment in a county jail for a period of not more than 10 days, or both, upon a finding that a second or subsequent offense has been committed.

(ed) Except as authorized by law, every person under the age of 18 who possesses not more than 28.5 grams of marijuana, or not more than four grams of ~~either than~~ concentrated cannabis, upon the grounds of, or within, any school providing instruction in kindergarten or any of grades 1 through 12 during hours the school is open for classes or school-related programs is guilty of a ~~misdemeanor~~ an infraction and shall be punished in the same manner provided in paragraph (1) of subdivision (b) of this section. ~~subject to the following dispositions:~~

~~(1) A fine of not more than two hundred fifty dollars (\$250), upon a finding that a first offense has been committed.~~

~~(2) A fine of not more than five hundred dollars (\$500), or commitment to a juvenile hall, ranch, camp, forestry camp, or secure juvenile home for a period of not more than 10 days, or both, upon a finding that a second or subsequent offense has been committed.~~

11358. Planting, harvesting, or processing

Every person who plants, cultivates, harvests, dries, or processes ~~any~~ marijuana plants, or any part thereof, except as otherwise provided by law, *shall be punished as follows:*

(a) Every person under the age of 18 who plants, cultivates, harvests, dries, or processes any marijuana plants shall be punished in the same manner provided in paragraph (1) of subdivision (b) of section 11357.

(b) Every person at least 18 years of age but less than 21 years of age who plants, cultivates, harvests, dries, or processes not more than six living marijuana plants shall be guilty of an infraction and a fine of not more than one hundred dollars (\$100).

(c) Every person 18 years of age or over who plants, cultivates, harvests, dries, or processes more than six living marijuana plants shall be punished by imprisonment in a county jail for a period of not more than six months or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment.

(d) Notwithstanding subdivision (c), a person 18 years of age or over who plants, cultivates, harvests, dries, or processes more than six living marijuana plants, or any part thereof, except as otherwise provided by law, shall may be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code if:

(1) the person has one or more prior convictions for an offense specified in clause (iv) of subparagraph (C) of paragraph (2) of subdivision (e) of Section 667 of the Penal Code or for an offense requiring registration pursuant to subdivision (c) of Section 290 of the Penal Code;

(2) the person has two or more prior convictions under subdivision (c); or

(3) the offense resulted in any of the following:

(A) violation of Section 1052 of the Water Code relating to illegal diversion of water;

(B) violation of Section 13260, 13264, 13272, or 13387 of the Water Code relating to discharge of waste;

(C) violation of Fish and Game Code Section 5650 or Section 5652 of the Fish and Game Code relating to waters of the state;

(D) violation of Section 1602 of the Fish and Game Code relating to rivers, streams and lakes;

(E) violation of Section 374.8 of the Penal Code relating to hazardous substances or Sections 25189.5, 25189.6, or 25189.7 of the Health and Safety Code relating to hazardous waste;

(F) violation of Section 2080 of the Fish and Game Code relating to endangered and threatened species or Section 3513 of the Fish and Game Code relating to the Migratory Bird Treaty Act; or

(G) intentionally or with gross negligence causing substantial environmental harm to public lands or other public resources.

11359. Possession for sale

Every person who possesses for sale any marijuana, except as otherwise provided by law, shall be punished as follows:

(a) Every person under the age of 18 who possesses marijuana for sale shall be punished in the same manner provided in paragraph (1) of subdivision (b) of section 11357.

(b) Every person 18 years of age or over who possesses marijuana for sale shall be punished by imprisonment in a county jail for a period of not more than six months or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment.

(c) Notwithstanding subdivision (b), a person 18 years of age or over who possesses marijuana for sale may be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code if:

(1) the person has one or more prior convictions for an offense specified in clause (iv) of subparagraph (C) of paragraph (2) of subdivision (e) of Section 667 of the Penal Code or for an offense requiring registration pursuant to subdivision (c) of Section 290 of the Penal Code;

(2) the person has two or more prior convictions under subdivision (b); or

(3) the offense occurred in connection with the knowing sale or attempted sale of marijuana to a person under the age of 18 years.

(d) Notwithstanding subdivision (b), a person 21 years of age or over who possesses marijuana for sale may be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code if the offense involves knowingly hiring, employing, or using a person 20 years of age or younger in unlawfully cultivating, transporting, carrying, selling, offering to sell, giving away, preparing for sale, or peddling any marijuana.

11360. Unlawful transportation, importation, sale, or gift

(a) Except as otherwise provided by this section or as authorized by law, every person who transports, imports into this state, sells, furnishes, administers, or gives away, or offers to transport, import into this state, sell, furnish, administer, or give away, or attempts to import into this state or transport any marijuana shall be punished *as follows*:

(1) Persons under the age of 18 years shall be punished in the same manner as provided in paragraph (1) of subdivision (b) of section 11357.

(2) Persons 18 years of age or over shall be punished by imprisonment in a county jail for a period of not more than six months or by a fine of not more than five hundred dollars (\$500), or by both such fine and imprisonment.

(3) Notwithstanding paragraph (2), a person 18 years of age or over may be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code for a period two, three, or four years if:

(A) the person has one or more prior convictions for an offense specified in clause (iv) of subparagraph (C) of paragraph (2) of subdivision (e) of Section 667 of the Penal Code or for an offense requiring registration pursuant to subdivision (c) of Section 290 of the Penal Code;

(B) the person has two or more prior convictions under paragraph (2);

(C) the offense involved the knowing sale, attempted sale, or the knowing offer to sell, furnish, administer or give away marijuana to a person under the age of 18 years; or

(D) the offense involved the import, offer to import, or attempted import into this state, or the transport for sale, offer to transport for sale, or attempted transport for sale out of this state, of more than 28.5 grams of marijuana or more than four grams of concentrated cannabis.

(b) Except as authorized by law, every person who gives away, offers to give away, transports, offers to transport, or attempts to transport not more than 28.5 grams of marijuana, other than concentrated cannabis, is guilty of an ~~infraction-misdemeanor~~ and shall be punished by a fine of not more than one hundred dollars (\$100). In any case in which a person is arrested for a violation of this subdivision and does not demand to be taken before a magistrate, such person shall be released by the arresting officer upon presentation of satisfactory evidence of identity and giving his or her written promise to appear in court, as provided in Section 853.6 of the Penal Code, and shall not be subjected to booking.

(c) For purposes of this section, "transport" means to transport for sale.

(d) This section does not preclude or limit prosecution for any aiding and abetting or conspiracy offenses.

11361.1.

(a) The drug education and counseling requirements under sections 11357, 11358, 11359, and 11360 shall be:

(1) mandatory, unless the court finds that such drug education or counseling is unnecessary for the person, or that a drug education or counseling program is unavailable;

(2) free to participants, and the drug education provide at least four hours of group discussion or instruction based on science and evidence-based principles and practices specific to the use and abuse of marijuana and other controlled substances.

(b) For good cause, the court may grant an extension of time not to exceed 30 days for a person to complete the drug education and counseling required under sections 11357, 11358, 11359; and 11360.

Subdivision (a) of Section 11361.5 of the Health and Safety Code is amended to read:

11361.5. Destruction of arrest and conviction records; Procedure; Exceptions

(a) Records of any court of this state, any public or private agency that provides services upon referral under Section 1000.2 of the Penal Code, or of any state agency pertaining to the arrest or conviction of any person for a violation of ~~subdivision (b), (c), (d), or (e) of Section 11357 or subdivision (b) of Section 11360, or pertaining to the arrest or conviction of any person under the age of 18 for a violation of any provision of this article except Section 11357.5,~~ shall not be kept beyond two years from the date of the conviction, or from the date of the arrest if there was no conviction, except with respect to a violation of subdivision (ed) of Section 11357, or any other violation by a person under the age of 18 occurring upon the grounds of, or within, any school providing instruction in kindergarten or any of grades 1 through 12 during hours the school is open for classes or school-related programs, the records shall be retained until the offender attains the age of 18 years at which time the records shall be destroyed as provided in this section. Any court or agency having custody of the records, including the statewide criminal databases, shall provide for the timely destruction of the records in accordance with subdivision (c), and such records must also be purged from the statewide criminal databases. As used in this subdivision, "records pertaining to the arrest or conviction" shall include records of arrests resulting in the criminal proceeding and records relating to other offenses charged in the accusatory pleading, whether defendant was acquitted or charges were dismissed. The two-year period beyond which records shall not be kept pursuant to this subdivision shall not apply to any person who is, at the time at which this subdivision would otherwise require record destruction, incarcerated for an offense subject to this subdivision. For such persons, the two-year period shall begin to run from the date the person is released from custody. The requirements of this subdivision do not apply to records of any conviction occurring prior to January 1, 1976, or records of any arrest not followed by a conviction occurring prior to that date, or records of any arrest for an offense specified in subdivision (c) of Section 1192.7, or subdivision (c) of Section 667.5 of the Penal Code.

Section 11361.8 is added to the Health and Safety Code to read:

11361.8

(a) A person currently serving a sentence for a conviction, whether by trial or by open or negotiated plea, who would not have been guilty of an offense or who would have been guilty of a lesser offense under the Control, Regulate and Tax Adult Use of Marijuana Act had that Act been in effect at the time of the offense may petition for a recall or dismissal of sentence before the trial court that entered the judgment of conviction in his or her case to request resentencing or dismissal in accordance with Sections 11357, 11358, 11359, 11360, 11362.1, 11362.2, 11362.3, and 11362.4 as those sections have been amended or added by this Act.

(b) Upon receiving a petition under subdivision (a), the court shall presume the petitioner satisfies the criteria in subdivision (a) unless the party opposing the petition proves by clear and convincing evidence that the petitioner does not satisfy the criteria. If the petitioner satisfies the criteria in subdivision (a), the court shall grant the petition to recall the sentence or dismiss the sentence because it is legally invalid unless the court determines that granting the petition would pose an unreasonable risk of danger to public safety.

- (1) *In exercising its discretion, the court may consider, but shall not be limited to evidence provided for in subdivision (b) of Section 1170.18 of the Penal Code.*
- (2) *As used in this section, "unreasonable risk of danger to public safety" has the same meaning as provided in subdivision (c) of Section 1170.18 of the Penal Code.*
- (c) *A person who is serving a sentence and resentenced pursuant to subdivision (b) shall be given credit for any time already served and shall be subject to supervision for one year following completion of his or her time in custody or shall be subject to whatever supervision time he or she would have otherwise been subject to after release, whichever is shorter, unless the court, in its discretion, as part of its resentencing order, releases the person from supervision. Such person is subject to parole supervision under Penal Code Section 3000.08 or post-release community supervision under subdivision (a) of Section 3451 of the Penal Code by the designated agency and the jurisdiction of the court in the county in which the offender is released or resides, or in which an alleged violation of supervision has occurred, for the purpose of hearing petitions to revoke supervision and impose a term of custody.*
- (d) *Under no circumstances may resentencing under this section result in the imposition of a term longer than the original sentence, or the reinstatement of charges dismissed pursuant to a negotiated plea agreement.*
- (e) *A person who has completed his or her sentence for a conviction under Sections 11357, 11358, 11359, and 11360, whether by trial or open or negotiated plea, who would not have been guilty of an offense or who would have been guilty of a lesser offense under the Control, Regulate and Tax Adult Use of Marijuana Act had that Act been in effect at the time of the offense, may file an application before the trial court that entered the judgment of conviction in his or her case to have the conviction dismissed and sealed because the prior conviction is now legally invalid or redesignated as a misdemeanor or infraction in accordance with Sections 11357, 11358, 11359, 11360, 11362.1, 11362.2, 11362.3, and 11362.4 as those sections have been amended or added by this Act.*
- (f) *The court shall presume the petitioner satisfies the criteria in subdivision (e) unless the party opposing the application proves by clear and convincing evidence that the petitioner does not satisfy the criteria in subdivision (e). Once the applicant satisfies the criteria in subdivision (e), the court shall redesignate the conviction as a misdemeanor or infraction or dismiss and seal the conviction as legally invalid as now established under the Control, Regulate and Tax Adult Use of Marijuana Act.*
- (g) *Unless requested by the applicant, no hearing is necessary to grant or deny an application filed under subdivision (e).*
- (h) *Any felony conviction that is recalled and resentenced under subdivision (b) or designated as a misdemeanor or infraction under subdivision (f) shall be considered a misdemeanor or infraction for all purposes. Any misdemeanor conviction that is recalled and resentenced under subdivision (b) or designated as an infraction under subdivision (f) shall be considered an infraction for all purposes.*
- (i) *If the court that originally sentenced the petitioner is not available, the presiding judge shall designate another judge to rule on the petition or application.*
- (j) *Nothing in this section is intended to diminish or abrogate any rights or remedies otherwise available to the petitioner or applicant.*
- (k) *Nothing in this and related sections is intended to diminish or abrogate the finality of judgments in any case not falling within the purview of the Control, Regulate and Tax Adult Use of Marijuana Act.*

(l) A resentencing hearing ordered under this act shall constitute a "post-conviction release proceeding" under paragraph (7) of subdivision (b) of Section 28 of Article I of the California Constitution (Marsy's Law).

(m) The provisions of this section shall apply equally to juvenile delinquency adjudications and dispositions under Section 602 of the Welfare and Institutions Code if the juvenile would not have been guilty of an offense or would have been guilty of a lesser offense under the Control, Regulate and Tax Adult Use of Marijuana Act.

(l) The Judicial Council shall promulgate and make available all necessary forms to enable the filing of the petitions and applications provided in this section.

SECTION 9. INDUSTRIAL HEMP.

Section 11018.5 of the Health and Safety Code is amended to read as follows:

11018.5. Industrial hemp

(a) "Industrial hemp" means a fiber or oilseed crop, or both, that is limited to nonpsychoactive types of the plant Cannabis sativa L. ~~and the seed produced therefrom~~, having no more than three-tenths of 1 percent tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; ~~and that is cultivated and processed exclusively for the purpose of producing the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant; the resin extracted from any part of the plant; and or any other every~~ compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or mature stalks, except the resin or flowering tops extracted produced therefrom, fiber, oil, or cake, or the sterilized seed, or any component of the seed, of the plant that is incapable of germination.

(b) The possession, use, purchase, sale, cultivation, processing, manufacture, packaging, labeling, transporting, storage, distribution, use and transfer of industrial hemp shall not be subject to the provisions of this Division or of Division 10 of the Business and Professions Code, but instead shall be regulated by the Department of Food and Agriculture in accordance with the provisions of Division 24 of the Food and Agricultural Code, inclusive.

Sections 81000, 81006, 81008, and 81010 of the Food and Agricultural Code are amended to read, and Section 81007 of the Food and Agricultural Code is repealed as follows:

81000. Definitions

For purposes of this division, the following terms have the following meanings:

(a) "Board" means the Industrial Hemp Advisory Board.

(b) "Commissioner" means the county agricultural commissioner.

(c) "Established agricultural research institution" means ~~a public or private institution or organization that maintains land for agricultural research, including colleges, universities, agricultural research centers, and conservation research centers.~~
any institution that is either:

(1) a public or private institution or organization that maintains land or facilities for agricultural research, including colleges, universities, agricultural research centers, and conservation research centers; or

(2) an institution of higher education (as defined in Section 1001 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that grows, cultivates or manufactures industrial hemp for

purposes of research conducted under an agricultural pilot program or other agricultural or academic research.

(d) "Industrial hemp" has the same meaning as that term is defined in Section 11018.5 of the Health and Safety Code.

(e) "Secretary" means the Secretary of Food and Agriculture.

(f) "Seed breeder" means an individual or public or private institution or organization that is registered with the commissioner to develop seed cultivars intended for sale or research.

(g) "Seed cultivar" means a variety of industrial hemp.

(h) "Seed development plan" means a strategy devised by a seed breeder, or applicant seed breeder, detailing his or her planned approach to growing and developing a new seed cultivar for industrial hemp.

81006. Industrial hemp growth limitations; Prohibitions; Imports; Laboratory testing

(a)(1) Except when grown by an established agricultural research institution or a registered seed breeder, industrial hemp shall be grown only as a densely planted fiber or oilseed crop, or both, in acreages of not less than ~~five acres~~ *one-tenth of an acre* at the same time, ~~and no portion of an acreage of industrial hemp shall include plots of less than one contiguous acre.~~

(2) Registered seed breeders, for purposes of seed production, shall only grow industrial hemp as a densely planted crop in acreages of not less than *one-tenth of an* ~~two~~ acres at the same time, ~~and no portion of the acreage of industrial hemp shall include plots of less than one contiguous acre.~~

(3) Registered seed breeders, for purposes of developing a new California seed cultivar, shall grow industrial hemp as densely as possible in dedicated acreage of not less than *one-tenth of an* acre and in accordance with the seed development plan. The entire area of the dedicated acreage is not required to be used for the cultivation of the particular seed cultivar.

(b) Ornamental and clandestine cultivation of industrial hemp is prohibited. All plots shall have adequate signage indicating they are industrial hemp.

(c) Pruning and tending of individual industrial hemp plants is prohibited, except when grown by an established agricultural research institution or when the action is necessary to perform the tetrahydrocannabinol (THC) testing described in this section.

(d) Culling of industrial hemp is prohibited, except when grown by an established agricultural research institution, when the action is necessary to perform the THC testing described in this section, or for purposes of seed production and development by a registered seed breeder.

(e) Industrial hemp shall include products imported under the Harmonized Tariff Schedule of the United States (2013) of the United States International Trade Commission, including, but not limited to, hemp seed, per subheading 1207.99.03, hemp oil, per subheading 1515.90.80, oilcake, per subheading 2306.90.01, true hemp, per heading 5302, true hemp yarn, per subheading 5308.20.00, and woven fabrics of true hemp fibers, per subheading 5311.00.40.

(f) Except when industrial hemp is grown by an established agricultural research institution, a registrant that grows industrial hemp under this section shall, before the harvest of each crop and as provided below, obtain a laboratory test report indicating the THC levels of a random sampling of the dried flowering tops of the industrial hemp grown.

(1) Sampling shall occur as soon as practicable when the THC content of the leaves surrounding the seeds is at its peak and shall commence as the seeds begin to mature, when the first seeds of approximately 50 percent of the plants are resistant to compression.

(2) The entire fruit-bearing part of the plant including the seeds shall be used as a sample. The sample cut shall be made directly underneath the inflorescence found in the top one-third of the plant.

(3) The sample collected for THC testing shall be accompanied by the following documentation:

(A) The registrant's proof of registration.

(B) Seed certification documentation for the seed cultivar used.

(C) The THC testing report for each certified seed cultivar used.

(4) The laboratory test report shall be issued by a laboratory registered with the federal Drug Enforcement Administration, shall state the percentage content of THC, shall indicate the date and location of samples taken, and shall state the Global Positioning System coordinates and total acreage of the crop. If the laboratory test report indicates a percentage content of THC that is equal to or less than three-tenths of 1 percent, the words "PASSED AS CALIFORNIA INDUSTRIAL HEMP" shall appear at or near the top of the laboratory test report. If the laboratory test report indicates a percentage content of THC that is greater than three-tenths of 1 percent, the words "FAILED AS CALIFORNIA INDUSTRIAL HEMP" shall appear at or near the top of the laboratory test report.

(5) If the laboratory test report indicates a percentage content of THC that is equal to or less than three-tenths of 1 percent, the laboratory shall provide the person who requested the testing not less than 10 original copies signed by an employee authorized by the laboratory and shall retain one or more original copies of the laboratory test report for a minimum of two years from its date of sampling.

(6) If the laboratory test report indicates a percentage content of THC that is greater than three-tenths of 1 percent and does not exceed 1 percent, the registrant that grows industrial hemp shall submit additional samples for testing of the industrial hemp grown.

(7) A registrant that grows industrial hemp shall destroy the industrial hemp grown upon receipt of a first laboratory test report indicating a percentage content of THC that exceeds 1 percent or a second laboratory test report pursuant to paragraph (6) indicating a percentage content of THC that exceeds three-tenths of 1 percent but is less than 1 percent. If the percentage content of THC exceeds 1 percent, the destruction shall take place within 48 hours after receipt of the laboratory test report. If the percentage content of THC in the second laboratory test report exceeds three-tenths of 1 percent but is less than 1 percent, the destruction shall take place as soon as practicable, but no later than 45 days after receipt of the second test report.

(8) A registrant that intends to grow industrial hemp and who complies with this section shall not be prosecuted for the cultivation or possession of marijuana as a result of a laboratory test report that indicates a percentage content of THC that is greater than three-tenths of 1 percent but does not exceed 1 percent.

(9) Established agricultural research institutions shall be permitted to cultivate or possess industrial hemp with a laboratory test report that indicates a percentage content of THC that is greater than three-tenths of 1 percent if that cultivation or possession contributes to the development of types of industrial hemp that will comply with the three-tenths of 1 percent THC limit established in this division.

(10) Except for an established agricultural research institution, a registrant that grows industrial hemp shall retain an original signed copy of the laboratory test report for two years from its date of sampling, make an original signed copy of the laboratory test report available to the department, the commissioner, or law enforcement officials or their designees upon request, and shall provide an original copy of the laboratory test report to each person purchasing,

transporting, or otherwise obtaining from the registrant that grows industrial hemp the fiber, oil, cake, or seed, or any component of the seed, of the plant.

(g) If, in the Attorney General's opinion issued pursuant to Section 8 of the act that added this division, it is determined that the provisions of this section are not sufficient to comply with federal law, the department, in consultation with the board, shall establish procedures for this section that meet the requirements of federal law.

~~81007. Prohibitions; De minimis considerations~~

~~(a) Except as provided in subdivision (b) or as necessary to perform testing pursuant to subdivision (f) of Section 81006, the possession, outside of a field of lawful cultivation, of resin, flowering tops, or leaves that have been removed from the hemp plant is prohibited.~~

~~(b) The presence of a de minimis amount, or insignificant number, of hemp leaves or flowering tops in hemp bales that result from the normal and appropriate processing of industrial hemp shall not constitute possession of marijuana.~~

81008. Attorney General reports; Requirements

(a) Not later than January 1, 2019, ~~or five years after the provisions of this division are authorized under federal law, whichever is later,~~ the Attorney General shall report to the Assembly and Senate Committees on Agriculture and the Assembly and Senate Committees on Public Safety the reported incidents, if any, of the following:

(1) A field of industrial hemp being used to disguise marijuana cultivation.

(2) Claims in a court hearing by persons other than those exempted in subdivision (f) of Section 81006 that marijuana is industrial hemp.

(b) A report submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(c) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2023, or four years after the date that the report is due, whichever is later.

81010. Operation of division

(a) This division, and Section 221 of the Food and Agricultural Code, shall not become operative unless authorized under federal law on January 1, 2017.

(b) The possession, use, purchase, sale, production, manufacture, packaging, labeling, transporting, storage, distribution, use, and transfer of industrial hemp shall be regulated in accordance with this division. The Bureau of Marijuana Control has authority to regulate and control plants and products that fit within the definition of industrial hemp but that are produced, processed, manufactured, tested, delivered, or otherwise handled pursuant to a license issued under Division 10 of the Business and Professions Code.

SECTION 10. AMENDMENT.

This Act shall be broadly construed to accomplish its purposes and intent as stated in Section 3. The Legislature may by majority vote amend the provisions of this Act contained in Sections 5 and 6 to implement the substantive provisions of those sections, provided that such amendments are consistent with and further the purposes and intent of this Act as stated in Section 3.

Amendments to this Act that enact protections for employees and other workers of licensees under Section 6 of this Act that are in addition to the protections provided for in this Act or that

otherwise expand the legal rights of such employees or workers of licensees under Section 6 of this Act shall be deemed to be consistent with and further the purposes and intent of this Act. The Legislature may by majority vote amend, add, or repeal any provisions to further reduce the penalties for any of the offenses addressed by this Act. Except as otherwise provided, the provisions of the Act may be amended by a two-thirds vote of the Legislature to further the purposes and intent of the Act.

SECTION 11. CONSTRUCTION AND INTEPRETATION.

The provisions of this Act shall be liberally construed to effectuate the purposes and intent of the Control, Regulate and Tax the Adult Use of Marijuana Act; provided, however, no provision or provisions of this Act shall be interpreted or construed in a manner to create a positive conflict with federal law, including the federal Controlled Substances Act, such that the provision or provisions of this Act and federal law cannot consistently stand together.

SECTION 12. SEVERABILITY.

If any provision in this Act, or part thereof, or the application of any provision or part to any person or circumstance is held for any reason to be invalid or unconstitutional, the remaining provisions and parts shall not be affected, but shall remain in full force and effect, and to this end the provisions of this Act are severable.

SECTION 13. CONFLICTING INITIATIVES.

In the event that this measure and another measure or measures concerning the control, regulation, and taxation of marijuana, medical marijuana, or industrial hemp appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measure shall be null and void.



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Henderson-Prospect Specific Plan

SOURCE: Community Development

COMMENT: During the adjourned meeting of March 14, 2017, the City Council considered a variety of priority projects for the 2017/2018 Fiscal Year. One project that was discussed was the Henderson/Prospect Commercial Specific Plan. Staff had made a recommendation, based on a number of proposed commercial developments in this area, to prepare a Specific Plan. The main reasons for preparing the Specific Plan were to coordinate all developments such that they would share mutual ingress and egress, simplify the entitlement process for all property owners, some of whom would require a General Plan Amendment or Zone Change to proceed with their projects, and to provide a vision for the area that would encourage development in such a way to maximize the possible square footage while hopefully maximizing the success of the commercial center. The City's interest in seeing these results stems from the increased revenues, and in turn sales tax revenues, in the more cohesively planned commercial developments in town.

Based on Council's support, staff reached out to all property owners in the subject area, and was successful in scheduling meetings with the undeveloped property owners or their agents. Staff met with the group of participating property owners on April 26, May 24, June 28, and July 12, 2017. Initial conversations were positive, with a potential interest on the part of property owners in working with the City on such a plan. Staff initiated preparation of a traffic study, a conceptual site plan, and an environmental review document.

However, as the time came to make a decision on whether or not to expend staff time and funding toward the development of the Specific Plan, a poll of the participating property owners found less support in moving forward. Anticipating a challenging path forward, with most property owners being opposed to a city-sponsored specific plan, staff is returning to the Council to ask direction.

At this point, staff could continue forward with the coordinated effort, without the support of the property owners, or abandon the effort and let properties develop independently. One such independent development application is currently being reviewed, and is expected to move forward quickly, regardless of whether or not the Specific Plan continues forward.

RECOMMENDATION: That the City Council provide direction to staff regarding whether or not to continue efforts towards the Henderson-

Prospect Specific Plan.

ATTACHMENTS:

Appropriated/Funded:

Review By:

Department Director:

Jenni Byers, Community Development Director

Final Approver: John Lollis, City Manager



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Consideration of Initiating Procedures for Establishing and Implementing By-District Elections

SOURCE: City Attorney

COMMENT: On August 30, 2017, the City received a letter from the law firm of Melo and Sarsfield on behalf of "a group of voters who reside within the jurisdictional boundaries of the City of Porterville," alleging that the City and its at-large city council election system is not in compliance with the California Voting Rights Act (CVRA). Specifically, the firm alleges that Porterville's system violates the CVRA by diluting the ability of Latinos to elect candidates of their choice or otherwise influence the outcome of the city council elections.

Under the CVRA and recent case law, at large elections that prevent minority members from electing chosen candidates, as well as elections that impair the ability of minority voters to influence elections, are prohibited. At large elections are not facially unconstitutional, but an "as applied" violation is established if it is shown that racially polarized voting occurs in the elections. Years ago public agencies were able to defend against such claims if they could show that the minority group was not sufficiently large or geographically compact enough to form one or more minority member districts – but this is no longer required at the liability stage. Furthermore, no actual intent to discriminate is required - just an alleged discriminatory effect.

Numerous issues have been raised concerning the legality and application of the Federal and California Voting Rights Acts (e.g. allegations that the Acts promote one particular minority over others, are in and of themselves discriminatory, etc.), but the Acts have both withstood constitutional challenges. Furthermore, the Acts have been held to apply to general and charter law cities. As a result of CVRA litigation and/or threats of such litigation, most cities in the State and many of the local agencies in Tulare County have converted or are converting to "by district" elections, including the Cities of Tulare and Visalia. Litigation is by all accounts costly (I've provided some examples at the end of this summary), and we are not aware of a single City in California that has successfully defended a CVRA lawsuit.

CONVERSION PROCESS

There was a proliferation of lawsuits across California several years ago when plaintiffs' legal counsel realized that they could receive large fee awards as part of the process. In response, legislation was adopted that provides cities with the ability to limit their exposure to fees and costs, IF they quickly begin the process to convert to district elections, and do so by adopting an ordinance

authorizing district elections. In order to take advantage of this “safe harbor” law, a city must, within 45 days of receiving a Notice of violation, adopt a Resolution outlining its intention to transition from at large to by district elections. Plaintiffs must then give the city an additional 90 days to adopt an ordinance establishing district-based elections. Within 30 days after the adoption of the ordinance, plaintiffs may demand their costs/fees in sending the notice (including the costs of obtaining the demographic information), in an amount not to exceed \$30,000, which the city must pay within 45 days thereafter.

This safe harbor legislation covers general law cities, and the consensus among cities is that it can also easily be applied to charter cities that have charters that are SILENT or grant the City the ability to determine their election process by ordinance. Porterville, however, has a specific charter provision that sets forth that the elections shall be at large. Therefore the voters will also need to authorize a charter amendment in June 2018. Since this safe harbor legislation only went into effect January 2017, we are in uncharted territory as to whether we can successfully apply this legislation in our circumstance; but under the plain language of the new legislation the City *may* be able to adopt an ordinance that only becomes effective if the voters authorize a change to the Charter. It should be understood that the voters could potentially vote any Charter revision down. Visalia found itself in this situation – after twice taking a measure to the voters (and having it voted down both times), Visalia opted not to contest the pending CVRA lawsuit in order to have legal justification for switching to district elections notwithstanding the language in its charter, but even going to through uncontested litigation cost Visalia a substantial amount of attorneys fees.

The safe harbor law may assist Porterville in keeping the attorneys fees down. For example – the City of Vista received a demand from a law firm, complied with the safe harbor requirements, and received a costs bill of \$59,910.49 but which will be limited to \$30,000. For cities that didn’t have the benefit of the safe harbor legislation, the fee awards are much larger. Anaheim settled and paid \$1.2 million in attorneys fees to plaintiffs. Escondido paid \$385K, Modesto paid \$3 million, Palmdale to pay \$3.5million, Tulare paid \$225K, Visalia paid \$125K after failed ballot measures and a stipulated judgment, Tulare Hospital District paid \$500K.

A draft Resolution initiating the procedures to implement a by-district election system is provided for the City Council's consideration. Attached to the Resolution is a tentative schedule for converting to by-district elections. If the Council adopts the Resolution, several public hearings will be noticed and held within the next couple months, where the public has an opportunity to provide input concerning the draft district maps.

RECOMMENDATION: That the City Council consider adopting the draft resolution initiating procedures for establishing and implementing by-district elections.

ATTACHMENTS:

1. Resolution Initiating Procedures for Establishing and Implementing By-District Elections for City Council Members
2. Exhibit A to Resolution - Tentative Timeline
3. Letter Received 8/30/17 from Melo and Sarsfield LLP

Appropriated/Funded:

Review By:

Department Director:

Julia Lew, City Attorney

Final Approver: John Lollis, City Manager

RESOLUTION NO. ____-2017

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE,
CALIFORNIA, INITIATING PROCEDURES FOR ESTABLISHING AND
IMPLEMENTING BY-DISTRICT ELECTIONS FOR CITY COUNCIL MEMBERS**

WHEREAS, members of the City Council of the City of Porterville (“City”) are currently elected in “at-large” elections, in which each City Council member is elected by the registered voters of the entire City, held concurrently with the Statewide General Election in November of even-numbered years;

WHEREAS, California Government Code Section 34886, effective January 1, 2016, permits the City Council of a city with a population of fewer than 100,000 people, to change the city’s method of election by ordinance, with certain formalities, to a “by-district” system in which each City Council member is elected only by the voters in the district in which the candidate resides;

WHEREAS, as a Charter City, the City of Porterville may adopt an ordinance that can change the City’s “at large” election system to a “by district” election system, provided that the voters approve an amendment to the City Charter;

WHEREAS, under the law, it may be possible for the City, notwithstanding its Charter language, to adopt an ordinance establishing elections “by district;”

WHEREAS, on August 30, 2017, the City received a letter dated August 28, 2017, from the law firm of Melo and Sarsfield LLP, threatening litigation against the City if it does not convert to district-based elections for City Council members;

WHEREAS, on September 19, 2017, the City Council is considering for approval a contract with National Demographics Corporation to commence the process of establishing Council districts;

WHEREAS, California Elections Code Section 10010 has provided a method whereby a jurisdiction can expeditiously change to a “by-district” based electoral system; and

WHEREAS, as a charter city the City is not required to adhere to the procedural requirements of Elections Code Section 10010, but is choosing to follow these procedures to maximize public participation.

NOW, THEREFORE, BE IT RESOLVED as follows:

- A. The above recitals are true and correct.
- B. The City Council hereby resolves to adopt a by-district election system as authorized by Government Code Section 34886 for use in the City’s General Municipal Election for City Council Members in November 2018.

- C. The City Council hereby approves the tentative timeline contained in Exhibit A hereto, and incorporated herein by this reference, for conducting a public process to solicit public input and testimony on proposed by-district electoral plans before adopting any such plan.
- D. This timeline contained in Exhibit A shall be subject to adjustment by the City Council as it deems necessary, provided that such adjustments shall not prevent the City from meeting its goal of finalizing the change to by-district elections in time for the November 2018 elections, and/or the requirements of Elections Code 10010.
- E. The City Manager shall consult with legal counsel to resolve all legal issues necessary to give effect to this Resolution. The City Council further directs staff to work with the City Clerk, City Manager, City Attorney and demographer, and other appropriate consultants as needed, to meet the requirements of Elections Code 10010 and the California Voting Rights Act and Federal Voting Rights Act.

PASSED, APPROVED, AND ADOPTED this ____ day of September, 2017.

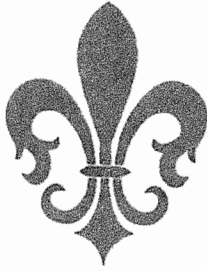
Milt Stowe, Mayor

ATTEST:
John D. Lollis, City Clerk

By: _____
Patrice Hildreth, Chief Deputy City Clerk

EXHIBIT A
TENTATIVE TIMELINE: PORTERVILLE'S ADOPTION OF BY-DISTRICT ELECTION METHOD

September 19	Adopt Resolution of Initiating Procedures for Establishing and Implementing By-District Elections Consider approval of contract with NDC
October 3	1 st Public hearing prior to draft maps
October 17	2 nd Public hearing prior to draft maps
October 18- October 30	Draft maps drawn
October 31	Publish draft map(s) and sequencing (EC 10010(a)(2) at least 7 days prior to PH)
November 7	1 st Public hearing on proposed district map
November 21	2 nd Public hearing on proposed map and introduction of ordinance (1 st Reading)
December 5	Adoption of Ordinance (2 nd Reading)
June 2018	Charter Amendment ballot measure
November 2018	First districts hold elections
November 2020	Remaining districts hold elections



**LAW OFFICES OF MELO AND
SARSFIELD LLP**

RECEIVED

AUG 30 2017

**CITY OF PORTERVILLE
ADMINISTRATIVE SERVICES**

Mailing:

4216 South Mooney Boulevard
PMB 136
Visalia, California 93277

T (559) 732-3000
F (559) 732-3005

Email:

meloandsarsfield@icloud.com

Web:

melo-sarsfieldlaw.com

August 28, 2017

City of Porterville
Attention: Clerk to the City Council
291 N. Main St.
Porterville, CA 93257

By Certified US Mail

Re: Notice of Violation of the California Voting Rights Act (CVRA) and Intent to
File Lawsuit.

Dear Clerk to the City Council and City Council:

The Law Offices of Melo and Sarsfield LLP is a law firm that practices in the area of voting rights law. We represent a group of voters who reside within the jurisdictional boundaries of the City of Porterville. We have been retained to initiate a lawsuit for the City's violation of the California Voting Rights Act, Election Code Section 14025 et. seq. This lawsuit will be filed in Tulare County Superior Court after the 45 day litigation hold required by AB 350.

The pending lawsuit is based upon the City's illegal use of "at large" voting to elect members of the City Council. The City's use of at-large voting is in violation of the California Voting Rights Act.

At large voting schemes are unfair to minority voters and suppress minority vote turnout in violation of both state and federal election law. It should also be noted that since the passages of the CVRA in 2001, no governmental agency sued has ever prevailed where racially polarized voting has been shown.

It is self-evident that elected minority representation on the council has been historically lacking as compared to the percentage of minority population.

We would be happy to enter into a consent decree to keep litigation costs down to an absolute minimum. Alternatively, the City can voluntarily agree to go to district elections, with the same advantage to the taxpayers.

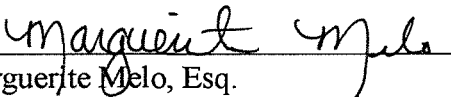
However, once the 45 day litigation hold expires, our clients will not delay filing the lawsuit unless the City is clearly willing to work with them in good faith to develop a remedial plan.

Please be advised that this letter is the pre-litigation administrative "demand letter" that triggers the 45 day litigation hold pursuant to AB 350 (January 2017) (Election Code § 14025 et seq).

We look forward to hearing from the City in all due haste and working with you to remedy this situation in a cooperative and efficient manner.

Sincerely,

LAW OFFICES OF MELO AND SANSFIELD LLP

By: 
Marguerite Melo, Esq.

cc: Clients



CITY COUNCIL AGENDA – SEPTEMBER 19, 2017

SUBJECT: Status and Review of Declaration of Local Emergency

SOURCE: City Manager's Office

COMMENT: Governor Brown issued Executive Order B-29-15 on Wednesday, April 1, 2015, which established drought-related mandates and restrictions in addition to those already stipulated in previous Executive Orders B-26-14 and B-28-14. Of significance, the Governor directed the State Water Resources Control Board to impose restrictions to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016, in comparison to the amount used in 2013, and with consideration given to per capita usage as a basis. The Governor further directed the Board to impose additional restrictions on commercial, industrial, and institutional properties with significant landscaping (cemeteries, golf courses, parks, schools, etc.), to also achieve a 25% reduction in potable water usage. Also of significance, the Board was directed to prohibit irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or micro-spray systems.

On November 13, 2015, Governor Brown issued Executive Order B-36-15, which extends emergency conservation regulations through October 2016, if drought conditions persist through January. On February 2, 2016, the State Water Resources Control Board adopted extended emergency water conservation regulations, to be in effect March 1 through October 31, 2016. The City of Porterville benefited somewhat from the extended regulations as the City's water conservation rate has been reduced from 32% to 26%, due to new water connections that have been made and population served (4%), as well as a new climate adjustment factor that was considered (2%).

On May 9, 2016, Governor Brown issued Executive Order B-37-16 ("Making Water Conservation a California Way of Life"), which directs the State Water Resources Control Board to establish new regulations making permanent the emergency conservation regulations. On May 18, 2016, the State Water Resources Control Board adopted a statewide water conservation approach that replaces the percentage reduction-based water conservation standard with a localized "stress test" approach that mandates urban water suppliers act immediately to ensure at least a three-year supply of water to their customers under continued drought conditions.

On April 7, 2017, Governor Brown issued Executive Order B-40-17, which ended the drought state of emergency in most of California, with the exception of Fresno, Kings, Tulare and Tuolumne counties where emergency water supply

and reliability projects are continuing toward addressing diminishing groundwater supplies. The Order maintains monthly reporting requirements and prohibitions on wasteful practices. It is anticipated that the Governor will end the drought state of emergency in the four remaining counties in the near future.

At its last meeting on September 5, 2017, the City Council took action in the continued affirmation of the adoption of a Resolution of Declaration of Local Emergency due to local residences within the city having been identified as having wells that are now dry as a result of the drought. 5 residences within the city have been determined to have dry wells, for which City staff submitted a Mutual Aid Request to Tulare County OES to initiate the household tank program for identified properties within the city where wells are dry and challenged for permanent connection. City, County, State and non-profit partner representatives have continued to discuss solutions toward addressing these challenged residences when the State is expected to end its drought emergency funding effective August 1st. The State has committed funding through June 30, 2018 for non-profit agencies to continue drought-related activities, which Self-Help Enterprises has committed to continue the household tank program locally.

Representatives for the City, County, State (CalOES, DDW, DWR, and SWB) and non-profit partners have continued to meet in support of the long-term permanent water connection project for the entire East Porterville area and the estimated 1,800 expected future connections. DWR identified 423 residential units in the East Porterville area (381 of which are in the City's Urban Development Boundary), that were served by the County's Household Tank Program and desired by the State to be connected to the City's water distribution system as soon as possible. DWR has nearly completed a significant City waterline extension project to permanently connect those 423 residential units to the City's water system. To provide source water for the DWR extension project, CalOES desired to expeditiously connect the new well on Olive Avenue to the City's water system instead of being first equipped as a filling station. Given the new well has an estimated water production value of 800 gallons per minute, as well as a SWB assumed 1.5 gallons per minute per residence, the new well could effectively serve up to 500 single-family residential units. The City indicated its significant interest that the E. Vandalia Avenue area and its 80 residential units be included in the water connection project, to which the State was agreeable.

Given CalOES has paid for the development of the new well, and its connection to the City's water system, the City will be required under "Drought Redundancy and Resiliency Provisions" to make available to the State up to three million gallons of water per month without charge for emergency purposes.

To proceed with the connection of the new well to the City's water system and the 500 East Porterville and E. Vandalia Avenue residential units, the City Council approved modifications to the Draft Agreement between the City and County at its meeting on April 5, 2016, which the County Board of Supervisors

subsequently approved at their meeting on May 10, 2016.

A Memorandum of Understanding between the State, County, and City on the East Porterville permanent water connection project was approved by the Council during a Special Meeting on Tuesday, June 21, 2016, and approved by the Board of Supervisors on Tuesday, June 28, 2016. With the approval of the MOU, the State began the permanent connection of approximately 40 homes that are located along existing City water mains. Subsequently, the State officially requested that the City approve the connection of an additional 30 residences as part of the first immediate connections, for up to a total of 70, which the Council approved at its meeting on August 2, 2016.

In regards to the new well's development and connection to the City's water distribution system, the Board of Supervisors awarded the contract for equipping and connecting the new well at their meeting of Tuesday, August 16, 2016, and construction activities commenced the week of October 10, 2016. County staff had previously indicated that the well would be in service and connected to the City's system no later than December 2016, however, the well was operational and connected to the City's water distribution as of Friday, February 17, 2017. Given the delay in the well's completion and connection, DWR requested that the City Council consider allowing the connection of residences as they become prepared for connection, to which the Council was receptive, and a Draft MOU Amendment was approved by the Council at its meeting on December 6, 2016, and subsequently approved by the Board of Supervisors at its meeting on December 20, 2016.

As of Friday, March 31, 2017, the date the State established as the final day for property owners to complete the registration process to participate in the State-funded connection program opportunity, of the 1,017 eligible developed residential properties identified by the State for connection, 722 completed the required Extra-Territorial Services Agreement, leaving 295 developed residential properties non-responsive to this unique connection program, 23 of which were reported as having either dry or diminishing capacity wells.

County OES and the State Division of Drinking Water (DDW) have reported to the City that the Central Mutual Water Company, located south of the city and south of Gibbons Avenue, has had its well run dry and desires an immediate emergency connection to the City's water system to serve the 41 connections currently without water. DDW is wishing to support a financial application to upgrade the small water system to City standards (new water lines, meters, etc.), and to sponsor an Urban Development Boundary (UDB) Amendment application to Tulare County Local Agency Formation Commission (LAFCO), given this area is currently outside the City's UDB but within the City's Urban Area Boundary (UAB). Given several private wells have run dry in this area, DDW is also attempting to sponsor their connection to the City's water system. For source water capacity for the connections, DWR will include these new connections within the East Porterville water connection capacity development projects. At its Special meeting on August 30th, the City Council directed staff to proceed with the immediate emergency connection of the Central water

system, with the permanent connection of the system contingent upon an Agreement with DDW to the sponsorship conditions they have offered.

State Division of Drinking Water (DDW) has also reported to the City that the Del Oro East Plano water system, located on Paul Street (southeast of the intersection of Plano Street and Worth Avenue), is experiencing problems with its existing well and have implemented severe water restrictions. The East Plano water system serves 14 residences and approximately 45 people. DDW is wishing to provide financial support to upgrade the small water system to City standards (new water lines, meters ,etc.), and for source water capacity for the connections, DDW would need to either pay appropriate fees and/or develop a capacity development project. The Council is aware that the Del Oro Grandview Gardens water system (north of W. North Grand Avenue) is also experiencing significant issues, and DDW may seek their future consolidation with the City's water system as well.

RECOMMENDATION: That the City Council receive the report of status and review of the Declaration of Local Emergency and determine the need exists to continue said Declaration.

ATTACHMENTS:

1. Resolution 49-2015 - Declaration of Local Emergency
2. City-County Well Agreement
3. Memorandum of Understanding
4. Memorandum of Understanding Draft Amendment
5. Governor Brown Executive Order

Appropriated/Funded:

Review By:

Department Director:

Final Approver: John Lollis, City Manager

RESOLUTION NO. 49-2015

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF PORTERVILLE DECLARING A DROUGHT EMERGENCY
WITHIN THE CITY OF PORTERVILLE

WHEREAS: in response to the ongoing severe drought, the State Water Resources Control Board approved an emergency regulation to ensure water agencies, their customers, and state residents increase water conservation in urban settings or face possible fines or other enforcement; and

WHEREAS: as we enter the fourth year of severe drought, long-term forecasts indicate no relief of the current drought conditions, and suggest a warmer-than-average summer, resulting in increased domestic demand for water; and

WHEREAS: public and private potable water supplies continue to be threatened due to decreasing supplies of groundwater caused by the precipitation deficit and an extended state of groundwater overdraft; and

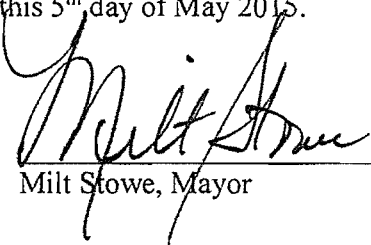
WHEREAS: the long-term ramifications of the current drought will have a significant impact on the city of Porterville and potentially pose a danger to the health and welfare of its residents; and

NOW, THEREFORE, BE IT RESOLVED: that the City Council of the City of Porterville does hereby proclaim that, due to drought conditions, a Local Emergency now exists in the city of Porterville and shall remain in effect for the duration of the emergency; and

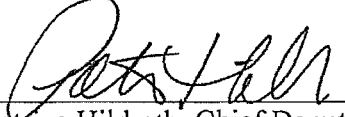
BE IT FURTHER RESOLVED: that the City Council of the City of Porterville requests the Governor and California Department of Water Resources make available California Disaster Assistance Act funding for the State of Local Emergency proclaimed on May 5, 2015, and seek all available forms of Federal assistance, to include a Presidential Declaration of Emergency and Individual Assistance and Public Assistance programs as applicable; and

BE IT FURTHER RESOLVED: that a copy of this resolution be forwarded to the State Director of the Office of Emergency Services.

PASSED, APPROVED, AND ADOPTED this 5th day of May 2015.


Milt Stowe, Mayor

ATTEST:
John D. Lollis, City Clerk


By: Patrice Hildreth, Chief Deputy City Clerk

TULARE COUNTY – CITY OF PORTERVILLE WELL AGREEMENT

THIS AGREEMENT is entered into this day of, May 10, 2016, between the COUNTY OF TULARE, referred to as COUNTY, and the CITY OF PORTERVILLE, referred to as CITY, with reference to the following:

- A. WHEREAS, East Porterville/Doyle Colony area properties within the COUNTY's jurisdiction and within the CITY's Urban Development Boundary are experiencing serious water shortages due to the historical drought conditions. Attached hereto as Exhibit 'A' is a map defining the East Porterville/Doyle Colony and Vandalia areas; and
- B. WHEREAS, CITY and COUNTY have been and are collaborating to jointly develop a new municipal water well; and
- C. WHEREAS, COUNTY shall secure complete funding for a new well to be solely owned, operated and maintained by the CITY for the purpose of providing long-term capacity to enable permanent water connections to properties that comply with CITY'S Annexation and Extension of Municipal Services policy, with certain exceptions for specific properties in excess of the maximum lot size. These procedures are defined by two Resolutions, 74-2014 and 19-2016, which are attached hereto as Exhibit 'B'; and
- D. WHEREAS, the COUNTY owns a parcel at the southeast corner of the Tule River and Olive Avenue (APN 240-120-017), represented in Exhibit 'C', and has drilled a municipal supply well, and will equip said well utilizing CITY standards, after which the COUNTY shall convey the land to CITY at a cost of \$1; and
- E. WHEREAS, CITY operates an existing municipal water system, with limited infrastructure already established in the East Porterville/Doyle Colony and Vandalia areas, and has experience and qualifications necessary to provide such services; and
- F. WHEREAS, CITY and COUNTY mutually agree that a regional, collaborative solution to leverage and expand CITY'S municipal water system into the East Porterville/Doyle Colony and Vandalia areas is the most feasible means to address the area's water needs; and
- G. WHEREAS, CITY is willing to enter into this Agreement with COUNTY upon terms and conditions set forth herein; and
- H. WHEREAS, CITY and COUNTY mutually understand that due to the limited resources of the CITY's municipal water system, all future connections must comply with the CITY's Annexation and Extension of Municipal Services policies, with certain exceptions for specific properties in excess of the maximum lot size, attached hereto and made a part thereof as Exhibit 'B'.

ACCORDINGLY, IT IS AGREED:

- 1. **TERM:** This agreement shall become effective as of the date the agreement is fully executed by both agencies.
- 2. **SERVICES TO BE PERFORMED & PAYMENT FOR SERVICES – EQUIPPING MUNICIPAL WELL FACILITY:** Refer to attached Exhibit 'D'.

TULARE COUNTY AGREEMENT NO. 27596

3. **SERVICE TO BE PERFORMED IN PERPETUITY:** The services described below shall be performed in perpetuity upon completion of all tasks enumerated in Exhibit 'D' and upon COUNTY securing the funds for equipping the well to CITY standards and requirements:
- A. CITY shall provide to STATE and/or COUNTY, upon STATE and COUNTY's request, a maximum of three million (3,000,000) gallons of water per month upon integration of the well provided under this Agreement, for the purposes of meeting emergency water needs in COUNTY's jurisdiction. CITY shall not charge COUNTY or STATE for said water.
 - B. CITY shall utilize water produced by the well provided under this Agreement as source capacity for new service connections and agreements in East Porterville/Doyle Colony and Vandalia areas. CITY agrees to provide source water for up to four hundred twenty-three (423) new connections in the East Porterville/Doyle Colony area subject to the CITY'S Annexation and Extension of Municipal Services policies, with certain exceptions for specific properties in excess of the maximum lot size, and up to 80 new connections in the Vandalia area. The 423 new connections noted above are inclusive of those properties immediately adjacent to an existing water main, estimated at 40 parcels, which can be connected to the City's water system immediately upon execution of this agreement and the Memorandum(a) of Understanding between CITY, COUNTY, and STATE. Upon connection to CITY services, the listed properties will be exempt from payment of CITY water impact fees, but will be subject to standard fees, such as, but not limited to, water service and meter installation, unless otherwise financed by STATE or other funding sources, and associated monthly fees. This section shall not be construed to limit additional connections beyond the above referenced 503 properties provided for herein, where CITY provides consumption documentation that determines additional source capacity is available as a result of the connection of this well to CITY's system.
 - C. CITY expressly agrees to own, operate, maintain, repair and otherwise care for the well provided under this Agreement, in order to maintain it in proper working order and to the highest standard, for the duration of the well's useful life.
 - D. COUNTY shall grant the parcel on which the well is located to the CITY by Grant Deed at a cost of \$1 upon formal acceptance of the project. A 50-foot control zone around the well site is a requirement of the State Water Resources Control Board, Drinking Water Program, therefore establishing the minimum parcel size to be conveyed to the CITY. Existing COUNTY infrastructure may encroach through or conflict with the subject parcel and if so, ownership, maintenance, repair and replacement of these facilities shall transition to the City's responsibility by separate maintenance agreement upon acceptance of the project.
 - E. CITY shall not be entitled to compensation by COUNTY, or any State or Federal agency providing funding for the activities enumerated in Exhibit 'D', for any ongoing costs related to owning, operating, maintaining, repairing, or replacing this well. CITY and COUNTY expressly agree that CITY's ongoing compensation for such ongoing costs shall be the use of the well for CITY's use within its water system, unrestricted except as noted in "A"

above. No part of this paragraph shall be construed to limit or restrict in any way CITY's ability to seek any grant funding or collect rates and fees from users of CITY's water system.

- F. All recipients of water are subject to CITY water policies, such as, but not limited to, water conservation and watering schedules. Connections made as noted in "B" above may be subject to further water conservation thresholds as required by the STATE.

4. This Agreement represents the entire agreement between CITY and COUNTY as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

5. Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

COUNTY: County Administrative Officer/Clerk of the Board
of Supervisors of the County of Tulare
Administrative Building
2800 W. Burrel Avenue
Visalia, CA 93291

(Fax No.: (559) 733-6318 / Phone No. (559) 636-5005)

CITY: City Manager
291 N. Main St.
Porterville, CA 93257

(Fax No.: (559) 715-4013/ Phone No. (559) 782-7466)

Notice delivered personally or sent by facsimile transmission is deemed to be received upon receipt. Notice sent by first class mail shall be deemed received on the fourth day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

6. This Agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any uncertainty.
7. Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.
8. This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. This Agreement is entered into and shall be performed in Tulare County, California. CITY waives the removal provisions of California Code of Civil Procedure Section 394.
9. The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party or either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.
10. The Recitals and the Exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

11. This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court of other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.
12. Each party agrees to execute any additional documents and to perform any further acts which may be reasonably required to affect the purposes of this Agreement.
13. CITY expressly agrees that it will not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.
14. Insurance
15. Permit
16. Dispute Resolution: If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties, otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.
17. Indemnification: CITY shall hold harmless, defend and indemnify COUNTY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including COUNTY property, arising from, or in connection with, the performance by CITY or its agents, officers and employees under this Agreement. This indemnification specifically includes any claims that may be made against COUNTY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against COUNTY alleging civil rights violations by CITY under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on COUNTY for CITY's failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

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THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

COUNTY OF TULARE

BY Mike Ennis
Mike Ennis Chairman,
Board of Supervisors



ATTEST: Michael C. Spata,
County Administrative Officer/Clerk of the Board
of Supervisors of the County of Tulare

By Danisa A. Ybana
Deputy Clerk

Approved as to Form
County Counsel

By M. G. Glick for LMT
Deputy 20151902

CITY OF PORTERVILLE

BY Milt Stowe
Milt Stowe, Mayor

ATTEST:
City Clerk of the City of Porterville

BY J. L. Lolis
John Lolis, City Manager

Approved as to Form

BY [Signature]
City Attorney

EXHIBIT 'A'



EXHIBIT 'B'

RESOLUTION NO. 74 -2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE DEFINING OBJECTIVES AND POLICIES FOR ANNEXATIONS AND MUNICIPAL SERVICES

WHEREAS: The City of Porterville established a policy concerning annexation and provision of municipal services in 1986, noting that “the City, in order to grow for reasons of economies of scale and quality of services must expand its boundaries within reason, generally encourages the owners of properties contiguous to the city of Porterville to annex to said City of Porterville”; and

WHEREAS: Since 1990, the population of the city of Porterville has increased 53% according to the California Department of Finance, and the land area of the city proper has increased by 38% according to City annexation records; and

WHEREAS: The City of Porterville accepts its responsibility to provide municipal services to those residents, businesses, and other land uses within the limits of the city. The City of Porterville has taken the position that the costs of all physical improvements within the city have been paid by property owners, and other taxes derived in the city, and, therefore, these same people should not be required to bear the expense of additional physical improvements needed to serve newly annexed areas.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Porterville does hereby define the following objectives related to annexations and municipal services:

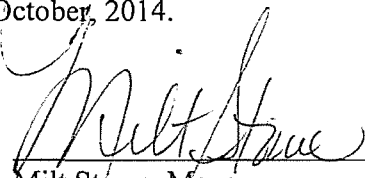
1. To promote orderly development while discouraging urban sprawl, preserving open space and prime agricultural lands, and efficiently extending government services.
2. To honor the City’s fundamental responsibility to provide efficient and sustainable public services to the inhabitants of the city, and where appropriate, to provide those services beyond the limits of the city within the Urban Development Boundary, and only in extreme cases to those properties beyond the Urban Development Boundary within the Urban Area Boundary.
3. To provide for land development and growth in a manner consistent with the General Plan, particularly as it relates to land use and circulation.
4. To consider an application upon its own merits, and identify what benefits would accrue to the City as an agency and service provider, to the residents of the city of Porterville, and to the applicant.
5. To identify the problems involved in any proposal considered for annexation or request for extra-territorial services and resolve them in the manner most beneficial to the properties within the city of Porterville.
6. To develop factual information to permit informed discussion between City representatives and property owners/residents of unincorporated territories.

BE IT FURTHER RESOLVED, that the City Council of the City of Porterville does hereby establish the following policies for consideration of annexations and municipal services:

1. It shall be the policy of the City of Porterville to consider annexation proposals only within the Urban Development Boundary, which is defined as the City of Porterville Annexation Boundary, as adopted by Tulare County Local Area Formation Commission (LAFCo).

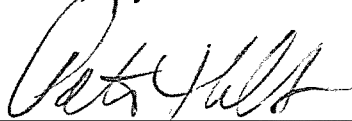
2. It shall be the policy of the City of Porterville to consider extra-territorial service requests primarily within the Urban Development Boundary, which is defined as the City of Porterville Annexation Boundary, as adopted by Tulare County LAFCo.
3. It shall be the policy of the City of Porterville, only where necessary in order to respond to an existing or impending threat to public health or safety of affected residents, to consider extra-territorial service requests within the Urban Area Boundary, as adopted by City Council and identified on the City of Porterville Zoning Map.
4. It shall be the policy of the City of Porterville to consider annexation proposals and extra-territorial service requests in a manner consistent with the policies and regulations adopted by the Tulare County LAFCo and the State of California, as applicable.
5. It shall be the policy of the City of Porterville to discourage single-family one (1) lot annexation proposals that may have an adverse fiscal impact on the City of Porterville.
6. It shall be the policy of the City Council that territory shall not be annexed to the city of Porterville, which as a result of such annexation, unincorporated territory is completely surrounded, or substantially surrounded by the city of Porterville.
7. It shall be the policy of the City of Porterville that annexation proposals shall be in conformance with the Cortese-Knox-Hertzberg Act of 2000, as amended.
8. It shall be the policy of the City Council to consider each petition/consent for annexation upon its relationship to what economic benefits will accrue to the City of Porterville, and to the area residents/property owners.
9. It shall be the policy of the City Council that the costs of all physical improvements will be borne by the property owners/resident or developer.
10. It shall be the policy of the City of Porterville to maintain the viability of agricultural productivity; i.e. protecting and conserving as much agricultural land as possible in the area surrounding the Porterville community.
11. It shall be the policy of the City of Porterville that the applicant for annexation present proposals to the Project Review Committee and explain the particulars of the area under consideration for possible annexation, including a plan for services.
12. It shall be the policy of the City of Porterville to consider any requests for annexation or extra-territorial services in a manner consistent with the procedures adopted by resolution of the City Council.

PASSED, APPROVED AND ADOPTED this 21st day of October, 2014.


Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

By: 
Patrice Hildreth, Chief Deputy City Clerk

STATE OF CALIFORNIA)
CITY OF PORTERVILLE) SS
COUNTY OF TULARE)

I, JOHN D. LOLLIS, the duly appointed City Clerk of the City of Porterville do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution passed and adopted by the Council of the City of Porterville at regular meeting of the Porterville City Council duly called and held on the 21st day of October, 2014.

THAT said resolution was duly passed, approved, and adopted by the following vote:

Council:	REYES	WARD	STOWE	HAMILTON	GURROLA
AYES:	X		X	X	X
NOES:		X			
ABSTAIN:					
ABSENT:					

JOHN D. LOLLIS, City Clerk


By: Luisa M. Zavala, Deputy City Clerk

RESOLUTION 19-2016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
ESTABLISHING PROCEDURES FOR ANNEXATIONS AND EXTENSION OF
MUNICIPAL SERVICES

WHEREAS: On October 21, 2014, the City Council of the City of Porterville adopted two resolutions that defined objectives and policies, and established procedures for annexations and municipal services, respectively; and

WHEREAS: The on-going, severe drought of the past few years has created a situation where hundreds of parcels in the East Porterville area are experiencing dry wells, or wells of substandard water quality. State and regional agencies have come together with the City to identify and develop a long-term solution to this crisis, which will involve a significant infrastructure project to allow extension of municipal water services to the area. Not all parcels within the subject area meet the mandatory findings for extra-territorial service agreements as identified in the City's current procedures.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Porterville does hereby amend existing procedures to submit application for municipal services, and to have said application(s) processed as outlined in Exhibit "A", attached. The exemption identified for the East Porterville Feasibility Study Project Area will apply to the area represented in Exhibit "B".

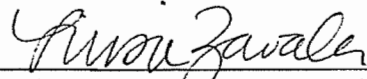
PASSED, APPROVED AND ADOPTED this 19th day of April, 2016.



Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

BY 

Luisa Zavala, Deputy City Clerk

All properties requesting annexation or extraterritorial services are subject to the procedures established below unless otherwise stated. Compliance with City of Porterville procedures does not guarantee approval by LAFCo of annexations or extra-territorial service agreements. Upon request for an annexation or extraterritorial services request, staff will evaluate whether the applicant's property is within the City's Urban Development Boundary or Urban Area Boundary and explain the process.

ANNEXATION APPLICATION PROCEDURE

1. A complete annexation application packet includes: fees, an Irrevocable Agreement to Annex, information as needed to define a deed restriction specific to land use and zoning, Application for Annexation, and other materials as required with those applications respectively.
2. On receipt of an application as outlined above, all materials will be considered by the Project Review Committee, who will coordinate in a pre-consultation process with LAFCO staff and the County Public Works Department for review and recommendation.
3. During review by the Project Review Committee of the necessary application and data, staff will prepare a report and findings on all aspects of the proposed action(s).
4. An environmental document will be prepared pursuant to the California Environmental Quality Act (CEQA), reviewing the potential environmental effect of the proposed activities. The Zoning Administrator will make an initial determination of the level of environmental review required.
5. After proper noticing, a public hearing will be held for the City Council to hear comments related to the project at a regularly scheduled meeting. The Council will authorize staff to initiate the application with LAFCo. Documents will be filed in accordance with the Cortese-Knox-Hertzberg Act of 2000, as amended, and submitted to the Local Agency Formation Commission for its review, recommendation and action.
6. On consummation by the City Council, the City Clerk shall submit the necessary materials to the State Board of Equalization with the appropriate acreage fees, which are paid by the Applicant.
7. In the event the annexation fails, either by dissenting votes of the City Council or at hearing at LAFCo, the City Council may approve an extraterritorial service agreement within the Urban Development Boundary, subject to conditions identified in the deed restriction.

ANNEXATION EXEMPTION PROCEDURE

Where a certain property meets all of the following criteria, they may proceed with an Extraterritorial Service Agreement for water or storm-water drainage without first attempting annexation, subject to the conditions of Extraterritorial Service Agreements as defined below.

1. Previously developed single family residences on parcels 24,999 square feet or smaller, OR a school developed by a State funded school district.
2. The parcel requesting services must be immediately adjacent to a municipal main providing the requested service, or the property owner shall provide for the extension of the main line to City standards at their expense.

EXTRATERRITORIAL SERVICES APPLICATION PROCEDURE

Extraterritorial Service connections may be made subject to the following conditions. Note specific parameters and the required findings for connections in the Urban Development Boundary and the Urban Area Boundary.

1. Application: A complete extraterritorial services application packet includes: fees, an Irrevocable Agreement to Annex, information as needed to define a deed restriction specific to land use and zoning, and other materials as required with those applications respectively.
2. General Plan Consistency:
 - a. Proposed Uses and Improvements: Service connections are to be withheld from proposed uses and improvements that would not be consistent with the adopted Land Use Element of the Porterville Area General Plan and the City of Porterville General Plan.
 - b. Existing Uses and Improvements: Service connections to existing uses and improvements which are not consistent with the adopted Land Use Element of the Porterville Area General Plan and the City of Porterville General Plan shall be considered at the discretion of the City Council, and may be subject to other restrictions.
3. Agreements and covenants:
 - a. A deed restriction specific to land use and zoning must be approved by the property owner and the City Council, and recorded with the County of Tulare upon the property, at the applicant's cost.
 - b. An irrevocable agreement to annex must be signed by the property owner and recorded with the County of Tulare upon the property, at the applicant's cost.
4. Time limitations: The City Manager or his designee, or the City Council may condition the approval of applications for service connections by establishing a time frame within which connections must be made to avoid re-application.
5. Improvement Plans: Applications for service connections, which necessitate the extension of one or more municipal facilities to property in order to make such connections, shall be conditioned by the City Manager or his designee, or the City Council to require that Construction Drawings of the intended public improvements be submitted to the City Engineer for plan check and approval. Costs incurred for the preparation of improvement plans, and certain off-site construction and/or installation costs related to extending facilities, shall be the responsibility of the applicant.
6. Fees: Prior to the issuance of a Connection Permit, payment must be made to the City of Porterville of all fees pertinent to the respective service connection, or connections, approved by the City Manager or his designee, or the City Council.

Within the Urban Development Boundary:

For connection of water or storm-water facilities, the requesting party must fully fund the extension of infrastructure if it does not already exist in order to connect. The City of Porterville Wastewater Facility is a regional facility and as such, an extraterritorial service request cannot be denied; however, the requesting party must fund a fair share of the extension of infrastructure if it does not already exist in order to connect. Contract services for police, fire, or building inspection services shall be approved by resolution of the City Council.

For connection of water or storm-water facilities, the following findings must be made in order for the Council approve an extraterritorial service connection:

- That the subject property is a previously developed single family residence on a parcel 24,999 square feet or smaller, OR a school developed by a State funded school district.
- That failure to connect to municipal services would result in a threat to public health or safety of affected residents.
- That connection of the subject property would not result in a negative impact to the City of Porterville water and/or storm-water system.
- That the subject property is not within an island as defined by Tulare LAFCo.
- That an attempt to annex the subject site is not realistic given current city limit boundaries. Specifically, the parcel is too far removed from the city limit, and/or the number and valuation of adjacent parcels would result in a failed annexation effort.

Within the Urban Area Boundary:

For connection of water or storm-water facilities, the requesting party must fully fund the extension of infrastructure if it does not already exist in order to connect. The City of Porterville Wastewater Facility is a regional facility and as such, an extraterritorial service request cannot be denied; however, the requesting party must fund a fair share of the extension of infrastructure if it does not already exist in order to connect. Contract services for police, fire, or building inspection services shall be approved by resolution of the City Council.

For connection of water or storm-water facilities, the following findings must be made in order for the Council approve an extraterritorial service connection:

- That the subject property is a previously developed single family residence on a parcel 24,999 square feet or smaller, OR a school developed by a State funded school district.
- That failure to connect to municipal services would result in a threat to public health or safety of affected residents.
- That connection of the subject property would not result in a negative impact to the City of Porterville water and/or storm-water system.

EXEMPTIONS AND EXCEPTIONS

1. PVPUD: Connections to Porterville Regional Sewage Treatment Facilities serving uses and improvements to property within the boundaries and jurisdiction of the Porter Vista Public Utility District (PVPUD) are exempted from application to the City of Porterville. Interested parties should contact the PVPUD for information on connection requirements and fees pertaining

to sewer services. This exemption does not apply to requests for connection to Municipal Water and/or Master Storm Drain Facilities.

2. PRIOR APPROVALS: Porterville City Council approval of requests for connection to Regional Sewage Treatment, Municipal Water and/or Master Storm Drain Facilities as authorized prior to the adoption and effective date of the respective policies set forth herein shall remain valid and in force according to the terms and conditions initially specified at the time of approval, and re-application will not be required.

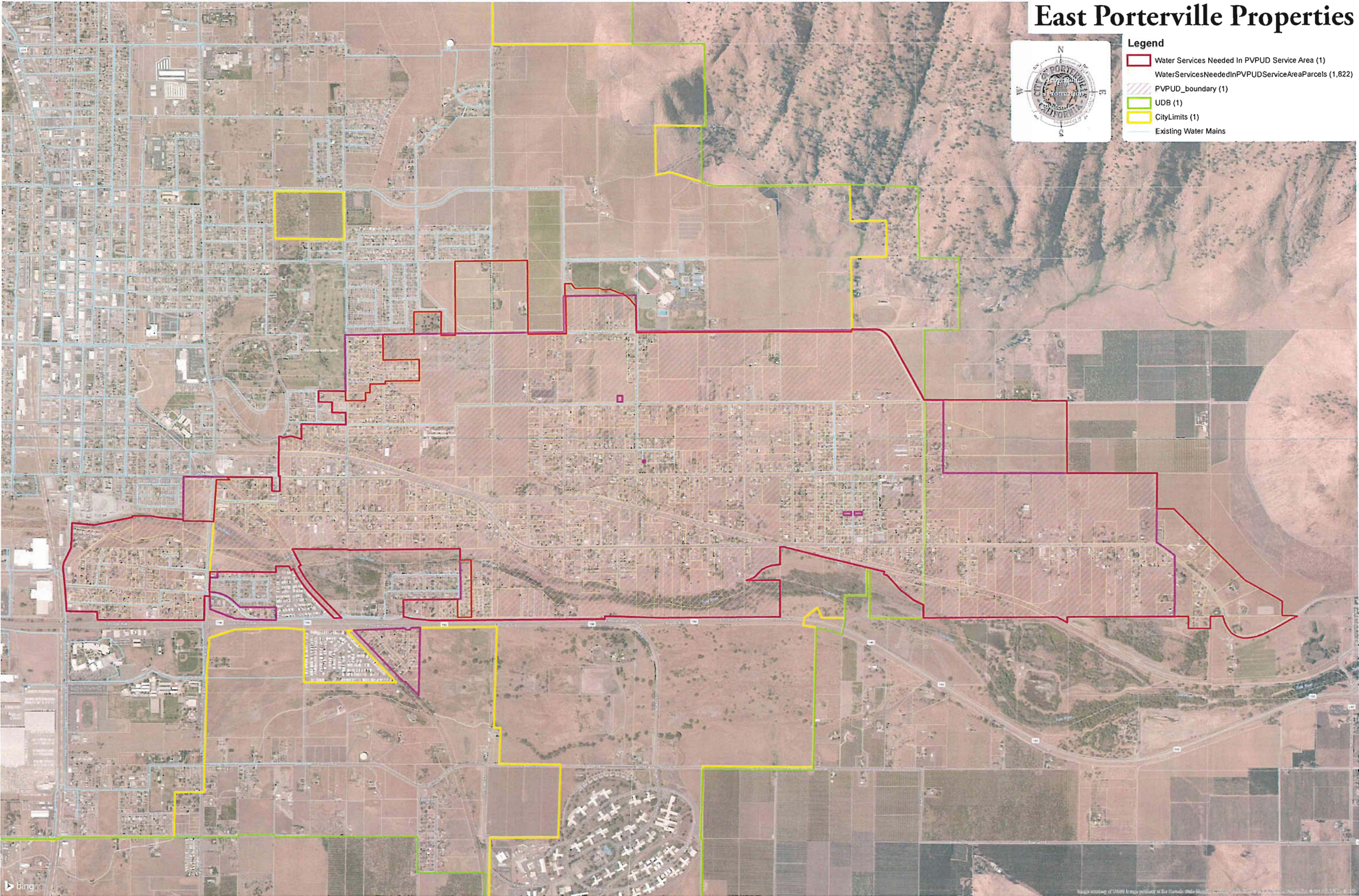
3. PROPERTIES WITHIN THE EAST PORTERVILLE FEASIBILITY STUDY PROJECT AREA: The California State Water Resources Control Board, in coordination with the Department of Water Resources Drought Task Force, is charged with preparing a feasibility study to define a long-term solution to the water related issues in East Porterville. Properties within that boundary would be permitted to apply for connection, whether in association with DWR, SWRCB, or at a later date, on their own. Such connections would be subject to the mandatory findings as outlined in this procedure, with the following exceptions:

- Rather than require that the subject property be a developed single-family residence on a parcel 24,999 square feet or smaller, neither the land use nor the parcel size would be restricted neither the land use nor the parcel size would be restricted for legal and legal non-conforming structures and land uses existing as of April 29, 2016.
- Further, properties within certain islands in the EPFS Project Area would not be required to annex prior to connection. This exception does not limit the City of Porterville's authority to pursue annexation in the future, but rather waives the requirement that annexation must be approved prior to connection.

East Porterville Properties



- Legend**
- Water Services Needed In PVPUD Service Area (1)
 - WaterServicesNeededInPVPUDServiceAreaParcels (1,822)
 - PVPUD_boundary (1)
 - UDB (1)
 - CityLimits (1)
 - Existing Water Mains



STATE OF CALIFORNIA)
CITY OF PORTERVILLE) SS
COUNTY OF TULARE)

I, JOHN D. LOLLIS, the duly appointed City Clerk of the City of Porterville do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution passed and adopted by the Council of the City of Porterville at regular meeting of the Porterville City Council duly called and held on the 19th day of April, 2016.

THAT said resolution was duly passed, approved, and adopted by the following vote:

Council:	REYES	WARD	STOWE	HAMILTON	GURROLA
AYES:	X	X	X	X	
NOES:					
ABSTAIN:					
ABSENT:					X

JOHN D. LOLLIS, City Clerk

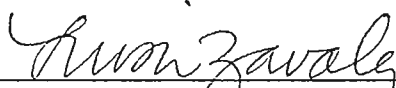

By: Luisa Zavala, Deputy City Clerk

EXHIBIT 'C'



EXHIBIT 'D'

Scope of Work

Task	Description	Cost
1.2	Prepare Well Drilling Plans, Specifications, and Estimates	\$468.00
3.2	Prepare Well Equipping Plans, Specifications, and Estimates	\$1,526.00
5	Ph. 1 Preconstruction Meeting	\$1,357.43
Total:		\$3,351.43

Consulting Engineering work will be reimbursed directly to Dee Jaspar & Associates under Tulare County Agreement No. 1276, including the following Tasks:

Task 4.1	Project Evaluations and Field Surveying	\$58,326.00
Task 4.2	Prepare Well Equipping Plans, Specifications, and Estimates	\$30,000.00
Task 4.3	Prepare and Assist with SCE Application & Telephone Service	\$5,000.00
Task 4.4	SCE Costs	\$15,000.00
Total:		\$108,326.00

Discussion Draft

Subject to Additional Review and Modification by the Parties

Porterville MOU
Draft 2
June 15, 2016
PortervilleEmergencyMOU061516



Memorandum of Understanding (MOU)

Regarding the Provisions of Emergency Water Supplies to East Porterville

by the California Department of Water Resources (DWR), California Office of Emergency

Service (OES), the State Water Resources Control Board (SWRCB),

the County of Tulare (County), and City of Porterville (Porterville),

which are collectively known as the “Parties”

Recitals

Whereas, some residents living in an unincorporated area of Tulare County, commonly known as “East Porterville,” have experienced loss of adequate water supply to their homes and properties as a result of severe drought conditions, which has caused significant hardship for the residents;

Whereas, Governor Edmund G. Brown Junior has directed all State agencies to assist these residents who are in need of water supplies with emergency and long-term assistance;

Whereas, Governor Edmund G. Brown Junior signed Assembly Bill 685 in 2012, adding Water Code section 106.3, which recognizes that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes, and which requires all relevant state agencies to consider this right when revising, adopting, or establishing pertinent policies, regulations, and grant criteria;

Whereas, the Parties have provided emergency water supplies to some residents of East Porterville that are without an adequate household water supply;

Whereas, the Parties to this MOU seek an emergency and long-term solution to the lack of adequate household water supply by developing and providing continuous water supplies to these residents;

Whereas, East Porterville is located east and adjacent to Porterville, which has an existing municipal water system that serves residents within the incorporated area of Porterville;

Whereas, some of the residents of East Porterville without an adequate household water supply could be connected to Porterville's municipal water system provided certain arrangements and projects are carried out by the Parties;

Whereas, Vandalia is a neighborhood located within Porterville, and some Vandalia residents lack adequate household water supply and these households could be connected to Porterville's municipal water system;

Whereas, the Parties have met and have discussed alternative plans and projects that would provide an emergency water supply from Porterville to some residents of East Porterville and Vandalia in an expeditious manner;

Whereas, to advance these projects, DWR has provided funding, as reflected in the agreement between DWR and Tulare attached as Exhibit 1, for a municipal well designated as "Well C1" located in Tulare County that ultimately could be used to supply water to these residents of East Porterville;

Whereas, the SWRCB has also provided funding for Well C1, as reflected in the agreement between the SWRCB and the County attached as Exhibit 2;

Whereas, the County and Porterville intend to execute an agreement, a draft of which is attached as Exhibit 3, that will connect Well C1 to Porterville's municipal water system and that will provide for an adequate household water supply for some residents of East Porterville; and

Whereas, the Parties have reached an understanding on how best to implement the project alternative that will provide an adequate household water supply to some residents of East Porterville and Vandalia, and alleviate the hardships in an expeditious, cost-effective manner.

Understanding

A. Description of Emergency Project and Long-Term Plan

1. The purpose of this MOU is to set forth in writing the intentions of the Parties of how best to move forward with plans to complete an emergency water supply project (Project) to some residents in the East Porterville and Vandalia areas, which are represented in Exhibit 4. (Map showing East Porterville and Porterville). The goal of the Project is to provide an adequate household water supply to some of the residents and properties in these areas that do not have one presently, and to end the need of the Parties to provide temporary water supplies to those residents through tanks and bottles.

2. The Parties intend to develop the Project in two phases. Phase 1 will make municipal water connections to the properties in East Porterville that have dry wells and are adjacent to Porterville's existing municipal water distribution system. It is estimated that this phase will serve 40 properties with dry wells that are currently receiving temporary household water supplies.

3. The Parties intend that Phase 2 of the Project will provide municipal water supply to approximately 500 properties in East Porterville and in Vandalia that have dry wells or otherwise lack an adequate source of water and have not been connected by Phase 1. In order to complete Phase 2, the residents of these properties will likewise need to connect to Porterville's municipal water system.

4. As soon as possible, Porterville and DWR will undertake Phase 1 of the Project and connect the properties in East Porterville that are adjacent to Porterville's existing municipal water distribution system. These connections will be accomplished as described in Water Installation Diagram attached as Exhibit 5 and based on the cost estimate, which is attached as Exhibit 6. In order to make these connections, a property owner desiring to receive public water supply will need to execute the Extraterritorial Service Agreement, a sample of which is attached as Exhibit 7, and the SWRCB's Water Connection Agreement, a sample of which is attached as Exhibit 8. Necessary signatures and agreements with property owners will be sought through SWRCB's outreach carried out with the assistance of all Parties to this MOU.

5. The Parties intend that Well C1 will be used to provide the emergency water supply in Phase 2 to about 500 properties without adequate household water supplies. The Parties presently understand that there are about 423 properties in East Porterville and approximately 80 properties in Vandalia where connections may be needed to provide emergency water supplies.

6. The Parties have created a Technical Workgroup consisting of engineers and planners, which work cooperatively on the technical issues described in this MOU. Based on recommendations of the Technical Workgroup, the Parties intend to provide the emergency water supply contemplated by this MOU.

7. The Parties intend to develop a Long-Term Water System Plan (Long-Term Plan) for the East Porterville area, which will serve other residents in the area besides those served by the Project. The Parties intend that the Project will be designed consistent with the Long-Term Plan to ensure that all water facilities constructed as part of the Project will be incorporated into the facilities ultimately developed through the Long-Term Plan. The first work product produced by the Technical Workgroup will be a Feasibility Study for the Long-Term Plan. The outline of the Feasibility Study is attached as Exhibit 9.

8. The Parties intend to use best efforts to complete both phases of the Project by December 31, 2016. The completion date of the Long-Term Plan is dependent on the completion of the Feasibility Study carried out by Technical Workgroup and on Porterville and/or the County applying for and securing sufficient funding from the SWRCB or from other sources. The Parties desire to complete the Long-Term Plan as expeditiously as possible.

B. Project Contributions of the Parties

9. Working in cooperation with the other Parties and the Technical Workgroup, DWR will prepare all environmental compliance for the Project, and design and construct the Project, both Phases 1 and 2. DWR will provide funding for Phases 1 and 2 of the Project through Emergency Drought Funding. DWR intends to serve as California Environmental Quality Act (CEQA) lead agency for the Long-Term Plan and will prepare any necessary CEQA documentation and any other necessary environmental review documents, unless the Feasibility Study recommends another lead agency.

10. SWRCB will provide the community outreach to assist in obtaining necessary property owner acceptance before proceeding with Project. SWRCB will also work with Porterville and/or County to secure funding of the Long-Term Plan. SWRCB will provide certain reviews and approvals for the permitting of the Project and the Long-Term Plan.

11. OES will coordinate all of the State's efforts under the Governor's Drought Task Force in the Project area and will be provided at no cost by Porterville up to 3,000,000 gallons of emergency water per month as needed as a result of this MOU and the agreement that Porterville and the County are in the process of considering for execution, a draft of which is attached as Exhibit 3, with regard to the Well C1.

12. Porterville will provide the needed water service to the residents of East Porterville without an adequate household water supply after they are connected to Porterville's municipal water system as described in the Project. The water service will be accomplished per the Extraterritorial Service Agreement, which requires that property owners served pay the monthly water bill. DWR is funding the residents' connection to the Project, and as a result, some of the normal connection fees will be waived provided that connection is made during Phase 1 or Phase 2. Porterville will install the water meters for each connection, which will be paid for by DWR.

13. The County intends to execute an agreement with Porterville that is consistent with this MOU and Exhibit 3, which will allow Well C1 to serve as a water supply for the Project. The County will inspect the work of the Project and the property connections at no cost to the residents.

14. The Parties to the MOU will cause the removal of all temporary water tanks from the properties upon completion of the Project and the appurtenances necessary for the receipt of municipal water service. The work for removing the water tanks will be carried out by the County under an agreement between the County and OES.

C. General Provisions

15. The Parties intend to use their best efforts to carry out this MOU. This MOU is not a binding agreement, and is not intended to create contractual rights and remedies among the Parties. However, the Parties have entered into and intend to enter into certain binding agreements in the future necessary to develop and complete the Project and the Long-Term Plan.

16. This MOU will become effective upon the signature of the all Parties. The MOU will terminate on December 31, 2016, unless extended by all of the Parties in writing.

[Signatures on following page]

This MOU has been executed by:

California Department of Water Resources

State Water Resources Control Board

California Office of Emergency Services

County of Tulare

City of Porterville

List of Exhibits

1. DWR and Tulare County Executed Well C1 Agreement
2. SWRCB and County Executed Well C1 Agreement (Water Board Grant #D-15-11-902)
3. County and Porterville Draft Well Agreement
4. Map of East Porterville
5. Household Water Service Installation Diagram
6. Household Water Service Cost Estimate
7. Sample Extraterritorial Service Agreement
8. Sample SWRCB Water Connection Agreement
9. Draft Emergency Project Feasibility Study



Amendment No. 1

To the East Porterville Water Supply Project

Memorandum of Understanding (MOU)

Regarding the Provisions of Emergency Water Supplies to East Porterville
by the California Department of Water Resources (DWR), California Office of
Emergency Service (OES), the State Water Resources Control Board (SWRCB),
the County of Tulare (County), and City of Porterville (Porterville),
which are collectively known as the "Parties"

This Amendment No.1 to the MOU is made this 7th day of November, 2016. As described below, this Amendment No.1 recognizes the MOU is still in effect, modifies certain sections of this MOU, and adds new sections to the MOU.

Recitals

Whereas, some residents living in an unincorporated area of Tulare County, commonly known as "East Porterville," have experienced loss of adequate water supply to their homes and properties as a result of severe drought conditions, which has caused significant hardship for the residents;

Whereas, Governor Edmund G. Brown Junior has directed all State agencies to assist these residents who are in need of water supplies with emergency and long-term assistance;

Whereas, the Parties to this MOU seek an emergency and long-term solution to the lack of adequate household water supply by developing and providing continuous water supplies to these residents;

Whereas, to advance these projects, DWR and the SWRCB have provided funding, as reflected in Exhibits 1 and 2, for a municipal well designated as "Well C1" located in Tulare County that ultimately could be used to supply water to these residents of East Porterville;

Whereas, the Parties have reached an understanding on how best to implement the project alternative that will provide an adequate household water supply to some residents of East Porterville and Vandalia, and alleviate the hardships in an expeditious, cost-effective manner:

Whereas, the purpose of this amendment is to clarify some sections of the MOU and to add several new sections.

NOW THEREFORE, IT IS MUTUALLY AGREED that the following changes are hereby made to the MOU:

1. Section A (2) is amended to read as follows:

The Parties intend to develop the Project in two phases. Phase 1 will make municipal water connections to the properties in East Porterville and Vandalia that have dry wells and/or water tanks. It is estimated that this phase will serve approximately 300 properties.

2. Section A (3) is amended to read as follows:

The Parties intend that Phase 2 of the Project will provide municipal water supply to approximately 800 properties in East Porterville by connecting them to the City of Porterville's water system. The total number of homes eligible for this Project is approximately 1,100.

3. Section A (5) is amended to read as follows:

The Parties intend that Well C1 will be used to provide the initial water supply. The Parties acknowledge the delay in Well C1 completion. To mitigate the effects of this on the residents of East Porterville, the City of Porterville will allow connections of homes as they become prepared for connection. These early connections will be beyond the initial 70 connections (previously 40 connections) agreed to, given the availability of capacity during the winter months. However, these additional connections to the City's water system will cease on March 1, 2017, if Well C1's connection to the City's water system is not completed by then.

4. Sections A (7) b-f shall be added and made part of this MOU:

7 (a). The Parties intend to develop a Long-Term Water System Plan (Long-Term Plan) for the East Porterville area, which will serve other residents in the area besides those served by the Project. The Parties intend that the Project will be designed consistent with the Long-Term Plan to ensure that all water facilities constructed as part of the Project will be incorporated into the facilities ultimately developed through the Long-Term Plan. The first work product produced by the Technical Workgroup will be a Feasibility Study for the Long-Term Plan. The outline of the Feasibility Study is attached as Exhibit 9.

(b). The East Porterville Water Supply Project Hydraulic Analysis Report ("Hydraulic Analysis Report," which is attached as Exhibit 10) determined that the water supply capacity required to serve all eligible residents of East Porterville is 1,435 gallons per minute (gpm). This capacity shall be based on the sustainable yield of the wells which is defined as 75 percent of the initial design capacity. Since Well C1 has a sustainable yield of 600 gpm, the Parties agree that the State will fund the construction and equipping of additional wells to provide the 835 gpm shortfall.

(c). Based on the Hydraulic Analysis, a 700,000 gallon water storage tank is required to serve the residents of East Porterville. However, based on Porterville's master plan recommendations, a 1.2 million-gallon storage tank is required for the City's buildout. The Parties therefore intend to construct a 1.2 million-gallon storage tank with cost sharing between the State and the City. The State will fund the cost of a 700,000 gallon tank required for the Project and the City of Porterville will fund the cost of the additional 500,000 gallons of storage required for the City's future use as contained in its master plan. The cost-sharing shall be proportional to the tank capacity being funded.

(d). The Parties intend to upgrade the existing Henderson-Plano Booster Pump Station and the Granite Hills Intertie which would facilitate water supply to the East Pressure Zone which serves East Porterville. The State will fund the construction of one booster pump rated at 2,100

gpm along with a variable frequency drive and the Granite Hills Intertie. The City will fund the replacement of its two existing pumps along with associated variable frequency drives as part of Phase 2 of the Project. These two pumps are more than 30-years old and their replacement will enable the City's water system to operate more efficiently and in a cost-saving manner.

(e). The Parties further agree that a booster pump station of capacity 1,670 gpm is required to convey water from the West Pressure Zone, where the new wells will be located, to the Central Pressure Zone for onward conveyance to East Porterville. The State will fund the construction of this booster pump station.

(f). Given that Well C1 has an estimated sustainable yield of 600 gpm, as well as a unit demand of 0.833 gpm per home connection based on the Hydraulic Analysis , Well C1 could effectively serve up to 720 households . The Parties agree that home connections for Phase 2 of the Project can begin as soon as Well C1 is connected to the City's water system, and the Henderson-Plano Booster Pump Station upgrade and the Granite Hills Intertie are completed. These home connections shall cease when the capacity of Well C1 is exceeded. Thereafter, additional home connections will be made after the construction of additional wells or if City staff determines that the water system can support additional home connections.

5. Section (C) 16 is amended to read as follows:

16. This MOU will become effective upon the signature of the all Parties. The MOU will terminate on June 30, 2018, unless extended by all Parties in writing.

6. The list of the Exhibits at the end of MOU is amended to read as follows:

1. DWR and Tulare County Executed Well C1 Agreement
2. SWRCB and County Executed Well C1 Agreement (Water Board Grant #D-15-11-902)
3. County and Porterville Draft Well Agreement
4. Map of East Porterville
5. Household Water Service Installation Diagram
6. Household Water Service Cost Estimate
7. Sample Extraterritorial Service Agreement
8. Sample SWRCB Water Connection Agreement
9. Draft Feasibility Study for the Long-Term Plan
10. East Porterville Water Supply Project Hydraulic Analysis Report

This MOU has been executed by:

California Department of Water Resources

State Water Resources Control Board

California Office of Emergency Services

County of Tulare

City of Porterville

Executive Department

State of California

EXECUTIVE ORDER B-40-17

WHEREAS California has endured a severe multi-year drought that has threatened the water supplies of communities and residents, devastated agricultural production in many areas, and harmed fish, animals and their environmental habitats; and

WHEREAS Californians responded to the drought by conserving water at unprecedented levels, reducing water use in communities by more than 22% between June 2015 and January 2017; and

WHEREAS the State Water Resources Control Board, the Department of Water Resources, the Department of Fish and Wildlife, the Office of Emergency Services, and many other state agencies worked cooperatively to manage and mitigate the effects of the drought on our communities, businesses, and the environment; and

WHEREAS the State provided 66,344,584 gallons of water to fill water tanks for communities suffering through drought-related water shortages, outages, or contamination, and provided emergency assistance to drill wells and connect communities to more robust water systems; and

WHEREAS the State took a number of important actions to preserve and protect fish and wildlife resources, including stream and species population monitoring, fish rescues and relocations, infrastructure improvements at trout and salmon hatcheries, and infrastructure to provide critical habitat for waterfowl and terrestrial animals; and

WHEREAS the State established a Statewide Water Efficiency and Enhancement Program for agricultural operations that provides financial assistance for the implementation of irrigation systems that save water; and

WHEREAS water content in California's mountain snowpack is 164 percent of the season average; and

WHEREAS Lake Oroville, the State Water Project's principal reservoir, is 101 percent of average, Lake Shasta, the federal Central Valley Project's largest reservoir, is at 110 percent of average, and the great majority of California's other major reservoirs are above normal storage levels; and

WHEREAS despite winter precipitation, the effects of the drought persist in areas of the Central Valley, including groundwater depletion and subsidence; and

WHEREAS our changing climate requires California to continue to adopt and adhere to permanent changes to use water more wisely and to prepare for more frequent and persistent periods of limited water supply; and

WHEREAS increasing long-term water conservation among Californians, improving water use efficiency within the State's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California, do hereby **TERMINATE THE JANUARY 17, 2014 DROUGHT STATE OF EMERGENCY** for all counties in California except the Counties of Fresno, Kings, Tulare, and Tuolumne.

I FURTHER ORDER THAT:

1. The orders and provisions contained in my April 25, 2014 Emergency Proclamation, as well as Executive Orders B-26-14, B-28-14, B-29-15, and B-36-15 are rescinded.
2. The orders and provisions contained in Executive Order B-37-16, **Making Water Conservation a California Way of Life**, remain in full force and effect except as modified by this Executive Order.
3. As required by the State Emergency Plan and Government Code section 8607(f), the Office of Emergency Services, in coordination with other state agencies, shall produce an after-action report detailing the State's response to the drought and any lessons learned in carrying out that response.

MAINTAINING CONSERVATION AS A WAY OF LIFE

4. The State Water Resources Control Board (Water Board) shall continue development of permanent prohibitions on wasteful water use and requirements for reporting water use by urban water agencies, and to provide a bridge to those permanent requirements, shall maintain the existing emergency regulations until they expire as provided by the Water Code. Permanent restrictions shall prohibit wasteful practices such as:
 - Hosing off sidewalks, driveways and other hardscapes;
 - Washing automobiles with hoses not equipped with a shut-off nozzle;
 - Using non-recirculated water in a fountain or other decorative water feature;
 - Watering lawns in a manner that causes runoff, or within 48 hours after measurable precipitation; and
 - Irrigating ornamental turf on public street medians.
5. The Water Board shall rescind those portions of its existing emergency regulations that require a water supply stress test or mandatory conservation standard for urban water agencies.

6. The Department of Water Resources (Department) shall continue work with the Water Board to develop standards that urban water suppliers will use to set new urban water use efficiency targets as directed by Executive Order B-37-16. Upon enactment of legislation, the Water Board shall adopt urban water use efficiency standards that include indoor use, outdoor use, and leaks as well as performance measures for commercial, industrial, and institutional water use. The Department shall provide technical assistance and urban landscape area data to urban water suppliers for determining efficient outdoor use.
7. The Water Board and the Department shall continue to direct actions to minimize water system leaks that waste large amounts of water. The Water Board, after funding projects to address health and safety, shall use loans from the Drinking Water State Revolving Fund to prioritize local projects that reduce leaks and other water system losses.
8. The Water Board and the Department shall continue to take actions to direct urban and agricultural water suppliers to accelerate their data collection, improve water system management, and prioritize capital projects to reduce water waste. The California Public Utilities Commission is requested to work with investor-owned water utilities to accelerate work to minimize leaks.
9. The Water Board is further directed to work with state agencies and water suppliers to identify mechanisms that would encourage and facilitate the adoption of rate structures and other pricing mechanisms that promote water conservation.
10. All state agencies shall continue response activities that may be needed to manage the lingering drought impacts to people and wildlife. State agencies shall increase efforts at building drought resiliency for the future, including evaluating lessons learned from this current drought, completing efforts to modernize our infrastructure for drought and water supply reliability, and shall take actions to improve monitoring of native fish and wildlife populations using innovative science and technology.

CONTINUED DROUGHT RESPONSE IN FRESNO, KINGS, TULARE, AND TUOLUMNE COUNTIES

11. The Water Board will continue to prioritize new and amended safe drinking water permits that enhance water supply and reliability for community water systems facing water shortages or that expand service connections to include existing residences facing water shortages.
12. The Department and the Water Board will accelerate funding for local water supply enhancement projects and will continue to explore if any existing unspent funds can be repurposed to enable near-term water conservation projects.
13. The Water Board will continue to work with local agencies to identify communities that may run out of drinking water, and will provide technical and financial assistance to help these communities address drinking water

shortages. It will also identify emergency interconnections that exist among the State's public water systems that can help these threatened communities. The Department, the Water Board, the Office of Emergency Services, and the Office of Planning and Research will work with local agencies in implementing solutions to those water shortages.

14. For actions taken in the Counties of Fresno, Kings, Tulare, and Tuolumne pursuant to directives 11–13, the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, as well as Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division, are hereby suspended. These suspensions apply to any actions taken by state agencies, and for actions taken by local agencies where the state agency with primary responsibility for implementing the directive concurs that local action is required, as well as for any necessary permits or approvals required to complete these actions.
15. California Disaster Assistance Act Funding is authorized until June 30, 2017 to provide emergency water to individuals and households who are currently enrolled in the emergency water tank program.
16. State departments shall commence all drought remediation projects in Fresno, Kings, Tulare, and Tuolumne Counties within one year of the date of this Executive Order.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 7th day of April 2017.


EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

