

**CITY COUNCIL AGENDA
CITY HALL, 291 N. MAIN STREET
PORTERVILLE, CALIFORNIA
APRIL 7, 2015, 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 54956.8 - Conference with Real Property

Negotiators/Property: APN: 262-150-001. Agency Negotiator: John Lollis. Negotiating Parties: City of Porterville and Rafael Aguilo. Under Negotiation: Terms and Price.

2 - Government Code Section 54956.8 - Conference with Real Property

Negotiators/Property: APN: 243-210-065. Agency Negotiator: John Lollis. Negotiating Parties: City of Porterville and Benny and Jean Webb. Under Negotiation: Terms and Price.

3 - Government Code Section 54956.8 – Conference with Real Property

Negotiators/Property: APN: 261-140-024. Agency Negotiators: John Lollis. Negotiating Parties: City of Porterville and Verizon Wireless. Under Negotiation: Terms and Price.

4 - Government Code Section 54957.6 - Conference with Labor Negotiator. Agency Negotiator: John Lollis, Steve Kabot, and Patrice Hildreth. Employee

Organizations: Porterville Police Officer Association and Porterville City Firefighters Association.

5 - Government Code Section 54956.9(d)(1) - Conference with Legal Counsel - Existing Litigation: J. Duran v. City of Porterville et al., U.S. District Court, Eastern District, Case No. 12:-CV-01239-LJO-BAM.

6 - Government Code Section 54956.9(d)(1) - Conference with Legal Counsel - Existing Litigation: A. Duran v. City of Porterville et al., U.S. District Court, Eastern District, Case No. 1:13-CV-00370-AWI-BAM.

7 - Government Code Section 54956.9(d)(1) – Conference with Legal Counsel – Existing Litigation: California Healthy Communities Network v. City of Porterville, California Court of Appeal, Fifth District, Case No. F067685.

8 - Government Code Section 54956.9(d)(3) - Conference with Legal Counsel - Anticipated Litigation - Significant Exposure to Litigation: Three Cases in which facts are not yet known to potential plaintiff.

9 - Government Code Section 54956.9(d)(4) - Conference with Legal Counsel - Anticipated Litigation - Initiation of Litigation: Two Cases.

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

Pledge of Allegiance Led by Mayor Stowe
Invocation

PROCLAMATIONS

Fair Housing Month - April 2015

PRESENTATIONS

Employee of the Month - Tim Mulvihill

AB 1234 REPORTS

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

1. Council of Cities - March 18, 2015
2. Tulare County Economic Development Corp. (TCEDC) - March 25, 2015
3. Local Agency Formation Committee (LAFCO) - April 1, 2015

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 - April 2, 2015
 2. Library & Literacy Commission
 3. Arts Commission - March 25, 2015
 4. Animal Control Commission
 5. Youth Commission
 6. Transactions and Use Tax Oversight Committee (TUTOC)
- II. Staff Informational Reports
 1. Report of Commission and Committee Vacancies
 2. Water Status Update / Proposition 218 Public Hearing Notice

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. **Minutes of March 3, 2015**
Re: Considering approval of draft Minutes for March 3, 2015.
2. **Authorization to Purchase Murry Park Shade Structure**
Re: Considering approval of the purchase and installation of the Murry Park shade structure from NSP3 for \$19,673.
3. **Authorization to Distribute Request for Proposals for Greenhouse-Gas Emissions Analysis**
Re: Considering authorization to distribute a Request for Proposals for a Greenhouse-Gas Emissions Analysis for the Riverwalk Phase II project.
4. **Award Reclamation Area Lease**
Re: Considering approval of a Reclamation Area Lease Agreement (55 month term) with Rick Perigo Roadsiding in the amount of \$165 per acre for an annual amount of \$112,596 for 682.4 acres.
5. **Authorization of Encroachment Agreements for the Installation of Fiber Optic Networks**
Re: Considering authorization to enter into encroachment agreements with OACYS Telecom, Inc. and CVIN, LLC, for the installation of Fiber Optic Networks within Public Right-of-Way.
6. **Adoption of the Urban Area Boundary/Urban Development Boundary**
Re: Considering approval of a resolution adopting the Urban Area Boundary and Urban Development Boundary, as required by the General Plan.
7. **CDBG Advisory Board Participation Plan**
Re: Considering adoption of the 2015 Citizen Participation Plan, and considering re-appointment of current CDBG Advisory and Housing Committee members for a one-year term.

8. **Authorization to Update the Retail Recruitment Strategy**
Re: Considering authorization to negotiate a contract with Buxton to update the City's retail recruitment strategy.
9. **California Fire Assistance Agreement**
Re: Considering approval of a resolution identifying the terms and conditions for Fire Department response away from their official duty station and assigned to an emergency incident.
10. **Request for Proclamation - Iris Festival Day - April 25, 2015**
Re: Considering a Request for a Proclamation submitted by the Chamber of Commerce to proclaim April 25, 2015 as "Iris Festival Day."
11. **Request for Proclamation - Arbor Day - April 24, 2015**
Re: Considering approval of a Request for a Proclamation submitted by the Parks and Leisure Services Department to proclaim April 24, 2015, as "Arbor Day."
12. **Request for Proclamation - Public Schools' Month - May 2015**
Re: Considering a Request for a Proclamation submitted by the Orange Belt Masonic Lodge #303 to proclaim May 2015, as "Public Schools' Month."
13. **Travel to Washington D.C. for Tulare County Association of Governments (TCAG) "One Voice Trip" - April 13 - 16, 2015**

Re: Considering authorization to expend City monies in support of travel to Washington D.C. by Council Member Gurrola and a member of City staff.
14. **Approval for Community Civic Event – Kiwanis Club of Porterville and American Circus, Inc – April 23, 2015 to April 27, 2015**
Re: Considering approval of an event to take place on Thursday, April 23 through Monday, April 27, 2015, at the ball field area of the Heritage Center, behind Vallarta Market
15. **Approval for Community Civic Event – Central Valley Family Crisis Center – Dust Bowl Run – June 6, 2015**
Re: Considering approval of an event to take place on Saturday, June 6, 2015, from 7:00 a.m. until 2:00 p.m., at 2701 W. Scranton Avenue.
16. **Approval for Community Civic Event – Porterville Chamber of Commerce – After Hours Mixer – April 16, 2015**
Re: Considering approval of an event to take place at Centennial Park on Thursday, April 16, 2015, from 5:30 p.m. to 7:00 p.m.

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

PUBLIC HEARINGS

17. Annexation of Sixteen Unincorporated Islands in Five Applications

Re: Considering approval of resolutions approving the Negative Declaration and Annexations 474 through 479.

SECOND READINGS

18. Second Reading - Ordinance 1822, Amending Ordinance 1796 which approved Zone Change 2012-002-Z from RM-2 (Medium Density Residential), RM-3 (High Density Residential), and CN (Neighborhood Commercial) to CMX (Commercial Mixed-Use) for that 23.4 +/- Acre Site Located Generally at the Southwest Corner of Henderson Avenue and Newcomb Street

Re: Second reading of Ordinance 1822, which was given first reading on March 17, 2015.

SCHEDULED MATTERS

19. Governor's Executive Order for Statewide Mandatory Water Reductions, and the Provision of Water to East Porterville Residents

Re:

Consideration of the County's request to purchase potable water for at least 12 months.

20. Consideration of Modifications to Existing Contract with Pena's Disposal Service

Re: Consideration of modifications to the existing contract with Pena's Disposal Service.

21. Consideration of Requiring a Street Maintenance Assessment be Included in the Approval of New Residential Subdivisions

Re: Consideration of amending the City's Development Ordinance to require a street maintenance assessment be included in the approval of new residential subdivisions.

Adjourn to a joint meeting of the City Council, Porterville Public Improvement Corporation, and Porterville Public Financing Authority.

**JOINT CITY COUNCIL, PORTERVILLE PUBLIC IMPROVEMENT CORPORATION,
AND PORTERVILLE PUBLIC FINANCING AUTHORITY AGENDA
291 N. MAIN STREET, PORTERVILLE, CA 93257
APRIL 7, 2015**

Roll Call

WRITTEN COMMUNICATIONS

ORAL COMMUNICATIONS

JOINT SCHEDULED MATTERS

1. Prepayment of 2013 Rabobank Lease Agreement and Refinancing of the 2002 Certificates of Participation

Re: Consideration of the prepayment of the 2013 Rabobank Lease Agreement and refinancing of the 2002 Certificates of Participation, and authorization to execute all draft resolutions, agreements, and documents as may be required.

Adjourn to a meeting of the Porterville City Council.

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 April 21, 2015.

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 – APRIL 7, 2015

SUBJECT: Report of Commission and Committee Vacancies

SOURCE: Administrative Services

COMMENT: Vacancies currently exist on the Parks & Leisure Services Commission, the Arts Commission and the Transactions and Use Tax (Measure H) Oversight Committee. As is customary, staff has advertised the vacancies through the media and on the City's website, and will continue to do so until said vacancies are filled.

Information and eligibility requirements for these Commissions and Committee are as follows:

Parks and Leisure Services Commission: The Commission is comprised of eight members, with seven members appointed by the City Council, and the remaining member appointed directly by Porterville Unified School District. Commissioners are seated for four-year terms, must be city residents, and serve in an advisory capacity, advising the City Council and the Director of the Parks and Leisure Services Department on the management and control of parks, parkways, public grounds, and leisure services. Meetings are held on the first Thursday of the month, beginning at 5:30 p.m. in the Council Chambers at City Hall.

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 up to 10 members serving three-year 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.

Transactions and Use Tax (Measure H) Oversight Committee: This committee was established as a part of Measure H, a public safety one-half cent sales tax measure approved by Porterville voters in November of 2005. The charge of the committee is to review the revenue and expenditures of the three Measure H budgets (Fire, Police and Literacy), and to report its findings to the City Council. The Committee is comprised of 10 members of the public, each serving four-year terms, and is required to meet at least once annually after the adoption of the budget. To be eligible for appointment, individuals must either be a Porterville resident, business owner, or business operator.

Those interested in serving are encouraged to submit a Request for Appointment to the Office of City Clerk. Forms and additional information are available on the City's website. Requests for Appointment received will be brought to the City Council for consideration at a later date.

RECOMMENDATION: Informational Item Only.

ATTACHMENTS:

Appropriate/Funded: N/A

Review By:

Department Director:

Patrice Hildreth, Administrative Services Dir

Final Approver: John Lollis, City Manager



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Water Status Update / Proposition 218 Public Hearing Notice

SOURCE: Public Works

COMMENT: Staff approached Council on February 17, 2015, for consideration of scheduling a Public Hearing for May 19, 2015, to consider a water rate increase. With Council's approval, staff has proceeded with the Proposition 218 Notice of a Public Hearing on the proposed increase to the water rates. Public notice was mailed directly to all water utility customers and city of Porterville property owners on March 27, 2015.

As addressed at the February 17, 2015, meeting, staff has reviewed both this and last year's budget and determined that the City's Water Development, Operations and Replacement Funds are declining to a point where maintenance and replacement projects are being deferred due to lack of funding. The purpose of the Water Operating and Replacement Fund is to ensure that the water supply and distribution system will have the capacity to serve its residents and allow for new development, as outlined in the City's General Plan. The capacity and quality of the services provided by the Public Works water utilities significantly affect the quality of life enjoyed by those who live, work, and own property in Porterville.

In recent years, the Water Operating Fund has experienced a downward trend of revenue and an increase in expenses. The current drought conditions and water conservation efforts have further reduced water sales revenues. It is projected that the cash balance at the end of fiscal year 2014/2015 will have a shortfall of \$678,171. These trends are expected to continue as drought conditions persist, and potentially worsen, in the future.

Attached is a copy of what has been mailed to property owners and water utility users of Porterville as part of Proposition 218 Notice of Public Hearing on Proposed Increase to Water Rates. With the next fiscal year beginning July 1, 2015, and in accordance with Proposition 218 legal requirements (which provides for at least a 45-day notice of a protest hearing for a proposed fee increase), staff has noticed a public hearing for May 19, 2015.

The proposed Rate adjustment to be considered will be an increase of \$5 on a typical residential meter, as well as an 18¢ (per 100 cubic feet) water rate increase. A proportional increase on all other meters, backflow devices, and unmetered accounts is also being recommended. An annual rate increase will be proposed based on Consumer Price Index (CPI) adjustments over the next four years. Consumers will be annually notified of the exact increase in their May and June water bills.

Furthermore, at the public hearing, City Council will consider authorizing a 20%

water consumption rate increase in Phase IV of the City's Water Conservation Plan. We are currently in Phase II of the plan; Phase IV is the City's Emergency Response Phase and implemented in times of severe water supply shortages due to drought or other emergencies.

RECOMMENDATION: Information Only

ATTACHMENTS: 1. Proposition 218 Notice of Public Hearing

Appropriate/Funded:

Review By:

Department Director:

Bryan Styles, Field Services Manager

Final Approver: John Lollis, City Manager

PROPOSITION 218 NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES TO WATER RATES

NOTICE IS HEREBY GIVEN that the City of Porterville will hold a Public Hearing on May 19, 2015, at 6:30pm in the City Council Chambers, located at 291 North Main Street, Porterville, CA 93257, to consider the adoption of increases to the rates for its water service fees. The purpose of the public hearing is to take written and oral comments and consider all written protests against the proposed rate increases. Written protests must be filed with the City of Porterville City Clerk.

For complete information in English, please see attached notice.

PROPOSICIÓN 218 AVISO DE AUDIENCIA PÚBLICA SOBRE LA PROPUESTA DE AUMENTO A LAS TARIFAS DE AGUA

AVISO queda dado que la City of Porterville realizará una audiencia pública sobre 19 de Mayo, 2015 a las 18:30 en la sala del Consejo, ubicado en 291 N. Main Street, Porterville, CA 93257 para considerar la aprobación de aumentos a las tarifas por sus aguas honorarios de servicio. El propósito de la audiencia pública es tomar comentarios escritos y orales y considerar todas las protestas escritas contra el aumento la tarifa propuesta. Protestas escritas deberán presentarse con la Secretaria Municipal de la ciudad de Porterville.

Sus Derechos: Si usted es el dueño de registro de una propiedad conforme a las tarifas propuestas o un inquilino directamente responsable por el pago de honorarios de servicio de agua (es decir., un cliente de registro) puede presentar una protesta por escrito contra los cambios de la tarifa propuesta. Sólo una protesta escrita por parcela se contarán. Protestas escritas pueden enviarse por correo a la ciudad, City Of Porterville, 291 N Main Street, Porterville, CA 93257 o en persona en la audiencia pública, siempre y cuando se hayan recibido antes de la conclusión del testimonio público en la audiencia pública. Por favor identifíquese en el frente del sobre "Water Rate Protest " para cualquier protesta ya sea por correo o presentarse en persona a la Secretaria Municipal. Las protestas presentadas verbalmente, o por correo electrónico, fax o otros medios electrónicos no serán aceptados. Para obtener más información acerca de este aviso, por favor llame a Field Services al 559-782-7514.

PROPOSITION 218 NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES TO WATER RATES

NOTICE IS HEREBY GIVEN that the City of Porterville will hold a Public Hearing on May 19, 2015, at 6:30pm in the City Council Chambers, located at 291 North Main Street, Porterville, CA 93257, to consider the adoption of increases to the rates for its water service fees. The purpose of the public hearing is to take written and oral comments and consider all written protests against the proposed rate increases. Written protests must be filed with the City of Porterville City Clerk.

YOUR RIGHTS: If you are the record owner of a property subject to the proposed rates or a tenant directly liable for the payment of water service fees (i.e., a customer of record), you may submit a written protest against the proposed rate changes. Only one written protest per parcel will be counted. Written protests may be submitted by mail to the City Clerk, City of Porterville, 291 North Main Street, Porterville, CA 93257, or in person at the public hearing, so long as they are received prior to the conclusion of public testimony at the public hearing. Please identify on the front of the envelope "Water Rate Protest" for any protest, whether mailed or submitted in person to the City Clerk. Protests submitted verbally, or by e-mail, facsimile, or other electronic means will not be accepted.

Each protest must (1) be in writing; (2) state opposition to the proposed water rate increase; (3) provide the location of the owner's identified parcel (by assessor's parcel number or street address); and (4) include the original signature of the property owner or customer of record submitting the protest. Only one written protest per parcel will be counted.

At the conclusion of the public hearing, the City Council will consider adopting the proposed rate increases, which are outlined on the reverse side of this notice. If, at the close of the public hearing, written protests against the proposed water rate increases are submitted by a majority of record owners of affected parcels and customers of record (50% plus one), the City will not approve the proposed water rates. If, at the close of the public hearing, written protests against the proposed rate increases do not present a majority of record owners of affected parcels and customers of record, the City Council will be authorized to impose rate increases up to the amounts proposed. If adopted, new water rates will be effective July 1, 2015.

THE NEED FOR WATER RATE INCREASES: The City has not increased the rates for its water service fees since 1995. The City makes every effort to provide its customers with water in the most efficient and cost effective manner possible. While the City continually strives for cost reductions and better utilization of the assets it holds, it also needs to keep pace with inflation, maintain and upgrade aging infrastructure, and other cost increases. Since 1995 the costs to operate the water system have increased, just like the costs of food, electricity and other basic household commodities. Rates need to be raised to: (1) adequately fund the water system so it can be operated safely and provide residents and businesses with clean, safe and reliable potable water; (2) put aside money for future water supply projects; (3) provide timely maintenance of existing facilities; and (4) build a small reserve for emergencies, to address higher than estimated capital costs, and costs of possible future regulations as water quality standards become more stringent.

PROPOSED WATER RATE INCREASES: The City's Water Development, Operations and Replacement Funds are declining to a point where maintenance and replacement projects are being deferred due to lack of funding. The purpose of the Water Operating and Replacement Fund is to ensure that the water supply and distribution system will have the capacity to serve its residents. The suggested increase, charted below, will augment the Water Operating Fund so that a meaningful "Water Main Replacement" program can be developed.

PROPOSED RATES (2015/16): The proposed water rates include two components: (1) a meter charge and (2) a variable (water consumption-based) use charge. The meter charge is a fixed amount calculated to recover a portion of the City's fixed costs of operating and maintaining the water system and is established on the basis of the size of the water meter serving the property. The fixed meter charge is due regardless of the quantity of water consumed. The variable water use charge is the rate the City charges per unit of water consumed (one unit of water equals 748 gallons or 100 cubic feet). The variable charge will be different from one bill to another, depending on the quantity of water consumed. Currently, the City charges a \$5.00 flat rate on a typical residential meter and charges \$0.72 per 100 cubic feet of water. City Council will consider a rate increase of \$5.00 on a typical residential meter as well as an \$0.18 water rate increase per 100 cubic feet of water consumed. A proportional increase on all other meters is also being considered (see graphs on reverse side for additional information).

PROPOSED ANNUAL RATE INCREASE (BASED ON CPI ADJUSTMENTS): In addition to considering these proposed rate increases, City Council will also consider an annual rate increase. This annual rate increase would be tied to the Consumer Price Index (CPI) for the San Francisco Bay Area. As such, the exact adjustment to water rates would not be available until the yearly CPI number is released. Based on the CPI data from 2004 through 2014, the average yearly adjustment was 2.3%, with a typical range from 0.7% to 3.3%. The proposed 2.3% adjustments shown below would take place over the next five years (through FY 2019/20), after which time no further automatic adjustments would take place absent a new notice and hearing pursuant to Proposition 218. Under the proposed annual rate increase structure, Porterville residents are likely to see an increase of \$0.02 per 100 cubic feet of water, or about \$0.67 per month for the average customer (inclusive of the meter rate increase). If implemented, the CPI rate increase charges will take effect starting July 1, 2016. Customers will be notified annually of the exact increase in their May and June water bills.

PROPOSED WATER CONSERVATION PLAN PHASE IV RATE INCREASE: Furthermore, at the public hearing, City Council will consider authorizing a 20% water consumption rate increase in Phase IV of the City's Water Conservation Plan. We are currently in Phase II of the plan; Phase IV is the City's Emergency Response Phase and implemented in times of severe water supply shortages due to drought or other emergencies. This rate increase will encourage water conservation, will also serve as a provision to recover the lost revenues from water conservation which are needed to pay for routine maintenance of the water system, and will assist with continued adequacy of the City's water supply.

BILL IMPACT: A typical single family home uses 22 units (16,456 gallons or 2,200 cubic feet) of water in a billing cycle. A typical monthly bill would increase from \$20.84 to \$29.80 under the proposed initial increase. Should the annual rate increase pass, a typical monthly bill would increase as follows over the next five years. Please note that bills will be lower or higher than shown depending on actual quantity of water used.

	Current	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Monthly Bill</i>	\$20.84	\$29.80	\$30.47	\$31.15	\$31.83	\$32.73

City staff can assist you with answering any questions about your water bill. If you have any questions regarding the information provided in this notice, or the rates applicable to your property, please contact Field Services at (559) 782-7514.

METERED RATES		Proposed Metered Rates per Fiscal Year (FY)				
Water Rate Schedule	Current Rates	Proposed Rates (2015/16)	Subsequent Annual Increases Based on CPI			
			FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
<i>Projected CPI Increase*</i>			2.3%	2.3%	2.3%	2.3%
WATER CONSUMPTION CHARGE (per 100 cubic feet)	\$0.72	\$0.90	\$0.92	\$0.94	\$0.96	\$0.99
PHASE IV RATE INCREASE†	---	\$1.08	\$1.10	\$1.13	\$1.15	\$1.19
METER SIZE						
<i>Less than 1"</i>	\$5.00	\$10.00	\$10.23	\$10.47	\$10.71	\$10.95
<i>1"</i>	\$5.50	\$11.00	\$11.25	\$11.51	\$11.77	\$12.04
<i>1 1/4"</i>	\$6.75	\$13.50	\$13.81	\$14.13	\$14.45	\$14.78
<i>1 1/2"</i>	\$8.00	\$16.00	\$16.37	\$16.75	\$17.14	\$17.53
<i>2"</i>	\$10.00	\$20.00	\$20.46	\$20.93	\$21.41	\$21.90
<i>3"</i>	\$13.50	\$27.00	\$27.62	\$28.26	\$28.91	\$29.57
<i>4"</i>	\$16.50	\$33.00	\$33.76	\$34.54	\$35.33	\$36.14
<i>6"</i>	\$20.00	\$40.00	\$40.92	\$41.86	\$42.82	\$43.80
<i>8"</i>	\$25.00	\$50.00	\$51.15	\$52.33	\$53.53	\$54.76

UNMETERED FLAT RATES		Proposed Unmetered Flat Rates per Fiscal Year (FY)				
Water Rate Schedule	Current Rates	Proposed Rates (2015/16)	Subsequent Annual Increases Based on CPI			
			FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
<i>Projected CPI Increase*</i>			2.3%	2.3%	2.3%	2.3%
<i>Trailer Parks</i>	\$13.76	\$19.68	\$20.13	\$20.59	\$21.07	\$21.55
PHASE IV RATE INCREASE†	---	\$23.62	\$24.16	\$24.71	\$25.28	\$25.86
<i>All Others</i>	\$29.93	\$42.80	\$43.78	\$44.79	\$45.82	\$46.87
PHASE IV RATE INCREASE†	---	\$51.36	\$52.54	\$53.75	\$54.98	\$56.24

BACKFLOW DEVICES		Proposed Backflow Device Rates per Fiscal Year (FY)				
Water Rate Schedule	Current Rates	Proposed Rates (2015/16)	Subsequent Annual Increases Based on CPI			
			FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
<i>Projected CPI Increase*</i>			2.3%	2.3%	2.3%	2.3%
DEVICE SIZE						
<i>1"</i>	\$3.18	\$6.36	\$6.51	\$6.66	\$6.81	\$6.97
<i>1 1/2" – 2 1/2"</i>	\$4.45	\$8.90	\$9.10	\$9.31	\$9.52	\$9.74
<i>3"</i>	\$5.10	\$10.20	\$10.43	\$10.67	\$10.92	\$11.17
<i>4"</i>	\$6.35	\$12.70	\$12.99	\$13.29	\$13.60	\$13.91
<i>6" – 10"</i>	\$28.00	\$56.00	\$57.29	\$58.61	\$59.96	\$61.34

*Exact rate increase will depend on the annual CPI, as explained above.

†Phase IV Rate Increases will occur only if directed by City Council to transition into the City's Emergency Response Phase IV of its Water Conservation Plan.



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Minutes of March 3, 2015

SOURCE: Administrative Services

COMMENT: Staff has prepared draft Minutes for the City Council meeting of March 3, 2015, for Council's consideration.

RECOMMENDATION: That the City Council approve the draft Minutes of March 3, 2015.

ATTACHMENTS: 1. Draft Minutes of March 3, 2015

Appropriate/Funded: N/A

Review By:

Department Director:

Patrice Hildreth, Administrative Services Dir

Final Approver: Patrice Hildreth, Administrative Services Dir

**CITY COUNCIL MINUTES
CITY HALL, 291 N. MAIN STREET
PORTERVILLE, CALIFORNIA
MARCH 3, 2015, 5:30 P.M.**

Called to Order at 5:30 p.m.

Roll Call: Council Member Reyes, Council Member Gurrola, Vice Mayor Hamilton, Mayor Stowe

Absent: Council Member Ward

ORAL COMMUNICATIONS

None

CITY COUNCIL CLOSED SESSION:

A. Closed Session Pursuant to:

1 - Government Code Section 54957.6 – Conference with Labor Negotiator. Agency Negotiator: John Lollis, Steve Kabot, and Patrice Hildreth. Employee Organizations: Porterville Police Officers Association and Porterville City Firefighters Association.

2- Government Code Section 54956.9(d) (3) – Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation: Two Cases in which facts are not yet known to potential plaintiff.

3- 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**

City Attorney Lew reported that there was no reportable action.

Pledge of Allegiance Led by Council Member Reyes

Invocation – a moment of silence was observed.

PRESENTATIONS

Badge Pinning of Police Chief Eric Kroutil

16th Annual Tulare County Spelling Championship Recognition

AB 1234 REPORTS

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

1. Consolidated Waste Management Authority (CWMA): February 19, 2015
Council Member Reyes reported on discussion regarding the recycling of food scraps, and approval of a fee of \$15 for each mattress and box springs.
2. Tulare County Economic Development Corp. (TCEDC): February 25, 2015
Council Member Reyes announced an upcoming Valley Economic Summit on May 15, 2015, at the Visalia Convention Center, and reported on discussion regarding the Porterville Unified School District's workforce improvement plans.
3. Council of Cities: February 24, 2015
Vice Mayor Hamilton reported on a presentation given by the State Groundwater Management Authority; and questioned the examples and objectives of the model proposed by the State.

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 – none.
 2. Library & Literacy Commission – none.
 3. Arts Commission: February 25, 2015 – none.
 4. Animal Control Commission: March 2, 2015 – none.
 5. Youth Commission – none.
 6. Transactions and Use Tax Oversight Committee (TUTOC) – none.

ORAL COMMUNICATIONS

- Austin Slater, apologized for unprofessional remarks at a previous City Council Meeting, specifically jokes made at Vice Mayor Hamilton's expense; and spoke of how funding for the Veterans Resource Center comes primarily from businesses and organizations, rather than from Porterville College.
- Jeff Szeles, spoke about the upcoming Bark for Life and Relay for Life events on the City Council agenda, and extended invitations to both events.
- Richard Hatfield, spoke regarding Item No. 13, and commended staff for compiling the data provided in the staff report.
- Barry Caplan, spoke of concerns regarding stray dog and cat populations.

CONSENT CALENDAR

Item 4 was pulled at the request of staff.

COUNCIL ACTION: MOVED by Vice Mayor Hamilton, SECONDED by Council Member Reyes, that the City Council approve Item Nos. 1 through 3, and 5 through 10.

AYES: Reyes, Gurrola, Hamilton, Stowe
NOES: None
ABSTAIN: None
ABSENT: Ward

1. CITY COUNCIL MINUTES OF JUNE 17, 2014, AND FEBRUARY 3, 2015

Recommendation: That the City Council approve the Minutes of June 17, 2014, and February 3, 2015.

Documentation: M.O. 01-030315

Disposition: Approved.

2. AUTHORIZATION TO ADVERTISE FOR BIDS-FARE COLLECTION SYSTEM

Recommendation: That the City Council approve staff's recommended Plans and Project Manual, and authorize staff to advertise for bids for the Fare Collection System.

Documentation: M.O. 02-030315
Disposition: Approved.

3. AUTHORIZATION TO ADVERTISE FOR BIDS-AUTOMATIC PASSENGER COUNTING SYSTEM

Recommendation: That the City Council approve staff's recommended Plans and Project Manual, and authorize staff to advertise for bids for the purchase of software and hardware equipment required to install Automatic Passenger Counting systems on all fixed route vehicles.

Documentation: M.O. 03-030315
Disposition: Approved.

4. AWARD OF CONTRACT – TRANSIT MAINTENANCE & CNG FUELING FACILITY EXPANSION PROJECT

Recommendation: That City Council:

1. Award the Transit Maintenance & CNG Fueling Facility Expansion Project to Lee's Paving in the amount of \$2,183,212.75;
2. Authorize a 10% contingency to cover unforeseen construction costs and 5% for construction management, quality control, inspection services, and construction surveying;
3. Re-affirm the \$300,000 Solid Waste Fund appropriation;
4. Authorize the Finance Director to appropriate an additional \$100,000 from Solid Waste Funds and \$189,467 from the Local Transportation Fund;
5. Authorize progress payments up to 100% of the contract amount; and
6. Authorize the City Engineer to negotiate construction surveying services with one of the firms as approved by Council MO #02-100714.

Documentation: None.
Disposition: No action. Item pulled by staff.

5. AWARD OF CONTRACT – WASHER GRINDER EQUIPMENT REPLACEMENT PROJECT

Recommendation: That the City Council:

1. Award the Washer Grinder Equipment Replacement Project to Smith Construction Company, Inc. in the amount of \$170,917;
2. Authorize a 10% contingency to cover unforeseen construction costs and 5% for construction management, quality control, and inspection services; and
3. Authorize progress payments up to 95% of the contract amount.

Documentation: M.O. 04-030315

Disposition: Approved.

6. ACCEPTANCE OF PROJECT – MISCELLANEOUS CONCRETE AND STREET REPAIR PROJECT (PUTNAM ALLEY BETWEEN D STREET AND HOCKETT STREET AND SECOND STREET BETWEEN MILL AVENUE AND OAK AVENUE)

Recommendation: That the City Council:

1. Accept the project as complete;
2. Authorize the filing of the Notice of Completion; and
3. Authorize the release of the 5% retention thirty-five (35) days after recordation, provided no stop notices have been filed.

Documentation: M.O. 05-030315

Disposition: Approved.

7. AUTHORIZATION TO AMEND AECOM’S SERVICE AGREEMENT FOR THE SLUDGE DEWATERING AND ELECTRIC BLOWERS PROJECT

Recommendation: That the City Council:

1. Approve a \$10,000 augmentation to the AECOM’s “Electric Blower & Screw Press” design to contract for the purpose of designing upgrades to the Blower Room electrical panel; and
2. Approve an amendment to AECOM’s service agreement in an amount “not to exceed” \$65,000 for construction support services during the bid and construction of the “Sludge Dewatering and Electric Blowers” Project.

Documentation: M.O. 06-030315

Disposition: Approved

8. RATIFICATION OF EMERGENCY EXPENDITURE – REPAIR OF ROWLAND WELL #11

Recommendation: That the City Council:

1. Ratify that the emergency repair of Rowland Well #11 was necessary and met the emergency criteria as promulgated in Article VII, Section 2-38 of the City Code;
2. Direct the Finance Director to initiate a Purchase Order to Valley Pump & Dairy Systems in an amount not to exceed \$14,000; and
3. Direct the Finance Director to make payment to Valley Pump & Dairy Systems upon receipt of invoices approved by the Public Works Director.

Documentation: M.O. 07-030315

Disposition: Approved

9. APPROVAL FOR COMMUNITY CIVIC EVENT – PORTERVILLE BREAKFAST ROTARY – CANCER RUN – MAY 2, 2015

Recommendation: That the City Council approve the Community Civic Event Application and Agreement from Porterville Breakfast Rotary, subject to the Restrictions and Requirements contained in the Application.

Documentation: M.O. 08-030315

Disposition: Approved

10. APPROVAL FOR COMMUNITY CIVIC EVENT – AMERICAN CANCER SOCIETY – BARK FOR LIFE – MARCH 14, 2015

Recommendation: That the City Council approve the Community Civic Event Application and Agreement from the American Cancer Society, subject to the Restrictions and Requirements contained in the Application.

Documentation: M.O. 09-030315

Disposition: Approved

PUBLIC HEARINGS

11. REQUEST FOR A CONDITIONAL USE PERMIT (PRC 2014-033-C) TO ALLOW FOR THE SALE OF ALCOHOL UNDER A TYPE 41 ON-SALE BEER AND WINE LICENSE FOR A BONA-FIDE PUBLIC EATING PLACE FOR LOS PORTALES LOCATED AT 377 E. ORANGE AVENUE

Recommendation: That the City Council adopt the draft resolution approving Conditional Use Permit (PRC 2014-033-C) subject to conditions of approval.

City Manager Lollis introduced the item, and the staff report was presented by Jenni Byers, Acting Community Development Director.

The Mayor opened the Public Hearing at 7:01 p.m. Seeing no one, the Mayor closed the Public Hearing at 7:02 p.m.

- Rudy Luquin, Planning Technician, translated for the applicant, who indicated she would meet all conditions of approval.

A discussion followed regarding the serving of alcohol, parking requirements, and security from the alley access. Ms. Byers clarified that the current request was to serve alcohol inside the restaurant, but noted that the applicant had expressed an interest in coming back for approval to serve outside in the future.

COUNCIL ACTION: MOVED by Vice Mayor Hamilton, SECONDED by Council Member Gurrola that the City Council adopt the draft resolution approving Conditional Use Permit (PRC 2014-033-C) subject to conditions of approval.

AYES: Reyes, Gurrola, Hamilton, Stowe
NOES: None
ABSTAIN: None
ABSENT: Ward

Documentation: Resolution No. 25-2015
Disposition: Approved.

SECOND READINGS

12. SECOND READING – ORDINANCE 1821, APPROVING A ZONE CHANGE FROM CR (RETAIL CENTERS) TO PS (PUBLIC AND SEMI-PUBLIC) FOR THAT 4.6± ACRE SITE DESCRIBED HEREIN GENERALLY LOCATED AT THE SOUTHWEST CORNER OF WEST NORTH GRAND AVENUE AND STATE ROUTE 65

Recommendation: That the Council give Second Reading to Ordinance No. 1821, waive further reading, and adopt said Ordinance.

The City Manager introduced the item, and the staff report was waived at the Council's request.

COUNCIL ACTION: MOVED by Council Member Gurrola, SECONDED by Vice Mayor Hamilton, that the City Council give Second Reading to Ordinance No. 1821, waive further reading, and adopt said Ordinance, being AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE APPROVING ZONE CHANGE (PRC 2014-033-C) FROM CR (RETAIL CENTERS) TO PS (PUBLIC AND SEMI-PUBLIC) FOR THAT 4.6±4.6 ACRE SITE DESCRIBED HEREIN GENERALLY LOCATED AT THE SOUTHWEST CORNER OF WEST NORTH GRAND AVENUE AND STATE ROUTE 65.

AYES: Reyes, Gurrola, Hamilton, Stowe
NOES: None
ABSTAIN: None
ABSENT: Ward

The ordinance was read by title only.

Documentation: Ordinance No. 1821
Disposition: Approved.

SCHEDULED MATTERS

13. ASSISTANCE OPTIONS RELATED TO PROVISION OF WATER WITHIN COUNTY ISLANDS

Recommendation: That the City Council consider the concepts outlined in the staff report and provide direction to staff.

The City Manager introduced the item, and then noted a potential conflict of interest with regard to real property. City Attorney Lew added that the Mayor and Acting Community Development Director had similar conflicts in that they lived within 500 feet of a proposed island. The three individuals recused themselves and exited Council chambers.

Community Development Project Manager Julie Philips presented the staff report.

A discussion ensued regarding the provision of services in disadvantaged areas, the fees associated with the proposed annexation, costs for infrastructure, potential revenues, and the options presented by staff.

Fire Chief Glenn Irish and Police Chief Eric Kroutil addressed questions from the Council regarding the potential impact on police and fire services. Vice Mayor Hamilton suggested the Utility Users Tax revenue derived from the annexation of the proposed islands be used for the provision of public safety services.

COUNCIL ACTION: MOVED by Council Member Gurrola, SECONDED by Council Member Reyes, that the City Council approve proceeding with the City funded annexation, and authorizing the resulting Utility Users Tax revenue be designated for the provision of public safety.

AYES: Reyes, Gurrola, Hamilton
NOES: None
ABSTAIN: Stowe
ABSENT: Ward

Documentation: M.O. 10-030315
Disposition: Approved

The Council took a five minute break at 7:30 p.m.

14. GOVERNOR'S EXECUTIVE ORDER FOR CALIFORNIA DISASTER ASSISTANCE ACT FUNDING, AND THE PROVISION OF WATER TO EAST PORTERVILLE RESIDENTS

City Manager Lollis introduced the item and presented the staff report.

Vice Mayor Hamilton stated that the Tulare County Board of Supervisors had not taken any action, as requested by the City, and noted the cancellation of their last meeting. He then made a motion to stop delivering water to East Porterville until the Board of Supervisors takes the necessary action to provide water to its residents. The motion died for lack of a second.

Council Member Gurrola voiced frustration regarding the County's lack of concern and commitment to providing water to East Porterville residents.

A discussion ensued about funding committed by the State, grant funding being sought by

the County, and the City's request for a commitment from the County to fund 25% of the costs should the USDA grant application be unsuccessful.

The Council agreed that they could not continue the current arrangement if the Board of Supervisors did not act within one week's time, and complete funding of a well was committed.

COUNCIL ACTION: MOVED by Mayor Stowe, SECONDED by Council Member Gurrola, that the City cease operations if action is not taken at the next County Meeting on March 10, 2015, to secure funding of 25% in the event the USDA Grant is not awarded.

AYES: Reyes, Gurrola, Hamilton, Stowe
NOES: None
ABSTAIN: None
ABSENT: Ward

Documentation: M.O. 11-030315
Disposition: Approved

ORAL COMMUNICATIONS

- Brock Neeley, thanked city representatives for speaking in Sacramento regarding the drought issue.
- Fred Beltran, Porterville Area Coordinating Council, stated that the cancellation of the County Supervisor's meeting was shameful and evidence that the water issue was not their priority, and expressed support for the City and their efforts.
- Elva Beltran, Porterville Area Coordinating Council, spoke of banners purchased by PACC to inform residents of resources, East Porterville residents not having luck getting through to county agencies, and the absence of District Five Supervisor Mike Ennis at the hearing in Sacramento.
- Barry Caplan, requested additional information about the trip to Sacramento.
- Austin Slater, commended the City for their efforts pertaining to the water issue; and spoke of the ASPC's efforts.

OTHER MATTERS

- Council Member Gurrola, thanked the individuals who spoke in Sacramento about the water shortage and expressed empathy for the effects on families.
- Vice Mayor Hamilton, spoke of the absence of Tulare County Supervisor, Mike Ennis, from the trip to Sacramento to discuss the water crisis, and Ishida's comment regarding incentivizing for cities.
- Council Member Reyes, spoke of the recent Tulare County Scholarship Pageant, its local participants, and the upcoming race season.
- Mayor Stowe, spoke of upcoming Bark for Life and Relay for Life events; thanked the PACC and volunteers who are helping families without water; mentioned the emotionally stirring testimonies given in Sacramento by the families affected by the water shortage; and thanked the ASPC for adopting Alta Vista School.
- Vice Mayor Hamilton, expressed regret for not being able to attend this year's City of Hope.
- Mayor Stowe, spoke of the Porterville Hall of Fame, the upcoming Brewfest, and Chamber

Auction.

- City Manager Lollis, mentioned the Public Safety Dinner recognizing Officer Gary Miller and Firefighter Christopher Pisani, and spoke of the swearing in of Porterville Police Officers in the morning on March 17th by Chief Eric Kroutil.

CLOSED SESSION

None

ADJOURNMENT

The Council adjourned at 8:14 p.m. to the meeting of March 17, 2015.

SEAL

Luisa M. Zavala, Deputy City Clerk

Milt Stowe, Mayor



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Authorization to Purchase Murry Park Shade Structure

SOURCE: Parks and Leisure Services

COMMENT: On March 20, 2012, the City Council approved funding of projects per the capital projects list from the Parks and Leisure Services Commission. Included in the list from the Parks and Leisure Services Commission meeting held March 1, 2012, was the purchase of a playground shade structure at Murry Park. Shade structures at Zalud Park, Veterans Park, and the Sports Complex, as well as improvements to the property north of Murry Park, were also identified as capital projects.

\$41,768 remains in the budget from the Council-approved funding for playground shade structures. Three quotes have been received for a shade structure at Murry Park:

NSP3	\$19,673
Ross Recreation	\$21,144
GT Shade	\$26,943

NSP3 is a member of the National Purchasing Partners government discount program. The \$19,673 is proposed to come from the remaining \$41,768 Housing-Related Parks Program funds allocated for shade structures, leaving a balance of approximately \$22,000 in funds to be appropriated to another park-improvement project.

RECOMMENDATION: That the City Council authorize the purchase and installation of the Murry Park shade structure from NSP3 for \$19,673.

ATTACHMENTS:

Appropriate/Funded: MB

Review By:

Department Director:

Donnie Moore, Parks and Leisure Services Director

Final Approver: John Lollis, City Manager



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Authorization to Distribute Request for Proposals for Greenhouse-Gas Emissions Analysis

SOURCE: Community Development

COMMENT: The Riverwalk Phase II project consists of a 202,854 square feet regional commercial center on approximately 21.8± acres in the southwestern portion of the city, which is the second and last phase of the Riverwalk Marketplace Commercial Center regional shopping center. On February 7, 2012, the City Council adopted Resolution 12-2012 certifying the Final Environmental Impact Report, adopting a statement of overriding considerations, and granting the necessary land-use approvals. California Healthy Communities Network (CHCN) filed a petition for a writ of mandate in superior court on March 9, 2012, and a first-amended petition on September 21, 2012. A judgment was entered on April 11, 2013, to deny CHCN's petition. CHCN filed an appeal to the State of California Fifth Appellate District. The California Court of Appeal opined the greenhouse-gas emissions analysis in the Environmental Impact Report lacked substantiation. It was determined that the City must remedy the Environmental Impact Report's defect before it can again consider approving the project.

The consultant must be familiar with the California Global Warming Solutions Act of 2006 (Health & Safety Code § 38500 et seq.); the regulations promulgated by the Natural Resources Agency on the significance for CEQA purposes of greenhouse-gas ("GHG") emissions, which were incorporated into the CEQA Guidelines; the "Guidance for Valley Land-use Agencies in Addressing GHG Emission Impacts for New Projects under CEQA" and the "District Policy-Addressing GHG Emission Impacts for Stationary Source Projects Under CEQA When Serving as the Lead Agency" documents adopted by the San Joaquin Valley Air Pollution Control District in 2009; the "CEQA and Climate Change" paper by the California Air Pollution Control Officers' Association in 2008; and the "Recommended Guidance for Land Use Emission Reductions" paper by the Sacramento Metropolitan Air Quality Management District in 2010. At this time, staff is requesting authorization to distribution a Request for Proposals (RFP) for a greenhouse-gas emissions analysis from a specialized consultant with expertise in this field.

The funding for this study shall be paid for by the applicant of the Riverwalk Phase II Project. Award of contract should occur in May 2015 by the City Council.

RECOMMENDATION: That City Council authorize staff to distribute a Request for Proposals for a Greenhouse-Gas Emissions Analysis for the

Riverwalk Phase II project.

ATTACHMENTS: 1. Request for Proposal

Appropriate/Funded: MB

Review By:

Department Director:

Jenni Byers, Community Development Director

Final Approver: John Lollis, City Manager



REQUEST FOR PROPOSALS (RFP)

The City of Porterville is seeking the services of a consultant or consulting firm to provide a greenhouse-gas emissions analysis for the Riverwalk Phase II project. The selected consultant must be familiar with the California Global Warming Solutions Act of 2006 (Health & Safety Code § 38500 et seq.); the regulations promulgated by the Natural Resources Agency on the significance for CEQA purposes of greenhouse-gas (“GHG”) emissions, which were incorporated into the CEQA Guidelines; the “Guidance for Valley Land-use Agencies in Addressing GHG Emission Impacts for New Projects under CEQA” and the “District Policy-Addressing GHG Emission Impacts for Stationary Source Projects Under CEQA When Serving as the Lead Agency” documents adopted by the San Joaquin Valley Air Pollution Control District in 2009; the “CEQA and Climate Change” paper by the California Air Pollution Control Officers’ Association in 2008; and the “Recommended Guidance for Land Use Emission Reductions” paper by the Sacramento Metropolitan Air Quality Management District in 2010.

PROJECT TITLE: RIVERWALK PHASE II PROJECT - GREENHOUSE-GAS EMISSIONS ANALYSIS

PROPOSAL DUE DATE: Friday, April 24, 2015 @ 5:00 p.m.

PROJECT DESCRIPTION AND BACKGROUND:

The Riverwalk Phase II project consists of a 202,854 square feet regional commercial center on approximately 21.8± acres in the southwestern portion of the city, which is the second and last phase of the Riverwalk Marketplace Commercial Center regional shopping center.

The principal building pad will contain a Walmart Supercenter totaling 161,602 square feet, including a 5,762 square foot outdoor garden center. This retail anchor would be constructed on the northern 16.69 acres of the site, which includes approximately 838 parking stalls, primarily positioned immediately to the south of the building pad, and a few spaces to the east and west of the building.

The Walmart Store would include 92,305 square feet of general merchandise area, 24,964 square feet of grocery sales area, 9,289 square feet of grocery support area, 5,153 square feet of retail tenant area which consists of leasable area for a bank and fast food outlet area, 13,706 square feet of stockroom receiving area, and 10,423 square feet of ancillary area. The project would also

include a 5,762 square foot outdoor garden center that when included with the other uses would total 161,602 square feet.

The store would offer a full-service supermarket, garden center, pharmacy/medical clinic, optical center, 1-hour photo processing lab, portrait studio, and hair and nail salons. The store would also have two spaces available for lease to a bank and fast food outlet inside the store. The range of products available would include groceries and general retail merchandise including alcohol for off-site consumption, pool chemicals, petroleum products such as motor oils, pesticides, and paint products.

As proposed, the store would operate 24 hours a day and would require a staff of approximately 300 persons. This number may increase as needed during the busy holiday seasons. There will be more than three shifts since some part time associates and full time associates will have flexible working hours throughout the week.

The remaining retail pads are located along the perimeter of the project site fronting Vandalia Avenue and Indiana Street. While no specific tenants have been identified for the outlying pads, future tenants are likely to include convenience restaurants, bank, sporting goods, or other similar retail or office use consistent with the uses permitted in the Retail Centers general plan land use designation. The proposed Tentative Parcel Map would split two existing parcels and a remainder into five new parcels as summarized below.

<i>Parcel</i>	<i>Acreage</i>	<i>Building Pad Size</i>	<i>Parking Spaces</i>
Parcel 1 (Walmart Anchor)	16.69 acres	161,602 square feet	838 spaces
Parcel 2 (Outlot A)	1.04 acres	6,781 square feet	70 spaces
Parcel 3 (Pad 13)	1.14 acres	10,995 square feet	60 spaces
Parcel 4 (Pad 14)	1.84 acres	14,090 square feet	99 spaces
Parcel 5 (Pad 12)	1.04 acres	9,386 square feet	46 spaces

On February 7, 2012, the City Council adopted Resolution 12-2012 certifying the Final Environmental Impact Report, adopting a statement of overriding considerations, and granting the necessary land-use approvals. California Healthy Communities Network (CHCN) filed a petition for a writ of mandate in superior court on March 9, 2012, and a first-amended petition on September 21, 2012. A judgement was entered on April 11, 2013 to deny CHCN's petition. CHCN filed an appeal to the State of California Fifth Appellate District. The California Court of Appeal opined the greenhouse-gas emissions analysis in the Environmental Impact Report lacked substantiation. It was determined that the City must remedy the Environmental Impact Report's defect before it can again consider approving the project.

SCOPE OF SERVICES:

Through this Request for Proposals (RFP), the City is soliciting the assistance of a qualified Environmental Planning Consultant to oversee the preparation of a greenhouse-gas emissions

analysis in response to the California Court of Appeal opinion in *California Healthy Communities Network v. City of Porterville*. The selected consultant will perform, but not be limited to, the following tasks:

- 1) Prepare an analysis of potential greenhouse-gas emission impacts (including cumulative impacts) resulting from traffic generation, construction and other related sources to the satisfaction of the San Joaquin Valley Air Pollution Control District.
- 2) Develop recommendations for mitigation of greenhouse-gas emission impacts, if any, from the proposed development. Propose threshold of significance for greenhouse-gas impacts, and determine, using that threshold, whether significant, unmitigated impacts to greenhouse-gas will result from the proposed project
- 3) As the project includes regional-serving retail uses, some analysis should be completed regarding the reduction in vehicle miles traveled to Visalia and Bakersfield for similar services.

OTHER REQUIREMENTS:

- 1) The selected firm will be required to carry and provide certificates of insurance for general and automobile liability insurance as follows:

General Liability	\$1,000,000 minimum per occurrence
Automobile Liability	\$1,000,000 minimum per occurrence
Workers Compensation	Statutory Limits

The General Liability is to contain or be endorsed to name the City, its officers, officials, employees and agents as Additional Insured as respects liability arising out of the activities performed in connection with this contract. The coverage shall be primary and shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Original endorsements, signed by a person authorized to bind coverage on its behalf, shall be furnished to the City by the successful firm.

- 2) The selected consultant/firm shall indemnify and hold harmless the City, its officers, employees and agents from and against all claims, damages, losses and expenses caused in whole or in part by any negligent act or omission of the firm, its consultants, subcontractors, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, except where caused by the active negligence, or willful misconduct by the City.
- 3) Labor and material proposals submitted on this form shall be subject to the provisions of Section 1700, California Labor Code, as specified by Section 3700, California Labor Code,

which requires Worker's Compensation insurance to be provided by the selected consultant/firm.

- 4) Worker's Compensation policy(ies) are to be endorsed to include a waiver of subrogation against the City, its officers, officials, employees and agents.
- 5) The firm and its employees are independent contractors and not employees of the City of Porterville. The firm and/or its insurers are responsible for payment of any liability arising out of worker's compensation, unemployment, or employee benefits offered to its employees.
- 6) Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.
- 7) Endorsements are to be received and approved by the City before work commences.
- 8) The successful consultant/firm shall obtain a City of Porterville business license. Fee is based on gross receipts for all business transactions in the city of Porterville. For information, contact the business license clerk at (559) 782-7457.
- 9) A service contract will be provided by the City to the selected contractor.
- 10) All work performed by the consultant under this contract shall be under the ownership of the City of Porterville.
- 11) All work performed under this contract shall be researched, prepared and executed in a professional and competent manner for which the consultant will be responsible.
- 12) In accordance with City of Porterville and Caltrans policy, disadvantaged business enterprises (DBE), including qualified small minority and woman-owned firms, are encouraged to submit a proposal or otherwise participate in the completion of the work covered by this request. No DBE participation goals have been established for this project.
- 13) The employee(s) identified in the proposal as performing the duties under this contract shall not be replaced without the prior written approval of the Community Development Director of the City of Porterville.

CONTENTS OF PROPOSAL TO BE SUBMITTED TO CITY

Consulting firms wishing to be considered for selection to provide the services to the City described herein should submit proposals containing the following information:

- 1) A description, including background, size and orientation of the firm.

- 2) A summary of the qualifications of the firm to perform the services described herein, including, but not necessarily limited to:
 - a. the firm must have experience preparing GHG emissions analyses, including qualitative and quantitative analyses;
 - b. the firm must be knowledgeable regarding the greenhouse-gas (“GHG”) emissions analysis included in the Revised Draft EIR issued in February 2011 (sections 5.1.7 to 5.1.11, and appendix 5.1), the comments submitted by Mr. Mark Wolfe on the GHG analysis, and the responses to Mr. Wolfe’s comments provided in the Final EIR;
 - c. the firm must be knowledgeable regarding the memorandum issued by the City on February 7, 2012, addressing the Project’s GHG emissions, prepared by Dave Mitchell of Michael Brandman Associates; and
 - d. the firm must be knowledgeable regarding the California Court of Appeal opinion in *California Healthy Communities Network v. City of Porterville*.
- 3) Prospective consultants shall describe the qualifications of all professional personnel to be assigned to this project, including a summary of similar work or studies each member has performed and a resume of each professional involved with this contract.
- 4) Prospective consultants shall designate by name the project planner/manager to be employed in this effort. The selected consultant shall not substitute the project planner/manager without prior approval by the Community Development Director of the City of Porterville.

Four (4) copies of the proposal should be submitted by not later than 5:00 P.M., April 24, 2015 to:

City of Porterville
Planning Division
Attn: Jennifer Byers
Interim Community Development Director
291 North Main Street
Porterville, CA 93257

The proposals must be submitted in an envelope clearly marked with the proposer’s name and “Proposal for Services.” Late or incomplete proposals will not be considered by the City.

INQUIRIES REGARDING THIS RFP:

Any inquiries regarding this RFP or the project described herein should be directed to Jennifer Byers, Interim Community Development Director, by calling (559) 782-7460.

RESPONSE TO REQUEST FOR PROPOSALS FOR
GREENHOUSE-GAS EMISSIONS ANALYSIS

TO: City of Porterville

FROM:

Name/Company

Address

City, State, Zip Code

Telephone No.

Fax No.

Proposal Amount: \$ _____

(Summary of qualifications, references and relevant experience must be attached.)

Signature

Date

Name and Title (Printed)

April 8, 2015

Subject: Request for Proposals (RFP) – Greenhouse Gas Analysis

The City of Porterville is requesting proposals for a greenhouse-gas emissions analysis for the Riverwalk Phase II project.

If selected, the City will provide a Service Agreement following the date of the signed service agreement.

This contract is subject to a thirty (30) day written notice of cancellation by either party except that City may cancel contract upon five (5) days written notice in the event of nonperformance by contractor. Nonperformance by contractor or repeated lack of response or attention to responsibilities and/or directions and requests of City shall be considered adequate cause for termination of contract and/or withholding of funds to contractor which City must pay to a third party or parties to correct deficiencies due to lack of performance as determined by City.

Four (4) copies of the proposal must be submitted in accordance with the attached request by 5:00 PM, April 24, 2015 to:

City of Porterville, Planning Division
Attn: Jennifer Byers
Interim Community Development Director
291 N. Main Street
Porterville, CA 93257

Award of contract should occur in May 2015 by the City Council.

Please contact me at (559) 782-7460 if you have any questions regarding this letter.

Sincerely,

Jennifer M. Byers
Interim Community Development Director



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Award Reclamation Area Lease

SOURCE: Public Works

COMMENT: On October 7, 2014, the City Council awarded the Reclamation Area lease to Nuckols Farming after receiving two bid proposals. The other proposal was received from Rick Perigo Roadsiding. The lease agreement with Nuckols Farming began November 1, 2014.

It was determined that Nuckols Farming was not following the Biosolids Management Plan (BMP) as required by the Reclamation Area Lease Agreement and the Regional Water Quality Control Board. Nuckols Farming subsequently confirmed they were not following the BMP. The breach of the agreement has resulted in the City terminating the Reclamation Area Lease with Nuckols Farming effective April 1, 2015.

The City contacted Rick Perigo Roadsiding and they agreed to honor their original bid of \$112,596 annually to begin on or about April 1, 2015, through October 31, 2019, for a term of 55-months.

RECOMMENDATION: That City Council:

1. Approve the Reclamation Area Lease Agreement with Rick Perigo Roadsiding in the amount of \$165 per acre for an annual amount of \$112,596 for 682.4 acres;
2. Authorize the Mayor to sign the 55-month agreement with Rick Perigo Roadsiding and stipulate that the lease agreement start date shall be on or about April 1, 2015, and the lease will end October 31, 2019, unless an option to extend five years is executed; and
3. Credit Rick Perigo Roadsiding one month rent in consideration of work needed to reestablish the farming operation, which may include, but is not limited to, ditches, banks, tailwater ponds, weed abatement, etc.

ATTACHMENTS: 1. Lease Agreement

Appropriate/Funded: MB

Review By:

Department Director:

Bryan Styles, Field Services Manager

Final Approver: John Lollis, City Manager

**City of Porterville Reclamation Area Lease Agreement
Porterville, CA**

(City of Porterville – Perigo Roadsiding, Lessee)

THIS AGREEMENT, is effective in Porterville, California, on April 1, 2015, (herein after “Effective Date”) by and between the City OF PORTERVILLE, (hereinafter “Lessor”), and Perigo Roadsiding, (hereinafter “Lessee”).

WITNESSETH:

WHEREAS:

1. THE CITY Reclamation Area Lease Agreement and ensuing amendments thereto expire October 31, 2019.
2. THE CITY Reclamation Area Lease Agreement and ensuing amendments thereto allowed parties to farm Reclamation Area property for the specific purpose of dispersing effluent from THE CITY wastewater operations to irrigate crops not used for human consumption; and
3. Lessee has acknowledged it is capable of such farming and operational management of the Reclamation Area, and dispersion of effluent on the City land; or contracted land.
4. THE CITY desires to contract with Lessee for these purposes.

NOW, THEREFORE, IT IS MUTUALLY AGREED as follows:

1. Premises

- 1.1. The Premises is defined as the area leased to Lessee for the purposes of this Agreement and further described in Provisions herein below.
- 1.2. As of January 1, 2014 the Premises is described as “The Reclamation Area” on Exhibit A and includes:
 - 1.2.1.Parcel 1: APN 302080011 Airport
 - 1.2.2.Parcel 2: APN 302110059 City Lease Purchase East
 - 1.2.3.Parcel 3: APN 302100015 City Lease Purchase West
 - 1.2.4.Parcel 4: APN 302130028 City
 - 1.2.5.Parcel 5: APN 302130008 Underhill West
 - 1.2.6.Parcel 6: APN 302130007 Underhill East
 - 1.2.7.Parcel 7: APN 302130019 Hunsaker West
 - 1.2.8.Parcel 8: APN 302130021 Hunsaker East
- 1.3. For operational purposes, Exhibit B divides the Premises into portions identified as Field Numbers 5N; 5S; 7; 8; 9; 10; 27; 28; 29; 30; 31; 32; 33; 34; 35; 46; 160A, B, C, & D;
- 1.4. Exhibit A and B are attached hereto and by this reference incorporated herein.
- 1.5. The City makes no covenants or warranties regarding the condition of the Premises, the soils thereon, the effluent, or the improvements and appurtenances thereto.
 - 1.5.1. Inspection of the Premises will be made available from August 25, 2014 through August 29, 2014 to those submitting proposals.
 - 1.5.2. The most recent soil analysis will be made available on August 25, 2014.

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- 1.6. Lessee has inspected the Premises and improvements thereon, knows the extent and condition thereof, and accepts same in their present condition, including all defects, latent and/or patent.
- 1.7. The City shall have the right to reduce or expand the acreage of the Premises and remove or add to this area for Lessee's use.
 - 1.7.1. At least 90 days prior to reduction or enlargement of the lease area, the City shall provide Lessee written notice stating:
 - 1.7.1.1. The effective date of the reduced or enlarged area.
 - 1.7.1.2. A description and drawing that identify the reduced or enlarged area and remaining lease area.
 - 1.7.1.3. A revised rental rate to begin the effective date.
 - 1.7.1.4. A request to meet with Lessee to provide additional information.
 - 1.7.2. Lessee shall have 60 days from the date of the City's written notice to terminate this Agreement by providing written notice to the City and if so terminated:
 - 1.7.2.1. Lessee's date of termination shall be the same as the effective date.
 - 1.7.2.2. Lessee shall have the right to harvest existing crops within the Premises through the 90 day to the effective date of the notice to terminate.
 - 1.7.2.3. Lessee shall be required to pay the rent due within the 90 day period in the manner described in Paragraph 5 herein below, but said payment shall be pro-rated for the number of days after that last rent payment (either July 1st or January 1st) to the effective date of termination.
 - 1.7.2.4. Upon such early termination, the City shall pay to Lessee, or credit Lessee's last rent payment, the market value of any improvements made or put upon said premises by the Lessee in accordance with Section 68 of the City Charter.
2. Off-Premises and Easement Areas
 - 2.1. Lessor shall permit Lessee the non-exclusive right to use existing roads on Section lines and quarter Section lines on the Premises.
 - 2.1.1. Lessor and Lessor's easement holders and invitees may also use said roads for vehicular traffic.
 - 2.1.2. Lessee shall not remove said roads and shall keep said roads open and maintained to allow two-wheel drive travel.
 - 2.2. Lessee is aware that various easements cross the Premises and that from time to time easement holders have the right to enter the Premises, conduct their operations, and may temporarily hinder Lessee's operations.
 - 2.3. Lessee has inspected the farm connection road, dirt roads, easement areas, and other off-Premises areas that Lessee may use or benefit from, knows the extent and condition thereof, and accepts same in their present condition, including all defects, latent and /or patent.
3. Purpose
 - 3.1 The purpose of this Agreement is for Lessee to reuse and disperse the wastewater from the City exclusively on the Premises in order to irrigate and farm the Premises.
 - 3.1.1 The City effluent is controlled by the California Region Water Quality Control Board (CRWQCB) Waste Discharge Requirements (R5-2008-0034).
 - 3.1.2 Lessee shall not farm or grow crops to be used for human consumption.
 - 3.1.3 No grazing of dairy cows shall be permitted on the Premises.

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3.2 Lessee shall not use the Premises or effluent for any other purposes, except as provided elsewhere in this Agreement.

4. Term

- 4.1. The term hereof shall commence on April 1, 2015 or as soon as the prior lessee has been vacated from the Premises, and terminate on October 31, 2019.
 - 4.1.1. Upon mutual agreement between Lessee and Lessor, Reclamation Lease Agreement may be extended for five (5) years.
- 4.2. Early termination of the Agreement may be instituted by:
 - 4.2.1. Lessee, by providing to the City written notice at least 90 days prior to the new date of termination.
 - 4.2.1.1. In such case Lessee shall pay to the City rent for the remaining 90 days.
 - 4.2.1.2. Lessee shall continue to farm and disperse effluent and abide by the terms as stated in this Agreement through the noticed date of termination.
 - 4.2.2. The City, by providing to Lessee written notice 30 days prior to the new date of termination if:
 - 4.2.2.1. Lessee has demonstrated reckless or dangerous operations on the Premises and has not corrected those operations immediately upon written notice by the City, or.
 - 4.2.2.2. Lessee assigns or sublets any portion of the Premises without written permission by the City.
 - 4.2.3. The City, by providing to Lessee written notice at least 90 days prior to the new date of termination.
 - 4.2.3.1. Upon such early termination, the City shall pay to Lessee, or credit Lessee's last rent payment, the market value of any improvements made or put upon said premises by the Lessee in accordance with Section 68 of the City Charter.
 - 4.2.3.2. After the new termination date described in the 90 day notice, Lessee understands that the City will not be required to recompense Lessee for any losses of income or damages incurred by Lessee in such instance.
 - 4.2.4. Mutual written agreement of both parties.

5. Rent and Payment Requirements

- 5.1. Beginning May 1, 2015, Lessee shall pay to the City, in lawful money of the United States, an annual rental in the amount of 165 (\$/acre) for Lessee's use of the Premises and effluent water.
 - 5.1.1. At least fifty percent (50%) of the annual rental amount shall be paid prior to October 31 of each year with first payment due April 30, 2015.
 - 5.1.2. The remainder of the annual rent, to equal 100%, shall be paid prior to April 30 of each year.
 - 5.1.3. Payments later than 10/31 and 4/30, respectively, shall be assessed a late fee of one half of one percent (.005 time 50% of the annual rent) per day through the day the required payment is made.
- 5.2. Rent shall be paid by check made out to City of Porterville and mailed or delivered in person to the City of Porterville, 291 Main Street, Porterville, CA 93257.
- 5.3. As security for this Lease, Lessee must provide an Irrevocable Letter of Credit, equal to 6 months rent, as shown on Exhibit C which is attached hereto and by this reference incorporated.

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- 5.4. The cost of work or improvements done by Lessee outside the scope of Paragraph 8, may only be deducted from the next scheduled payment if:
 - 5.4.1. The work is performed at the request of the City;
 - 5.4.2. The City has given prior written approval to a written estimate provided by Lessee for the not to exceed cost of work or improvements; and
 - 5.4.3. Upon completion of the work or improvements, Lessee provides the City with an invoice of the final actual cost amounts, including units and cost per unit as appropriate.

6. Operations

- 6.1. Lessee shall conduct all operations according to good farm husbandry practices.
- 6.2. Lessee shall manage operations in compliance with all applicable federal, state, and county laws, regulations and ordinances, including local water board discharge requirements and the local air district rules.
- 6.3. Lessee shall conduct operations in a business-like manner and not harm or degrade the City and its operations.
- 6.4. Lessee shall not do or permit any act or thing that constitutes a nuisance by the City either on or off the Premises.
 - 6.4.1. Lessee shall take immediate action to correct any such nuisance discovered by Lessee or through notification by the City within three (3) days of discovery or notification.
 - 6.4.2. Lessee shall promptly perform the correction efforts in a manner to prevent its reoccurrence.
- 6.5. Each year, upon notification by the City, Lessee agrees to meet with representatives of the City to discuss operation of the farm and plans for the next calendar year and submit for approval a rolling 5 year cropping plan.
- 6.6. By the 10th of the applicable month, the Lessee shall provide monthly, quarterly, and annual (due January 10th) reports for each field on nitrogen applications and removal, water uses and crop data as required for the Waste Discharge Requirements (WDR) reporting.
- 6.7. In addition to the terms and provisions provided herein, and unless otherwise stated in this Lease, Lessee shall be required to perform all obligations as set forth in the "Reclamation Area Lease – Request for Proposal", which is attached hereto as Exhibit D and fully incorporated herein by reference.

7. Improvements

- 7.1. Lessor does not warrant or guarantee the safety, condition, or effectiveness of the improvements on the Premises.
- 7.2. Existing improvements owned by the City and available for use by the Lessee include:
 - 7.2.1. Pressurized pipeline and appurtenances
 - 7.2.2. Percolation Ponds and Fencing
 - 7.2.3. Storage Yard
 - 7.2.4. One-third (1/3) interest in an Irrigation Well (5N) with a 75 horsepower motor. Sun Pacific Farming owns a two-thirds (2/3) interest in irrigation well (5N).
 - 7.2.5. One (1) extraction well (Hunsaker) with a 150 horsepower motor.
 - 7.2.6. Two (2) Irrigation Wells without Pumps and not connected to an irrigation system (Field 7 & 30)
- 7.3. Lessee with prior written approval from the City will meet with lessor, to discuss the cost and expense, before altering, adding to, and replacing, removing, or demolishing any part

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of the improvement for or in conjunction with efficient and prudent farming operations and dispersal of effluent

- 7.3.1. Alterations include changes to the physical land such as removing, adding; or significantly changing ditches, embankments, ponds, and reservoirs as well as drilling and major trenching.
- 7.3.2. Additions include construction or installation of new buildings, structures, checks, weirs, levees, culverts, roads, head gates, wells, and fences.
- 7.3.3. Repairs and replacements include those for fences and above and underground pipes and valves and pumps.
- 7.3.4. Demolishment includes partial or entire destruction and/or removal of any improvements such as fences, posts, structures, etc. and Lessee understands that Lessee shall be solely responsible to properly remove and dispose of such demolished material
- 7.4. Such alterations, additions, replacements, removals, or demolition described or implied in Paragraph 7.3 herein above shall only occur after written approval is provided by the City for the specific action to be taken and Lessee has received all other approvals by any governing or regulatory body that exercise control for such changes.

8. Upkeep and Property Management

- 8.1. Lessee shall be responsible for the general upkeep and maintenance of the Premises. Failure to maintain premises resulting in operational failure or damage to the premises will be corrected at sole expense of lessee.
- 8.2. STANDING WATER: Lessee shall grade, level, drain and otherwise maintain the Premises in a manner to level any low areas in order to prevent standing and stagnating water on the Premises.
- 8.3. STORM WATER: Lessee shall properly manage and/or dispose of any storm water entering the Premise.
- 8.4. TRASH: Lessee shall be responsible for regular and prudent trash, debris, weed, and brush removal from the Premises.
- 8.5. ROADS: Lessee shall maintain and keep all roads on the Premises, and the farm connection road stated in Paragraph 2 herein above, in good condition and repair and at proper elevation and compaction to limit erosion and provide reasonable two-wheel drive travel.
- 8.6. EARTHEN IMPROVEMENTS: Lessee shall maintain and keep in good condition and repair all ditches, sumps, ponds reservoirs, and embankments in order to keep the ditches, sumps, ponds, reservoirs, and embankments watertight. Failure to maintain premises resulting in operational failure or damage to the premises will be corrected at sole expense of lessee.
- 8.7. WEEDS: Lessee shall remove weeds, trash, and debris from and near all ditches, sumps, ponds, reservoirs and embankments, roads, wells, pump stations, and irrigation structures.
- 8.8. EFFLUENT WATER DISTRIBUTION SYSTEM: Lessee shall at his expense, maintain and keep in good condition and repair existing aboveground and underground water distribution system, which includes pipelines, risers, and valves required for proper irrigation.
 - 8.8.1. Prior to performing repairs lessee must have prior written approval from the City, Any repairs to distribution system must comply with current city codes.

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- 8.9. PUMP/MOTORS: Lessee shall at his expense, maintain, repair, replace, or add pumps/motors used at the irrigation wells, tail water sumps and elsewhere on the Premises after first receiving specific written approval from the City.
- 8.9.1. Prior to repair, replacement, or adding of pumps/motors lessee must have prior written approval from the City, Any repairs to pumping system must comply with current city codes.
- 8.10. RODENTS: Lessee shall make frequent and reasonable efforts to minimize ground squirrel population on the Premises
- 8.11. FENCES AND GATES:
- 8.11.1. Lessee shall promptly maintain and repair all fences and gates on or that borders the Premises and shall hold the City free and harmless from any liability or loss sustained by Lessee due to trespassers on the Premises.
- 8.11.2. The City shall replace gates and any sections of fence it deems necessary.
- 8.12. NON-CROP AREAS :
- 8.12.1. Lessee shall remove weeds, trash, and debris from and near Percolation Ponds.
- 8.12.2. Lessee shall maintain and keep in good condition and repair embankments in order to keep the sumps, ponds, and ditches watertight.
- 8.12.3. Lessee shall conduct farming and non-crop activities as to comply with all air pollution control standards, and to minimize dust.

9. Hazardous Waste and Chemicals

- 9.1. Lessee shall not use the Premises to dump gas, oils, dairy waste, chemicals or other hazardous waste and shall contact the City immediately if such a release occurs or is found.
- 9.1.1. Any such release shall be the sole responsibility of Lessee.
- 9.1.2. Lessee shall be responsible to clean up and cure such release in a timely manner.
- 9.2. Lessee shall only use chemicals that are reasonable and typically used for farming operations, weed control, and pest control.

10. Electricity

- 10.1 Lessor shall be responsible to pay utility costs for extraction well (Hunsaker) from April – September. Lessee shall reimburse the Lessor for irrigation utility costs if extraction well (Hunsaker) is used from October – March. Lessee can extrapolate estimated cost of operating well by using average summer time rate of 11.5 Cents/kWh for the 150 horsepower motor.
- 10.2 Lessee shall be responsible for registering shared irrigation well (5N) for service, under Lessee's name, with Southern California Edison. Lessee is responsible for paying its share of utility costs. Lessee is responsible for contacting Sun Pacific Farming and forwarding utility costs for payment if irrigation well is used by Sun Pacific Farming.
- 10.3 Lessee shall be responsible for registering two (2) tail water sump pumps on fields 160A and 35, under Lessee's name with Southern California Edison and paying all utility costs.

11. Water

- 11.1 Lessee shall control the flow, reuse, and dispersal of all effluent supplied by the City year round as surface water onto the Premises in a prudent and efficient manner to farm the

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Premises unless provided specific allowance by the City in writing to disperse portion of the wastewater elsewhere.

- 11.1.1. Lessee understands that the City production of effluent may vary significantly but may produce peak flows up to 5 million gallons of effluent per day.
- 11.1.2. Notwithstanding Paragraph 11.1.1 herein above, Lessor expects the typical effluent produced on the Effective Date to be approximately 4.4 million gallons per day, based on the average daily flows from 2009-2013, although Lessor does not guarantee any specific amount of wastewater suitable for irrigation and shall not be liable for any damages to crops due to insufficient, excess, or oil or chemical contaminated wastewater.
- 11.1.3. Lessee agrees that the City may decrease or increase the gallons per day of effluent and also agrees to manage any such decreases and increases and to utilize all the effluent on the Premises.
- 11.2 As required by WDR, Lessee shall provide to the City a written report that shall identify the source of all water and the volume of water in acre feet used on each field no later than the 10th calendar day of the following month.
 - 11.2.1 Lessee may supplement the effluent with well water from the Premises or other water sources that have first been approved in writing by the City.
 - 11.2.1.1 Lessee shall provide a written report that provides the amount of supplemental water (water not supplied by the City) used and dispersed by the Lessee on the Premises.
- 11.3 Water from existing or new wells on the Premises shall only be used on the Premises for the purposes of this Agreement and shall not be dispersed or sent off the Premises.
- 11.4 The City does not and shall not supply potable or drinking water to the Premises.

12. Crops

- 12.1. Lessee shall use the Premises and effluent to irrigate the farm, grow and harvest non-human consumable crops, and maintain an agronomic nitrogen balance with the effluent and bio-solids applied to farmed area.
- 12.2. In the third quarter of each calendar year of this Agreement, Lessee shall, if notified by the City, meet with the City to discuss operation of the farm for the next calendar year.
- 12.3. Lessee shall have the right to harvest all existing crops up to the date of expiration or termination of this Agreement and shall leave the Premises in good condition.
- 12.4. Lessee shall maintain all crops per the BMP and may not damage or plow under any crops at the end of the Lease Agreement.
- 12.5. If Lessee chooses to plant any crops that have registered seed agreements that extend past the term of the Lease Agreement, the seed registration must be transferred to the new Lessee without cost to the City or the new Lessee. Lessor shall bear no responsibility whatsoever for any obligations undertaken by Lessee under such agreements.
- 12.6. Lessor shall not be liable for any crop loss sustained by Lessee for any reason.
- 12.7. As required by the WDR, Lessee shall provide tissue analysis results and crop yield for each field to the City at Lessee's expense.

13. Biosolids, Fertilizers, and Soil Amendments

- 13.1. Lessee shall use biosolids and soil amendments on the Premises in accordance with good farming practices, and schedules provided.

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- 13.2. Lessee shall not accept or allow any placement of biosolids, sludge, septage, or similar materials on the Premises from parties other than Lessor and Lessee shall notify Lessor immediately of any unauthorized placement.
- 13.3. As required by the WDR, Lessee shall provide to the City a written report that states the pounds of nitrogen and any other materials applied to each field over the previous calendar year.
- 13.4. The five year biosolids application and management plan shall be followed.
- 13.5. Any Amendment, requested by the lessee, to the biosolids management plan shall be submitted to the City in writing and must be approved by the city prior to October 1st of each year.
- 13.6. The Lessee will provide the City with all relevant information required verifying compliance with the approved plan for reporting to the governing agencies (CRWQCB and US EPA) by January 15 of each year.
- 13.7. As required by the WDR, Lessee shall provide the City with annual soil analysis results at Lessee's expense.

14. Percolation Ponds

- 14.1. The City owned percolation ponds are to be operated and maintained at the lessee's expense.
- 14.2. The ponds are available for use by the Lessee at all times provided less than 50% of all effluent delivered annually to the reclamation area is percolated in the ponds.
- 14.3. The ponds shall not be operated in such a manner as to have, or threaten to have a negative impact upon the Teapot Dome landfill from rising ground water levels.
- 14.4. The pond bottoms shall be kept open and free of weeds, algae, noxious odors, or other such nuisances.
- 14.5. Rodent control is the responsibility of the Lessee, in order to avoid breaching of levees and/or loss of the pond embankments.
- 14.6. Lessee must provide mosquito abatement in all pipes, ponds, and other collection areas of the percolation ponds.
- 14.7. As required by the WDR, Lessee shall provide to the City a written report that states the amount of effluent in acre feet that was disbursed to the percolation ponds no later than the 10th calendar day of the following month.

15. Security

- 15.1. Lessor does not supply security for the Premises and Lessees operation thereon.
- 15.2. Lessor does not warrant that the fences and gates within or around the Premises will prevent trespassers.
- 15.3. Lessee shall keep all gates closed and locked when not in use during the day and closed and locked during the night.

16. Health and Notice

- 16.1. Lessee shall notify its employees, sub-contractors, and visitors to the Premises that the irrigation water used on the Premises is treated wastewater and is not to be used for drinking or other human consumption and to follow good hygiene practices.
- 16.2. This notification shall be documented and signed and dated by all Lessee's employees, sub-contractors, and visitors to the Premises and such documentation shall be kept on file with Lessee and shall be presented to the City if requested.

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- 16.3. Lessee shall provide for all employees who work at the Premises immunization in accordance with any requirements of the Tulare County Health Department.
- 16.4. Lessee shall comply with all rules and regulation regarding mosquito control on the Premises and shall bear any and all costs regarding mosquito abatement on the Premises.

17. Inspection and Testing

- 17.1. Lessee shall allow:
 - 17.1.1. The City, the county of Tulare, the State of California, or any other regulatory agency to enter onto the Premises to visit the Premises and to perform any soil, air, water or other tests and samplings
 - 17.1.1.1. Such testing shall be performed in a reasonable manner to minimize any damage to crops.
 - 17.1.1.2. Lessee is aware that such testing could result in partial or complete termination of Lessee's farming operation on the Premises.
 - 17.1.2. The City, the county of Tulare, the State of California, or any other regulatory agency to install monitoring wells on the Premises.
 - 17.1.2.1. The City shall recommend that the agencies work with Lessee to install such wells in locations to minimize hindrance or damage to Lessee's farming operation, but makes no guarantee of locations.
 - 17.1.2.2. Lessee is aware that such testing could result in partial or such complete termination of Lessee's farming operations on the Premises.
- 17.2. Lessee shall provide to the City a copy of any reports involving test of soil, air, crops, or water within the Premises performed by or for Lessee immediately after receipt of such reports by Lessee.

18. Discharge of Claims, Liens, Taxes

- 18.1. Lessee shall discharge or provide for the discharge of all claims that it has authorized or incurred for labor, materials, and supplies furnished for or in connection with the Premises.
- 18.2. Lessee agrees to keep and shall keep the Premises and improvements thereon free and clear from any liens or encumbrances, including mechanics or material men's liens, or any kind or nature for any work done, labor performed, or material furnished for the Premises or Lessee's operations thereon or from any other cause.
- 18.3. Lessee agrees to indemnify and save harmless the City, its agents, officers, and employees from and against any and all claims, liens, demands, costs and expenses of whatsoever nature for any such work done, labor performed, or material furnished.
- 18.4. Lessee agrees to pay all taxes (real, personal, possessory interest tax, or whatever other tax) and assessments that may be levied or charged upon the rights of Lessee for Lessee's rights under this Agreements and Lessees' operation here under.
- 18.5. Lessee shall also obtain and pay for all other Agreements or permits necessary or required by law for the conduct of its operation hereunder.

19. Indemnification

- 19.1 To the fullest extent permitted by law, Lessee agrees to indemnify, defend (upon request by the City) and hold the City, is agents, officers, and employees, and each of them, harmless from any and all losses, costs, expenses, claims, attorney's fees, liabilities, actions or

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damages, including liability for death or injury to person or persons or damage to property, arising out of or in any way connected with:

- 19.1.1. The conducting or operation of Lessee's business on the Premises or pursuant to this Agreement, or
- 19.1.2. The construction, renovation, remodel, removal, or significant change to the structure facilities, grounds, or improvements on the Premises or pursuant to this Agreement, or
- 19.1.3. The intentional or negligent conduct of Lessee, its agents, employees, or independent contractors.

20. Insurance: Lessee, in order to protect the City and its council members, officials, agents, officers, and employees against all claims liability for death, injury, loss and damage as a result of Lessee's actions in connection with the performance of Lessee's obligations, as required in this Agreement, shall secure and maintain insurance as described below. Lessee shall not perform any work under this Agreement until Lessee has obtained all insurance required under this Paragraph and the required certificates of insurance have been filed with and approved by the City. Lessee shall pay any deductibles and self-insure retentions under all required insurance policies.

20.1. Workers Compensation and Employer's Liability Insurance Requirement – Lessee shall submit written proof that lessee is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the Labor Code.

20.1.1. In signing this Agreement, Lessee makes the following certification, required by section 1861 of the Labor Code.

20.1.2. "I am aware of the provision of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provision of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement."

20.1.3. Lessee shall require any sub-contractors to provide workers' compensation for all to the subcontractors' employees, unless the sub-contractors' employees are covered by the insurance afforded by Lessee.

20.1.4. If any class of employees engaged in work or services performed under this Agreement is not covered by Labor Code section 3700, Lessee shall provide and/or require each sub-contractor to provide adequate insurance for the coverage of employees not otherwise covered.

20.1.5 Lessee shall also maintain employer's liability insurance with limits of two million dollars (\$2,000,000) for bodily injury or disease.

20.2. Liability Insurance Requirements:

20.2.1. Lessee shall maintain in full force and effect, at all times during the term of this Agreement, the following insurance:

20.2.1.1. Commercial General Liability Insurance, including, but not limited to, Contractual Liability Insurance (specifically concerning the indemnity provision of this Agreement), Products-Completed Operations Hazard, Liquor Liability, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Lessee's performance of work under this Agreement. Said insurance coverage shall have minimum limits for Bodily Injury and Property Damage liability of two million dollars (\$2,000,000)

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- Combined Single Limit (CSL) each occurrence and two million dollars (\$2,000,000) aggregate and shall include an endorsement naming the City and the City's council members, officials, officers, agents and employees as additional insured for liability arising out of this Agreement and any operations related thereto.
- 20.2.1.2. Automobile Liability Insurance against claims of Personal Injury (including bodily injury and death) and Property Damage cover all owned, leased, hired and non-owned vehicles used in the performance of services pursuant to this Agreement with minimum limits for Bodily Injury and Property Damage liability of one million dollars (\$1,000,000) each occurrence and shall include an endorsement naming the City and the City's council members, officials, officers, agents and employees as additional insured for liability arising out of this Agreement and any operations related thereto.
- 20.2.2. If any of the insurance coverage required under this Agreement is written on a claims-made basis, the insurance policy shall provide an extended reporting period of not less than four (4) years following the termination of this Agreement or completing of Lessee's work specified in this Agreement, whichever is later.
- 20.2.3. Prior to Lessee commencing any of its obligations under this Agreement, evidence of insurance in compliance with the requirements above shall be furnished to the City by Certificate of Insurance naming the City as "additional insured". Receipt of evidence of insurance that doesn't comply with above requirements shall not constitute a waiver of the insurance requirements set forth above.
- 20.3. Cancellation of Insurance – The above stated insurance coverage required to be maintained by Lessee shall be maintained until the completion of all the Lessee's obligations under this Agreement, and shall not be reduced, modified, or canceled without thirty (30) days prior written notice to the City. Lessee shall immediately obtain replacement coverage for any insurance policy that is terminated, cancelled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.
- 20.4. All insurance shall be issued by a company or companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum of an "A-VII" rating. Any exception to these requirements must be approved by the City Risk Manager, or the City employee with Risk Management responsibilities.
- 20.5. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Lessee for any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude the City from taking such other actions as are available to it under any other provision of this Agreement or otherwise in law.
- 20.6. Failure by Lessee to maintain all such insurance in effect at all times required by this Agreement shall be a material breach of this Agreement by Lessee. The City, at its sole option, may terminate this Agreement and obtain damages from Lessee resulting from said breach. Alternatively, the City may purchase such required insurance coverage, and without further notice to Lessee, the City shall deduct from sums due to Lessee any premiums and associated costs advanced or paid by the City for such insurance. If the balance of monies obligated to Lessee pursuant to this Agreement are insufficient to reimburse the City for the premiums and any associated cost, Lessee agrees to reimburse the City for the premiums and pay for all costs associated with the purchase of said

**City of Porterville Reclamation Area Lease Agreement
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insurance. Any failure by the City to take this alternative action shall not relieve Lessee of its obligation to obtain and maintain the insurance coverage required by this Agreement.

21. Assignment, Subletting, Merger

- 21.1. Assignment by Lessee of any or all rights under this Agreement may only occur upon written consent of the City.
 - 21.1.1. Lessee shall submit to the City a written request for assignment or to sublet and provide any information about the proposed assignee or party to sublet that the City may require.
 - 21.1.2. Lessee shall submit in advance a non-refundable sum of \$2,500 to the City for each request for assignment or sublet in order to cover costs for processing such request.
 - 21.1.3. The City shall answer Lessee's request for assignment or sublet within 60 days of receipt of such notification by Lessee.
 - 21.1.4. The City may reject the proposed assignment or sublet for any reason and, if so and notwithstanding Paragraph 21.1.2 herein above, the City shall refund \$1,500 to lessee.
- 21.2. At least 120 days in advance of any proposed merger between Lessee and a corporation or any other entity, Lessee shall provide to the City written notice of its intention to participate in such merger and provide any information required by the City in regards to the merger.
- 21.3 This Agreement shall be binding upon and shall inure to the benefit of the heirs, administrators, executors, successors and assigns of the respective parties hereto.

22. Breach and Default

- 22.1. Each of the following shall be a default by Lessee and breach of this Agreement:
 - 22.1.1. Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States, or of any state law, or consent to the appointment of a receiver, trustee, or liquidator, and such act prevents Lessee from conducting its operations under this Agreement for a period of thirty (30) calendar days or more.
 - 22.1.2. By order or decree of a court, Lessee shall be adjudged bankrupt, or an order shall be made approving a petition filed by any other creditors seeking its reorganization of its indebtedness under federal bankruptcy laws, or under any law or statute of the United States, or any state thereof and such act prevents Lessee from conducting its operations under this Agreement for a period of thirty (30) calendar days or more.
 - 22.1.3. A petition under any part of the federal bankruptcy laws, or an action under any present or future solvency law or statute shall be filed against Lessee and shall not be dismissed within ninety (90) days after the filing thereof and such act prevents Lessee from conducting its operation under this Agreement for a period of thirty (30) calendar days or more.
 - 22.1.4. Pursuant to or under authority of any legislative act, resolution or rule or any offer or decree of any court, governmental board, agency, or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially

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all of the property of lessee, and such possession or control shall continue in effect for a period of ninety (90) days and prevents Lessee from conducting its operations under this Agreement for a period of thirty (30) calendar days or more.

- 22.1.5. Any lien (including, without limitation, mechanic's and materials' liens) is filed against the Premises because of any act or omission of lessee and is not removed within thirty (30) day.
- 22.1.6. Lessee's voluntary abandonment, desertion, vacating, or discontinuation of its operations as authorized by this Agreement.
- 22.1.7. Failure to perform any term, covenant, or condition of this Agreement.
- 22.1.8. Lessee fails to punctually make any payments due to the City under this Agreement.
- 22.2. Notwithstanding any other remedies of the City under this Agreement, should lessee default or breach this Agreement, the City may terminate this Agreement immediately, re-enter the Premises and take full possession thereof, and remove all persons connected with Lessee there from and Lessee shall have no further claim thereon or hereunder.
- 22.3. The remedies given to the City in Paragraph 22.2 shall be in addition and supplement to all other rights or remedies that the City may have under the laws then in force.
- 22.4. Lessee hereby waives any and all rights for redemption granted by or under any present or future law, or statute, arising in the event it is evicted or dispossessed for any cause or in the event the City obtains or retains possession of the Premises in any lawful manner.
- 22.5. No waiver the City of any default or breach on the part of Lessee in the performance of any of the terms, covenants, or conditions hereof to be performed, kept, or observed by Lessee shall be or be construed to be a waiver by the City of any other or subsequent default or breach in performance of any of said terms, covenants, or conditions contained in this Agreement.
 - 22.5.1. The subsequent acceptance of rent by the City shall not be deemed a waiver of any preceding breach by Lessee of any term, covenant or condition of this Agreement, including the failure of Lessee to pay the particular rental so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such rent.
 - 22.5.2. No covenant, term or condition of this Agreement shall be deemed to have been waived by the City, unless the City provides such waiver in writing.

23. Negation of Partnership

- 23.1. The City shall not become or be deemed a partner or joint venture with Lessee or associate in any relationship with Lessee other than that of Lessor and Lessee by reason of the provisions of this Agreement.
- 23.2. Lessee shall not for any purpose be considered an agent, officer, or employee of the City. .
- 23.3. To whatever extent the City, its agents, officers, or employees may be deemed to be associated with the Lessee or the Lessee's agents, officers, or employees because of any activity or operation pursued by Lessee or its agents, officers or employees on the Premises, then to such extent Lessee shall be deemed an independent contractor of the City.

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24. Workers Compensation: Lessee shall comply with the workers' Compensation Act of this State and shall indemnify and save and hold harmless the City from any and all liability under the said Act.
25. Compliance With Law: Lessee shall, at its expense, promptly comply with any and all laws, ordinances, rules, regulations, requirements and orders whatever, present or future, of the federal, state, or City government which may in any way apply to the use, maintenance, occupation of or operations on the Premises, including but not limited to the Americans with Disabilities Act.
26. Nondiscrimination: Lessee, in the operation to be conducted pursuant to the provision to this Agreement and otherwise in the use of Premises, shall not discriminate or permit discrimination against any person or class of persons by reason of race, color, creed, sex or national origin or by any arbitrary reason.
27. Notices: All notices herein provided to be given, or which may be given, by either party to the other shall be deemed to have been fully given when made in writing and deposited with the United States Postal Service, Registered or Certified, postage prepaid and addressed as follows:

To the Lessee:

To the Lessor (the City of Porterville)

City of Porterville
291 Main Street
Porterville, CA 93257

The address to which the notices may be mailed to either party may be changed by written notice. Nothing, however, shall preclude the giving of any such notice by personal service.

28. Definitions and Terminology

- 28.1. In this Agreement the capitalized term "Paragraph" shall indicate the numerical subject headings or sub-headings of this Agreement (such as this Paragraph is identified as 28.1)
- 28.2. In this Agreement the capitalized terms "Section" or "Sections" shall indicate the actual physical location for the certain real property locations, as they exist in Tulare County. (As such, the only Sections to be mentioned in this Agreement will be the Sections as originally stated in Paragraph 1.2 herein above.)
- 28.3. In the context of this Agreement the terms "wastewater" and "effluent" may be used interchangeably and shall be defined as untreated sewage water that has been channeled to the City treatment plant, treated to certain requirements, and discharged from the

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treatment plant as non-potable water to be used on the Premises to grow fiber and fodder crops.

29. Damage to Premises:

- 29.1. In the event more than 20% of the Premises or more than 100 acres of farmed land is declared a disaster area by Federal, State, or local authorities:
 - 29.1.1. Lessee may, within 15 days of such declaration, provide to the City evidence of the declaration, the location and number of acres affected, and petition for temporary relief from rent until the affected real property can reasonably and in a timely manner be restored by Lessee, at its expense, to a condition again usable for Lessee's farming operations, and
 - 29.1.2. The City shall review such petition or request and if found credible shall pro-rate Lessee's rent by:
 - 29.1.2.1. Determining the number of currently farmed acres,
 - 29.1.2.2. Determining the number of current acres deemed not farmable due to the disaster,
 - 29.1.2.3. Determining the number of days the farmed acres are out of production until Lessee can reasonably put the acres back into production,
 - 29.1.2.4. Regarding this Paragraph 29.1, determine an acreage percentage and divide the result by 365 days to determine a day's percentage,
 - 29.1.2.5. Multiply the acreage percentage times the days percentage to determine an overall percentage,
 - 29.1.2.6. Multiply the overall percentage times the annual rent to determine rent credit to Lessee (no more than 30% of the annual rent), and
 - 29.1.3. Within 15 days after the City determines the affected real property can reasonably be farmed by Lessee, the City shall notify Lessee the amount of rent reduction and whether it will be refunded to Lessee soon thereafter by check or credited towards Lessee's next rental payment.
- 29.2. Should the City determine the Premises or significant parts thereof are rendered unusable for a period of more than 30 days due to no fault of Lessee, the City may determine a refund of rent based on the formula determined in Paragraph 29.1 of this Agreement and pay or credit Lessee for the time period beyond the 30 day period mentioned hereon above (NOTE - in this instance the pro-rated rent shall take effect 30 days after the City's reasonable determination of the date the acreage was determined unusable.)

30. Surrender of Premises: On the last day of the term, or sooner termination of this Agreement, Lessee shall peaceably and quietly leave, surrender and yield up to the City the Premises and improvements thereon in good condition, reasonable use and wear thereof, and damage by earthquake, public calamity, by the elements, by act of God or by fire or other circumstances over which Lessee has no control.

31. Authorized Agent of THE CITY: The City Manager, or his designee, is the duly authorized agent of the City for purposes of this Agreement and any obligations assumed hereby by Lessee shall be performed to his satisfaction.

32. Disposition of Improvements and Equipment: Upon termination or expiration of this Agreement, Lessee, may, at Lessee's sole cost and expense, remove its farm equipment and trade fixtures which have been placed on the Premises but not permanently affixed thereto. No real property or

**City of Porterville Reclamation Area Lease Agreement
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improvements to real property shall be removed by Lessee without Lessee first obtaining written approval to remove such real property or improvements to real property.

33. Lost, Stolen, Damaged Property: The City is in no way responsible for Lessee's lost, stolen, or damaged property unless the City or the City's agents take possession of Lessee's property.
34. Right of Ingress and Egress:
- 34.1. Lessee shall have reasonable non-exclusive right of way for pedestrian and vehicular travel for ingress and egress to the Premises over property owned and controlled by the City.
 - 34.2. Lessee's right of way is subject to such reasonable rules and regulations as the City may make from time to time.
 - 34.3. The City and its invitees shall have the right, at any time, to enter and inspect the Premises, Lessee's operations, and conduct studies, surveys, and tests.
35. Incorporation of Prior Agreements and Amendments:
- 35.1 This Agreement contains all agreements of the parties with respect to any matter mentioned.
 - 35.2 No prior agreement or understanding pertaining to any such matter shall be effective.
 - 35.3 This Agreement can only be modified as a written agreement, signed by the parties in interest at the time of the modification.
36. Venue: If either Lessee or the City initiates an action to enforce the terms hereof or declare rights hereunder, including actions on any bonds and/or surety agreements, the parties agree that the venue thereof shall be the County of Tulare , State of California.
37. Severability: the invalidity of any provision of this Agreement, as determined by a Court of competent jurisdiction, shall not affect the validity or any other provision hereof.
38. Captions: Paragraph headings in this Agreement are used solely for convenience and shall be wholly disregarded in the construction of this Agreement.
39. Covenants and Conditions: Each provision of this Agreement performable by Lessee shall be deemed both a covenant and a condition.
40. Time of Essence: Time is hereby expressly declared to be of the essence of this agreement and of each and every provision thereof, and each such provision is hereby made and declared to be a material, necessary, and essential part of this Agreement.
41. Attorney's Fees. If any litigation is commenced between the parties to this Lease concerning the Lease or the rights and duties of either in relation to the Lease, the party prevailing in that litigation shall be entitled, in addition to any other relief that may be granted in the litigation, to its cost for the litigation including expert witness fees and a reasonable sum for its attorneys' fees in the litigation, which shall be determined by the court in that litigation or in a separate action brought for that purpose.

**City of Porterville Reclamation Area Lease Agreement
Porterville, CA**

City of Porterville

By _____
Milt Stowe, Mayor

Date: _____

APPROVED AS TO FORM
City of Porterville

By _____
Julia M. Lew, City Attorney

Date: _____

Lessee

By _____
Rick Perigo

Date: _____

Title _____

Business Name _____
Perigo Roadsiding

APPROVED AS TO FORM

By _____
Legal Counsel for Lessee

Date: _____

Exhibit A – Reclamation Area Legal Descriptions
Exhibit B – Map of Reclamation Area, infrastructure
Exhibit C – Letter of Credit for Lessee
Exhibit D – Reclamation Area Lease Request for Proposal



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Authorization of Encroachment Agreements for the Installation of Fiber Optic Networks

SOURCE: Public Works

COMMENT: OACYS Telecom, Inc. and CVIN, Inc. have submitted to the City of Porterville, encroachment agreements for the installation of Fiber Optic Network Facility within Public Right-of-Way. Each corporation has been granted a certificate of public convenience and necessity as a telecommunications service provider by the California Public Utilities Commission. Each entity is requesting approval of their respective encroachment agreements.

Installation of Fiber Optic by OACYS Telecom, Inc. will be from their location at 767 N. Porter Road, north to Henderson Avenue, east to Villa Street and south to Dexter Avenue. Installation of Fiber Optic by CVIN, Inc. will be E. Date Avenue beginning at S. Park Street west to E. Orange Avenue, continue west to Wallace Street.

RECOMMENDATION: That City Council:

1. Authorize entering into encroachment agreements with OACYS Telecom, Inc. and CVIN, LLC, for the installation of Fiber Optic Networks; and
2. Authorize the Mayor to sign the encroachment agreements.

ATTACHMENTS:

1. Encroachment Agreement - OACYS
2. Encroachment Agreement - CVIN

Appropriate/Funded: N/A

Review By:

Department Director:

Javier Sanchez, Assistant City Engineer

Final Approver: John Lollis, City Manager

**ENCROACHMENT AGREEMENT BETWEEN THE CITY
OF PORTERVILLE AND OACYS TELECOM, INC. FOR
THE INSTALLATION OF FIBER OPTIC NETWORK
FACILITIES WITHIN PUBLIC RIGHT-OF-WAY**

This Agreement ("Agreement") is dated for identification this 3rd day of February 2015, by and between the CITY OF PORTERVILLE, a municipal corporation (herein termed "City") and OACYS TELECOM, INC. (herein termed "Corporation").

RECITALS

A. Corporation desires to construct, install and maintain Fiber Optic Network Facilities within the Public Right-of-Way and/or public utility and/or service easements within City; and

B. Corporation has been granted a certificate of public convenience and necessity as a telecommunications service provider by the California Public Utilities Commission; and

C. City has the authority to regulate the terms and conditions for the use of Public Right-of-Way for the construction, installation and maintenance of the Fiber Optic Network Facilities;

NOW, THEREFORE, in consideration of the recitals and the mutual promises contained herein, City and Corporation agree as follows:

AGREEMENT

DEFINITIONS

1. "Authorized Routes" shall mean the specific Public Right-of-Way set forth on the map attached as Exhibit A. Exhibit A may be modified during the term of this Agreement with the approval of the City Engineer. The City Engineer's approval must be obtained prior to any construction by Corporation in any section of the Public Right-of-Way. Denial by City must be based on a reasonable public safety or critical infrastructure maintenance requirement.

2. "City" means the City of Porterville, a municipal corporation of the State of California, and includes the duly elected or appointed officers, agents, employees, and volunteers of the City of Porterville, individually or collectively.

3. "Emergency" is defined as a complete or partial failure or breakage of any portion of the City infrastructure which impacts services. An emergency repair is defined as remedial activity to protect the public health and safety, in the judgment of the City.

4. "Fiber Optic Network Facilities" or "Facilities", means fiber optic cables, conduits, converters, splice boxes, cabinets, handholes, manholes, vaults, equipment, drains, surface location markers, appurtenances, and related facilities located by Corporation or to be located by Corporation in the Public Right-of-Way of City and used solely for the Corporation's Telecommunications. No portion of "Facilities" shall constitute all or any portion be used for other purposes without proper City authorization. Unless specifically authorized in a permit issued hereunder, "Facilities" shall not include vaults, pedestals or other enclosures located in the rights-of-way that contain generators, batteries or other back-up power equipment, or that are larger than a standard fiber optic splice box.

5. "Laws" means any order, certificate, judicial decision, statute, constitution, ordinance, resolution, regulation, rule, tariff, administrative order, or other requirement of any municipality, county, state, federal, or other agency having joint or several jurisdiction over the parties to this Agreement, in effect either at the time of execution of this Agreement or at any time during the location of the Facilities in the Public Right-of-Way including, without limitation, any regulation or order of an official entity or body. A reference To "Laws" shall include, without limitation, any lawful provision of the Porterville Municipal Code or any other City ordinance, policy, regulation, or standard specifications.

6. "Corporation" shall mean OACYS Telecom, Inc., located at 767 North Porter Road, Porterville, CA 93257 and its lawful successors or assigns as permitted by Section 44, hereinafter.

7. "Public Right-of-Way" means the surface, the air space above the surface, and the area below the surface of the public streets, roads, sidewalks, lanes, courts, ways, alleys, boulevards, and places including, without limitation, all public utility easements and public service easements as the same now or may hereafter exist that are under the jurisdiction of the City. This term shall not include any property owned by any person or agency other than the City, except as provided by applicable Laws or pursuant to an agreement between the City and any person.

8. "City Engineer" means the individual designated as the City Engineer of the City, including any individual expressly designated to exercise functions with respect to the rights and obligations of the City Engineer under this Agreement and any other individual, person, division, department, bureau, or agency of the City as may, from time to time, exercise functions equivalent or similar to those now exercised by the City Engineer.

9. "Telecommunications" shall mean the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

10. "Excavation (Public Works) Permit" shall mean that permit required by Chapter 20, Article II of the Porterville Municipal Code.

LIMITATIONS AND RESTRICTIONS

11. Subject to the provisions of this Agreement and all applicable Laws, the City hereby licenses and permits Corporation to construct, install, maintain, locate, move, operate, place, protect, reconstruct, reinstall, relocate, remove, and replace (hereinafter collectively referred to as "Construct" or "Construction") the Facilities in, under, over, across and along the Public Right-of-Way in the Authorized Routes for the purposes of providing Telecommunications Services. Any work performed pursuant to the rights granted to Corporation under this Agreement shall be subject to the prior review and reasonable approval of the City Engineer.

12. Except as permitted by applicable Laws or this Agreement, in the performance and exercise of its rights and obligations under this Agreement, Corporation shall not interfere in any manner with the existence and operation of any and all public and private rights-of-way, sanitary sewers, water mains, storm drains, gas mains, poles, overhead and underground electric and telephone wires, electroliers, cable television, and other telecommunications, utility and municipal property without the approval of the owner(s) of the affected property or properties.

13. Both the City and Corporation shall expressly comply with all applicable Laws in the exercise and performance of their rights and obligations under this Agreement. Each party preserves all of its rights under all Laws.

14. This Agreement is not a grant by City of any property interest but is made subject and subordinate to the prior and continuing right of City and its assigns to use all the Public Right-of-Way in the performance of its duty, including but not limited to, public use as a street and for the purpose of laying, installing, maintaining, repairing, protecting, replacing and removing sanitary sewers, water main, storm drains, gas mains, poles, overhead and underground electric and telephone wires, electroliers, cable television and other utility and municipal uses together with appurtenances thereof and with right of ingress and egress, along, over, across and in said Public Right-of-Way.

15. This Agreement is made subject to all easements, restrictions, conditions, covenants, encumbrances and claims of title which may affect the Public Right-of-Way, and it is understood that Corporation, at its own cost and expense, shall obtain such permission as may be necessary and consistent with any other existing rights.

16. The Construction, installation, operation, maintenance and removal of said Fiber Optic Network Facilities shall be accomplished without cost or expense to City, and shall be performed subject to the reasonable approval of the City Engineer in such a manner as not to endanger personnel or property, or unreasonably obstruct travel on any road, walk or other access thereof within said Public Right-of-Way.

17. In the event of an emergency repair of City facilities in proximity to Corporation facilities, which repair may conflict with or threaten Corporation facilities, Corporation shall immediately, upon notice by City, provide a representative to the repair site. Protective measures, as determined by the Corporation representative, at the election of the City, may be undertaken by the City at Corporation's expense. Should City not elect to perform such protective action, Corporation shall provide the resources to conduct the protective measures upon City's demand under the direction of the City and in a manner consistent, in the City's sole discretion, with the execution of the City's responsibilities in the emergency. Priority shall be given to activities necessary to restore City services and for public safety.

COMPLIANCE WITH STANDARDS

18. Prior to any Construction in Public Right-of-Way, Corporation shall obtain a public works permit from City. Corporation shall construct Facilities in accordance with Laws.

19. Corporation agrees to keep said Fiber Optic Network Facilities in good and safe condition and free from any nuisance, to the reasonable satisfaction of the City Engineer.

20. Corporation agrees to cooperate in the planning, locating and constructing of its Fiber Optic Network Facilities in utility joint trenches or common duct banks with other similar utilities and to participate in cost-sharing for the joint trench and ducts, when such joint utility installations are being planned for or exist in an area, provided however, that participation in such joint utility installments shall be on terms and conditions satisfactory to Corporation and City.

21. All Fiber Optic Network Facilities shall be underground unless otherwise authorized by the City Engineer.

RESERVATION OF RIGHTS

22. City reserves any and all rights it may have now or in the future to legally regulate or otherwise condition the use of Facilities and related activities and services to be provided pursuant to the Construction subject to this Agreement.

23. City's approval of this Agreement is not a waiver of and is without prejudice to any right City may have under law to regulate, tax or impose fees or charges on Corporation in the future.

NO FRANCHISE RIGHTS CREATED

24. Nothing in this Agreement shall be construed as granting or creating any franchise rights.

REMOVAL AND RELOCATION

25. Corporation shall remove or relocate, without cost or expense to City, any Fiber Optic Network Facilities installed, used and maintained under this Agreement if and when made necessary by any lawful change of grade, alignment or width of any street, including the construction, maintenance or operation of any underground subway or viaduct by City and/or the construction, maintenance or operation of any other City underground or aboveground facilities. In the event all or any portion of said Public Right-of-Way occupied by said Fiber Optic Network Facilities shall be needed by City or in the event the existence of said Fiber Optic Network Facilities shall be considered detrimental to governmental activities, including but not limited to, interference with City construction projects, or is in conflict vertically and/or horizontally with any proposed City installation, Corporation shall remove and relocate said Fiber Optic Network Facilities to such other location or locations on said Public Right-of-Way in accordance with conditions and standards as may be designated by City. Said removal or relocation shall be completed within ninety (90) days of notification by City, unless circumstances exist that require a shorter period of time in order to protect the public health, safety, or welfare, in which event, the City shall notify Corporation of the shorter time period and the reason wherefore. The City Engineer, at his or her sole discretion, may grant to Corporation a longer period of time in which to remove or relocate the Facilities, upon request of Corporation. In the event said Fiber Optic Network Facilities are not removed or relocated within ninety (90) days (or other time period if applicable) after said notification, City may cause the same to be done at the sole expense of Corporation.

26. If any portions of the Fiber Optic Network Facilities covered under this Agreement are no longer used by Corporation, or are abandoned for a period in excess of six (6) months, Corporation shall notify City and shall either promptly vacate and remove the facilities at its own expense or, at City's discretion, may abandon some or all of the facilities in place. However, Corporation's obligation under this Agreement shall continue in full force and effect unless superseded in a writing signed by both parties.

27. When removal or relocation are required under this Agreement, Corporation shall, after the removal or relocation of the Fiber Optic Network Facilities, at its own cost, repair and return the Public Right-of-Way or public utility or service easements on which the facilities were located to a safe and satisfactory condition in accordance with the construction-related conditions and

specifications as established by City according to its standard practice. Should Corporation remove the Fiber Optic Network Facilities from the Public Right-of-Way, Corporation shall, within ten (10) days after such removal, give notice thereof to City specifying the Right-of-Way affected and the location thereof as well as the date of removal. Before proceeding with removal or relocation work, Corporation shall obtain a public works permit from the City.

ENCROACHMENT PERMIT AND FEES

28. Corporation shall apply for a public works permit for all work and each job within the Public Right-of-Way. Corporation shall furnish detailed plans of the work and other such information as required by the City Engineer and shall pay all processing, field marking, engineering and inspection fees, and any other fees that the City may be authorized to impose now or in the future prior to issuance of the permit in accordance with the rates in effect at the time of payment. Said improvements shall be constructed in accordance with Laws, and as further provided for in the provisions of this Agreement. The Corporation shall pay a fee for plan review and inspection services based on estimated construction costs for the installation of utilities within the public right of way per the City's adopted fee schedule.

29. Failure to comply with the terms and conditions of this Agreement may, at City's sole discretion, result in withholding issuance of any new public works permits, provided, however, that the City must give Corporation notice and an opportunity to cure.

DAMAGE TO FACILITIES IN PUBLIC RIGHT-OF-WAY

30. Corporation shall be responsible for any damage to Public Right-of-Way due to the Construction performed by Corporation in Public Right-of-Way, and Corporation shall repair, replace and restore in kind the said damaged facilities in accordance with City standards at Corporation's sole expense.

31. If Public Right-of-Way to be used by Corporation has preexisting installation(s) placed in the Right-of-Way, Corporation shall assume the responsibility to verify the location of the preexisting installation and notify City and any third party of Corporation's proposed installation. The cost of any work required of such third party or City to provide adequate space or required clearance to accommodate Corporation's installation shall be borne solely by Corporation.

RECORDS AND FIELD LOCATIONS

32. Corporation shall maintain accurate maps and improvement plans of said Fiber Optic Network Facilities located with the City. Corporation shall, within thirty (30) days after completion of an installation in the Public Right-of-Way, and otherwise upon demand of the City Engineer, deliver to the office of the Public Works Department free of charge, and to other third parties interested in performing work within Public Right-of-Way for a reasonable charge upon request, within thirty (30) days after such demand, such maps and plans as may be required to show in detail the exact location of all Fiber Optic Network Facilities installed within said Public Right-of-Way. In addition, the City Engineer is requiring Corporation to provide the City with maps and plans on electronic media suitable for a Computer Aided Design and Drafting application. City shall use such information only as needed to manage the public right-of-way, including, but not limited to, coordination of construction schedules, prevention of interference among the various utilities and systems in the public right-of-way, and enforcement of building and zoning regulations. The parties acknowledge that the City is subject to the requirements of the California Public Records Act, Government Code

section 6250 et seq., and may be required to disclose information provided by Corporation to the City upon request of a third party. For information designated by Corporation as confidential or proprietary, City shall endeavor to notify Corporation of such request prior to disclosure of information designated as confidential or proprietary.

33. Corporation shall, at its sole cost and expense, expose by potholing to a depth of one foot (1') below the bottom of its subsurface Fiber Optic Network Facilities, within thirty (30) days of receipt of a written request from City to do so.

34. Corporation shall be a member of the regional notification center for subsurface installations (Underground Services Alert) and shall field mark, at its sole expense, the locations of its underground Fiber Optic Network facilities upon notification in accordance with the requirements of Section 4216 of the State of California Government Code, as it now reads or may hereinafter be amended.

HOLD HARMLESS AND INDEMNIFICATION

35. Corporation, jointly and severally, for itself, its successors, agents, contractors and employees, agrees to indemnify, defend (with counsel acceptable to City) and hold harmless City, its officers, employees and agents and any successors to City's interest from and against any and all claims, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions of any kind, all costs and expenses incurred in connection therewith, including, without limitation, reasonable attorney's fees and costs of defense (collectively, the "Losses") arising directly or indirectly, in whole or in part, out of the activities of Corporation described in this Agreement, except to the extent arising from the City's sole intentional or negligent acts. For purposes of this section only, the term "cleanup actions" shall refer to such actions as are necessary to remediate damage caused directly or indirectly by Corporation, its employees, agents, contractors, or subcontractors. In the event that Corporation, its employees, agents, contractors, or subcontractors shall discover contamination or hazardous materials while performing any work in the public right-of-way, regardless of the source, Corporation shall cause all work to be stopped and shall immediately notify City of the discovery. Corporation agrees that the provisions of this section shall fully apply in the event of a failure by Corporation to stop work and immediately notify the City.

MISCELLANEOUS

36. Corporation shall obtain and maintain in force a Business License from the City prior to the issuance of a public works permit under this Encroachment Agreement.

37. This Agreement shall not be assignable by Corporation without the prior written approval of City, which approval shall not be unreasonably withheld, conditioned, or delayed; provided, however, that Corporation may assign the rights granted hereunder to a parent, successor of Corporation, now or hereinafter existing, by only providing notice to City of such assignment.

38. This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements or understandings (whether oral or written) between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein. This Agreement may not be amended except pursuant to a written instrument signed by all parties.

SEVERABILITY

39. If any one or more of the covenants or agreement or portions thereof provided in this Agreement shall be held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such covenant or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed separable from the remaining covenants or agreements or portions thereof and shall in no way affect the validity or enforceability of the remaining portions of this Agreement.

THIRD PARTY MODIFICATIONS

40. This Agreement shall be subject to such changes or modifications as may be required or authorized by any regulatory commission in the exercise of its lawful jurisdiction.

TERMINATION

41. This Agreement may be terminated by City upon three (3) months prior written notice to Corporation for failure of Corporation to fully and promptly cure any default of its obligations hereunder of which the City has notified Corporation in writing, or, if such cure cannot be effected within thirty (30) days, that Corporation has not commenced and is continuing efforts to cure the default. A failure on the part of any party to perform any material obligation imposed upon such party shall constitute a default and a material breach of this Agreement.

42. City may terminate this Agreement upon thirty (30) days prior written notice to Corporation in the event of Corporation's insolvency or declaration of bankruptcy.

43. This Agreement term shall be ten (10) years from the Effective Date and renew for additional, successive ten (10) year terms unless either party terminates the Agreement in writing at least one (1) year prior to the termination date. City's termination must be based on a reasonable public safety or critical infrastructure maintenance requirement.

44. Upon termination, Corporation shall remove the Facilities as set forth in the section entitled "Removal and Relocation". This Section shall not be construed as a waiver by Corporation of any rights it may have under Public Utilities Code section 7901.

NOTICE

45. Corporation's Network Operations Control Center shall be available to City staff regarding problems or complaints resulting from the facilities installed pursuant to this Agreement and may be contacted by telephone at: (559) 781-4123 regarding such problems or complaints. Corporation shall designate a person in California who is authorized to accept service of process on behalf of Corporation.

46. All notices given or which may be given pursuant to this Agreement shall be in writing and transmitted by United States mail or by private delivery systems or by facsimile if followed by United States mail or by private delivery systems as follows:

To Corporation at:

OACYS Telecom, Inc.
767 North Porter Road
Porterville, CA 93257
Attn: Director of Real Estate

To City at:

City of Porterville City Engineer
291 North Main Street
Porterville, CA 93257

47. If any litigation is commenced between the parties to this Agreement concerning the Agreement or the rights and duties of either in relation to the Agreement, the party prevailing in that litigation shall be entitled, in addition to any other relief that may be granted in the litigation, to a reasonable sum as and for its attorney's fees in the litigation, which shall be determined by the court in that litigation or in a separate action brought for that purpose.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate on the date and year first written herein.

CITY OF PORTERVILLE

CORPORATION

BY: _____

BY: Ryan Walker
Ryan Walker, Chief Operating Officer

Date: _____

Date: 3/17/2015

Attest:

John D. Lollis, City Clerk

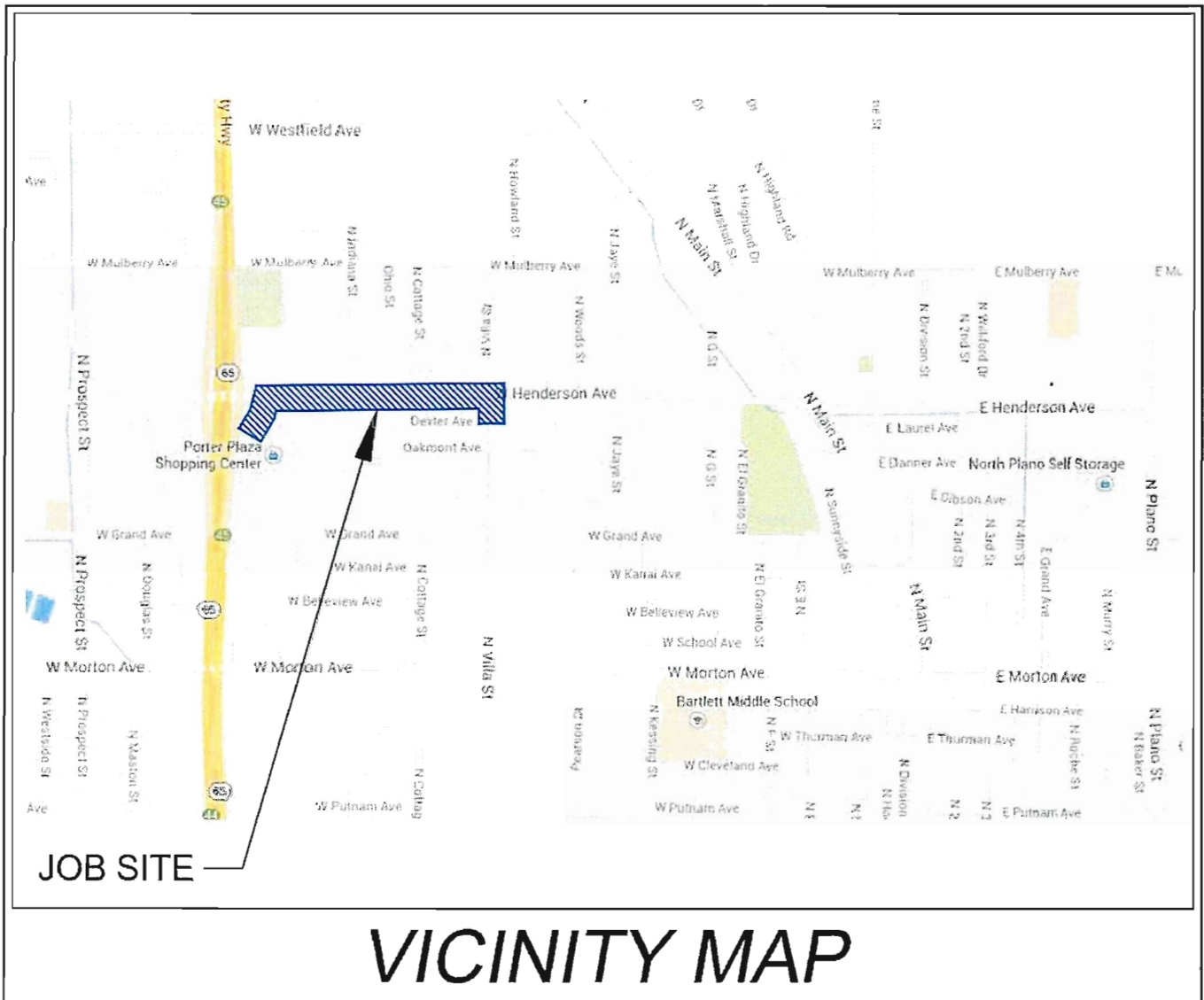
Approved as to form:

Julia Lew, City Attorney

Recommended by:

Michael Reed,
Deputy Public Works Director/City Engineer

EXHIBIT A
Approved Route



Initial project area is depicted in Porterville map shown above

**ENCROACHMENT AGREEMENT BETWEEN THE CITY
OF PORTERVILLE AND CVIN, LLC FOR THE
INSTALLATION OF FIBER OPTIC NETWORK FACILITIES
WITHIN PUBLIC RIGHT-OF-WAY**

This Agreement ("Agreement") is dated for identification this 3rd day of February 2015, by and between the CITY OF PORTERVILLE, a municipal corporation (herein termed "City") and CVIN, LLC (herein termed "Corporation").

RECITALS

A. Corporation desires to construct, install and maintain Fiber Optic Network Facilities within the Public Right-of-Way and/or public utility and/or service easements within City; and

B. Corporation has been granted a certificate of public convenience and necessity as a telecommunications service provider by the California Public Utilities Commission; and

C. City has the authority to regulate the terms and conditions for the use of Public Right-of-Way for the construction, installation and maintenance of the Fiber Optic Network Facilities;

NOW, THEREFORE, in consideration of the recitals and the mutual promises contained herein, City and Corporation agree as follows:

AGREEMENT

DEFINITIONS

1. "Authorized Routes" shall mean the specific Public Right-of-Way set forth on the map attached as Exhibit A. Exhibit A may be modified during the term of this Agreement with the approval of the City Engineer. The City Engineer's approval must be obtained prior to any construction by Corporation in any section of the Public Right-of-Way. Denial by City must be based on a reasonable public safety or critical infrastructure maintenance requirement.

2. "City" means the City of Porterville, a municipal corporation of the State of California, and includes the duly elected or appointed officers, agents, employees, and volunteers of the City of Porterville, individually or collectively.

3. "Emergency" is defined as a complete or partial failure or breakage of any portion of the City infrastructure which impacts services. An emergency repair is defined as remedial activity to protect the public health and safety, in the judgment of the City.

4. "Fiber Optic Network Facilities" or "Facilities", means fiber optic cables, conduits, converters, splice boxes, cabinets, handholes, manholes, vaults, equipment, drains, surface location markers, appurtenances, and related facilities located by Corporation or to be located by Corporation in the Public Right-of-Way of City and used solely for the Corporation's Telecommunications. No portion of "Facilities" shall constitute all or any portion be used for other purposes without proper City authorization. Unless specifically authorized in a permit issued hereunder, "Facilities" shall not include vaults, pedestals or other enclosures located in the rights-of-way that contain generators, batteries or other back-up power equipment, or that are larger than a standard fiber optic splice box.

5. "Laws" means any order, certificate, judicial decision, statute, constitution, ordinance, resolution, regulation, rule, tariff, administrative order, or other requirement of any municipality, county, state, federal, or other agency having joint or several jurisdiction over the parties to this Agreement, in effect either at the time of execution of this Agreement or at any time during the location of the Facilities in the Public Right-of-Way including, without limitation, any regulation or order of an official entity or body. A reference To "Laws" shall include, without limitation, any lawful provision of the Porterville Municipal Code or any other City ordinance, policy, regulation, or standard specifications.

6. "Corporation" shall mean CVIN, LLC, located in Fresno, CA and its lawful successors or assigns as permitted by Section 44, hereinafter.

7. "Public Right-of-Way" means the surface, the air space above the surface, and the area below the surface of the public streets, roads, sidewalks, lanes, courts, ways, alleys, boulevards, and places including, without limitation, all public utility easements and public service easements as the same now or may hereafter exist that are under the jurisdiction of the City. This term shall not include any property owned by any person or agency other than the City, except as provided by applicable Laws or pursuant to an agreement between the City and any person.

8. "City Engineer" means the individual designated as the City Engineer of the City, including any individual expressly designated to exercise functions with respect to the rights and obligations of the City Engineer under this Agreement and any other individual, person, division, department, bureau, or agency of the City as may, from time to time, exercise functions equivalent or similar to those now exercised by the City Engineer.

9. "Telecommunications" shall mean the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

10. "Excavation (Public Works) Permit" shall mean that permit required by Chapter 20, Article II of the Porterville Municipal Code.

LIMITATIONS AND RESTRICTIONS

11. Subject to the provisions of this Agreement and all applicable Laws, the City hereby licenses and permits Corporation to construct, install, maintain, locate, move, operate, place, protect, reconstruct, reinstall, relocate, remove, and replace (hereinafter collectively referred to as "Construct" or "Construction") the Facilities in, under, over, across and along the Public Right-of-Way in the Authorized Routes for the purposes of providing Telecommunications Services. Any work performed pursuant to the rights granted to Corporation under this Agreement shall be subject to the prior review and reasonable approval of the City Engineer.

12. Except as permitted by applicable Laws or this Agreement, in the performance and exercise of its rights and obligations under this Agreement, Corporation shall not interfere in any manner with the existence and operation of any and all public and private rights-of-way, sanitary sewers, water mains, storm drains, gas mains, poles, overhead and underground electric and telephone wires, electroliners, cable television, and other telecommunications, utility and municipal property without the approval of the owner(s) of the affected property or properties.

13. Both the City and Corporation shall expressly comply with all applicable Laws in the exercise and performance of their rights and obligations under this Agreement. Each party preserves all of its rights under all Laws.

14. This Agreement is not a grant by City of any property interest but is made subject and subordinate to the prior and continuing right of City and its assigns to use all the Public Right-of-Way in the performance of its duty, including but not limited to, public use as a street and for the purpose of laying, installing, maintaining, repairing, protecting, replacing and removing sanitary sewers, water main, storm drains, gas mains, poles, overhead and underground electric and telephone wires, electroliers, cable television and other utility and municipal uses together with appurtenances thereof and with right of ingress and egress, along, over, across and in said Public Right-of-Way.

15. This Agreement is made subject to all easements, restrictions, conditions, covenants, encumbrances and claims of title which may affect the Public Right-of-Way, and it is understood that Corporation, at its own cost and expense, shall obtain such permission as may be necessary and consistent with any other existing rights.

16. The Construction, installation, operation, maintenance and removal of said Fiber Optic Network Facilities shall be accomplished without cost or expense to City, and shall be performed subject to the reasonable approval of the City Engineer in such a manner as not to endanger personnel or property, or unreasonably obstruct travel on any road, walk or other access thereof within said Public Right-of-Way.

17. In the event of an emergency repair of City facilities in proximity to Corporation facilities, which repair may conflict with or threaten Corporation facilities, Corporation shall immediately, upon notice by City, provide a representative to the repair site. Protective measures, as determined by the Corporation representative, at the election of the City, may be undertaken by the City at Corporation's expense. Should City not elect to perform such protective action, Corporation shall provide the resources to conduct the protective measures upon City's demand under the direction of the City and in a manner consistent, in the City's sole discretion, with the execution of the City's responsibilities in the emergency. Priority shall be given to activities necessary to restore City services and for public safety.

COMPLIANCE WITH STANDARDS

18. Prior to any Construction in Public Right-of-Way, Corporation shall obtain a public works permit from City. Corporation shall construct Facilities in accordance with Laws.

19. Corporation agrees to keep said Fiber Optic Network Facilities in good and safe condition and free from any nuisance, to the reasonable satisfaction of the City Engineer.

20. Corporation agrees to cooperate in the planning, locating and constructing of its Fiber Optic Network Facilities in utility joint trenches or common duct banks with other similar utilities and to participate in cost-sharing for the joint trench and ducts, when such joint utility installations are being planned for or exist in an area, provided however, that participation in such joint utility installments shall be on terms and conditions satisfactory to Corporation and City.

21. All Fiber Optic Network Facilities shall be underground unless otherwise authorized by the City Engineer.

RESERVATION OF RIGHTS

22. City reserves any and all rights it may have now or in the future to legally regulate or otherwise condition the use of Facilities and related activities and services to be provided pursuant to the Construction subject to this Agreement.

23. City's approval of this Agreement is not a waiver of and is without prejudice to any right City may have under law to regulate, tax or impose fees or charges on Corporation in the future.

NO FRANCHISE RIGHTS CREATED

24. Nothing in this Agreement shall be construed as granting or creating any franchise rights.

REMOVAL AND RELOCATION

25. Corporation shall remove or relocate, without cost or expense to City, any Fiber Optic Network Facilities installed, used and maintained under this Agreement if and when made necessary by any lawful change of grade, alignment or width of any street, including the construction, maintenance or operation of any underground subway or viaduct by City and/or the construction, maintenance or operation of any other City underground or aboveground facilities. In the event all or any portion of said Public Right-of-Way occupied by said Fiber Optic Network Facilities shall be needed by City or in the event the existence of said Fiber Optic Network Facilities shall be considered detrimental to governmental activities, including but not limited to, interference with City construction projects, or is in conflict vertically and/or horizontally with any proposed City installation, Corporation shall remove and relocate said Fiber Optic Network Facilities to such other location or locations on said Public Right-of-Way in accordance with conditions and standards as may be designated by City. Said removal or relocation shall be completed within ninety (90) days of notification by City, unless circumstances exist that require a shorter period of time in order to protect the public health, safety, or welfare, in which event, the City shall notify Corporation of the shorter time period and the reason wherefore. The City Engineer, at his or her sole discretion, may grant to Corporation a longer period of time in which to remove or relocate the Facilities, upon request of Corporation. In the event said Fiber Optic Network Facilities are not removed or relocated within ninety (90) days (or other time period if applicable) after said notification, City may cause the same to be done at the sole expense of Corporation.

26. If any portions of the Fiber Optic Network Facilities covered under this Agreement are no longer used by Corporation, or are abandoned for a period in excess of six (6) months, Corporation shall notify City and shall either promptly vacate and remove the facilities at its own expense or, at City's discretion, may abandon some or all of the facilities in place. However, Corporation's obligation under this Agreement shall continue in full force and effect unless superseded in a writing signed by both parties.

27. When removal or relocation are required under this Agreement, Corporation shall, after the removal or relocation of the Fiber Optic Network Facilities, at its own cost, repair and return the Public Right-of-Way or public utility or service easements on which the facilities were located to a safe and satisfactory condition in accordance with the construction-related conditions and

specifications as established by City according to its standard practice. Should Corporation remove the Fiber Optic Network Facilities from the Public Right-of-Way, Corporation shall, within ten (10) days after such removal, give notice thereof to City specifying the Right-of-Way affected and the location thereof as well as the date of removal. Before proceeding with removal or relocation work, Corporation shall obtain a public works permit from the City.

ENCROACHMENT PERMIT AND FEES

28. Corporation shall apply for a public works permit for all work and each job within the Public Right-of-Way. Corporation shall furnish detailed plans of the work and other such information as required by the City Engineer and shall pay all processing, field marking, engineering and inspection fees, and any other fees that the City may be authorized to impose now or in the future prior to issuance of the permit in accordance with the rates in effect at the time of payment. Said improvements shall be constructed in accordance with Laws, and as further provided for in the provisions of this Agreement. The Corporation shall pay a fee for plan review and inspection services based on estimated construction costs for the installation of utilities within the public right of way per the City's adopted fee schedule.

29. Failure to comply with the terms and conditions of this Agreement may, at City's sole discretion, result in withholding issuance of any new public works permits, provided, however, that the City must give Corporation notice and an opportunity to cure.

DAMAGE TO FACILITIES IN PUBLIC RIGHT-OF-WAY

30. Corporation shall be responsible for any damage to Public Right-of-Way due to the Construction performed by Corporation in Public Right-of-Way, and Corporation shall repair, replace and restore in kind the said damaged facilities in accordance with City standards at Corporation's sole expense.

31. If Public Right-of-Way to be used by Corporation has preexisting installation(s) placed in the Right-of-Way, Corporation shall assume the responsibility to verify the location of the preexisting installation and notify City and any third party of Corporation's proposed installation. The cost of any work required of such third party or City to provide adequate space or required clearance to accommodate Corporation's installation shall be borne solely by Corporation.

RECORDS AND FIELD LOCATIONS

32. Corporation shall maintain accurate maps and improvement plans of said Fiber Optic Network Facilities located with the City. Corporation shall, within thirty (30) days after completion of an installation in the Public Right-of-Way, and otherwise upon demand of the City Engineer, deliver to the office of the Public Works Department free of charge, and to other third parties interested in performing work within Public Right-of-Way for a reasonable charge upon request, within thirty (30) days after such demand, such maps and plans as may be required to show in detail the exact location of all Fiber Optic Network Facilities installed within said Public Right-of-Way. In addition, the City Engineer is requiring Corporation to provide the City with maps and plans on electronic media suitable for a Computer Aided Design and Drafting application. City shall use such information only as needed to manage the public right-of-way, including, but not limited to, coordination of construction schedules, prevention of interference among the various utilities and systems in the public right-of-way, and enforcement of building and zoning regulations. The parties acknowledge that the City is subject to the requirements of the California Public Records Act, Government Code

section 6250 et seq., and may be required to disclose information provided by Corporation to the City upon request of a third party. For information designated by Corporation as confidential or proprietary, City shall endeavor to notify Corporation of such request prior to disclosure of information designated as confidential or proprietary.

33. Corporation shall, at its sole cost and expense, expose by potholing to a depth of one foot (1') below the bottom of its subsurface Fiber Optic Network Facilities, within thirty (30) days of receipt of a written request from City to do so.

34. Corporation shall be a member of the regional notification center for subsurface installations (Underground Services Alert) and shall field mark, at its sole expense, the locations of its underground Fiber Optic Network facilities upon notification in accordance with the requirements of Section 4216 of the State of California Government Code, as it now reads or may hereinafter be amended.

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35. Corporation, jointly and severally, for itself, its successors, agents, contractors and employees, agrees to indemnify, defend (with counsel acceptable to City) and hold harmless City, its officers, employees and agents and any successors to City's interest from and against any and all claims, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions of any kind, all costs and expenses incurred in connection therewith, including, without limitation, reasonable attorney's fees and costs of defense (collectively, the "Losses") arising directly or indirectly, in whole or in part, out of the activities of Corporation described in this Agreement, except to the extent arising from the City's sole intentional or negligent acts. For purposes of this section only, the term "cleanup actions" shall refer to such actions as are necessary to remediate damage caused directly or indirectly by Corporation, its employees, agents, contractors, or subcontractors. In the event that Corporation, its employees, agents, contractors, or subcontractors shall discover contamination or hazardous materials while performing any work in the public right-of-way, regardless of the source, Corporation shall cause all work to be stopped and shall immediately notify City of the discovery. Corporation agrees that the provisions of this section shall fully apply in the event of a failure by Corporation to stop work and immediately notify the City.

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38. This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements or understandings (whether oral or written) between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein. This Agreement may not be amended except pursuant to a written instrument signed by all parties.

SEVERABILITY

39. If any one or more of the covenants or agreement or portions thereof provided in this Agreement shall be held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such covenant or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed separable from the remaining covenants or agreements or portions thereof and shall in no way affect the validity or enforceability of the remaining portions of this Agreement.

THIRD PARTY MODIFICATIONS

40. This Agreement shall be subject to such changes or modifications as may be required or authorized by any regulatory commission in the exercise of its lawful jurisdiction.

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41. This Agreement may be terminated by City upon three (3) months prior written notice to Corporation for failure of Corporation to fully and promptly cure any default of its obligations hereunder of which the City has notified Corporation in writing, or, if such cure cannot be effected within thirty (30) days, that Corporation has not commenced and is continuing efforts to cure the default. A failure on the part of any party to perform any material obligation imposed upon such party shall constitute a default and a material breach of this Agreement.

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44. Upon termination, Corporation shall remove the Facilities as set forth in the section entitled "Removal and Relocation". This Section shall not be construed as a waiver by Corporation of any rights it may have under Public Utilities Code section 7901.

NOTICE

45. Corporation's Network Operations Control Center shall be available to City staff regarding problems or complaints resulting from the facilities installed pursuant to this Agreement and may be contacted by telephone at: (559) 781-4123 regarding such problems or complaints. Corporation shall designate a person in California who is authorized to accept service of process on behalf of Corporation.

46. All notices given or which may be given pursuant to this Agreement shall be in writing and transmitted by United States mail or by private delivery systems or by facsimile if followed by United States mail or by private delivery systems as follows:

To Corporation at:

CVIN
9479 N. Fort Washington, Ste. 105
Fresno, CA 93730

To City at:

City of Porterville City Engineer
291 North Main Street
Porterville, CA 93257

47. If any litigation is commenced between the parties to this Agreement concerning the Agreement or the rights and duties of either in relation to the Agreement, the party prevailing in that litigation shall be entitled, in addition to any other relief that may be granted in the litigation, to a reasonable sum as and for its attorney's fees in the litigation, which shall be determined by the court in that litigation or in a separate action brought for that purpose.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate on the date and year first written herein.

CITY OF PORTERVILLE

BY: _____

Date: _____

Attest:

John D. Lollis, City Clerk

Approved as to form:

Julia Lew, City Attorney

Recommended by:

Michael Reed,
Deputy Public Works Director/City Engineer

CORPORATION

BY: _____
David Nelson, President

Date: 3/16/2015

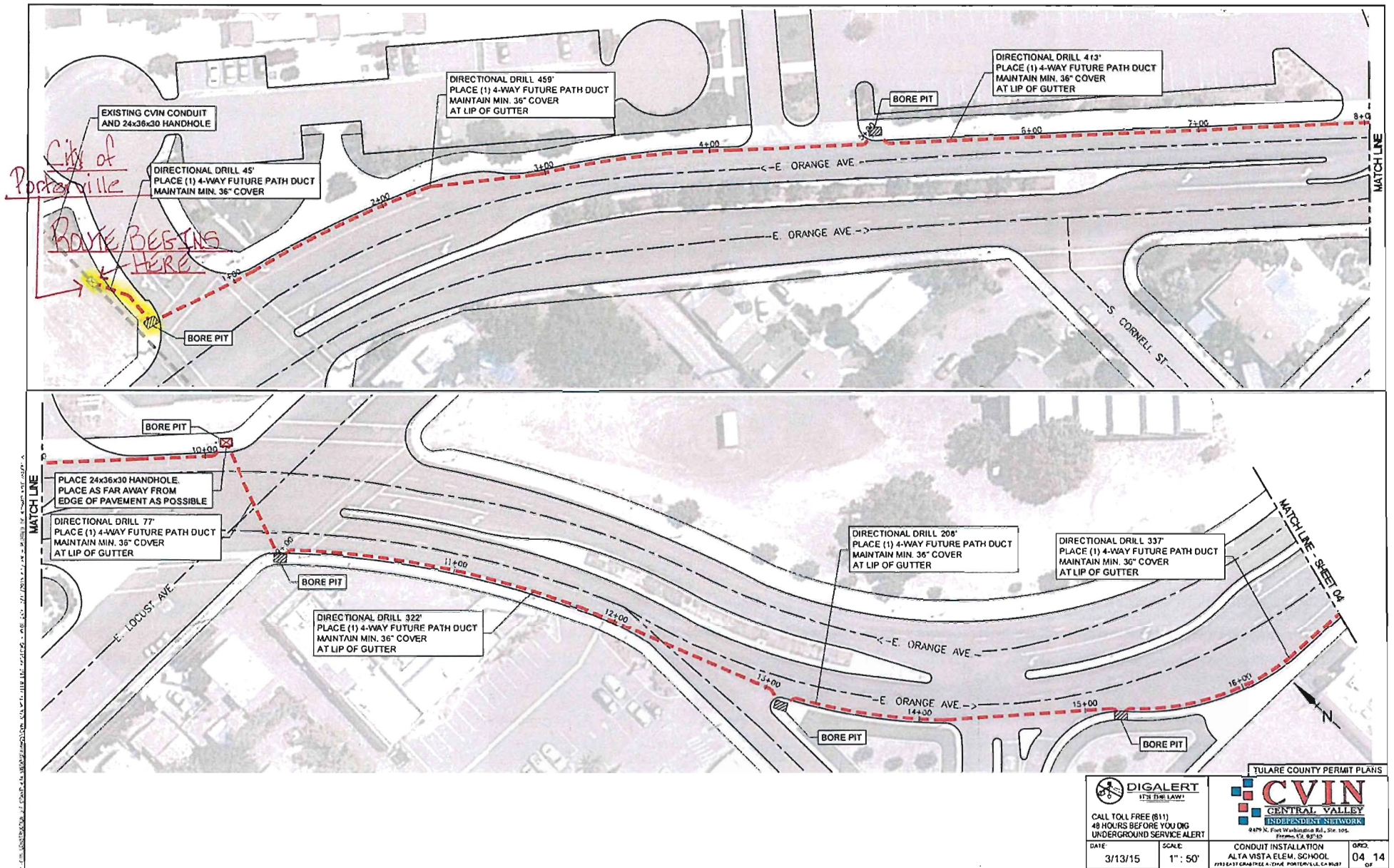


Exhibit A

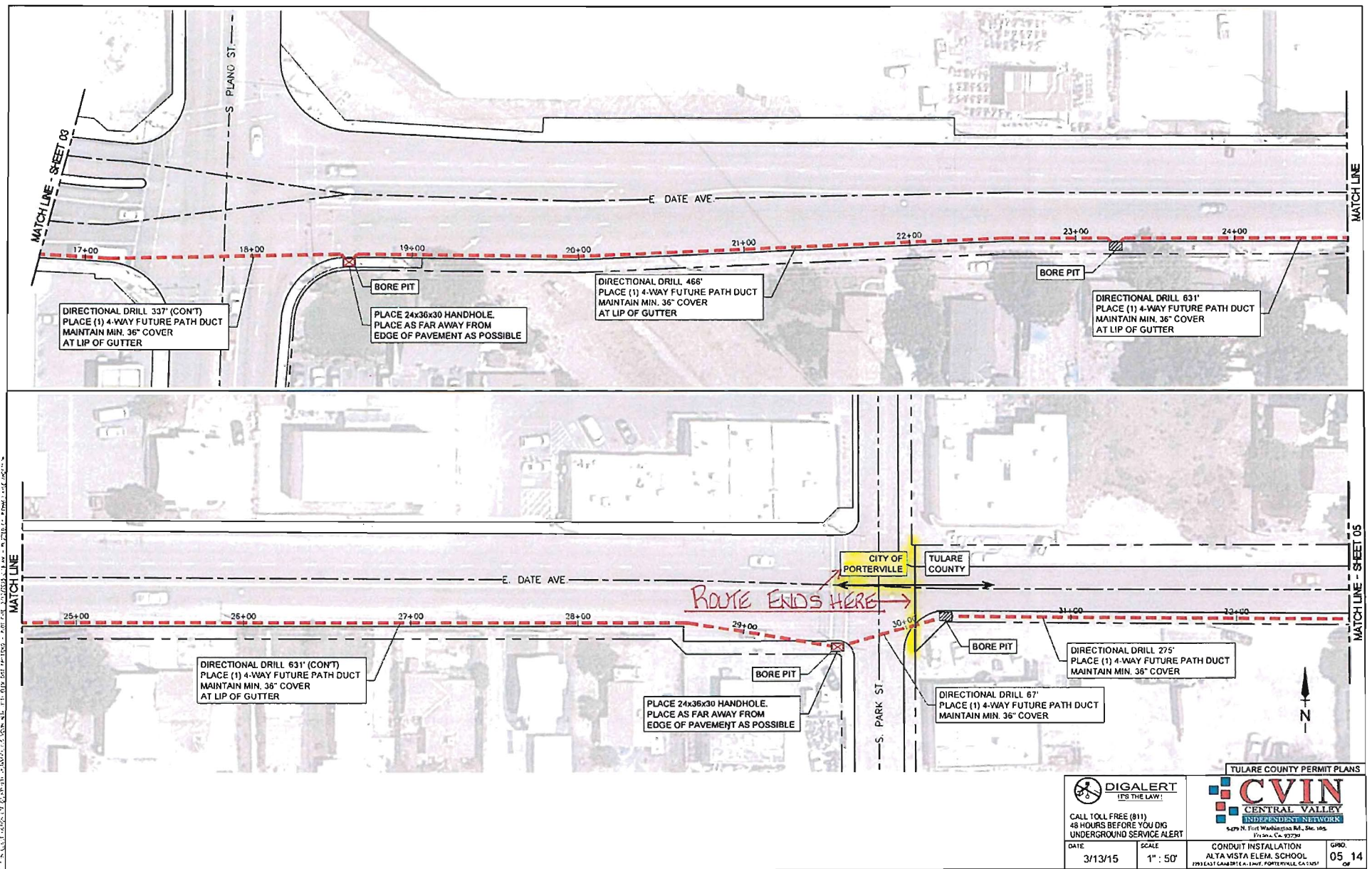


Exhibit A



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Adoption of the Urban Area Boundary/Urban Development Boundary

SOURCE: Community Development

COMMENT: On September 16, 2008, the City Council received information from staff on the process to update the City's urban growth boundaries in order to more effectively implement the goals and policies of the 2030 General Plan adopted by the City in April 2008. Staff framed a process of coordination and consultation with the County of Tulare (County) and the Local Agency Formation Commission (LAFCo). The 2030 General Plan requires, in Implementation Policy LU-I-3, that the City Council amend the UDB in order to guide growth through annexation and development, and the efficient extension of public services to new areas. The UDB will be periodically reviewed and updated to ensure that it provides for a 10-year supply of developable residential land and a 20-year supply of developable commercial and industrial land, consistent with the General Plan and LAFCo requirements.

A description of the boundaries are as follows:

Urban Area Boundary (UAB): This is the general area surrounding the City that is also referred to as the Planning Area in the City's 2030 General Plan.

Urban Development Boundary (UDB): The UDB serves as the County-adopted 20-year growth boundary. Areas that are in the County, but fall within this boundary, are areas that can be annexed into the City, provided they are also within the LAFCo adopted Sphere of Influence (SOI). It is the interest of the City, County and LAFCo that the UDB and SOI be coterminous.

Sphere of Influence (SOI): The SOI serves as the 20-year growth boundary on which LAFCo assesses growth and service implications associated with proposed annexations.

Unfortunately, the process was significantly delayed due to the legal challenges between the City and the County. On January 21, 2014, staff proposed revisions to the City's boundaries based on updated information, specifically information regarding adjusted growth rates and requested authorization for staff to proceed with presenting and negotiating the updated Boundary Amendment Map to the County and to formally consult with LAFCo.

On October 1, 2014, LAFCo approved an updated Municipal Service Review and adopted the revised Porterville SOI. Subsequently, on February 24, 2015, the Tulare County Board of Supervisors adopted the City Urban Development Boundary, as well as the Porterville Area Community Plan. As a result, the City can now move forward with the adoption of the final UAB/UDB.

RECOMMENDATION: That the City Council adopt the Urban Area Boundary and Urban Development Boundary, as required by the General Plan.

ATTACHMENTS:

1. Urban Boundaries Amendment Update Staff Report - January 21, 2014
2. Draft resolution adopting the Porterville Urban Area Boundary and Urban Development Boundary

Appropriate/Funded:

Review By:

Department Director:

Jenni Byers, Community Development Director

Final Approver: John Lollis, City Manager

SCHEDULED MATTER

SUBJECT: URBAN BOUNDARIES AMENDMENT UPDATE

SOURCE: COMMUNITY DEVELOPMENT – PLANNING DIVISION

COMMENT: On September 16, 2008, the City Council received information from staff on the process to update the City's urban growth boundaries in order to more effectively implement the goals and policies of the 2030 General Plan adopted by the City in April 2008. Staff framed a process of coordination and consultation with the County of Tulare (County) and the Local Agency Formation Commission (LAFCo). Unfortunately, the process was significantly delayed due to the legal challenges between the City and the County. Due to the fact that information sources have been updated, growth rates adjusted from that of the rapid growth period during which the General Plan was prepared, and negotiations with the County have substantially progressed, staff has reinitiated the process of updating the City's urban growth boundaries.

Staff is proposing revisions to the City's boundaries previously authorized by Council. The proposed amendments are responsive to negotiations with the County as well as the City's General Plan development projections, current economic development and housing demand trends, and State/Federal mandates. The proposed boundaries are in general alignment with adopted LAFCo policies with the exception that the land supply inventory for residential exceeds the desired ten (10) year inventory by approximately 5.2 years. A significant factor in exceeding this threshold is that staff is working toward smoothing out development and jurisdictional boundaries around the periphery of the City resulting from decades of irregular growth. At this time, staff is seeking to complete negotiations with the County and move forward to the formal consultation with LAFCo required to submit an application to change the boundaries. No annexation applications are proposed concurrent with this proposal.

A description of the proposed boundaries and the desired changes are as follows:

1. Urban Area Boundary (UAB)

This is the general area surrounding the City that is also referred to as the Planning Area in the City's 2030 General Plan. Even though there is no expectation of annexation in the near future, these areas are included within the UAB because they are of particular interest to the City. The proposal includes an expansion to the UAB, which includes the study area of the General Plan, so that the City may have the opportunity to comment on development projects near the community that may affect City residents and business owners. The most significant change to this boundary is the inclusion of the hillside areas east of Porterville.

2. Urban Development Boundary (UDB)
The UDB serves as the County-adopted 20-year growth boundary. Areas that are in the County, but fall within this boundary, are areas that can be annexed into the City, provided they are also within the LAFCo adopted Sphere of Influence (SOI). It is the interest of the City, County and LAFCo that the UDB and SOI be coterminous. The revised proposal eliminates the request to add strategic areas east of the City (the Community of Interest adjacent to Lake Success) and selected areas to the north and west where development is not yet anticipated.
3. Sphere of Influence (SOI)
The SOI serves as the 20-year growth boundary on which LAFCo assesses growth and service implications associated with proposed annexations. It is the City's, County's and LAFCo's collective interest that the UDB and the SOI become coterminous, which will eliminate the confusion over differences between growth boundaries.

ANALYSIS: Staff has proposed revisions to the Boundary Amendment Map, previously approved by Council, based on revised growth assumptions resulting from the new economy, and comments from the County over the last six (6) years. The goals and policies contained in the City's 2030 General Plan seek to balance economic/employment development with adequate levels of quality housing. Consequently, staff prepared studies of current economic and housing trends as well as analysis of regional plans and State/Federal mandates which affect City development needs. Because much of the information used in the Regional Transportation Plan (RTP) Sustainable Communities Strategy (SCS) update focuses on the latest growth projections and assumptions, staff utilized this methodology in proposing the revised boundaries for Council consideration.

The growth rates include 1.6% per year for residential growth and 1.5% per year for commercial/industrial growth. The growth rate assumed in the 2030 General Plan was 3.7% annually, which was an aggressive projection made to ensure that adequate land was available for growth after accounting for market and regulatory constraints such as a willingness to sell or holding land under a Williamson Act contract. The other alternatives evaluated are as follows:

- A. General Plan Growth Rate (3.7%) - Residential and Commercial
This rate is significantly beyond the adjusted growth rate that is represented in the new economy (following the era of unmatched growth).
- B. TCAG 2005 Projection (2%) – Commercial
These projections were made in the height of the development boom and have adjusted downward significantly.
- C. TCAG 2013 Averaged Projection (1%) – Residential and Commercial
Staff and other planners and analysts in the County believe this rate is too limited. In fact, the State Department of Finance is projecting 60% greater growth.
- D. 2013 Sector Specific Projection (-0.6% to 4.9%) – Commercial
The specificity of the projections by employment sector is much too detailed,

problematic, and limiting to use in planning for land availability for employment growth. In a monocentric employment environment it may be viable but not in a rural Central California community. The weighted growth weight is 1%. Again, this is too restrictive.

While determining Residential and Commercial/Industrial land supply needs for future growth, staff also took a holistic approach to improve the existing irregular UDB. Vacant land was cataloged in the proposed UDB area, and any area containing a Williamson Act contract was removed from the inventory. Vacancy was determined by Assessor's Land Use Coding, \$0 Improvement Assessed Value and verified with aerial photography for vacancy and/or underutilization. All governmentally and publicly held parcels were also omitted for clarity. From there, Residential and Commercial/Industrial growth rates were calculated based on the City's adopted General Plan land use designations to determine required inventory needs.

Residential Analysis.

At the time the General Plan was written, it was anticipated that there would be much more robust growth for the City with population increases estimated to be at an annual rate of up to 3.7%. However, the State Department of Finance projections conveyed to the City through the SCS process, more closely resemble an anticipated population growth rate of 1.6% per year. This equates to an annual increase of roughly 1,850 more people, at 3.28 people per house (2010 Census) creating a demand for 564 additional residences per year.

The acreage requirements for each General Plan Land Use designation was then calculated based on a density of 80% of the maximum allowed by the General Plan per land use category (to take a conservative approach to estimated growth and to account for associated residential infrastructure). The appropriate density reductions of vacant parcels residing in the Hillside Overlay Zone were also considered as required by the City's Development Ordinance since a significant percentage of the available residential acreage is in the northeast portion of the City, which is in the Hillside Overlay Zone.

Residential inventory demand was calculated for each General Plan Land Use designation by dividing the needed acreage per year by available vacant acres in the Proposed UDB for a total years to build-out time frame. When all General Plan Land Use designations were averaged together, the residential inventory in the Proposed UDB equated to 15.20 years, which is similar to the sunset date of the current General Plan (2030). While the LAFCo policy generally desires ten (10) year inventory of residential capacity and the proposed plan exceeds the recommendation by approximately 5.2 years, LAFCo has indicated the smoothing of the irregular boundaries is consistent with their policy and this residential capacity excess would be acceptable in this case.

Commercial/Industrial Analysis.

In analyzing potential employment/economic growth for the City, staff considered several growth models to account for the difference between previous economic conditions at the time the General Plan data was developed (2005) and current

economic conditions and best growth projection data currently available. The TCAG 2013 Averaged Projection model inputs assume a uniform rate based on current County-wide economic growth projections (1.5%). Staff applied this growth rate to each generalized land use designation to show aggregate commercial inventory demand for general Land Use Designations. Because this model most accurately reflects the assumptions and direction anticipated in Tulare County's RTP and SCS processes, staff utilized this 1.5% growth rate for the revised Boundary Amendment Map. It also aligns fairly well with the residential growth rate used in this analysis, which will assist in maintaining a Jobs/Housing balance in the community. The estimated acreage was adjusted to reflect a conservative figure of 80% of Floor to Area Ratios (FARs) projected in the 2005 General Plan and further reduced to eliminate acreage specific to associated roadway/other supportive infrastructure acreages.

RECOMMENDATION: That the City Council authorize staff to proceed with presenting and negotiating the updated Boundary Amendment Map to the County and to formally consult with LAFCo.

ATTACHMENTS:

1. Urban Boundaries Staff Report – September 16, 2008
2. Porterville Boundary Update Study Map (2008)
3. Revised Porterville Boundary Amendment Map (2014)

CITY COUNCIL AGENDA: SEPTEMBER 16, 2008

CONSENT CALENDAR

SUBJECT: URBAN BOUNDARIES AMENDMENT UPDATE

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT – PLANNING DIVISION

COMMENT: City staff is currently in the process of updating the City's urban boundaries to better implement the goals and policies of the recently adopted Porterville General Plan. Staff has had several meetings with Tulare County Local Agency Formation Commission (LAFCO) staff to present our desired changes informally, before submitting a formal application to the board. LAFCO staff responded favorably to our suggestions and provided direction in addressing potential challenges.

A description of the proposed boundaries and the desired changes are as follows:

1. Urban Area Boundary (UAB)
Areas that are in the County, but fall within this boundary are areas that are of particular interest to the City, even though there is no expectation of annexation in the near future. Staff is proposing that this boundary be enlarged to include the study area of the General Plan so that the City may have the opportunity to comment on development projects near the community.
2. Urban Development Boundary (UDB)
Areas that are in the County, but fall within this boundary are areas that can be annexed into the City. Staff is proposing the addition of strategic areas east of the City, in proposed industrial areas near the airport and in selected areas to the north and west where development is expected in the near future.
3. Sphere of Influence (SOI)
Similar to the Urban Development Boundary. This is also known as our twenty (20) year growth boundary. Staff is proposing that this be enlarged to match our Urban Development Boundary.

The next steps include receiving formal comments back from LAFCO regarding our request and application instructions. We expect this to happen about a week from the City Council meeting. We will then meet with the County Chief Administrative Office to seek an agreement on terms of the boundary amendment, during the first week in October. Thirty days after that, we will be submitting a formal application that will ultimately end up before the LAFCO board for action.

RECOMMENDATION: For information purposes only.

ATTACHMENTS: Urban Boundaries Study Map

DE  Appropriated/Funded CM

**ATTACHMENT
ITEM NO. 1**

Porterville Boundary Update Study Map

Legend

- City Limits
- Parcels
- Existing UDB
- Existing UAB
- Proposed UDB
- Proposed UAB
- Communities of Interest
- Proposed Subdivisions
- Williamson Act Ag Contracts

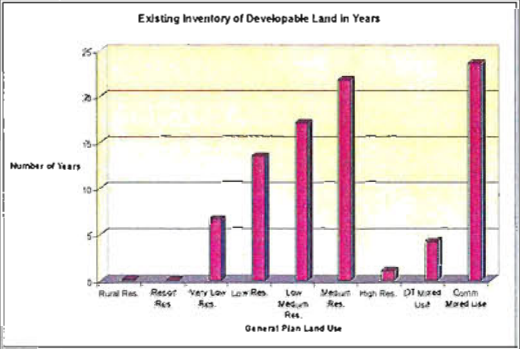
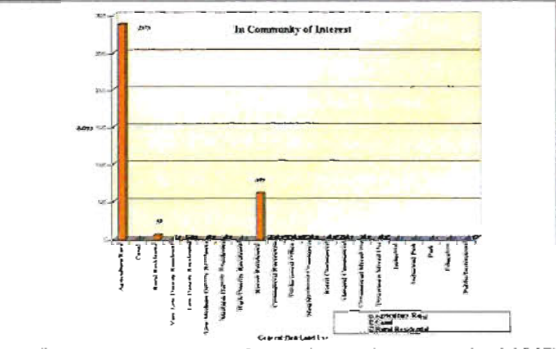
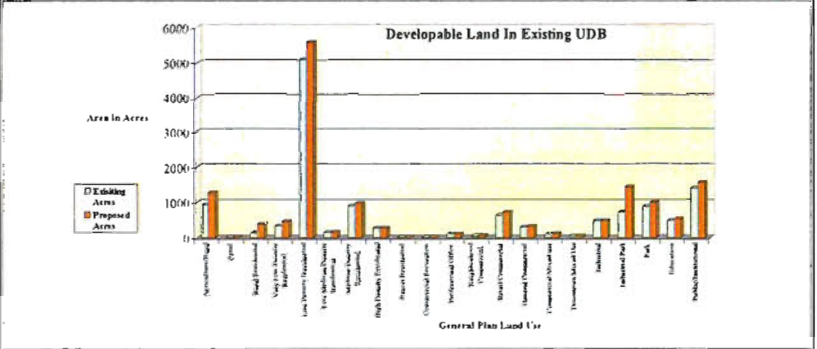
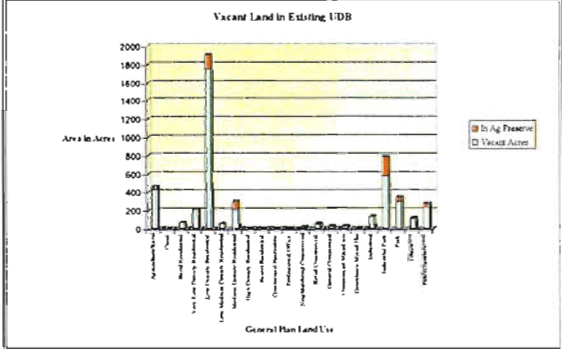
Areas Proposed for Development in the General Plan

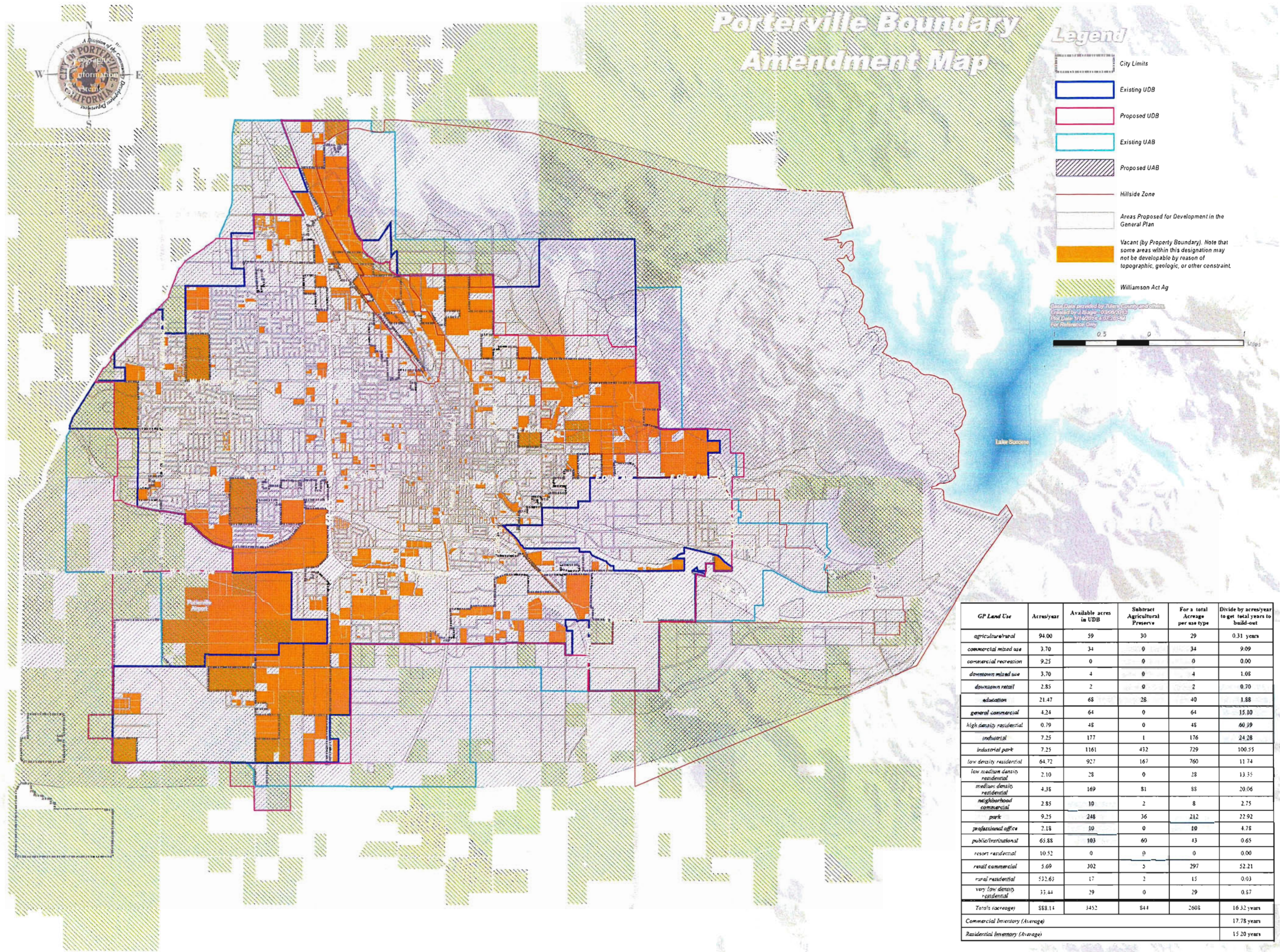
Vacant (by Property Boundary). Note that some areas within this designation may not be developable by reason of topography or other constraint.

0 0.25 0.5 1 Miles

General Plan Land Use	Vacant Acres	In Ag Preserve	Existing UDB	Proposed UDB
Agriculture/Forest	426	29	923	1,300
Coal	0	0	0	0
Residential	69	0	431	439
Very Low Density Residential	212	0	337	434
Low Density Residential	1,734	156	5,899	6,067
Low Medium Density Residential	55	0	140	136
Medium Density Residential	219	32	899	983
High Density Residential	3	0	275	275
Residential	0	0	0	0
Commercial Recreation	0	0	0	0
Professional Office	2	0	100	100
Neighborhood Commercial	21	0	49	70
Retail Commercial	14	0	623	736
General Commercial	29	0	309	522
Commercial Mixed Use	29	0	51	113
Developmental Mixed Use	4	0	31	23
Industrial	114	0	811	884
Industrial Park	579	204	719	1,433
Park	297	49	373	1,052
Recreation	166	13	465	561
Public Institutions	239	30	1,467	1,562
Total	4,224	573	12,999	16,158

Total Acreage of Proposed Urban Area Boundary: 23,985 acres
Total Acreage of Proposed Urban Development Boundary: 12,756 acres





RESOLUTION NO. ____-2015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF PORTERVILLE ADOPTING THE AMENDED URBAN AREA BOUNDARY AND
URBAN DEVELOPMENT BOUNDARY

WHEREAS: The California State Legislature finds and declares that it is the policy of the State to encourage orderly growth and development which is essential to the social, fiscal, and economic well-being of the State, and recognizes that the logical formation and determination of City boundaries is an important factor in promoting the orderly development of urban areas; and

WHEREAS: The Porterville 2030 General Plan encourages clearly defined urban edges that reflect a commitment to focus future growth with the City in order to prevent urban sprawl and protect environmentally sensitive areas. The General Plan further states that the Urban Development Boundary (UDB) is one of the best strategies to achieve this. The UDB protects the health, safety, welfare, and quality of life of the residents of Porterville by concentrating future residential, commercial, and industrial growth in areas already served by urban services or areas where such services are to be provided consistent with the 2030 General Plan; and

WHEREAS: The City Council made the following findings that approval of the Urban Area Boundary and Urban Development Boundary 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, as follows:

- LU-G-1 Promote a sustainable, balanced land use pattern that responds to existing needs and future needs of the City.
- LU-G-2 Maintain a well-defined, compact urban form with Downtown as the “heart of the City.”
- LU-I-3 Amend the Urban Development Boundary (UDB) in order to guide growth through annexation and development, and the efficient extension of public services to new areas.

The UDB will be periodically reviewed and updated to ensure that it provides for a 10-year supply of developable residential land and a 20-year supply of developable commercial and industrial land, consistent with the General Plan and LAFCo requirements. The UDB will be adopted separately by the City Council as a General Plan implementation policy.

WHEREAS: The proposed action serves to implement the 2030 General Plan and the Environmental Impact Report prepared for the General Plan addressed these boundaries. The Notice of Determination was filed on March 5, 2008. The Environmental Coordinator has determined that no further environmental review is required per California Code of Regulations Section 15183.

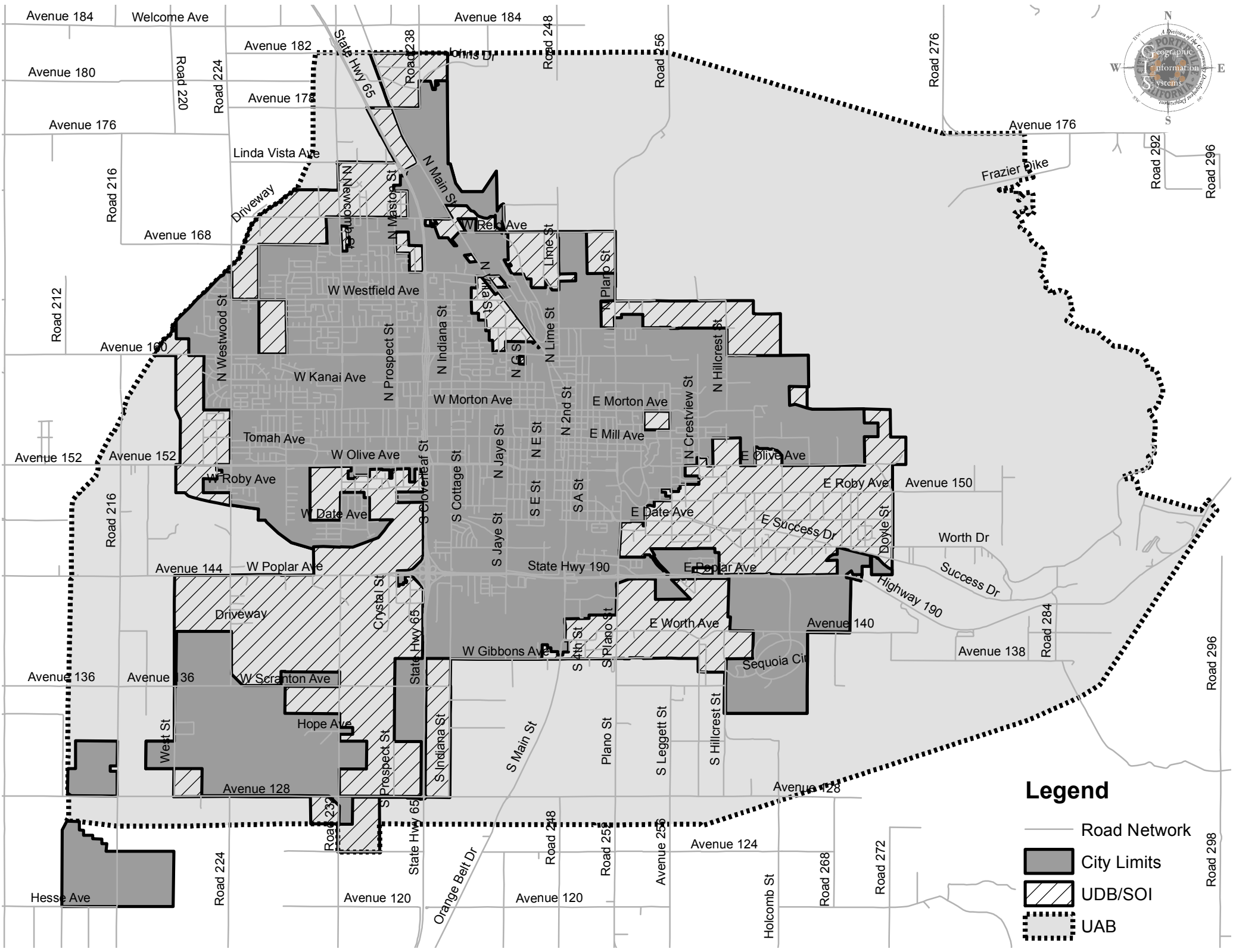
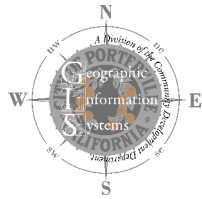
NOW, THEREFORE, BE IT RESOLVED: That the City Council of the City of Porterville does hereby approve the Urban Area Boundary and Urban Development Boundary, as shown in Exhibit A.

PASSED, APPROVED AND ADOPTED this 7th day of April, 2015.

Milt Stowe, Mayor

ATTEST:
John D. Lollis, City Clerk

By: _____
Patrice Hildreth, Chief Deputy City Clerk



Legend

- Road Network
- City Limits
- UDB/SOI
- UAB



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: CDBG Advisory Board Participation Plan

SOURCE: Community Development

COMMENT: In preparation for the development of the Community Development Block Grant (CDBG) 2015-2020 Consolidated Plan and the First Year Action Plan to be submitted to the Department of Housing and Urban Development (HUD), the following items are required: 1) the adoption of the 2015 Citizen Participation Plan and 2) the annual designation and appointment of a Citizens' Advisory and Housing Opportunity Committee.

HUD requires each jurisdiction that receives formula grants through its Community Development Block Grant Program to prepare and adopt a Citizen Participation Plan. The Plan provides guidelines for the participation of citizens in determining the use of CDBG funds. This Plan is reviewed annually for necessary revisions prior to Council's adoption of the CDBG Action Plan. The 2015 Citizens Participation Plan has been developed by LeSar Development Consultants and is in compliance with Federal regulations (Attachment 1). The 2015 Citizens' Advisory and Housing Opportunity Committee Participation Plan Schedule is presented as Attachment 2.

A Citizens' Advisory committee was established in 1981 to function in an advisory capacity to the Mayor and Council regarding program design, implementation, and assessment. This Committee consists of seven (7) residents of the city, appointed annually by the Mayor and City Council. The Citizen Participation Plan places particular emphasis on obtaining representation of low- and moderate-income persons residing in slum and blight areas, members of minority groups, the elderly, the disabled, and residents of areas where use of funds is proposed.

Six members of the 2014 committee have expressed their continued willingness to serve as 2015 committee members:

Pat Contreras
Doug Heusdens
Kelle Jo Lowe
Grace Muñoz-Rios
Linda Mendez (Olmedo)
Rebecca Vigil

On March 17, 2015 City Council appointed Ms. Maria Gonzalez to the CDBG Advisory and Housing Opportunity Advisory Committee for the 2015-16 program year, to replace Mr. John Dennis, who resigned from the committee.

The 2015 Action Plan is in the process of being developed by LeSar Development Consultants in conjunction with the Five Year Consolidated Plan (2015 - 2020) that will be presented to the City Council in July/August 2015. It is anticipated that expenditures for activities will be consistent with past experience. More than half of the entitlement will be allocated to the debt service for the Section 108 loan for the Heritage Center, and the balance of the entitlement and program income will be allocated between the programs adopted in the Five Year Consolidated Plan, which include the Housing Rehabilitation Program, the First Time Low Income Homebuyer Program, the Public Utility Assistance Program, the Homebuyer Education Program, Permanent Supportive Housing Program for the Homeless, the Park Improvement Program, the Business Assistance Program, the Business Façade Improvement Program, and the Porterville Youth Center. As is typical of each year, not all programs in the Consolidated Plan will be allocated funding.

The Citizens' Advisory and Housing Opportunity Committee will meet in June to hold a Public Hearing on the proposed 2015-2020 Consolidated Plan and Action Plan drafts. The Plan will then be available for a 30-day public comment period and will be taken to the City Council for final adoption in July.

RECOMMENDATION: That the City Council:

1. Adopt the 2015 Citizen Participation Plan;
2. Appoint existing committee members Pat Contreras, Doug Heusdens, Kelle Jo Lowe, Grace Muños-Rios, Linda Mendez, and Rebecca Vigil to the Citizens' Advisory and Housing Opportunity Committee for a one-year term; and
3. Appoint Maria Gonzalez as a new member for a one-year term.

ATTACHMENTS: 1. Draft 2015 Citizen Participation Plan

 2. Citizens' Participation Schedule 2015

Appropriate/Funded: N/A

Review By:

Department Director:

Jenni Byers, Community Development Director

Final Approver: John Lollis, City Manager

CITY OF PORTERVILLE
2015 CITIZENS' ADVISORY AND HOUSING OPPORTUNITY COMMITTEE
PARTICIPATION PLAN

Citizen Participation Plan

Introduction

The City of Porterville (City) is a federal entitlement jurisdiction that receives federal grant funding from the U.S. Department of Housing and Urban Development (HUD).

The City receives federal entitlement grant funding for the following programs:

- Community Development Block Grants (CDBG)
- Home Investment Partnership Act (HOME)

As an entitlement jurisdiction, the City is required to prepare:

- A Five Year Consolidated Plan (Consolidated Plan) that includes a Citizen Participation Plan (CPP)
- An annual Action Plan (Action Plan)
- An annual Consolidated Annual Performance Evaluation Report (CAPER)

Under HUD's Code of Final Regulations for the Consolidated Plan (24 CFR Part 91 Sec. 91.105), the City must adopt a Citizen Participation Plan that sets forth the City's policies and procedures for citizen participation in the planning, execution, and evaluation of the Consolidated Plan, Action Plans, and CAPER. This CPP provides guidelines for the City to provide and encourage public participation by residents, community stakeholders, and grant beneficiaries in the process of drafting, implementing, and evaluating the Consolidated Plan and related documents. The citizen participation process includes outreach, public hearings, community forums, and opportunities for comment.

Definitions

- **Action Plan (Action Plan):** The Action Plan summarizes the activities that will be undertaken in the upcoming Fiscal Year (FY) to meet the goals outlined in the Consolidated Plan. The Action Plan also identifies the federal and non-federal resources that will be used to meet the goals of the approved Consolidated Plan.
- **Citizen Participation Plan (CPP):** The CPP provides guidelines by which the City will promote engagement in the planning, implementation, and evaluation of the distribution of federal funds as outlined in the Consolidated Plan, Action Plan, and CAPERs.
- **Community Development Block Grant (CDBG):** HUD's CDBG program provides communities with resources to address a wide range of housing and community development needs that benefit very low and low income persons and areas.
- **Consolidated Annual Performance Evaluation Report (CAPER):** The CAPER assesses the City's annual achievements relative to the goals in the Consolidated Plan and proposed activities in the Action Plan. HUD requires the City to prepare a CAPER at the end of each fiscal year.

- **Department of Housing and Urban Development (HUD):** HUD is the federal government agency that creates and manages programs pertaining to federal home ownership, affordable housing, fair housing, homelessness, and community and housing development.
- **Displacement:** Displacement refers to the involuntary relocation of individuals from their residences due to housing development and rehabilitation activities paid for by federal funds.
- **Eligible Activity:** Activities that are allowable uses of the CDBG funds covered by the CPP as defined in the Code of Federal Regulations Title 24 for HUD.
- **Entitlement Jurisdiction:** A city with a population of at least 50,000, a central city of a metropolitan area, or a qualified urban county with a population of at least 200,000 that receives grant funding from HUD.
- **Five Year Consolidated Plan (Consolidated Plan):** HUD requires entitlement jurisdictions to prepare a Consolidated Plan every five years. The Consolidated Plan is a strategic plan that identifies housing, economic, and community development needs and prioritizes funding to address those needs over a five-year period.
- **Low and Moderate Income (LMI):** As defined annually by HUD, Low and Moderate Income (LMI) is 0-80 percent of area median family income (AMI) for a jurisdiction, with adjustments for smaller or larger families. This includes those individuals presumed by HUD to be principally LMI (abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers). HUD utilizes three income levels to define LMI households:
 - Extremely low income: Households earning 30 percent or less than the AMI (subject to specified adjustments for areas with unusually high or low incomes)
 - Very low income: Households earning 50 percent or less than the AMI (subject to specified adjustments for areas with unusually high or low incomes)
 - Low and moderate income: Households earning 80 percent or less than the AMI (subject to adjustments for areas with unusually high or low incomes or housing costs)
- **Public Hearing:** Public hearings are designed to provide the public the opportunity to make public testimony and comment. Public hearings related to the Consolidated Plan are to be advertised in local newspapers and made accessible to non-English speakers and individuals with disabilities.
- **Substantial Amendments:** Amendments are considered “Substantial” whenever one of the following is proposed:
 - A change in the allocation priorities or a change in the method of fund distribution
 - A substantial change which increases or decreases the amount allocated to a category of funding within the City’s entitlement grant programs by 25 percent
 - To implement an activity using CDBG funds for new programs that were not described in the Consolidated Plan

- To change the purpose or intended beneficiaries of an activity approved for CDBG funding, e.g., instead of primarily benefitting lower income households the activity instead proposes to benefit mostly moderate income households

Roles, Responsibilities, and Contact Information

The City is a federal entitlement jurisdiction and is a recipient of grant funding from the federal government.

The City's Charter established a council and manager form of government. Porterville's City Council is the elected legislative body of the City and is responsible for approving its Consolidated Plan, Action Plans, Substantial Amendments, and CAPERs prior to their submission to HUD.

It is the intent of the City to provide for and encourage citizen participation, with particular emphasis on participation by lower income persons who are beneficiaries of, or impacted by, entitlement-funded activities. The City encourages participation in all stages of the Consolidated Planning process by all residents, including minorities and non-English speaking persons, as well as persons with mobility, visual or hearing impairments, and residents of assisted housing developments and recipients of tenant-based assistance.

In general, hearings will be held at City Hall due to its central location, convenient access, and disability accessibility. Translation services will be provided when there is an indication that non-English speaking persons will be attending. Other reasonable accommodations will be provided on a case-by-case basis.

The General Contact Information for the City's HUD Entitlement Programs is:

Jennifer Byers
Interim Community Development Director
jbyers@ci.porterville.ca.us
291 N. Main Street
Porterville, CA 93257

Citizen Participation Policies

Public Hearings

The City will hold public hearings for Consolidated Plans, Annual Action Plans, CAPERs, amendments made to the CPP, and Substantial Amendments.

The Consolidated Plans, Annual Action Plans, CPP amendments, and Substantial Amendments require two public hearings. One required hearing is a City-staffed community meeting and one required hearing is before City Council for document adoption. The CAPER requires one hearing before City Council for document adoption.

Community hearings will be held in a community space with consideration for the convenience to beneficiaries of the entitlement program resources.

The City Council public hearings will be held at City Hall Council Chambers located at 291 N. Main Street, Porterville, CA 93257. Listening devices, interpretation services, and other assistance to disabled persons or those with limited English proficiency will be provided upon request, ranging up to five business days prior notification to the City Clerk. Requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for auxiliary aids, services or interpreters, require different lead times, ranging up to five business days. For this reason, it is important to provide as much advance notice as possible to ensure availability. Assistive Listening Devices (ALDs) are available upon request.

Notice of Hearings and Review Periods

To allow the public time to provide comments prior to the submission of approved documents to HUD, the City will hold a minimum 30-day public review and comment period for the Consolidated Plan, Action Plan, and Substantial Amendment. The City will establish a public review period of at least 15 days for each CAPER and amendments to the CPP. Copies of the draft plans will be available to the public at the Community Development Department, 291 N. Main Street, Porterville, CA 93257.

The City will place public notices at City Hall (291 N. Main Street), the Porterville Library (41 W. Cleveland Avenue), online through the City's website (www.ci.porterville.ca.us), and through advertisement in a local newspaper of general circulation in advance of a 30-day public review and comment period.

To ensure that the public, including minorities, persons with limited English proficiency, persons with disabilities, residents of public housing, and LMI residents are able to participate in the public review process, the City will provide residents, public agencies, and other stakeholders with notices on applicable public review periods and public hearings that adhere to the following:

- The notices will be published prior to the start of the public comment period and at least fifteen (15) days before the final public hearing and will include information regarding how to request accommodation and services available for persons with disabilities who wish to attend the public hearings.
- The notices will be distributed to persons and agencies on the contact list maintained by the City for those parties expressing interest in receiving information and updates related to the City's Consolidated Plan, Action Plan, CAPER, Substantial Amendments and CPP. Interested parties may request to be added to this contact list by sending an email to housing@ci.porterville.ca.us, by calling (559) 782-7460 or by writing to the Community Development Department, 291 N. Main Street, Porterville, CA 93257.
- The notices will be distributed through a variety of methods, including e-mail, newspaper publications and the City's website at www.ci.porterville.ca.us. The notices will include information on how to obtain a copy of the draft documents and scheduled hearing dates, times, and locations.

The public may file comments on draft plans in writing to the Community Development Department, 291 N. Main Street, Porterville, CA 93257; via email to Jennifer Byers at jbyers@ci.porterville.ca.us or Lupe Diaz at ldiaz@ci.porterville.ca.us; or by phone at (559) 782-7460. Comments may also be submitted in person at the Community Development Department, 291 N. Main Street, Porterville, CA 93257, Monday through Friday during business hours, and during the Council adoption hearing.

When necessary or applicable, the City may combine notices complying with several individual requirements into one comprehensive notice for dissemination and publication.

Comments/Complaints on Adopted Plans

Comments or complaints from residents, public agencies, and other stakeholders regarding the adopted Consolidated Plan or related amendments and performance reports may be submitted in writing or verbally to the General Contact at the Community Development Department, 291 N. Main Street, Porterville, CA 93257. Written comments or complaints will be referred to appropriate City staff for consideration and response. The City will attempt to respond to all comments or complaints within fifteen (15) business days and maintain a correspondence file for this purpose.

Availability of Draft and Approved Documents

The draft and final versions of the Consolidated Plan, Action Plan, CAPER, all related amendments, records, and regulations will be available online at the City's website: www.ci.porterville.ca.us. Hard copies of all documents will be available at the Community Development Department, 291 N. Main Street, Porterville, CA 93257 and upon written request. If the City is unable to provide immediate access to the documents requested, it will make every effort to provide the documents and reports within 15 business days from the receipt of the request.

During the 30-day public review and comment period, copies of the document will be available to the public for review at City Hall (291 N. Main Street), the Porterville Library (41 W. Thurman Avenue), and through the City's website at www.ci.porterville.ca.us.

Displacement Policy

As part of the CPP, the City must maintain a displacement policy. Displacement refers to the involuntary relocation of individuals from their residence due to housing development and rehabilitation paid for with federal funds. The City will continue to use existing federal and state relocation guidelines, as applicable, to minimize displacement and to alleviate the problems caused by displacement. Both the federal government and the State of California have specific requirements dictating the amount of benefits and assistance that must be provided to lower income persons and households relocated from their homes as a result of displacement. Depending on the funding source, displaced persons may be offered one or more of the following:

- A rent subsidy for another unit
- A cash payment to be used for rent or a down payment on the purchase of a dwelling unit
- Moving and related expenses

The City's rehabilitation programs may also incur relocation issues when they provide minor additions to existing dwellings in order to address overcrowding. Any temporary relocation costs are included in the rehabilitation loan package offered to clients.

Technical Assistance

The City will, to the extent feasible, respond to requests for technical assistance from entities representing LMI groups who are seeking federal entitlement funding in accordance with grant procedures. This may include, but is not limited to, providing information regarding how to fill out

applications, other potential funding sources, and referrals to appropriate agencies within and outside the City. "Technical assistance," as used here, does not include the provision of funds to the entities requesting such assistance. Assistance will also be provided by Community Development Department staff to interested individuals and resident groups who need further explanation on the background and intent of the Housing and Community Development Act, interpretation of specific HUD regulations, and project eligibility criteria for federal grants.

This plan describes how the City of Porterville will involve citizens in the planning, implementation, and assessment of the Community Development Block Grant (CDBG) and Home Investment Partnership Act (HOME) Programs. The funds must be used for projects which benefit low- and moderate-income persons and/or aid in the elimination or prevention of slum and blight. These programs are intended to assist cities in undertaking neighborhood improvement, economic development, and homeowner assistance programs. Program regulations give ultimate responsibility for the design and implementation of the program to local elected officials, and also require that citizens be given an opportunity to serve in a key advisory role to these elected officials.

ADVISORY COMMITTEE

To ensure that Porterville residents are given a full opportunity to participate in the Program, a Citizens' Advisory Committee was established in 1981 to function in an advisory capacity to the Mayor and Council regarding program design, implementation, and assessment. This Committee consists of seven (7) residents of the City, appointed annually by the Mayor and City Council. Citizens and civic organizations are urged to make recommendations on allocation of the City's multi-purpose Community Development Block Grant since 1981/82. The Committee has provided direction in establishing the Housing Rehabilitation Loan Program (HRLP), and other worthwhile projects under CDBG Entitlement Cities and Home Programs which have benefitted low- and moderate-income households within the city of Porterville. In addition to the HRLP, the Committee has recommended the establishment of several revolving loan funds since 1982, including the Sewer and Water Connection Fund, the Public Utilities Revolving Loan Fund (merged in 2012 with HRLP), the First Time Low-Income Homebuyer Program and the Business Assistance Program. The Committee has also recommended the allocation of funds toward remodeling the Santa Fe Plaza Senior Citizens Center, and inventory of Industrial Land Resources, the Low-Income Residential Smoke Detector Installation Program, and the Porterville Enterprise Zone Area Infrastructure Improvement Program, the rehabilitation of the Porterville and Glennwood Hotels, the opening of the Porterville Youth Center, and four targeted Curb, Gutter Sidewalk, and Street Light, Neighborhood Improvement Projects, Lime Street Park Improvement Project, and Santa Fe Facility Improvement Project. In addition, the Committee has supported the establishment of economic development programs and public improvement activities such as the completion of the Heritage Center with Section 108 Loan Guarantee funds. Several years ago, the Committee recommended the establishment of the Homebuyer Education Program and the Murry Park Improvement Project. An expansion to the Park Improvement Program was approved in 2010 to include the Lime Street Neighborhood Park and in 2013, the Extension of Murry Park was included and is currently underway.

The City has taken steps to secure the services of concerned individuals to form the Advisory Committee for the purposes of program model design, implementation, assessment, and development of the Community Development Block Grant Program under the Entitlement Cities

criteria. The City places particular emphasis on obtaining representation of low- and moderate-income persons residing in slum and blight areas, members of minority groups, the elderly and persons with disabilities, and residents of areas where use of funds are proposed. In continuing its efforts to serve the needs of the public, the City Council has expanded the role of the Committee to incorporate efforts to expand housing opportunities, thereby changing the name to the Citizens' Advisory and Housing Opportunity Committee.

SCOPE OF CITIZEN PARTICIPATION

Citizens will be involved in all stages of the Community Development Block Grant Program, including the development of the consolidated plan, inclusive of the annual action plan, substantial amendments to the plan, program implementation, assessment of performance, and design of the citizen participation plan. Mechanisms for the citizen involvement include: The Citizens' Advisory and Housing Opportunity Committee, public hearings and ad hoc community meetings, individual citizen efforts in the form of comments, complaints, or inquiries submitted directly to the Mayor and/or Community Development Department, located in City Hall, 291 N. Main Street, or by telephone, (559) 782-7460.

Public Hearings

At least two (2) public hearings, open to the entire community, will be held annually. The hearings will provide an opportunity for citizens to identify community development needs, proposed projects, and assist in the development of an overall strategy for Porterville. The hearings will also be used to solicit comments on the citizen participation plan more sensitive to local needs and realign the plan with changes in Federal regulations, and to review the HUD annual community assessment, if available. The hearings are typically held in February or March and April or May of each program year.

Consolidated Plan

Participation in the development of the consolidated plan, inclusive of the annual action plan, will occur as follows: at least one (1) public hearing will be held before the proposed consolidated plan is published for comment. Before the City adopts a consolidated plan, the City will make available citizens, public agencies, and other interested parties information that includes the amount of assistance the jurisdiction expects to receive and the range of activities that may be undertaken, including the amount that will benefit persons of very low and low income.

The City will ensure that plans will be available to minimize the displacement of persons and to assist any persons displaced according to Federal regulation standards.

A summary of the proposed use of CDBG funds and, when applicable, HOME funds, will be made available in Spanish, which is predominate non-English language spoken in Porterville, at all public hearings.

Advisory Committee proposals and comments, with regard to development of the consolidated plan, will be obtained at Committee meetings or hearings scheduled either at the request of Committee members or program officials. The public is invited to attend these meetings.

The public will be notified of the period, not less than thirty (30) days, in which to receive comments from citizens on the consolidated plan. Any comments or views of citizens received in writing or orally

at the public meetings will be considered. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons, therefore, will be attached to the final consolidated plan.

Amendments

In the case of proposed substantial amendments to the consolidated plan, the City shall provide reasonable notice and an opportunity to comment on substantial amendments. The public will be notified of the period, not less than thirty (30) days, in which to receive comments on the substantial amendments before the amendment is implemented. The meetings regarding the proposed amendments are not required to be public hearings, but will be open to the public to attend. The City will consider any comments or views of citizens received in writing, or orally, at public hearings, if any, in preparing the substantial amendment of the consolidated plan. A summary of these comments or views, and a summary of any comments or views not accepted, and the reasons therefore, will be attached to the substantial amendment of the consolidated plan.

Amendments to the plan will be necessary whenever one of the following decisions is made:

- 1) To make a substantial change in the allocation priorities or a substantial change in the method of distribution of funds;
- 2) To carry out an activity using funds from any program covered by the consolidated plan (including program income) not previously described in the consolidated plan; or
- 3) To substantially change the purpose, scope, location, or beneficiaries of an activity.

Performance Report

Reasonable notice and an opportunity to comment on performance reports will be given to the public. The public will be notified of the period, not less than fifteen (15) days, in which to receive comments from citizens on the performance report that is to be submitted to HUD before its submission. Any comments or views of citizens received in writing or orally at public meetings will be considered, and a summary of the comments and views will be attached to the performance report.

Citizen Participation Plan

The Annual Action Plan includes noticing and public hearings. All meetings and hearings are publicized in accordance with applicable HUD, state and local regulations. Specifically the Action Plan includes community meetings, public noticing for 30 days, and a public hearing. The City will provide citizens a reasonable opportunity to comment on amendments or revisions to the citizen participation plan and will make the plan public.

Other Method of Participation

Informal, individual contact with citizens, initiated either by citizens or program officials, will also provide input to the consolidated plan. For example, an individual may contact the Community Development Department at (559) 782-7460 to request consideration of a special project; or program officials may seek the opinion of local business persons as to the need for commercial revitalization.

Program officials will also be available to advise citizens of the procedures for filing objections to the consolidated plan with the U.S. Department of Housing and Urban Development Area Office. Citizen participation in program implementation will occur primarily through consultation with the Citizens' Advisory and Housing Opportunity Committee. Citizens will be asked to review and comment on specific strategies for approved projects. They will also meet to review any substantial program amendments. All such changes will be discussed with the committee and their comments considered prior to the City taking final action. These meetings will be held on an as-needed basis.

Program assessment activities by citizens will occur in a variety of ways. Citizens will have the opportunity to comment on the City's performance for the prior program year during the public hearings for the consolidated and action plan adoption. The public will also be notified of the public comment period for the annual performance report before its submission to HUD.

The Citizens' Advisory and Housing Opportunity Committee shall function as a forum for public participation in the City's efforts to affirmatively further fair housing. Prior to the submission of the consolidated plan, the Committee shall discuss and recommend for Council adoption suggested methods of furthering fair housing. As part of the orientation to the program offered at the public hearing, citizens will be invited to submit comments on all aspects of the program performance throughout the program year.

Public comments or complaints regarding the consolidated plan, substantial amendments to the Plan, the Performance Report, or the Citizen Participation Plan should be submitted in writing to the Community Development Director, City of Porterville, 291 N. Main Street, Porterville CA 93257. If a public hearing is held, comments should be submitted within fifteen (15) working days from the date of the public hearing. A timely, substantive written response will be provided by the City within fifteen (15) working days. If the response is unsatisfactory, correspondence may then be addressed directly to the Mayor, City of Porterville, 291 N. Main Street, Porterville, CA 93257. The Mayor shall respond within fifteen (15) working days. If the citizen is still dissatisfied, he/she should write to the U.S. Department of Housing and Urban Development Area Office, 1 Sansome Street, Suite 1200, San Francisco, CA 94104, requesting investigation of the issue. Program staff will also be available during normal business hours to respond to citizen inquiries.

TECHNICAL ASSISTANCE

Citizen organizations, non-profit organizations, and groups of low/moderate income persons or target area residents may propose their own specific program(s). The proposal for a specific program should include the program's design, its budget, and the scope of proposed activities. Also, the proposal should identify the specific individuals anticipated to carry out activities and provide a summary of their experience and training.

Technical assistance which may be provided by City staff is limited to proposals that are considered eligible uses of CDBG funds, and not intended to assist citizen organizations, non-profit organizations, and groups of low/moderate income persons or target area residents applying for funding from other grant sources. The Citizens' Advisory and Housing Opportunity Committee may direct staff to provide technical assistance that may consist of staff or local expert presentations, informational handouts, research of a specific issue, or other short-term efforts.

PUBLIC INFORMATION

The City will also undertake the following public information efforts to promote citizen participation:

- The public noticing pertaining to the community meetings, Council work session and public hearing are published in both English and Spanish. Public notices of all public hearings will be published in the *Porterville Recorder* and *Noticiero Semanal* at least ten (10) days before the scheduled hearing and fifteen (15) days prior to the final public hearing. These notices will indicate the date, time, location, and topics to be considered. Upon notification, arrangements will be made by the City to accommodate persons with disabilities. The public notices also will be made available in the form of press releases and as a public service announcement to local radio stations. Public hearing notices will indicate that summary statements of projected use of CDBG and/or HOME funds will be available in Spanish, the predominant non-English language spoke within the city. Additionally efforts will be made by providing notices to our local non-profit partners to share and publish for public viewing, and publishing on the City website which includes the Agenda and meeting minutes.
- Notices will also be published in the *Porterville Recorder* to notify the public of the period, not less than thirty (30) days for the consolidated plan or substantial amendments to the plan, or fifteen (15) days for the performance report, in which to receive comments from citizens before submission of the plan or report to HUD. All notices will include information that complete copies of the proposed plan or report will be available for public review at City Hall (291 N. Main Street) or at the City Library (41 W. Thurman Avenue). A reasonable number of free copies of the plan or report will be provided to citizens and groups that request it.
- Orientation information will be provided at the first public hearing conducted by the Citizens' Advisory and Housing Opportunity Committee. City staff will make a presentation which covers: the total amount of funds available and the basis for award; the range of eligible activities and those previously funded in the community; the planning process and the schedule of meetings and hearings, the role of citizens in the program, a summary of other important program requirements, such as: environmental policies, fair housing provisions, and contracting procedures. Some of these topics will be covered in written materials.
- A public file containing program documentation for the preceding five (5) years will be available for review at City Hall during normal business hours. Included will be copies of the Consolidated Plan, Environmental Review Record, the Citizen Participation Plan, and the Consolidated Annual Performance Evaluation Report. Other program documents are also available for citizen review on request at City Hall, consistent with applicable State and local laws regarding personal privacy and obligations of confidentiality. Upon request, materials will be made available in a form accessible to persons with disabilities.

**CITIZENS' ADVISORY AND HOUSING
OPPORTUNITY COMMITTEE PARTICIPATION PLAN
SCHEDULE 2015**

Advisory Committee Meetings	Annually or as deemed necessary by Committee
Public Hearings (2)	June and July 2015
Publication of Draft Consolidated Plan and 1 st Year Action Plan	June-July 2015
Adoption of Consolidated Plan and 1 st Year Action Plan	July 2015
Submission of Consolidated and Action Plan	August 2015 (or when determined by HUD)

City Council hearings, unless otherwise specified, will be held in the City Hall Council Chambers at 6:30 p.m.

Citizens' Advisory Committee meetings and/or hearings, unless specified otherwise, will be held in the Coleman Conference Room in City Hall at 5:30 p.m.



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Authorization to Update the Retail Recruitment Strategy

SOURCE: Community Development

COMMENT: On December 2, 2008, City Council authorized staff to negotiate and enter into a retail recruitment strategy and software solution with Buxton. Through a partnership with the Porterville Civic Foundation, Sierra View Medical Center and the City of Porterville, the City was able to contract with Buxton in January 2009 to complete a retail recruitment strategy. Staff has continued to work with Buxton and the Scout software platform since 2009. The information provided by Buxton has been instrumental in recruiting several retailers to Porterville.

Buxton is a company which assists communities in developing comprehensive retail recruitment strategies and provides a dynamic platform in which staff can create marketing packages promoting the community for retail development. Buxton also contracts with retail, restaurant and healthcare clients in their site selection and analysis needs. They have a base of over 3,000 retail, restaurant and healthcare clients. Their large retailer client base enables Buxton to leverage their relationships to assist their community clients in recruiting retailers. Buxton not only provides demographic information, but also uses proprietary software and data through their exclusive relationship with Visa to pinpoint the buying habits in a community.

In 2009, the City of Porterville contracted with Buxton to create a retail recruitment strategy. Their software better enables staff to understand the consumer profile and demographics desired by retailers and the community profile of Porterville to identify retailers that will be a good fit for the community and deliver better outcomes in the recruitment process. Staff is also able to use the data derived from Buxton to assist the local business community by providing access to data that can reveal opportunities for growth and expansion based on local consumer preferences. There is currently a link on the City's Economic Development website that allows local businesses, or potential businesses, to request market research data that is powered by the Buxton Scout platform. Staff also provides information and marketing packages to property owners and their representatives to assist in their recruitment needs. This provides a respected third party evaluation of the trade area that their property serves.

Staff has been using the information from this initial assessment along with the software platform Scout in their retail recruitment efforts. The first success story in using Buxton was in the recruitment of Kohl's. The closing of Mervyn's in 2008, after being in Porterville for 17 years, prompted the City to partner with the property owner of Porterville Marketplace and pursue Kohl's as a tenant for the vacant building. The efforts were successful and Kohl's located in Porterville five years before they had planned to enter the market. Not only did this add to the

local tax base, but, more importantly, this turned around a shopping center that was becoming blighted, and, as a result, the shopping center is currently fully leased and has seen the addition of many new retailers including PetSmart, Marshalls, rue21, Famous Footwear, Wingstop, Panera Bread, and Me-N-Ed's Pizza.

The City partnered with the owner of the Porterville Town Center shopping center to recruit a retailer to fill the facility that Blockbuster vacated with their closing in 2013. Staff provided marketing packages using the Scout platform and was able to successfully recruit Applebee's to Porterville. Staff is hopeful that the addition of Applebee's will have the same rejuvenating effect on the Porterville Town Center as Kohl's had on the Porterville Marketplace.

Buxton recently approached staff with a proposal to refresh retail recruitment strategy that was originally created in 2009 and to obtain access to the most recent Scout platform. The refresh would entail Buxton going through the process of evaluating Porterville and analyzing the trade area demographics and psychographics to the over 5,000 retailers and restaurants in their proprietary database. This agreement would also include having Porterville's demographic and psychographic information on the software platform that Buxton's retail and restaurant customers use in their site-selection process as well as providing contact information and setting up meetings with retailers that the City is looking to recruit. The proposal is broken down into two components. The retailer recruitment strategy refresh is \$25,000, and access to the new Scout platform with continued support is \$20,000 for a total of \$45,000. The agreement has an option to renew for the next three years with each year at the same price, but staff feels the City would not need to refresh the recruitment strategy each year. Staff has identified funding available in the approved 2014/15 Community Development budget to fund the refresh of the retail recruitment strategy and for the renewal of the Scout platform.

With the continued growth the city has seen since engaging with Buxton, staff believes that the City should continue the relationship with Buxton. The Henderson Avenue corridor has seen significant growth over the last couple of years and properties that have been undeveloped or underdeveloped are now coming on the market for future development. Olive Avenue has also seen renewed interest from retailers as well as Jaye Street Crossing. Riverwalk Marketplace is expected to see significant retail growth in the next few years. With the completion of the Plano Street Bridge, staff would also like to focus attention on the Plano Street corridor. The continued retail growth not only adds to the City's tax base, but it also adds to the quality of life of the residents and assists local industry in recruiting and maintaining their workforce.

RECOMMENDATION: That City Council authorize staff to negotiate a contract with Buxton for a refresh of the retail recruitment strategy and Scout platform.

ATTACHMENTS:

Appropriate/Funded: MB

Review By:

Department Director:

Jenni Byers, Community Development Director

Final Approver: John Lollis, City Manager



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: California Fire Assistance Agreement

SOURCE: Fire

COMMENT: The California Fire Assistance Agreement Committee has conducted both the five-year review of the recitals portion of the California Fire Assistance Agreement (CFAA), as well as the yearly review of the exhibits. After several extensions of the agreement, details have been finalized on the rates, methodologies, and formulas for reimbursement. The current CFAA defines the terms of response and reimbursement for state or federal fire agency incidents by local government fire agencies through the California Fire and Rescue Mutual Aid System. The Cal OES Fire and Rescue Division administers the agreement, including generating invoices on behalf of local government for fire and emergency assistance provided under the terms and conditions of this agreement.

The 2015 CFAA, section A-8.2 of Exhibit “A,” requires any agency seeking “Portal to Portal” reimbursement for personnel assigned to an incident to file an MOU/MOA, Governing Body Resolution (GBR) or equivalent document with Cal OES Fire and Rescue Division, and have it approved by the committee. The MOU/MOA, GBR, or equivalent document shall indicate how personnel will be paid. This documentation is due to Cal OES by May 31, 2015.

Failure on behalf of the City of Porterville to file an MOU/MOA, Governing Body Resolution (GBR), or equivalent document with Cal OES Fire and Rescue Division would result in the City of Porterville receiving only partial reimbursement for firefighting personnel and equipment assigned to state or federal agency fire incidents. Attached for reference is Exhibit “A” of the 2015 CFAA.

The entire CFAA is available for viewing at the City Clerk’s office or from the following URL:

<http://www.calema.ca.gov/FireandRescue/Pages/Reimbursement.aspx>

RECOMMENDATION: That the City Council:

- 1) Adopt the proposed resolution identifying the previously existing terms and conditions for fire department response away from their official duty station and assigned to an emergency incident; and
- 2) Authorize the Fire Chief to file said resolution with Cal OES Fire and Rescue Division.

ATTACHMENTS: 1. Fire Proposed Resolution
 2. CFAA Exhibit A

Appropriate/Funded: MB

Review By:

Department Director:

Glenn Irish, Fire Chief

Final Approver: John Lollis, City Manager

RESOLUTION NO. ____-2015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
IDENTIFYING THE TERMS AND CONDITIONS FOR FIRE DEPARTMENT RESPONSE
AWAY FROM THEIR OFFICIAL DUTY STATION AND ASSIGNED TO AN
EMERGENCY INCIDENT

WHEREAS, the Porterville Fire Department is a public agency located in the County of Tulare, State of California; and

WHEREAS, it is the Porterville Fire Department's desire to provide fair and legal payment to all its employees for time worked; and

WHEREAS, the Porterville Fire Department has in its employ thirty-five (35) full-time fire response personnel including: Fire Chief, Battalion Chief, Fire Captain, Lieutenant, Engineer, Firefighter/EMT, and Firefighter; and

WHEREAS, the Porterville Fire Department will compensate its employees portal to portal while in the course of their employment and away from their official duty station and assigned to an emergency incident, in support of an emergency incident, or pre-positioned for emergency response; and

WHEREAS, the Porterville Fire Department will compensate its employees overtime in accordance with their current Memorandum of Understanding while in the course of their employment and away from their official duty station and assigned to an emergency incident, in support of an emergency incident, or pre-positioned for emergency response.

NOW THEREFORE, BE IT RESOLVED: That the City Council of the City of Porterville does hereby approve that:

1. Personnel shall be compensated according to Memorandum of Understanding (MOU), Personnel Rules and Regulations, and/or other directive that identifies personnel compensation in the workplace.
2. In the event a personnel classification does not have an assigned compensation rate, a "base rate" as set forth in an organizational policy, administrative directive, or similar document will compensate such personnel.
3. The Porterville Fire Department will maintain a current salary survey or acknowledgement of acceptance of the "base rate" on file with the California Governor's Office of Emergency Services, Fire Rescue Division.
4. Personnel will be compensated (portal to portal) beginning at the time of dispatch to the return to jurisdiction when equipment and personnel are in service and available for agency response.

5. Fire department response personnel include: Fire Chief, Battalion Chief, Fire Captain, Lieutenant, Engineer, Firefighter/EMT, and Firefighter.

PASSED, APPROVED AND ADOPTED this 7th day of April 2015.

Milt Stowe, Mayor

ATTEST:
John D. Lollis, City Clerk

By: _____
Patrice Hildreth, Chief Deputy City Clerk

Cal OES# 6051-4
CAL FIRE# 7CA02564
USFS# I5-FI-11052012-107
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BLM# BAA151002
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BIA# A15ACPRO01

EXHIBIT “A”
REIMBURSEMENT POLICY AND PROCEDURES

GENERAL

- A-1. It is the intent of the signatories to the CFAA to compensate California Fire and Rescue Mutual Aid System Agencies for the cost of assisting the State of California and the Federal Fire Agencies. The rates, methodologies, and formulas in the Agreement are intended to provide for such costs. The compensation shall be consistent with the California Fire and Rescue Mutual Aid System Agency’s normal internal business practices and any existing memorandum of understanding (MOU)/memorandum of Agreement (MOA), governing body resolution, or equivalent, which supports those business practices.
- A-2. The California Fire and Rescue Mutual Aid System Agencies shall use the following procedures to secure reimbursement for the provision of personnel and local government-owned emergency apparatus. Terms established in this section shall be made binding upon California Fire and Rescue Mutual Aid System Agencies by Cal OES and shall not be subject to interpretation or rejection by the jurisdiction providing assistance. See Clause A-36 for procedures that do not apply or are applicable to State Agency Fire Departments, Department of Defense Fire Departments, or Tribal Fire Departments.
- A-3. California Fire and Rescue Mutual Aid System Agencies that provide their personnel and equipment to the State of California or the Federal Fire Agencies through the California Fire and Rescue Mutual Aid System and this Agreement, do so on a voluntary basis, and accept the following provisions for reimbursement.
- A-4. It is understood and agreed that a California Fire and Rescue Mutual Aid System Agency providing personnel or California Fire and Rescue Mutual Aid System Agency-owned emergency apparatus shall obtain reimbursement for such response by billing the ordering entity (either the State of California or Federal Fire Agency) through the Cal OES invoicing process in accordance with this Exhibit.
- A-5. Reimbursement for personnel and emergency apparatus will begin after the 12th hour. There shall be no reimbursement for responses of 12 hours duration or less with the exception of the Department of Interior (DOI) fire agencies (BLM, NPS, FWS, and BIA). DOI will reimburse from time of dispatch. If the duration of the response exceeds 12 hours and local agencies have an existing MOU/MOA, governing body resolution, or equivalent that indicates compensation for all hours worked, reimbursement for personnel and emergency apparatus shall cover the

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REIMBURSEMENT – PERSONNEL

- A-8. A committee will establish a standard reimbursement formula for local agency personnel with Base Rates applicable to all jurisdictions. The default reimbursement will be at the Base Rate for actual hours worked on the incident. Agencies can be reimbursed at a rate that is higher than the Base Rate, and/or for more than actual hours worked (up to 24 hours per day), as follows:
- A-8.1 Any agency seeking reimbursement for its personnel at a rate higher than the appropriate Base Rate, must complete the annual salary survey and file it with the Cal OES Fire and Rescue Division. The Chief Financial Officer will provide verification that the personnel wages exceed the Base Rate for each requested position.
- A-8.2 Any agency seeking reimbursement for personnel for more than actual hours worked on the incident (portal-to-portal) must file an MOU/MOA, governing body resolution, or equivalent with Cal OES Fire and Rescue Division. The MOU/MOA, governing body resolution, or equivalent shall indicate how personnel will be compensated.
- A-8.3 Any agency seeking reimbursement for its supplemental personnel will accept rates as outlined in **NWCG#004-2009, Attachment D**, which states that supplemental personnel will be reimbursed using General Schedule tables with locality pay applied for actual hours worked. Reimbursement shall be in accordance with Clause A-16.
- A-9. The above required documentation for rates and hours shall be based on actual costs to the responding agency, and not contingent upon reimbursement from the State of California or Federal Fire Agencies at a rate that exceeds what the agency will pay its personnel. Reimbursements will be based on the salary survey and any applicable MOU/MOA, governing body resolution, or equivalent that is on file at the time of the initial dispatch.
- Any MOU/MOA, governing body resolution, or equivalent is subject to review by the Committee. Local government will be formally notified of the determination.
- A-10. These formulas and rates of payment shall constitute full reimbursement for direct costs, including back fill to local jurisdictions relative to personnel provided. Liability for workers compensation claims and/or payment of unemployment benefits shall remain the responsibility of the responding local, state, federal, and tribal agencies that directly employ the personnel. All calculations shall be subject to audit by the State of California or the Federal Fire Agencies in accordance with Recital 29, Examination and Audit.

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- A-11. Reimbursement for fractional hours shall be taken to the next quarter hour.
- A-12. Reimbursement shall be made only for such personnel that have been specifically requested or approved by the State of California or the Federal Fire Agencies. Any personnel not given an Order/Request number shall be considered a voluntary contribution from the responding agency and not subject to reimbursement.

Formula for Personnel Reimbursement Using Base Rates

- A-13. California Fire and Rescue Mutual Aid System Agencies will be reimbursed at the established Engine Company Base Rate for personnel responding on emergency apparatus or as overhead personnel at or below the Strike Team/Task Force Leader Trainee level. Strike Team/Task Force/Unit Leader level or above personnel will be reimbursed at the established Overhead Base Rate.
- A-14. California Fire and Rescue Mutual Aid System Agencies that have not submitted a Salary Survey for rates above the established Base Rates will be reimbursed using one of the following formulas:

The formula for the total invoice claim with an MOU/MOA, governing body resolution, or equivalent for all hours (portal to portal) is:

$$[(B \times H^1) + (B \times H^1 \times W) + (B \times H^1 \times U)] = \text{Total Personnel Reimbursement}$$

(approved form)

The formula for the total invoice claim without an MOU/MOA, governing body resolution, or equivalent for all hours (actual hours) is:

$$[(B \times H^2) + (B \times H^2 \times W) + (B \times H^2 \times U)] = \text{Total Reimbursement}$$

(approved form)

B= Base Rate

H¹ = All Hours (portal to portal)

H²= Actual Hours Worked

W= Workers' Compensation Percentage Rate

U= State Unemployment Percentage Rate

The Established Base Rate (**B**) is based on the average of the CAL FIRE Fire Captain or Fire Apparatus Engineer base rates and the USDA Forest Service emergency hire rates for these positions applied to a 168 hour week, with 40 hours at straight-time and 128 hours at overtime. The total amount is then divided by 168 hours resulting in a blended rate.

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Formula for Establishing the Base Rates

The following base rate formulas include an overtime component. As a result, the formulas will NOT be calculated at time and one half.

Base Rate formula for Engine Company personnel and Overhead at or below Strike Team/Task Force Leader Trainee

(AD-F + CAL FIRE Fire Apparatus Engineer base rate) / 2 = Combined Rate,
 ((Combined Rate x 40 Hours Straight Time) + (Combined Rate x 128 Hours Overtime)) / 168 =
 Base Rate

Numerical Calculation: $23.28 + 17.88 = 41.16 / 2 = 20.58$, $((20.58 \times 40) + (20.58 \times 1.5 \times 128)) = 4774.56 / 168 = \28.42

Base Rate formula for Overhead at or above Strike Team Leader/Task Force Leader

(AD-H + CAL FIRE Fire Captain base rate) / 2 = Combined Rate,
 ((Combined Rate x 40 Hours Straight Time) + (Combined Rate x 128 Hours Overtime)) / 168 =
 Base Rate

Numerical Calculation: $28.44 + 22.20 = 50.64 / 2 = 25.32$, $((25.32 \times 40) + (25.32 \times 1.5 \times 128)) = 5874.24 / 168 = \34.97

Definitions for abbreviations used in Base Rate Formula

AD - Administratively Determined Pay Plan for Emergency Workers. Pay rates for emergency (casual) employees of the Federal Fire Agencies.

AD F - The classification is Engine Boss.

AD H - The classification is Strike Team Leader.

CAL FIRE base Fire Captain and Fire Apparatus Engineer salary rates are converted to hourly rates.

Formula for Suppression Personnel Reimbursement Using Average Actual Rates

- A-15. The California Fire and Rescue Mutual Aid System Agencies may submit Average Actual Rates to Cal OES Fire and Rescue Division for any personnel dispatched to an incident. The personnel who are dispatched to an incident will first be classified and reimbursed as described in Clauses A-15.1 through A-15.3. The submission of Average Actual Rates shall be on file with Cal OES Fire and Rescue Division prior to the time of personnel dispatch.

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A-15.3 If personnel above the Battalion Chief level have an MOU/MOA, governing body resolution, or equivalent that indicates they are to be paid above straight time, the reimbursement will be calculated using one of the following formulas. The MOU/MOA, governing body resolution, or equivalent is subject to the provisions in Clause A-9, and must not be contingent on this Agreement or executed on the sole basis that there is reimbursement from Cal OES, CAL FIRE, or the Federal Fire Agencies.

The formula for the total invoice claim with an MOU/MOA, governing body resolution, or equivalent for all hours (portal to portal) and MOU/MOA, governing body resolution, or equivalent for above straight-time is:

$$[(A \times H^1 \times 1.5) + (A \times H^1 \times 1.5 \times W) + (A \times H^1 \times 1.5 \times U)] = \text{Total Reimbursement}$$

(approved form)

The formula for the total invoice claim without an MOU/MOA, governing body resolution, or equivalent for all hours (actual hours) and with an MOU/MOA, governing body resolution, or equivalent for above straight-time is:

$$[(A \times H^2 \times 1.5) + (A \times H^2 \times 1.5 \times W) + (A \times H^2 \times 1.5 \times U)] = \text{Total Reimbursement}$$

(approved form)

A = Average Actual Rate

H¹ = All Hours (portal to portal)

H² = Actual Hours Worked

W = Workers' Compensation Percentage Rate

U = State Unemployment Percentage Rate

Formula for Non-Suppression Personnel Reimbursement Using Average Actual Rates

A-15.4 California Fire and Rescue Mutual Aid System Agencies that have submitted Average Actual Rates to Cal OES Fire and Rescue Division for Non-Suppression Personnel shall be reimbursed for actual hours worked using the following formula:

The formula for the total invoice claim without an MOU/MOA, governing body resolution, or equivalent for all hours (actual hours) is:

$$[(A \times 1.5 \times H^2) + (A \times 1.5 \times H^2 \times W) + (A \times 1.5 \times H^2 \times U)] = \text{Total Reimbursement}$$

(approved form)

A = Average Actual Rate

H² = Actual Hours Worked

W = Workers' Compensation Percentage Rate

U = State Unemployment Percentage Rate

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The Average Actual Rate (A) is the average hourly rate of all personnel in the specific rank (e.g., Dispatcher, Heavy Equipment Mechanic, and Inspector) within each individual fire agency.

Non-Suppression Personnel, who have an MOU/MOA, governing body resolution, or equivalent that indicates they are to be paid portal to portal according to Clause A-8.2, will be reimbursed in accordance with the following Formula for Personnel Using Average Actual Rates:

The formula for the total invoice claim with an MOU/MOA, governing body resolution, or equivalent for all hours (portal to portal) is:

$$[(A \times H^1 \times 1.5) + (A \times H^1 \times 1.5 \times W) + (A \times H^1 \times 1.5 \times U)] = \text{Total Reimbursement}$$
(Approved form)

A= Average Actual Rate

H¹ = All Hours (portal to portal)

W= Workers' Compensation Percentage Rate

U= State Unemployment Percentage Rate

The Average Actual Hourly Rate (A) is the average hourly rate of all personnel in the specific rank (e.g., Dispatcher, Mechanic, and Inspector) within each individual jurisdiction.

The 1.5 multiplier in the formula represents an hourly rate, which includes benefits for straight time, and an overtime rate for overtime hours.

Supplemental Fire Department Resource Reimbursement Using NWCG#004-2009

- A-16. California Fire and Rescue Mutual Aid System Agencies seeking reimbursement for Supplemental Fire Department Resources will accept rates as outlined in **NWCG#004-2009, Attachment D**, which states that Supplemental Fire Department Resources will be reimbursed using General Schedule tables with locality pay applied for actual hours worked. California Fire and Rescue Mutual Aid System Agencies that roster or sponsor Supplemental Fire Department Resources shall be reimbursed at the rate of the position being filled on the incident.

California Fire and Rescue Mutual Aid System Agencies shall identify their Supplemental Fire Department Resources separately on the Supplemental Fire Department Resource section of the Cal OES Salary Survey and not include them under the Suppression responder categories. They are not a permanent part of the local fire organization. They are mobilized primarily for response to incidents/wildland fires outside of the fire agency's jurisdiction.

Supplemental Fire Department Resources shall be paid a regular compensation rate for all hours worked plus an overtime compensation rate for actual overtime hours worked, including travel. Base hourly rate shall be no more than step 5 of the appropriate GS wage adjusted for locality pay at the location of the fire department's jurisdiction. Rates can be found on the Office of

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Personnel Management website, <http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2015/general-schedule/>. Reimbursement costs shall not include portal to portal pay or the employee portion of benefits. Backfill is not reimbursable for personnel hired as Supplemental Fire Department Resource. Approved travel costs will be in accordance with Clause A-33.

Engine Company and Tactical Water Tender Staffing

- A-17. Engine company staffing shall not be less than three (3) or a reimbursable maximum of four (4). The State of California or the Federal Fire Agencies will reimburse based on the actual classifications responding, not to exceed one Company Officer, one Apparatus Operator, and one or two Firefighters. Tactical water tender staffing shall be reimbursed based upon the actual classifications responding, not to exceed two Apparatus Operators or one Company Officer and one Firefighter. Personnel filling Engine Company or tactical water tender positions shall be certified at the appropriate level per Wildland Fire Qualification NWCG 310-1 Sub System Guide, or the California Incident Command Certification System (CICCS).

Strike Team/Task Force Leader Trainee

- A-18. The State of California or the Federal Fire Agencies shall provide reimbursement for personnel requested by the State of California or the Federal Fire Agencies to coordinate (Strike Team/Task Force Leaders) or otherwise support the California Fire and Rescue Mutual Aid System resources, or Cal OES-owned emergency apparatus used on incidents. A strike team/task force may, at the discretion of the local jurisdiction, include a Strike Team/Task Force Leader Trainee as a reimbursable member of the unit. The Trainee will be covered under a strike team/task force order-request number and will be identified on a separate Cal OES Emergency Activity Record (F-42), unless the Trainee is from the same California Fire and Rescue Mutual Aid System Agency as the Strike Team Leader. The Strike Team/Task Force Leader Trainee shall travel with the strike team/task force in a vehicle from the existing strike team/task force and will not be reimbursed for the use of a second vehicle. The Trainee may provide the vehicle for the assignment, but no more than one vehicle will be reimbursed. Personnel filling Strike Team/Task Force Leader Trainee positions shall be certified at the Strike Team/Task Force Leader Trainee level per Wildland Fire Qualification NWCG 310-1 Sub System Guide, or CICCS.

- A-19. All Trainees will follow the qualification process in place at the incident.

Overhead Personnel

- A-20. Personnel responding to a State of California or Federal Fire Agency's request for overhead positions shall meet the training and experience requirements established for the ICS position to be filled (Reference: NWCG 310-1 Sub System Guide or CICCS).

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- A-21. Requesting State of California or Federal Fire Agencies shall specify the mode of transportation for overhead personnel at the time of request. Reimbursement for travel shall be from local home unit or residence, whichever is less, using the most economical mode of transportation. Transportation may be arranged and shall be reimbursed/paid by the State of California or Federal Fire Agency.

Transfer/Reassignment to Other Operational Areas/Incidents

- A-22. California Fire and Rescue Mutual Aid System emergency apparatus and personnel requested through this Agreement may not be reassigned to a different incident in another Cal OES Operational Area, or to another incident through a different Agreement without the responding agency's approval. The host State of California or Federal Fire Agency shall secure approval for such reassignment through the California Fire and Rescue Mutual Aid System.

Cal OES Support

- A-23. Cal OES Fire Agency Representatives assigned to major incidents may need to have a Cal OES Support/Communications Unit to facilitate coordinating the mutual aid resources assigned to the incident. Staffing level for this resource shall be limited to a maximum of two (2) persons. Staff reimbursement will be based on the appropriate rate.

REIMBURSEMENT – EMERGENCY APPARATUS

- A-24. The formulas and rates of payment for emergency apparatus shall be considered as covering all reimbursement related to the use of such vehicles except as provided in the Reimbursement of Emergency Apparatus Loss or Damage section in the Recitals of this Agreement, Recitals 25 through 27.
- A-25. Reimbursement for emergency apparatus refurbishment and rehab may be approved by the Incident Command, up to a maximum of 2 hours, as appropriate.

California Fire and Rescue Mutual Aid System Agency Emergency Apparatus

- A-26. Engines and Tactical Water Tenders shall be reimbursed in accordance with the current FEMA Schedule of Equipment Rates established in the Annual Rate Letter. Engines and Tactical Water Tenders rates are based on a 16-hour maximum allowable charge, per 24-hour period.

Reimbursement of other emergency response equipment shall be in accordance with 44 CFR 206.228 allowable costs.

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- A-27. California Fire and Rescue Mutual Aid System Agencies shall assume operational costs, including necessary motor fuels and lubricants used in its emergency apparatus while responding to and returning from the State of California or Federal Fire Agency incidents. It shall be the responsibility of the responding jurisdiction to provide the necessary means of payment for such costs.
- A-28. Once at the incident and until released, the State of California or the Federal Fire Agencies will provide for motor fuel and lubricants, normal servicing costs, and minor repairs incidental to operation of emergency apparatus including California Fire and Rescue Mutual Aid System Agency support equipment. Minor Repair is defined as any repair necessary to keep the equipment in operation on the fire, which requires not more than two hours (labor time only) for one mechanic for any one job, exclusive of obtaining parts.

Support Equipment, Privately-Owned Vehicles, and Rental Vehicles

- A-29. The State of California or the Federal Fire Agencies shall reimburse California Fire and Rescue Mutual Aid System Agencies for use of agency support equipment and private vehicles provided in conjunction with requested personnel. Reimbursement shall be calculated on a daily basis for local jurisdiction support equipment at the rate established by the Committee for the type or category of vehicle used. Privately-owned vehicle rates will be reimbursed on a per mile basis according to the current Internal Revenue Service (IRS) standard rate for business miles.
- A-30. In no case will a second support vehicle, privately-owned vehicle, or rental vehicle assigned to an individual, strike team, or task force be reimbursed.
- A-31. Authorized Rental Vehicles: The use and reimbursement of rental vehicles requires authorization either at the time of the initial request in ROSS, or documented by written approval at the incident. The dispatch/mobilization centers for the requesting State of California or Federal Fire Agencies may make arrangements for procuring rental vehicles, or may direct the California Fire and Rescue Mutual Aid System Agency to make their own arrangements. Rental vehicles from an airport are discouraged and the use of economy cars is encouraged. Rental vehicles and the fuel expense while responding to, during, or returning from a State of California or Federal Fire Agency incident will be reimbursed for the actual costs incurred by the California Fire and Rescue Mutual Aid System Agencies. The process to obtain reimbursement for rental vehicle expenses is outlined in Exhibit "H".

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Other Equipment Rates (Excluding Aviation)

- A-32. All other equipment not identified specifically in this exhibit will be reimbursed using the FEMA Schedule of Equipment rates. If a FEMA equipment rate is not identified for the type of equipment being used, a rate may be developed using the FEMA equipment rate formula in Exhibit "F".

REIMBURSEMENT – TRAVEL EXPENSES

- A-33. At no time will the California Fire and Rescue Mutual Aid System Agencies seek reimbursement for travel expenses such as fuel, food, and lodging responding to, during, or returning from a State of California or Federal Fire Agency incident unless formally documented and approved in writing at the incident. The reimbursement of meals to and from the incident will be subject to the California state standard per diem and lodging rates specified in Exhibit "H".

Travel arrangements and reimbursement, including travel for relieving personnel and backfill, will only be made from the Fire Department/Agency location or residence whichever is closest to the incident or reporting location (such as staging).

If formally documented and approved in writing at the incident, the process to obtain reimbursement for in state travel and incident-related expenses is outlined in Exhibit "H".

REIMBURSEMENT – PERSONNEL ROTATION

- A-34. When California Fire and Rescue Mutual Aid System Agency personnel are committed to extended assignments under this Agreement, there may be a need to rotate and replace personnel. Personnel under this Agreement are expected to be available a minimum of seven days (elapsed time) excluding travel, before needing replacement, regardless of the number of assignments from original dispatch.

Expenses that are reimbursable are limited to personnel costs and transportation costs. Reimbursement for personnel will be in accordance with general personnel reimbursement provisions of this Agreement. Please reference Exhibit C for specific personnel rotation procedures.

INCIDENT OFF-SHIFT REST AND SLEEPING ACCOMODATIONS

- A-35. The responsible State of California or Federal Fire Agency will provide, when practical, shaded and/or climatically maintained accommodations for off shift sleeping, rest, and recuperation for local jurisdiction resources confined to the incident base. If the incident command finds it operationally feasible (e.g. strike team remains available) to place local jurisdiction resources in

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a commercial sleeping accommodation, it may be provided by the Federal Fire Agencies and CAL FIRE.

REIMBURSEMENT- STATE OF CALIFORNIA, FEDERAL, DOD, AND TRIBAL FIRE DEPARTMENTS

- A-36. State Agency Fire Departments, Federal Fire Departments, DOD Fire Departments, and Tribal Fire Departments may respond through the California Fire and Rescue Mutual Aid System. Tribal Fire Department's that have a compacted or contracted wildland fire program from BIA will respond through the Federal Dispatching System and not through the California Fire and Rescue Mutual Aid System.

State Agency Fire Department personnel will be reimbursed in accordance with reimbursement provisions for local jurisdictions except that the base rate provisions will not apply to inmate firefighters. Inmate firefighters will be reimbursed at their actual straight time rate in accordance with California Department of Corrections payment practices.

Reimbursement of Federal, DOD, and Tribal Fire Departments that respond to CAL FIRE fires will be in accordance with the reimbursement provisions for local jurisdictions.

Reimbursement of Federal, DOD, and Tribal Fire Departments that respond to Federal Fire Agency fires are governed by other federal agreements. In these cases Cal OES will not produce or process reimbursement invoices for DOD and Tribal Fire Departments. DOD Fire Departments responding under this Agreement will invoice the supported Federal Fire Agency directly in accordance with existing federal and local agreements. Tribal Fire Departments responding under this Agreement will invoice the BIA directly in accordance with existing federal or local Agreements.

REQUESTING REIMBURSEMENT

- A-37. California Fire and Rescue Mutual Aid System Agencies will prepare a Cal OES Form F-42, F-78 or other approved form and supporting documentation at the incident, which is the basis for reimbursement due and invoice preparation. These forms are provided by Cal OES Fire and Rescue Division. The Form (F-42/F-78 or other approved form) must be signed by a responsible officer of the jurisdiction seeking reimbursement and by the State of California or Federal Fire Agency Incident Command to verify that the resources requested on the F-42/F-78 or other approved form were authorized by the ordering agency and is the initial step for invoice processing. The completed F-42/F-78 or other approved form is forwarded to Cal OES Fire and Rescue Division Headquarters for processing. **FORMS F-42/F-78 or other approved form should be submitted to the Cal OES Fire Agency Representative at the incident. In the absence of a Cal OES Fire Agency Representative, FORMS**

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The State of California and Federal Fire Agencies will work on procedures to improve reimbursement timelines. These activities will be documented and shared with the California Fire and Rescue Mutual Aid System Agencies.

- A-44. The Terms and Conditions and Exhibits in this Agreement may necessitate new methods of reporting and invoicing. All proposed changes to this Agreement, or associated business processes shall be approved by the State of California or Federal Fire Agencies that are parties to this Agreement.
- A-45. Reimbursement for emergency apparatus and personnel shall be made directly to the California Fire and Rescue Mutual Aid Agency providing the resource, and **NOT** to individuals.

Federal Agency Electronic Fund Transfer

- A-46. Federal agencies require the following for reimbursement to California Fire and Rescue Mutual Aid System Agencies:
- a) Taxpayer Identification Number (TIN) – This number is applied for and issued by the Internal Revenue Service (IRS). Contact the IRS @ www.irs.gov or (800) 772-1213.
 - b) Electronic Funds Transfer (EFT) – The cooperator shall designate a financial institution or an authorized payment agent through which a federal payment may be made in accordance with US Treasury Regulations, Money and Finance at 31 CFR 208, which requires that federal payments are to be made by EFT to the maximum extent possible. A waiver may be requested and payments received by check by certifying in writing that one of the following situations apply:
 - a. The payment recipient does not have an account at a financial institution.
 - b. EFT creates a financial hardship because direct deposit will cost the payment recipient more than receiving the check.
 - c. The payment recipient has a physical or mental disability, or a geographic language, or literacy barrier.

In order to receive EFT payments, the recipient/cooperator shall register in the System for Award Management (SAM). You may register by going to www.sam.gov and follow the instructions provided on-line. For assistance, contact the SAM Assistance Center at (800) 606-8220.



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Request for Proclamation - Iris Festival Day - April 25, 2015

SOURCE: Administrative Services

COMMENT: At its meeting of October 1, 2013, the Council amended the process by which proclamations are approved. 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 Chamber of Commerce has requested that the Council consider approval of a proclamation to proclaim April 25, 2015, as Iris Festival Day. Vice Mayor Hamilton is sponsoring this proclamation request. If approved, applicant requests that the proclamation be presented at the City Council Meeting of April 21, 2015.

RECOMMENDATION: That the City Council consider approval of the request to proclaim April 25, 2015, as Iris Festival Day.

ATTACHMENTS: 1. Request for Proclamation

Appropriate/Funded: N/A

Review By:

Department Director:

Patrice Hildreth, Administrative Services Dir

Final Approver: John Lollis, City Manager



City of Porterville
REQUEST FOR PROCLAMATION



RECEIVED

MAR 18 2015

CITY OF PORTERVILLE
ADMINISTRATIVE SERVICES

Date of Request: 3/6/15

Name of Event/Individual: IRIS Festival
i.e. "Porterville Tourism Week", "Mr. John Doe"

Name of Sponsoring Organization: Porterville Chamber of Commerce

Name of Contact Person: Stephanie Cortez

Address: 93 N main street

Phone: 559 784 7502 FAX: _____

E-mail: Stephanie@portervillechamber.org

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

Date(s) of Event: April 25, 2015

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

Individual or representative attending Council Meeting to receive proclamation:

Kevin Elliot Board chair

Please attach a sample of your proclamation, or the pertinent information needed to formulate your proclamation 3-4 weeks in advance. 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.

City Clerk's Section

Request Received: 3/18/15 Sponsored by: Council Member Hamilton Date: 3/30/15

Approved by Council: yes ☐ no ☐ Date: _____

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

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

Comment: _____

WHEREAS: On January 8, 1963, the City Council of the City of Porterville adopted the Iris as the official flower of the City of Porterville, and

WHEREAS: Spring is traditionally ushered in with the blooming of flowers, and the Porterville Chamber of Commerce presented the first Annual Porterville Iris Festival in April 1999 in Porterville in recognition of the unique beauty of the Iris; and

WHEREAS: This year is the 17th offering of the Iris Festival which has been attended by over 290,000 people over its 16 years;

WHEREAS: Local festivities for the 17th Annual Porterville Iris Festival include a variety of activities which celebrate both the Iris and the attributes of our community; and combine to create a springtime community wide festival; and

WHEREAS: This year the Porterville Iris Festival will again welcome over 25,000 people from Porterville, the surrounding area, throughout California, and beyond; and

WHEREAS: This celebration of the Iris has created a unique opportunity for families, friends, and visitors to join together to enjoy entertainment, arts and crafts, a chili cook-off, activities for children, antiques, a salute to the military.

NOW, THEREFORE, I, Milt Stowe, Mayor of the City of Porterville, on behalf of the Porterville City Council, do hereby proclaim April 25, 2015, as

"IRIS FESTIVAL DAY"

and urge all citizens of our community to join with the City in celebrating the official City flower, the festivities held in its name, and enjoy Porterville in bloom.

PROCLAIMED this day of April, 2015.

Milt Stowe,
Mayor

Brian E. Ward,
Vice Mayor

Virginia R. Gurrola,
Council Member

Cam Hamilton,
Council Member

Monte Reyes,
Council Member



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Request for Proclamation - Arbor Day - April 24, 2015

SOURCE: Administrative Services

COMMENT: At its meeting of October 1, 2013, the Council amended the process by which proclamations are approved. 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 Parks and Leisure Services Department has requested that the Council consider approval of a proclamation to proclaim April 24, 2015, as Arbor Day. Vice Mayor Hamilton is sponsoring this proclamation request. If approved, the applicant requests that the proclamation be presented at the Community Tree Planting event on April 24, 2015.

RECOMMENDATION: That the City Council consider approval of the request to proclaim April 24, 2015, as Arbor Day.

ATTACHMENTS: 1. Request for Proclamation

Appropriate/Funded: N/A

Review By:

Department Director:

Patrice Hildreth, Administrative Services Dir

Final Approver: John Lollis, City Manager



City of Porterville
REQUEST FOR PROCLAMATION

Date of Request: 3/30/15

Name of Event/Individual: Arbor Day
i.e. "Porterville Tourism Week", "Mr. John Doe"

Name of Sponsoring Organization: Parks & Leisure

Name of Contact Person: Donnie or Gale

Address: 291 N Main St

Phone: 782-7536 FAX: _____

E-mail: glabonte@ci.porterville.ca.us

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

Date(s) of Event: April 24, 2015

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

Individual or representative attending Council Meeting to receive proclamation:

Please attach a sample of your proclamation, or the pertinent information needed to formulate your proclamation 3-4 weeks in advance. 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.

City Clerk's Section

Request Received: 3/30/15 Sponsored by: Hamilton Date: 3/31/15
am

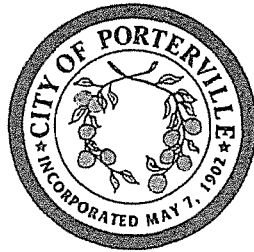
Approved by Council: yes ☐ no ☐ Date: _____

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

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

Comment: _____

City of Porterville



Proclamation

WHEREAS: In 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees. That day, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and

WHEREAS: Arbor Day is now observed throughout the nation and the world; and

WHEREAS: Trees in our cities and towns help clean the air, conserve soil and water, moderate temperature and bring nature into our daily lives, and the Tree City USA designation recognizes the work of elected officials, staff and citizens who plant and care for the community forest; and

WHEREAS: The City of Porterville has been named a Tree City USA community by the National Arbor Day Foundation for the ^{22nd} 21ST year in a row to honor its commitment to community forestry, now with over 14,000 City street trees within Porterville's 14.8 square miles.

NOW, THEREFORE, I, ~~Cameron J. Hamilton~~, Mayor of the City of Porterville, on behalf of the Porterville City Council, do hereby proclaim ~~April 25, 2014~~, as—

"ARBOR DAY"

in the City of Porterville, and urge all citizens to support efforts to care for our trees in the urban forest and to support our City's community forestry program. I further urge all citizens to participate in the Community Tree Planting to be held to commemorate this day.

PROCLAIMED this 25th day of April, 2014.⁵
21st



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Request for Proclamation - Public Schools' Month - May 2015

SOURCE: Administrative Services

COMMENT: At its meeting of October 1, 2013, the Council amended the process by which proclamations are approved. 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 Orange Belt Masonic Lodge #303 has requested that the Council consider approval of a proclamation to proclaim May 2015, as Public Schools' Month. Vice Mayor Hamilton is sponsoring this proclamation request. If approved, applicant requests that the proclamation be presented at the 51st Annual Public Schools Banquet.

RECOMMENDATION: That the City Council consider approval of the request to proclaim May 2015, as "Public Schools' Month."

ATTACHMENTS: 1. Request for Proclamation - Public Schools' Month

Appropriate/Funded: N/A

Review By:

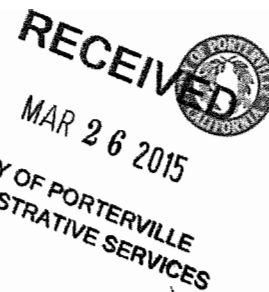
Department Director:

Patrice Hildreth, Administrative Services Dir

Final Approver: John Lollis, City Manager



City of Porterville
REQUEST FOR PROCLAMATION



Date of Request: 3-26-15

Name of Event/Individual: 51st Annual Public Schools Banquet
i.e. "Porterville Tourism Week", "Mr. John Doe"

Name of Sponsoring Organization: Orange Belt Masonic Lodge #303

Name of Contact Person: DOUG MEAD

Address: 2440 W. Henderson

Phone: 310-7232 FAX: _____

E-mail: zantetowncal@gmail.com

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

Date(s) of Event: present by Mayor at the banquet

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

Individual or representative attending Council Meeting to receive proclamation:

To be presented by Mayor at Banquet

Please attach a sample of your proclamation, or the pertinent information needed to formulate your proclamation 3-4 weeks in advance. 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.

City Clerk's Section

Request Received: 3/26/15 Sponsored by: Vice Mayor Hamilton Date: 3/26/15

Approved by Council: yes ☐ no ☐ Date: _____

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

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

Comment: _____

WHEREAS: Our founding fathers established a public school system to unify our nation and to provide for the common good, and to prepare people to become responsible citizens, to improve social conditions, to promote cultural unity, and to help people become economically self-sufficient; and

WHEREAS: In the year 1920, Public Schools Month was initiated by the Grand Lodge of Free and Accepted Masons in California, and since that time has annually called upon the citizenry to rededicate themselves toward the continuation and perfection of our Public Schools system; and

WHEREAS: The future of our country lies in the education we provide our children; and

WHEREAS: This year's theme for Public Schools' Month is "Together We Make a Profound Difference for Public Education", and the Local Masons will be promoting and sponsoring Public Schools' Month with a banquet at the ~~Porterville~~ ^{Monrovia} High School Campus Cafeteria on ~~May 1, 2012~~ ^{April 22}.

NOW, THEREFORE, I, ~~RONALD L. IRISH~~, Mayor of the City of Porterville, on behalf of the Porterville City Council, do hereby proclaim May 2012 as,

"PUBLIC SCHOOLS' MONTH"

in the City of Porterville and urge the citizens of this community to attend and participate in Public Schools' Month observances and join in a concerted effort to support the efforts and goals of our school board members, administrators, teachers, and students.

PROCLAIMED this ~~1st~~ day of ~~May~~, 2012.



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Travel to Washington D.C. for Tulare County Association of Governments (TCAG) "One Voice Trip" - April 13 - 16, 2015

SOURCE: City Manager's Office

COMMENT: Representatives of the Tulare County Association of Governments (TCAG) are making preparations for travel as part of its annual "One Voice Trip" to Washington D.C., scheduled for Monday, April 13 through Thursday, April 16. As the City's designated TCAG representative, Council Member Gurrola is planning to join the delegation, with TCAG providing for hotel accommodations on Monday through Wednesday night, as well as an airfare reimbursement of \$617. The City would be responsible for providing meal per diems and any parking/subway/taxi reimbursements for the travel dates at a total estimated cost of \$425, which would be charged to her Council Member expense budget.

Although TCAG will not compensate the City for the travel expenses, it has been recommended that a member of City Staff also travel with Council Member Gurrola in support of the delegation, at an estimated cost of \$1,523 to the City.

RECOMMENDATION: That the City Council authorize the travel of Council Member Gurrola and a member of City Staff to Washington D.C. as part of the TCAG "One Voice Trip"; and authorize the expenditure of City monies in support of the trip.

ATTACHMENTS:

Appropriate/Funded: MB

Review By:

Department Director:

Final Approver: John Lollis, City Manager



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Approval for Community Civic Event – Kiwanis Club of Porterville and American Circus, Inc – April 23, 2015 to April 27, 2015

SOURCE: Finance

COMMENT: Kiwanis Club of Porterville and American Crown Circus, Inc. are requesting approval to hold a circus from Thursday, April 23, through Monday, April 27, 2015, at the ball field area of the Heritage Center, behind Vallarta Market.

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

RECOMMENDATION: That the City Council approve the attached Community Civic Event Application and Agreement submitted by the Kiwanis Club of Porterville and American Crown Circus, Inc., 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, Certificate of Insurance.

Appropriate/Funded: N/A

Review By:

Department Director:

Maria Bemis, Finance Director

Final Approver: John Lollis, City Manager

CITY OF PORTERVILLE

APPLICATION AND AGREEMENT FOR A PERMIT TO HOLD A

COMMUNITY CIVIC EVENT OR OTHER ACTIVITY TO BE HELD ON PUBLIC PROPERTY

Application date: 3/17/15

Event date: April 23-27, 2015

Event time: 5:30 pm to 9:30 pm

Name of Event: American Crown Circus /Sponsor Porterville Kiwanis

Sponsoring organization: American Crown Circus, Inc. PHONE # 702 493-2894

Address: 4088 Pleasant Rd., Las Vegas, NV 89108

Authorized representative: Leo Osorio PHONE # 702 493-2894

Address: 4088 Pleasant Rd., Las Vegas, NV 89108

Event chairperson: Frank Osorio . PHONE # 702 592-7812

Location of event (*location map must be attached*):

Heritage Center 256 E Orange Ave. Porterville, CA

Type of event: Acrobatic circus that includes jugglers, clowns, acrobats & magicians.

No exotic animals, rides, games of chance or open flames.

Nonprofit status determination: Porterville Kiwanis Bert 559 782-7513 BL# 003008

City services requested (an (fees associated with these services will be billed separately)

Barricades (quantity): None Street sweeping Yes No **XX**

Police protection	Yes	No <input checked="" type="checkbox"/>	Refuse pickup	Yes	No <input checked="" type="checkbox"/>
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Other: _____

Parks facility application required:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
--------------------------------------	---	-----------------------------	-----------------------------------

Assembly permit required: Yes No **XX** Attached

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

Approve Deny

_____	_____	Bus Lic Spvr	_____
_____	_____	Pub Works Dir	_____
_____	_____	Comm Dev Dir	_____
_____	_____	Field Svcs Mgr	_____
_____	_____	Fire Chief	_____
_____	_____	Parks Dir	_____
_____	_____	Police Chief	_____
_____	_____	Deputy City Mgr	_____

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.

Authorization: This permit must be submitted **NO LESS THAN 30 days PRIOR** to the date of the event in order to obtain City Council approval.

City Code requirements:

At least 48" must remain clear on sidewalks for pedestrian traffic.

Do not block any entrance to or exit from buildings.

Area must be accessible to emergency and safety personnel and vehicles.

Electrical cords must be approved and installation checked by the Fire Department.

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 shall be named as additional insured. **When the location of the event is in Downtown Porterville, the Porterville Redevelopment Agency must also be named as additional insured.** The amounts of such insurance and any additional requirements are listed in Exhibit "A." A Certificate of Liability Insurance form sample is enclosed for your convenience. **This original certificate shall be submitted to the Finance Department prior to the City of Porterville Council's approval.**

[Signature]
Authorized Representative Initials

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.**

[Signature]
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.

[Signature]
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.

[Signature]
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.

American Crown Circus, Inc.	<i>[Signature]</i>	3-22-15
(Name of Organization)	(Signature)	(Date)

CITY OF PORTERVILLE

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

Name of event: American Crown Circus

Sponsoring organization: American Crown Circus, Inc.

Location: Heritage Center 256 E Orange Ave. Porterville, CA Event date: April 23-27, 2015 Event time: 5:30 pm to 9:30 pm

All vendors are required to complete the business license permit form. List all firms, individuals, organizations, etc., that will engage in selling at or participate in the above-named event. **NO PERMIT WILL BE ISSUED WITHOUT THIS INFORMATION.** Vendors with no valid City of Porterville business license are required to pay \$1 per day to the City, with the exceptions of non-profit organizations. This form should be completed at the time of application, but must be submitted **NO LESS THAN ONE** week prior to the event.

<u>Vendor name</u>	<u>Address/Telephone</u>	<u>Business License required?</u>	<u>Type of Activity</u>
No outside vendors.	We're not a carnival or a festival.		

Municipal Code 15-1: ITINERANT VENDOR OR ITINERANT MERCHANT: All persons, both principal and agent, who engage in a temporary or transient business in the city, selling or offering to sell goods, wares or merchandise or any other thing of value, with the intention of conducting such business for a period of less than ninety (90) days, and who for the purpose of such business hires, leases or occupies any room, doorway, vacant lot, building or other place, for the exhibition for sale of goods, wares, merchandise or other thing of value. If any such place, occupied or used for such business, is rented or leased for a period of less than ninety (90) days, such fact shall be presumptive evidence that the business carried on therein is a transient business; and any person so engaged shall not be relieved from the provisions of this section or from payment of the license taxes herein provided for such business, by reason of any temporary association with local dealer, trader, merchant or auctioneer.

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: American Crown Circus/ No street Closures Required.

Sponsoring organization: American Crown Circus, Inc.

Event date: April 23-27, 2015 Hours: 5:30 pm to 9:30 pm

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>
200	Vacant Lot across from the Old Fairgrounds on E Olive Ave., behind La Vallarta Market.		Acrobatic circus

REQUIREMENTS FOR COMMUNITY CIVIC EVENT
CITY OF PORTERVILLE
KIWANIS CLUB OF PORTERVILLE
AMERICAN CROWN CIRCUS, INC.
APRIL 23-27, 2015

Finance Director:
M. Bemis

Deputy Public Works Director:
M. Reed

No comment.

Community Development Manager:
J. Phillips

No comment.

Deputy Public Works Director:
B. Styles

No comment.

Fire Chief:
G. Irish

Will require a fire and life safety inspection
prior to opening.

Parks and Leisure Services Director:
D. Moore

Lot to be left in same condition as upon arrival.

Police Captain:
J. Hall

Please see Proposed Conditions/Requirements
in Exhibit B.

Administrative Services Director:
P. Hildreth

Please see Exhibit A, page 2.

REQUIREMENTS FOR COMMUNITY CIVIC EVENT

Sponsor: Kiwanis Club of Porterville
Event: American Crown Circus
Event Chairman: Leo Osorio, Treasurer
Location: Vacant Lot on East Olive Avenue
Date of Event: April 23-27, 2015
Time of Event: 5:30 PM to 9:30 PM

RISK MANAGEMENT: Conditions of Approval

That the American Crown Circus, Inc., 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 for 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.

CITY OF PORTERVILLE

Temporary Business License Application

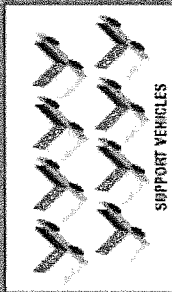
Proposed Conditions/Requirements for American Crown Circus April 23-27, 2015:

- No possession, sales or consumption of alcohol on the premises.
- Must provide a minimum of two (2) licensed/uniformed security officers to provide interior/exterior security during hours of the event.
- Must provide exterior lighting sufficient to illuminate areas subject to pedestrian/vehicular traffic related to the event during hours of darkness.

John Hall, Captain
Porterville Police Department
(559) 782-7405

Exhibit B

Support Vehicles



Restrooms



Tent

Event Parking

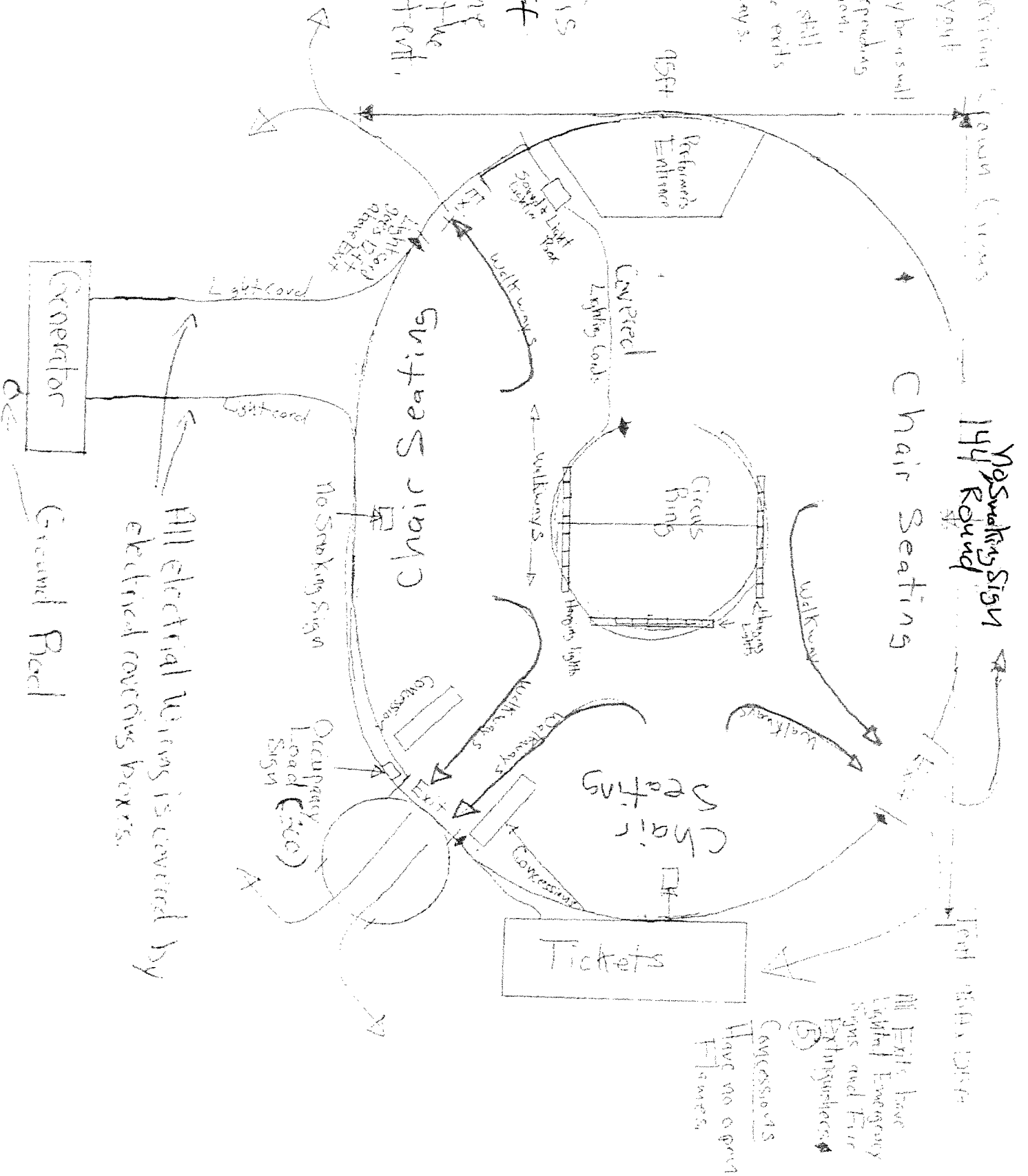
© 2015 Google

153 ft

Fireman's Down Circuit Layout

There may be small change depending on location.
-There will still be all the exits and walkways.

There is 20ft fire lane around the circuit.



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: American Crown Circus
4088 Pleasant Rd., Las Vegas, NV 89018
- 2 Address where amplification equipment is to be used: Heritage Center 256 E Orange Ave. Porterville, CA
- 3 Names and addresses of all persons who will use or operate the amplification equipment: Roberto Osorio 4088 Pleasant Rd., Las Vegas, NV 89018
- 4 Type of event for which amplification equipment will be used: Acrobatic circus.
- 5 Dates and hours of operation of amplification equipment: April 23-27, 2015 5:30 pm to 9:30 PM
- 6 A general description of the sound amplifying equipment to be used: PC, amplifier and 4 speakers. Music will be inside a fully enclosed tent to minimize noise.

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.

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]
Signature of Applicant

3-22-15
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

3/27/15
Date



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/18/15

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 Allied Specialty Insurance, Inc 10451 Gulf Blvd Treasure Island, FL 33706 8002373355	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED American Crown Circus, Inc. 4088 Pleasant Road Las Vegas NV 89108	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A:	NAIC #
	INSURER B:	
	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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			CPP0102289-04	01/27/15	01/27/16	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMPROP AGG \$ 1,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR					EACH OCCURRENCE \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N/A					E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

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

ADDITIONAL INSURED WITH RESPECTS TO THE OPERATIONS OF THE NAMED INSURED ONLY:
CITY OF PORTERVILLE, SUCCESSOR AGENCY TO THE PORTERVILLE REDEVELOPMENT AGENCY.

LOCATION: HERITAGE PARK, 291 N. MAIN STREET, PORTERVILLE, CA 93257
FOR THE DATES: 4/22/15 THROUGH 4/28/15

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

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POLICY NUMBER: CPP0102289-05

COMMERCIAL GENERAL LIABILITY
CG 20 26 07 04

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)
CITY OF PORTERVILLE, SUCCESSOR AGENCY TO THE PORTERVILLE REDEVELOPMENT AGENCY. LOCATION OF SPOT: HERITAGE PARK, 291 N. MAIN STREET, PORTERVILLE, CA 93257 FOR A PERIOD 4/22/15 THROUGH 4/28/15, BUT ONLY AS RESPECTS TO THE OPERATIONS OF THE NAMED INSURED.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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:

- A. In the performance of your ongoing operations; or
- B. In connection with your premises owned by or rented to you.



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Approval for Community Civic Event – Central Valley Family Crisis Center – Dust Bowl Run – June 6, 2015

SOURCE: Finance

COMMENT: The Central Valley Family Crisis Center is requesting approval to hold a Dust Bowl Run, from 7:00 a.m. until 2:00 p.m., on Saturday, June 6, 2015, at the location of the Police Department's former shooting range located behind the Off Highway Vehicle Park at 2701 W. Scranton Avenue. This fundraising event will be a one mile course through many different types of obstacles for participants of all ages and skill levels. No street or sidewalk 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 and Agreement and Exhibit A.

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

ATTACHMENTS:

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

Appropriate/Funded: N/A

Review By:

Department Director:

Maria Bemis, Finance Director

Final Approver: Patrice Hildreth, Administrative Services Dir

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: 3/11/15 2-24-15 Event date: Saturday - June 6, 2015
Event time: 7 A.M. - 2 p.m.

Name of Event: Family Crisis Center Dust Bowl Run
Central California

Sponsoring organization: Family Crisis Center Phone # 781-7462
Address: 211 N Main St.

Authorized representative: Stephanie Carter Phone #
Address: 1651 W Grand Ave

Event chairperson: Stephanie Carter Phone # 5593104121

Location of event 2701 W. Saranton Ave., Porterville, CA. (Behind OHV Park)
(Location map must be attached) old shooting range

Type of event: Dust Bowl Run on foot through obstacles, Upright Houses.

Non-profit organization status: 501 (c) (3) BL# 4815

(IRS Determination)

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)*

 Authorized Representative Initials


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

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.

		
(Name of Organization)	(Signature)	(Date)

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: Family Crisis Center Dust Bowl Run

Sponsoring organization: Family Crisis Center

Event date: June 6, 2015 Hours: 7AM-2PM

ATTACH MAP MARKING AREAS TO BE CLOSED OR USED:

Closed No Street Closures

<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 VALLEY FAMILY CRISIS CENTER
DUST BOWL RUN
JUNE 6, 2015

Finance Director:
M. Bemis

Deputy Public Works Director:
M. Reed

Community Development Manager: No comments.
J. Phillips

Deputy Public Works Director: No comments.
B. Styles

Fire Chief: Applicant shall provide a first aid station as
G. Irish required by the permit. Event staff shall have
cell phones to call for emergency medical
response in case of a serious injury. Phone
number to Police Dispatch is 782-7426

Parks and Leisure Services Director: Remove all obstacles in a timely manner after
D. Moore the event.

Police Captain:
J. Hall

Administrative Services Director: Risk Management requires that, in addition
P. Hildreth to the insurance requirements, all participants
sign waivers of liability releasing the City.

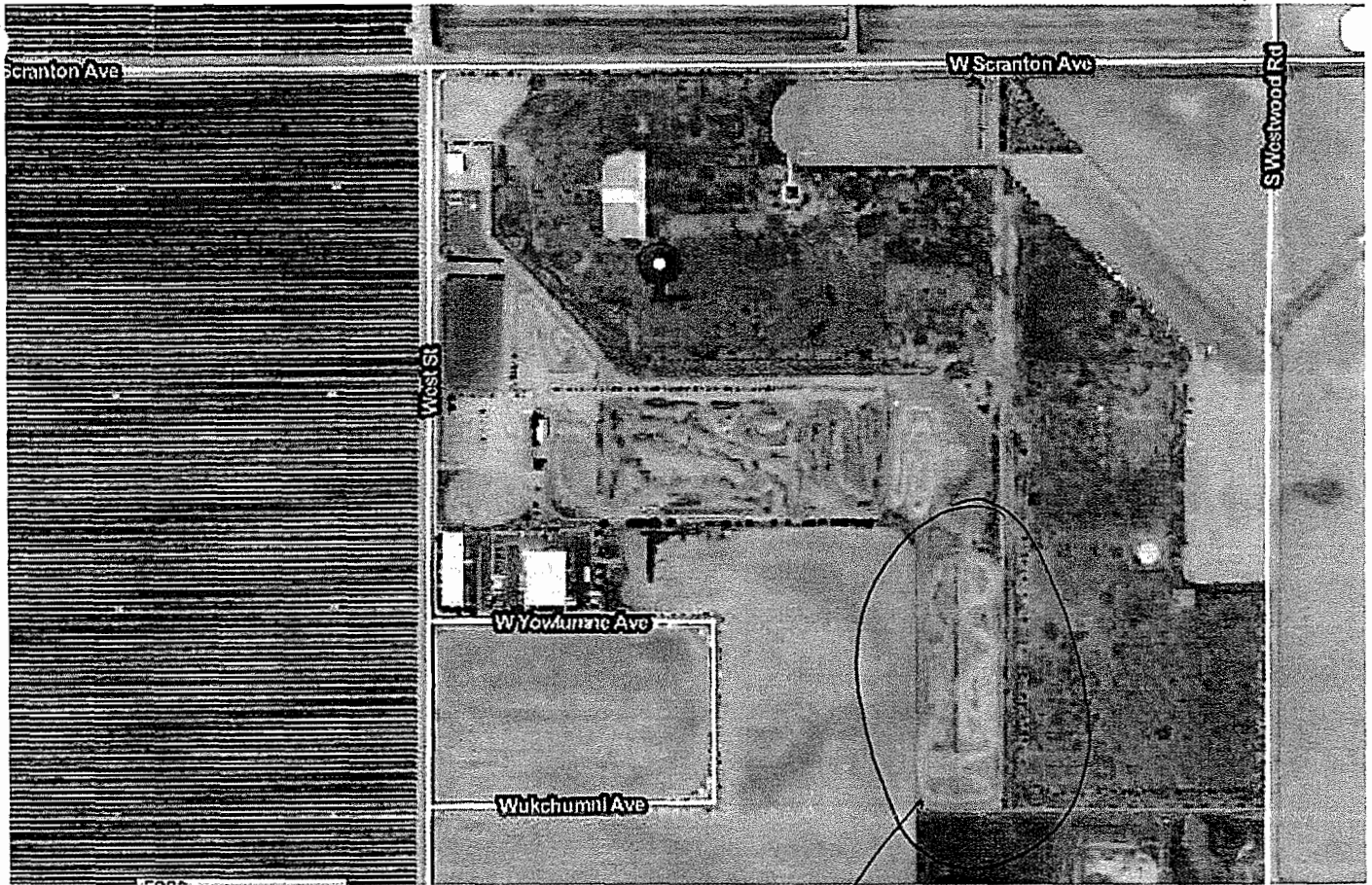
REQUIREMENTS FOR COMMUNITY CIVIC EVENT

Sponsor: Central Valley Family Crisis Center
Event: Dust Bowl Run
Event Chairman: Stephanie Cortez
Location: Old Shooting Range behind the OHV Park
Date of Event: June 6, 2015

RISK MANAGEMENT: Conditions of Approval

That the Central Valley 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, 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.



Mud
Run
Site

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: Stephanie Cortez
- 2 Address where amplification equipment is to be used: 2071 W. Scranton Ave
- 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: Dust Bowl Run
- 5 Dates and hours of operation of amplification equipment: 7am - 2p.m.
- 6 A general description of the sound amplifying equipment to be used: DD Equipment + PA System

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.

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.

Stephanie Cortez
Signature of Applicant

3/26/15
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

3/17/15
Date



CERTIFICATE OF LIABILITY INSURANCE

CENTR-1

OP ID: AM

DATE (MM/DD/YYYY)

03/26/15

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	559-451-3411	CONTACT NAME: Rebecca A. Bejarano
	559-451-3415	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
		INSURER A: Nonprofits' Insurance Alliance
		INSURER B:
		INSURER C:
		INSURER D:
		INSURER E:
		INSURER F:

INSURED
Central California Family
Crisis Center
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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X		201500631NPO	01/01/15	01/01/16	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 20,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COM/OP AGG \$ 2,000,000
							GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						
	<input type="checkbox"/> NON-OWNED AUTOS						
	UMBRELLA LIAB						EACH OCCURRENCE \$
	<input type="checkbox"/> EXCESS LIAB						AGGREGATE \$
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N	N/A				WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

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

Notice of Cancellation is 30 days except in the event of cancellation for non-payment or premium which is 10 days. RE: Dust Bowl at the Sports Complex, Porterville, CA June 6, 2015. The City of Porterville & the Succesor Agency to the Porterville Redevelopment Agency is named as Additional Insured.

CERTIFICATE HOLDER

CITYPOR

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

CANCELLATION

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

© 1988-2010 ACORD CORPORATION. All rights reserved.



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 Person or Organization:

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, in consideration of food contributions or client referrals you receive from them.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule as an insured but only with respect to liability arising out of your operations or premises owned by or rented to you.



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Approval for Community Civic Event – Porterville Chamber of Commerce – After Hours Mixer – April 16, 2015

SOURCE: Finance

COMMENT: The Porterville Chamber of Commerce is requesting approval to hold a Business After Hours Mixer, an Iris Festival kick-off, at Centennial Park on Thursday, April 16, 2015, from 5:30 p.m. to 7:00 p.m. No street closures are requested.

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

RECOMMENDATION: That the City Council approve the Community Civic Event Application and Agreement from the Porterville Chamber of Commerce, subject to the Restrictions and Requirements contained in the Application and Agreement and Exhibit A.

ATTACHMENTS:

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

Appropriate/Funded: N/A

Review By:

Department Director:

Maria Bemis, Finance Director

Final Approver: John Lollis, City Manager

291 N. Main Street, Porterville, CA 93257
559-782-7451 Fax: 784-4569



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.

Authorization: This permit must be submitted **NO LESS THAN 30 days PRIOR** to the date of the event in order to obtain City Council approval.

City Code requirements:

- At least 48" must remain clear on sidewalks for pedestrian traffic.
- Do not block any entrance to or exit from buildings.
- Area must be accessible to emergency and safety personnel and vehicles.
- Electrical cords must be approved and installation checked by the Fire Department.

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 shall be named as additional insured. **When the location of the event is in Downtown Porterville, the Porterville Redevelopment Agency must also be named as additional insured.** The amounts of such insurance and any additional requirements are listed in Exhibit "A." A Certificate of Liability Insurance form sample is enclosed for your convenience. **This original certificate shall be submitted to the Finance Department prior to the City of Porterville Council's approval.**

CC Authorized Representative Initials

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 to the permit. **Claims-made policies are not acceptable.**

CC 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.

CC 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.

CC 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.

Chamber of Commerce	<i>Cindy Camarero</i>	3/20/15
(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 296 N. Main Event date: April 16, '15 Event time: 5:30pm

[illegible]

3 of 4

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: Chamber Business after Hours

Sponsoring organization: Porterville Chamber of Commerce

Event date: Thursday April 16, 2015 Hours: 5:30-7:00pm

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

PORTERVILLE CHAMBER OF COMMERCE BUSINESS AFTER HOURS MIXER

APRIL 16, 2015

Finance Director:

M. Bemis

Deputy Public Works Director:

M. Reed

No comment.

Community Development Manager:

J. Phillips

Deputy Public Works Director:

B. Styles

Fire Chief:

G. Irish

No comments.

Parks and Leisure Services Director:

Donnie Moore

Police Captain:

J. Hall

Administrative Services Director:

P. Hildreth

See attached Exhibit A.

REQUIREMENTS FOR COMMUNITY CIVIC EVENT

Sponsor: Porterville Chamber of Commerce
Event: Business After Hours Mixer
Event Chairman: Cincy Camarena
Location: Centennial Park
Date of Event: April 16, 2015
Time of Event: 5:30 p.m. to 7:00 p.m.

RISK MANAGEMENT: Conditions of Approval

That the Porterville Chamber of Commerce 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, 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.
- 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.

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: Porterville Chamber of Commerce 93 N. Main Street, Porterville CA 93257
- 2 Address where amplification equipment is to be used: 296 N Main Street
- 3 Names and addresses of all persons who will use or operate the amplification equipment: Various Chamber Staff, Board Members, Event Host David Horowitz
- 4 Type of event for which amplification equipment will be used: Business After Hours/ Chamber networking event
- 5 Dates and hours of operation of amplification equipment: April 16, 2015 5:00 pm - 7:30 pm
- 6 A general description of the sound amplifying equipment to be used: Outdoor PA system 300 watts

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.

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.

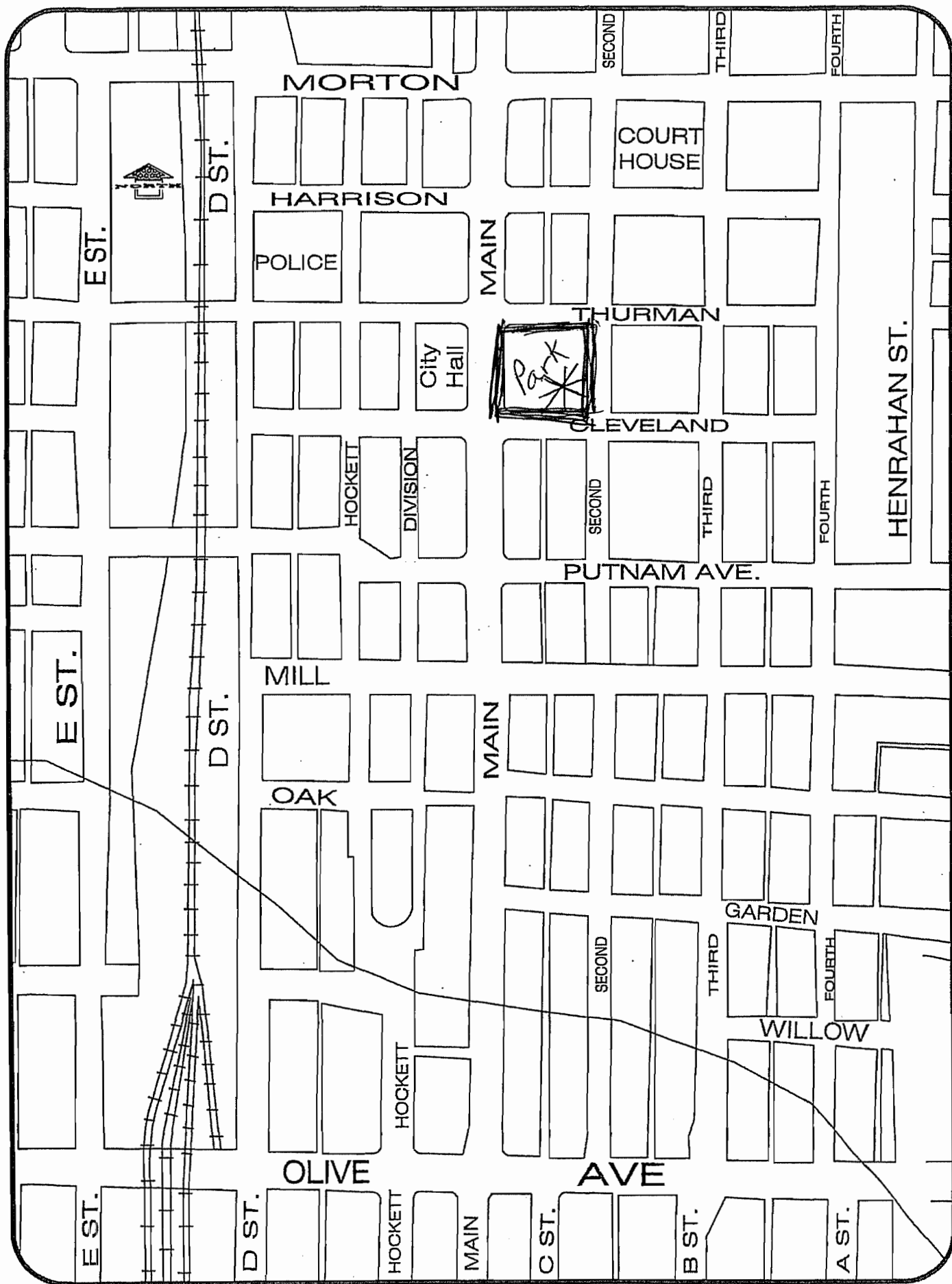
Cindy Camarone
Signature of Applicant

3/19/15
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

3/27/15
Date





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/23/2015

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 Walter Mortensen Insurance / INSURICA CA License #0D44424 410 North Main Street Porterville CA 93257	CONTACT NAME: Jacqueline Madrigal PHONE (A/C, No, Ext): (559) 781-5200 E-MAIL ADDRESS: jmadrigal@INSURICA.com FAX (A/C, No): (559) 781-3229														
INSURED Porterville Chamber of Commerce 93 N. Main St. Porterville CA 93257-3711	<table border="1"><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A: Travelers Property Casualty Ins.</td><td>36161</td></tr><tr><td>INSURER B:</td><td></td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Travelers Property Casualty Ins.	36161	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES

CERTIFICATE NUMBER: CL1532302584

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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			6607588A004	5/28/2014	5/28/2015	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000				
			MED EXP (Any one person) \$ 5,000				
			PERSONAL & ADV INJURY \$ 1,000,000				
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 3,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ 3,000,000
	OTHER:						\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR					EACH OCCURRENCE \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$
	DED	RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	<input type="checkbox"/> Y / N					PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> N / A					E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						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 added as Additional Insured to the general liability, per the additional insured endorsement included on policy. Coverage is subject to all the terms, conditions, limitations and/or exclusions of the policy.

CERTIFICATE HOLDER

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

CANCELLATION

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

Ron Burcham/JMADRI

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POLICY NUMBER: X-660-7588A004-TIL-14

COMMERCIAL GENERAL LIABILITY

ISSUE DATE: 05-06-14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHARITY FIRST – AMENDMENT OF COVERAGE – WHO IS AN INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization (Additional Insured):

Designation Of Premises (Part Leased to You)

WHO IS AN INSURED (Section II) is amended to include as an insured:

- A.** Your members and volunteers but only with respect to their liability for your activities or activities they perform on your behalf;
- B.** Your trustees or members of the board of governors while acting within the scope of their duties as such on your behalf; and
- C.** Person(s) or organization(s), whether or not shown in the Schedule above, but only with respect to their liability arising out of:
 - 1.** Their financial control over you;
 - 2.** Their requirements for certain performance placed upon you, as a non-profit organiza-

tion, in consideration for funding or financial contributions you receive from them;

- 3.** The ownership, maintenance or use of that part of a premises leased to you; or
- 4.** "Your work" for that insured by or for you.

As respects Part **C.3.** above, this insurance does not apply to:

- (a)** Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s); or
- (b)** Any "occurrence" which takes place after you cease to be a tenant in that premises.



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Annexation of Sixteen Unincorporated Islands in Five Applications

SOURCE: Community Development

BACKGROUND:

At the meeting of March 3, 2015, the City Council considered options that could assist property owners in county islands proposing to annex in order to connect to City water. After consideration and discussion, the Council directed staff to initiate annexation of all qualifying islands west of Plano Street, with the expense of annexation to be borne by the City.

COMMENT: Five applications representing sixteen individual areas are presented for consideration and approval. The total area under consideration is approximately 680 acres. All applications meet the criteria identified in California Government Code Section 56375.3, commonly known as “the island provisions” of the Local Agency Formation Commission (LAFCo) law. Because the applications meet the island provisions, the LAFCo protest proceedings are waived, and LAFCo shall approve the annexations if the City adopts resolutions to approve them. The applications are summarized below, and these details are provided in a table in Attachment 2.

Application #1: Annexation 474 - 131.70 acres

The subject territory is comprised of three substantially surrounded areas in northern Porterville. Area 474 A (2.54 acres) is off of Johns Drive east of Road 238. Area 474 B (96.7 acres) is north of West North Grand Avenue to the alignment of West Merrill Avenue, and west of North Newcomb Street to the existing city limits. Area 474 C (32.46 acres) is south of West North Grand to Pioneer Avenue, and east of State Route 65 to North Main Street. Annexation 474 includes approximately 169 parcels, 162 housing units, and an estimated population of 518 persons. There are currently 15 connections to city water.

Application #2: Annexation 475 - 148.49 acres

The subject territory is comprised of six substantially surrounded areas in northern Porterville. Areas 475 A (1.00 acre) and B (1.54 acres) are individually developed parcels on the east side of Highland Street, within an existing residential subdivision (Scenic Heights). Area 475 C (28.62 acres) is generally south of what would be the alignment of Pioneer Avenue, and north of the city limits, which are north of Westfield Avenue. The area is east of Scenic Drive, and west of Lime Street, but extends to include a small subdivision east of Lime Street. Area 475 D (114.87 acres) is west of North Main Street, east of Shadowood Street, south of Pioneer Avenue, and north of West Henderson

Avenue. Area 475 E (0.08 acre) is a small, single, undeveloped parcel on the west side of North Main Street, south of Scenic Drive and north of Henderson Avenue. Area 475 F (2.38 acres) is south of Henderson Avenue and west of North G Street. Annexation 475 includes approximately 193 parcels, 212 housing units, and an estimated population of 678 persons. There are currently 140 connections to city water.

Application #3: Annexation 476 - 121.94 acres

The subject territory is comprised of one substantially surrounded area, 121.94 acres in size in southern Porterville, and is bound by Plano Street to the east and Gibbons Avenue to the south, and includes all areas north and west to the existing city limits. Annexation 476 includes approximately 121 parcels, 120 housing units, and an estimated population of 384 persons. There are currently 3 connections to city water.

Application #4: Annexation 478 - 127.53 acres

The subject territory is comprised of three substantially surrounded areas in western Porterville. Area 478 A (8.51 acres) is east of Newcomb Street and north and south of West Castle Avenue. Area 478 B (33.37 acres) is west of State Route 65 to Prospect Street and north and south of West Castle Avenue, south to Pioneer Avenue. Area 478 C (85.65 acres) is south of West Morton Avenue to Vine Avenue, and west of Westwood Street to Road 222. Annexation 478 includes approximately 219 parcels, 256 housing units, and an estimated population of 819 persons. There are currently 169 connections to city water.

Application #5: Annexation 479 - 149.58 acres

The subject territory is comprised of three substantially surrounded areas in southern Porterville. Area 479 A (88.84 acres) is south of Olive Avenue west of State Route 65. Area 479 B (56.00 acres) is south of State Route 190 to the Porter Slough, and west of State Route 65 to Crystal Avenue. Area 479 C (4.74 acres) is east of South Newcomb Street and south of Hope Avenue. Annexation 479 includes approximately 302 parcels, 305 housing units, and an estimated population of 976 persons. There are currently 285 connections to city water.

ANALYSIS: All of the subject territories are substantially developed, substantially surrounded, and inhabited islands of County jurisdiction in the city of Porterville. Many of the properties within the subject islands already receive City services, such as municipal water service and emergency response. The reasons supporting annexation of these islands include creation of a more definitive and organized city boundary, efficient provision of government services, and to ensure the provision of services and facilities needed to accommodate planned population densities in the project area.

The city surrounds more than a square mile of islands as defined in §56375.3 of the Government Code. In the recently approved Municipal Services Review (Tulare LAFCo, October 1, 2014), LAFCo recommended that the City continue to pursue the annexation of the remaining County islands, as administratively feasible, to establish a more definitive and organized city limit boundary.

The efficient provision of government services is consistent with state and regional regulation and policy, as well as the City's Annexation and Municipal Services Objectives, Policies, and Procedures (Resolutions 74-2014 and 75-2014). Further, the City's General Plan provides direction to promote a sustainable, balanced land use pattern that responds to existing and future needs of the city. By annexing previously developed county islands, the City of Porterville will have a more proactive role in monitoring changes to urbanized land use in these areas and will be able to anticipate and coordinate development as areas experience infill development or modification to land uses.

The current population of Porterville, estimated by the Department of Finance, is 55,697. Assuming all proposed annexations are authorized, the city's population would grow to approximately 59,072.

The funding necessary to pay for processing the five annexation applications totals approximately \$60,000, including consultant fees, LAFCo application fees, and Board of Equalization fees. This amount will be funded from the unassigned General Fund balance. In regards to provision of municipal services after annexation, the Utility Users Tax will be directed to the Police Department for provision of additional personnel, and all other services will be funded in the same manner as they are elsewhere in the city. New or rehabilitation infrastructure costs typically have dedicated funding sources, while ongoing and maintenance costs are funded by the general fund. For example, water and sewer connections and main lines are paid by an applicant or developer, and new street lights are funded as a part of an associated street improvement. Alternatively, garbage collection is funded by monthly user fees, and street maintenance is paid from the general fund with gas tax funds.

ENVIRONMENTAL REVIEW:

On March 14, 2015, the Environmental Coordinator published a notice in the Porterville Recorder and mailed individual notices to all property owners within the subject areas and within a 300-foot radius surrounding the subject areas. The notice identified the date of the public hearing, and explained the general boundaries of subject annexations and included a map. An initial study was prepared that evaluated the potential environmental impacts of annexing the subject areas into the city limits. Because the areas are substantially developed, and any future infill or redevelopment would be subject to separate approval, no mitigation measures were identified.

Public comments were received during the public review period; however, none of the comments received were related to environmental issues. Rather, comments received typically focused on two issues: the potential for a given property to connect to municipal water, and questions about animals. Many parties called in with questions, and an informal poll kept by staff records twelve in favor of the annexation, five opposed, and seven ambivalent to annexation. Two written letters were received in opposition to the proposal. Neither party expressed why they opposed the annexations. The letters simply stated they did not wish to have their property annexed into the city.

RECOMMENDATION: That the City Council:

1. Adopt the resolution approving the Negative Declaration, prepared in accordance with the California Environmental Quality Act;
2. Adopt the resolution to approve Annexation 474;
3. Adopt the resolution to approve Annexation 475;
4. Adopt the resolution to approve Annexation 476;
5. Adopt the resolution to approve Annexation 478;
6. Adopt the resolution to approve Annexation 479; and
7. Authorize staff to work with property owners to initiate connection to City services, when requested by a property owner, in advance of the official conclusion of the annexation process for those areas which are approved.

ATTACHMENTS:

1. Map of Subject Islands
2. Detail Summary
3. Resolution of Approval of a Negative Declaration
4. Resolution for Annexation 474
5. Exhibit A - Annexation 474
6. Resolution for Annexation 475
7. Exhibit A - Annexation 475
8. Resolution for Annexation 476
9. Exhibit A - Annexation 476
10. Resolution for Annexation 478
11. Exhibit A - Annexation 478
12. Resolution for Annexation 479
13. Exhibit A - Annexation 479

Appropriate/Funded: MB



Review By:

Department Director:






Julie Phillips, Project Manager

Final Approver: Patrice Hildreth, Administrative Services Dir

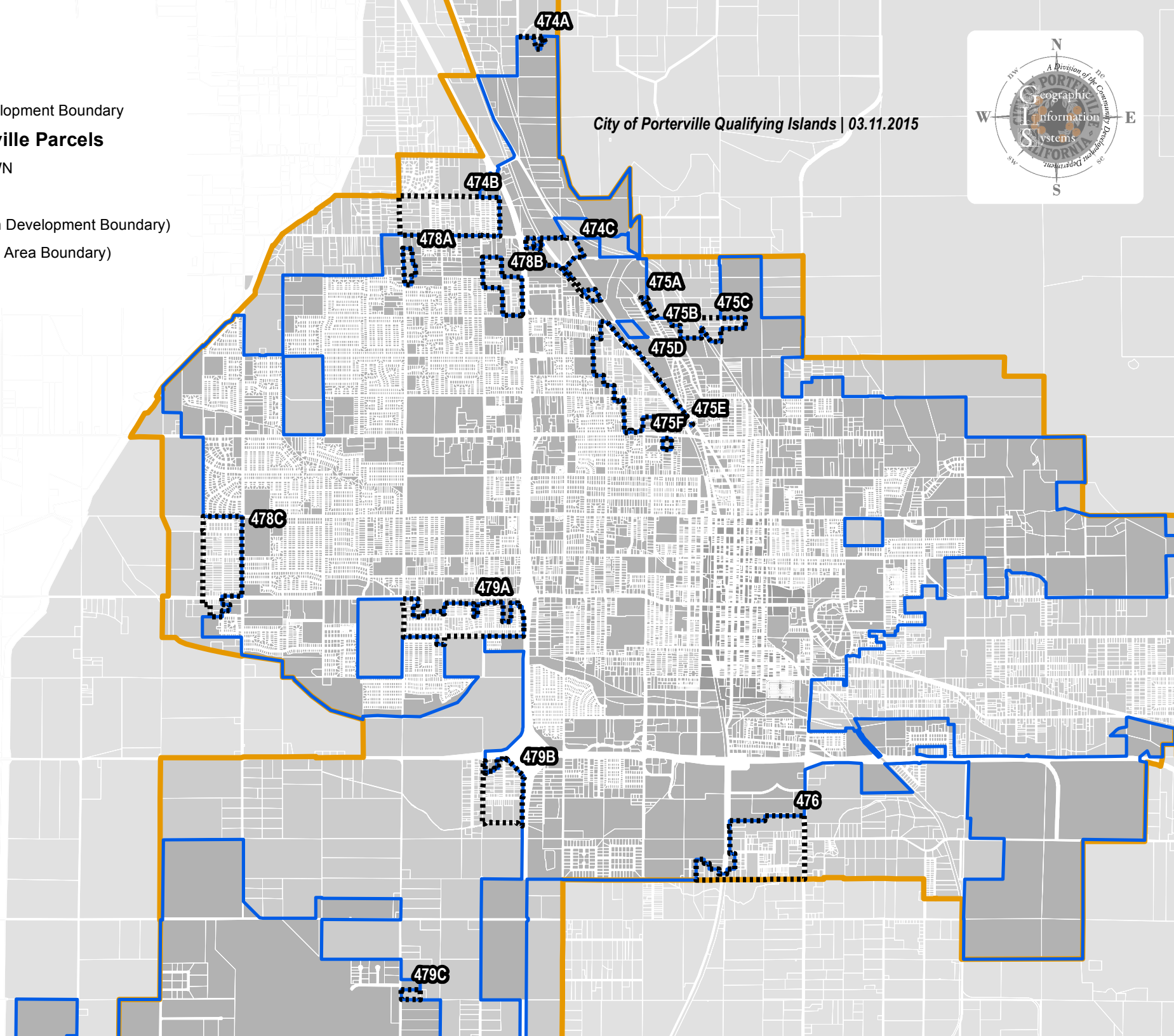
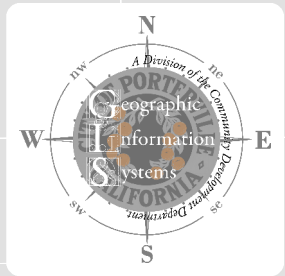
Legend

-  City Limits
-  Urban Development Boundary

City of Porterville Parcels

-  DOWNTOWN
-  CITY
-  UDB (Urban Development Boundary)
-  UAB (Urban Area Boundary)
-  COUNTY

City of Porterville Qualifying Islands | 03.11.2015



Anx Number	Island #	Island	Parcels	Area in Acres	Assessed Value	Housing Units per Assessor	Calculated Population	Road C/L (Miles)	DUC	Water Connections
474	474a	Johns	2	2.54	\$401,106	1	3	0.00		0
474	474b	Beverly Grand	160	96.70	\$14,874,708	161	515	1.42	X	13
474	474c	North Main	7	32.46	\$2,953,187	0	0	0.15		2
475	475a	Highland 1	2	1.00	\$61,923	2	6	0.00		0
475	475b	Highland 2	2	1.54	\$372,271	2	6	0.00		1
475	475c	Lime	17	28.62	\$2,654,790	12	38	0.06		6
475	475 d	Mulberry-Main	168	114.87	\$16,090,297	193	618	2.52	X	130
475	475 e	Main 1	1	0.08	\$21,192	0	0	0.00		0
475	475 f	G-Henderson	3	2.38	\$307,386	3	10	0.00		3
476	476	Gibbons-Plano	121	121.94	\$9,213,477	120	384	2.08	X	0
478	478 a	Newcomb-Castle	6	8.51	\$950,507	5	16	0.00		1
478	478 b	Cobb	25	33.37	\$3,382,782	46	147	0.23		2
478	478 c	Dogwood	188	85.65	\$21,582,421	205	656	1.68	X	166
479	479 a	Prospect-Newcomb	232	88.84	\$19,394,529	239	765	2.76	X	223
479	479 b	Tract 41	69	56.00	\$9,647,522	65	208	0.96	X	62
479	479 c	Airport-Newcomb	1	4.74	\$141,222	1	3	0.00		0

Totals 1004 679.24 \$102,049,320 1055 3375 11.87 6 609

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
CONTAINING FINDINGS IN SUPPORT OF APPROVAL OF A
NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACT
FOR THE ANNEXATION OF SIXTEEN DEVELOPED ISLANDS

WHEREAS: The project proposes to annex sixteen individual areas, grouped into five distinct applications, all of which meet the criteria identified in California Government Code Section 56375.3, commonly known as “the island provisions” of the Local Agency Formation Commission (LAFCo) law; and

WHEREAS: All of the subject territories are substantially developed, substantially surrounded, and inhabited islands of County jurisdiction in the city of Porterville. The total area of the proposed annexations is approximately 680 acres. Many of the properties within the subject islands already receive city services, such as municipal water service and emergency response. The reasons supporting annexation of these islands include creation of a more definitive and organized city boundary, efficient provision of government services, and to ensure the provision of services and facilities needed to accommodate planned population densities in the project area; and

WHEREAS: On March 14, 2015, the Environmental Coordinator published a notice in the Porterville Recorder and mailed individual notices to all property owners within the subject areas and within a 300-foot radius surrounding the subject areas. The notice identified the date of the public hearing, and explained the general boundaries of subject annexations and included a map. An initial study was prepared that evaluated the potential environmental impacts of annexing the subject areas into the city limits. Because the areas are substantially developed, and any future infill or redevelopment would be subject to separate approval, no mitigation measures were identified; and

WHEREAS: The City Council of the City of Porterville at its regularly scheduled meeting of April 7, 2015, conducted a public hearing to consider approval of the Negative Declaration and the public interest to be served by approval of the proposed annexations.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Porterville does hereby make the following findings:

1. That a Negative Declaration was prepared for the project in accordance with the California Environmental Quality Act and was transmitted to interested agencies and made available for public review and comment. The review period ran from March 14, 2015, to April 3, 2015. No comment letters were received related to environmental issues.
2. That the proposed project will not create adverse environmental impacts. The approved Negative Declaration was evaluated in light of the prepared environmental initial study and comments from interested parties received during the review period.

3. That no mitigation measures were deemed necessary or applicable. Because the areas are substantially developed, and any future infill or redevelopment would be subject to separate approval, no mitigation measures were identified.
4. That review of the environmental circumstances regarding this project indicates that no adverse impacts would accrue to wildlife resources from implementation of the project. A change in jurisdictional boundary does not result in any physical impact that may in turn impact wildlife resources.
5. That the City Council is the decision-making body for the project.

BE IT FURTHER RESOLVED: That the City Council does hereby approve the Negative Declaration for the Island Annexation Project, further identified as Annexations 474, 475, 476, 478, and 479.

PASSED, APPROVED AND ADOPTED this 7th day of April, 2015.

By: _____
Milt Stowe, Mayor

ATTEST:
John D. Lollis, City Clerk

By: _____
Patrice Hildreth, Chief Deputy City Clerk

Resolution No. _____

A RESOLUTION OF APPLICATION BY THE CITY OF PORTERVILLE REQUESTING
THAT THE LOCAL AGENCY FORMATION COMMISSION TAKE PROCEEDINGS FOR
ANNEXATION 474

WHEREAS: the City of Porterville desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for Annexation 474; and

WHEREAS: the territory proposed to be annexed to the city totals approximately 131.7 acres, is substantially developed, surrounded, and is inhabited, and a description of the external boundary of the territory is set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS: this proposal is consistent with the Sphere of Influence for the affected city; and

WHEREAS: notice of this proposal was published in a newspaper of general circulation, *The Porterville Recorder*, and individually mailed to all property owners within the subject areas and within a 300-foot radius surrounding the subject areas on March 14, 2015, which is 25 days in advance of the scheduled public hearing; and

WHEREAS: this proposal is made pursuant to Sections 56654 and 56375.3 of the California Government Code, inasmuch as:

1. the subject territory does not exceed 150 acres in area
2. the territory constitutes a number of individual unincorporated islands
3. the territory is substantially surrounded by the city of Porterville
4. the territory is substantially developed or developing
5. the territory is not prime agricultural land as defined by Section 56064
6. the territory will benefit from the change of organization and some properties within the territory already receive benefits in the form of utilities and services from the City of Porterville; and

WHEREAS: the reasons for this proposal are as follows:

1. To create a more definitive and organized city boundary. The city surrounds more than a square mile of islands as defined in §56375.3 of the Government Code. In the recently approved Municipal Services Review (Tulare LAFCo, October 1, 2014), LAFCo recommended that the City continue to pursue the annexation of the remaining County islands, as administratively feasible, to establish a more definitive and organized city limit boundary.
2. To efficiently provide government services in a manner consistent with the City's Annexation and Municipal Services Objectives, Policies, and Procedures (Resolutions 74-2014 and 75-2014). In light of the City's and LAFCo's policies, any property within an island is required to annex prior to provision of water. Staff

is noting an increased number of residents asking about how to initiate the process because they want to connect to City water before summer, and are anticipating that their wells are nearly dry.

3. To ensure the provision of services and facilities needed to accommodate planned population densities in the project area. By annexing previously developed County islands, the City of Porterville will have a more proactive role in monitoring changes to urbanized land use in these areas and will be able to anticipate and coordinate development as areas experience infill development or modification to land uses.

WHEREAS: the conditions of the proposed annexation are limited to compliance with the Porterville Municipal Code and Porterville General Plan.

NOW, THEREFORE, BE IT RESOLVED: this Resolution of Application is hereby adopted and approved by the City Council of the City of Porterville. The Local Agency Formation Commission of Tulare County is hereby requested to take proceedings for the territory as described in Exhibit A, according to the terms and conditions stated above, and in the manner provided for by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PASSED, APPROVED AND ADOPTED this 7th day of April, 2015.

Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

BY _____

Patrice Hildreth, Chief Deputy City Clerk

**City of Porterville
Annexation No. 474A**

Description for Annexation

That portion of Section 10, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at a point in the North line of the southeast quarter of said Section 10, a distance of pl 1142.34 feet West of the East quarter corner of said Section and a point in the existing City Limit line, thence;

A1) Easterly, departing said City Limit Line along said North line, 661.14 feet more or less, to an intersection with the existing City Limit Line and a point 481.2 feet West of said East quarter corner, thence;

A2) South 21°20'35" East, 209.62 feet more or less, thence;

A3) South 59°40'15" West, 68.85 feet more or less, thence;

A4) North 21°00'50" West, 246.94 feet more or less, thence;

A5) Southerly, 421.70 feet more or less, thence;

A6) Westerly, 137.60 feet more or less, thence;

A7) North 14°56' West, 405.39 feet more or less, thence;

A8) Westerly, 360.13 feet more or less, thence;

A9) North 25°07'30" East, 33.13 feet more or less, to the **Point of Beginning**.

Containing 2.5 acres more or less.

**City of Porterville
Annexation No. 474B**

Description for Annexation

That portion of Sections 15 and 16, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at Center of said Section 15, and a point on the existing City Limit Line, and on the centerline of Merrill Avenue, thence;

Thence, along said City Limit line the following five (5) courses:

B1) Southerly, along West line of the Southeast quarter of said Section 15, and said existing City Limit Line, 30 feet more or less, to the South right of way line of Merrill Avenue, thence;

B2) Easterly along said existing city limit line, South right of way line, and the North line of Lots 1, 27, 28, 43 of Tract No. 313, recorded in Volume 23, Page 25, of Maps, Tulare County Records, 626.34 feet more or less, to an intersection with a line parallel with 30.00 feet West of the centerline of Douglas Street said parallel, thence;

B3) Southerly, along said existing City Limit Line, parallel line and West right of way line of Douglas Street, said line also being the East line of Lots 36 through 43 of said Tract 313 and the East line of Lots 1 through 9 of Tract 375, recorded in Volume 23, Page 86, of Maps, Tulare County Records, 1247.19 feet more or less, to the North right of way line of North Grand Avenue, thence;

B4) Westerly, along said existing City line and North Right of Way line, 3279 feet more or less, to the intersection with the West right of way line of Newcomb Avenue, thence;

B5) Northerly, along said West right of way line, 1274 feet more or less, to an intersection with the westerly prolongation of the North line of the Southwest quarter of said Section 15, thence;

B6) Easterly, along said prolongation and said North line of the Southwest quarter, 2642 feet more or less, to the **Point of Beginning**.

Containing 96.3 acres more or less.

**City of Porterville
Annexation No. 474C**

Description for Annexation

That portion of Sections 14, 15, and 23, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at the Northeast corner of Parcel Map No. 1016, recorded in Book 11, Page 17, of Parcel Maps, Tulare County Records, said point also being the point of beginning of Annexation 435;

Thence along the existing City Limits the following Three (3) courses

C1) South 0°40'22" West, along the East line of said Parcel 1, a distance of 231.30 feet more or less, to the Northwest corner of Parcel 3 of said Parcel Map No. 1016, thence;

C2) South 88°14'28" East, along the North line of said Parcel 3, a distance of 310.23 feet more or less, to the Northeast corner of said Parcel 3 and an intersection with the West right of way line of the Southern Pacific Railroad, thence;

C3) Northwesterly, along said West right of way line, 273.40 feet more or less, to an intersection with the South right of way line of West North Grand Avenue, thence;

C4) Easterly, departing the existing City Limit Line, along said South right of way line, 729 feet more or less, to an intersection with the East line of the Southeast quarter of said Section 15, thence;

C5) Continuing easterly, along said South right of way line, 167 feet more or less, to an intersection with the East right of way line of Main Street (Old Highway 65), and the Northwest corner of Lot 9 of Sunnyside Orange Colony, recorded in Volume 2, Page 95, Tulare County Records, thence;

C6) Easterly, along the North line of said Lot 9, a distance 260 feet more or less, to a point 851 feet West of the Northeast corner of said Lot 9, and a point on the existing City Limit Line;

Thence along the existing City Limits the following Seventeen (17) courses

C7) Southeasterly, along said City Limit line, 761 feet more or less, to the intersection with the North right of way line of Avenue 169 (Reid Ave.), and a point 469 feet West of the East line of said Lot 9, thence;

C8) North 89°55'43" West, along said North right of way line, 259 feet more or less, to an intersection with the East right of way line of Main Street (Old Highway 65), and the Southwest corner of said Lot 9, thence;

C9) Westerly, along the westerly prolongation of said South right of way line, 80 feet more or less, to an intersection with the West right of way line said Main Street (Old Highway 65), and the northerly corner of Parcel 1 of Parcel Map No. 3879, recorded in Book 39, Page 82, of Parcel Maps, thence;

C10) South 42°11'02" West, along said North line of said Parcel 1, a distance of 489.17 feet more or less, to the westerly corner of said Parcel and an intersection with the easterly right of way line of said Southern Pacific Railroad, thence;

C11) South 37°58'17" East, along said easterly right of way line, 951.41 feet more or less, to the Southwest corner of said Parcel 1, thence;

C12) North 81°57'49" East, along the South line of said Parcel 1, a distance of 387.29 feet more or less, to the Southeast corner of said Parcel 1 and an intersection with said West of way line of Main Street, thence;

C13) South 31°43'00" East, along said West right of way line, 399.84 feet more or less, to the Northeast corner of Parcel 2 of said Parcel Map No. 3879, thence;

C14) South 81°55'57" East, along the North line of said Parcel 2 and it's westerly prolongation, a distance of 470 feet more or less, to an intersection with said westerly right of way line of the Southern Pacific Railroad, thence;

C15) Northwesterly, along said westerly right of way line, 1507 feet more or less, to the Southeast corner of Parcel 3 of said Parcel Map No. 1016, thence;

C16) North 87°43'17" West, along the South line of said Parcel 3, a distance of 430.31 feet more or less, to the Southeast corner of said Parcel 3, thence;

C17) North 19°10'00" West, along the West line of said Parcel 3, a distance of 578.99 feet more or less, to an angle point in said line, thence;

C18) South 88°31'52" West, along the West line of said Parcel 3, a distance of 125.30 feet more or less, to an angle point in said line, thence;

C19) North 55°44'38" West, along the West line of said Parcel 3, a distance of 71.43 feet more or less, to an angle point in said line and the Southeast corner of Parcel 1 of said Parcel Map No. 1016, thence;

C20) North $87^{\circ}32'57''$ West, along the South line of said Parcel 1, a distance of 247.89 feet more or less, to the Southwest corner of Parcel 1, thence;

C21) Northerly, 61.99 feet more or less, along the West line of said Parcel 1, and a curve concave to the West, with a radius of 7143 feet, and a central angle of $0^{\circ}29'50''$, to an angle point in said line thence;

C22) North $02^{\circ}27'03''$ East, along said West line, 264.09 feet more or less, to the Northwest corner of said Parcel Map No. 1016, thence;

C23) North $87^{\circ}32'57''$ West, along the North line of said Parcel Map, 248.27 feet more or less, to the Northwest corner of said Parcel Map No. 1016, and the **Point of Beginning**;

Containing 32.8 acres more or less.

Resolution No. _____

A RESOLUTION OF APPLICATION BY THE CITY OF PORTERVILLE REQUESTING
THAT THE LOCAL AGENCY FORMATION COMMISSION TAKE PROCEEDINGS FOR
ANNEXATION 475

WHEREAS: the City of Porterville desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for Annexation 475; and

WHEREAS: the territory proposed to be annexed to the city totals approximately 148.49 acres, is substantially developed, surrounded, and is inhabited, and a description of the external boundary of the territory is set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS: this proposal is consistent with the Sphere of Influence for the affected city; and

WHEREAS: notice of this proposal was published in a newspaper of general circulation, *The Porterville Recorder*, and individually mailed to all property owners within the subject areas and within a 300-foot radius surrounding the subject areas on March 14, 2015, which is 25 days in advance of the scheduled public hearing; and

WHEREAS: this proposal is made pursuant to Sections 56654 and 56375.3 of the California Government Code, inasmuch as:

1. the subject territory does not exceed 150 acres in area
2. the territory constitutes a number of individual unincorporated islands
3. the territory is substantially surrounded by the city of Porterville
4. the territory is substantially developed or developing
5. the territory is not prime agricultural land as defined by Section 56064
6. the territory will benefit from the change of organization and some properties within the territory already receive benefits in the form of utilities and services from the City of Porterville; and

WHEREAS: the reasons for this proposal are as follows:

1. To create a more definitive and organized city boundary. The city surrounds more than a square mile of islands as defined in §56375.3 of the Government Code. In the recently approved Municipal Services Review (Tulare LAFCo, October 1, 2014), LAFCo recommended that the City continue to pursue the annexation of the remaining County islands, as administratively feasible, to establish a more definitive and organized city limit boundary.
2. To efficiently provide government services in a manner consistent with the City's Annexation and Municipal Services Objectives, Policies, and Procedures (Resolutions 74-2014 and 75-2014). In light of the City's and LAFCo's policies, any property within an island is required to annex prior to provision of water. Staff

is noting an increased number of residents asking about how to initiate the process because they want to connect to City water before summer, and are anticipating that their wells are nearly dry.

3. To ensure the provision of services and facilities needed to accommodate planned population densities in the project area. By annexing previously developed County islands, the City of Porterville will have a more proactive role in monitoring changes to urbanized land use in these areas and will be able to anticipate and coordinate development as areas experience infill development or modification to land uses.

WHEREAS: the conditions of the proposed annexation are limited to compliance with the Porterville Municipal Code and Porterville General Plan.

NOW, THEREFORE, BE IT RESOLVED: this Resolution of Application is hereby adopted and approved by the City Council of the City of Porterville. The Local Agency Formation Commission of Tulare County is hereby requested to take proceedings for the territory as described in Exhibit A, according to the terms and conditions stated above, and in the manner provided for by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PASSED, APPROVED AND ADOPTED this 7th day of April, 2015.

Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

BY _____

Patrice Hildreth, Chief Deputy City Clerk

**City of Porterville
Annexation No. 475A**

Description for Annexation

That portion of Section 23, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at a point on the easterly prolongation of the north line of Lot 13 of Sunnyside Orange Colony per map recorded in Volume 2, page 95 of Maps, Tulare County Records said point being 781.0 feet West of the Southwest corner of Lot 2 of First Addition to Hermosa Orange Colony per map recorded in Book 7, page 14 of Maps, Tulare County Records, said point also being an angle point in the existing City Limit line, thence;

A1) Easterly along said easterly prolongation of the north line of said Lot 13 and along said City Limit line, 200 feet, more or less to the Northeast corner of the land conveyed to Robert E. Vanderhorst and Joan F Vanderhorst, Trustees under Vanderhorst Family Revocable Trust by Trust Transfer Deed recorded February 9, 2006 as Document No. 2006-0013980, thence;

A2) Departing said City Limit line, southeasterly along the northeasterly line of the land conveyed by said Trust Transfer Deed record February 9, 2006, a distance of 77.43 feet more or less, to the most northerly corner of the land conveyed to Roger H. Smartt and Roy Lynn Smartt by Grant Deed recorded August 21, 1997 as Document No. 97-057432, thence;

A3) Southeasterly along the northeasterly line of the land conveyed by said Grant Deed recorded August 21, 1997, a distance of 125 feet to more or less, an angle point in said City Limit line, thence;

A4) Southeasterly, at right angles, along the southeasterly line of the land conveyed by said Grant Deed recorded August 21, 1997, a distance of 174.56 feet more or less, to an angle point in said City Limit line, said point also being in the line that would pass through the northwesterly corner of Second Extension of Scenic Heights per map recorded in Book 9, page 55 of Maps, Tulare County Records, thence;

A5) Northwesterly, at right angles, along said City Limit line, 300 feet more or less, to the **Point of Beginning**.

Containing 1 acre more or less.

**City of Porterville
Annexation No. 475B**

Description for Annexation

That portion of Section 23, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Commencing at a point on the easterly prolongation of the north line of Lot 13 of Sunnyside Orange Colony per map recorded in Volume 2, page 95 of Maps, Tulare County Records said point being 781.0 feet West of the Southwest corner of Lot 2 of First Addition to Hermosa Orange Colony per map recorded in Book 7, page 14 of Maps, Tulare County Records, said point also being an angle point in the existing City Limit line;

B1) Easterly along said easterly prolongation of the north line of said Lot 13 and along said City Limit line, 200 feet, more or less to the Northeast corner of the land conveyed to Robert E. Vanderhorst and Joan F Vanderhorst, Trustees under Vanderhorst Family Revocable Trust by Trust Transfer Deed recorded February 9, 2006 as Document No. 2006-0013980, thence;

B2) Departing said City Limit line, southeasterly along the northeasterly line of the land conveyed by said Trust Transfer Deed recorded February 9, 2006, a distance of 77.43 feet more or less, to the most northerly corner of the land conveyed to Roger H. Smartt and Roy Lynn Smartt by Grant Deed recorded August 21, 1997 as Document No. 97-057432, thence;

B3) Southeasterly along the northeasterly line of the land conveyed by said Grant Deed recorded August 21, 1997, a distance of 125 feet to more or less, an angle point in said City Limit line, thence;

B4) Southeasterly along said City Limit line and the southeasterly projection of said northeasterly line, 100 feet to more or less, to an angle point in said City Limit line, and the **Point of Beginning**, thence;

B5) Departing said City Limit Line, southeasterly along the northeasterly line of the land conveyed as Items No. 1 and 2 of that Trust Transfer Deed recorded October 10, 2006 Grant Deed, a distance of 445 feet to more or less, to the westerly prolongation of the South line of Lot 7 of said First Addition to Hermosa Orange Colony and existing City Limit Line, thence;

B6) Westerly along said City Limit Line and westerly prolongation 200.36 feet more or less, to the Southwest corner of said Item No. 1 parcel, and an angle point in said City Limit Line, thence;

B7) northwesterly along said City Limit Line and the West line of said Items No. 1 and 2 parcels, 359 feet more or less, to the Northwest corner of said Item No. 2 parcel, and an angle point in said City Limit Line, thence;

B8) northeasterly along said City Limit Line and the northwesterly line of said Item No. 2 parcel, 174.56 feet more or less, to the **Point of Beginning**;

Containing 1.54 acres more or less.

**City of Porterville
Annexation No. 475C**

Description for Annexation

That portion of Sections 23 and 24, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Commencing at the East quarter of said Section 23, thence;

C1) Northerly along East line of said Section 23, a distance of 526 feet more or less, to the easterly prolongation of the North line of the South 2 acres of that portion of Lot 11 of the First Addition to Hermosa Orange Colony recorded in Book 7, page. 14 of Maps, Tulare county Records, lying East of the easterly line of the AT&SF Railway, thence;

C2) Westerly, along said easterly prolongation, 30.00 feet, more or less, to the West right of way line of Lime Street, the existing City Limit Line, and the **Point of Beginning**;

Thence, along said City Limit line the following thirty-one (4) courses:

C3) Northerly, along said West right of way line, 428.80 feet, more or less, to the westerly prolongation of the South line of Parcel Map No. 2814, recorded in Book 29, page 15 of Parcel Maps, Tulare county Records, thence;

C4) Easterly, along said westerly prolongation, The South line of said Parcel Map 2814, and the South line of Parcel 4 of Parcel Map No. 3467, recorded in Book 35, Page 69 of Parcel Maps, Tulare County Records, 820.5 feet more or less, to the Southeast corner of said Parcel 4, thence;

C5) Northerly, along the East line of said Parcel 4, a distance of 347.2 feet more or less, to the Northeast corner thereof, thence;

C6) Westerly, along the North line of said Parcel Map No. 3467 and the westerly prolongation thereof, 810.5 feet more or less, to the West right of way line of Lime Street, thence;

C7) Departing said City Limit Line, westerly, along the North line of Lot 8, 9 and 10 of said First Addition to Hermosa Orange Colony, 1707 feet more or less, to the East right of way line of Scenic Drive, and the existing City Limit line;

Thence, along said City Limit line the following thirty-one (8) courses:

C8) Southeasterly, along East right of way line and the West line of Parcel 1 of Parcel Map No. 3412, recorded in Book 35, Page 14, of Parcel Maps, Tulare County Records, 114.34 feet more or less, to an angle point in said line, thence;

C9) Continuing southeasterly, along said East right of way line and the West line of Parcel 1 of Parcel Map No. 3412, a distance of 167.20 feet more or less, to the Southwest corner thereof, thence;

C10) Easterly, along the North 333.4 feet more or less, along the South line of said Parcel 1 of Parcel Map No. 3412 and the easterly prolongation thereof to the East right of way line of Road 246, and the West line of Lot 9 of said First Addition to Hermosa Orange Colony, thence;

C11) Southerly, along said East right of way line of Road 246 and West line of Lot 9, a distance of 372.4 feet, more or less;

C12) Easterly, along the North right of way line of La Vida Avenue and the South line of said Lot 9, a distance of 640 feet, more or less, to the Southeast corner of said Lot 9, thence;

C13) Northerly, along the East line of said Lot 9, a distance of 152.7 feet, more or less, to the westerly right of way line of the AT&SF Railway, thence;

C14) Northeasterly, at right angles to said westerly right of way line, 100 feet, to the easterly right of way line of said AT&SF Railway, thence;

C15) Southeasterly, along said easterly right of way line, 413.0 feet more or less, to the North line of the South 2 acres of that portion of said Lot 11 of the First Addition to Hermosa Orange Colony lying East of the easterly line of said AT&SF Railway, thence;

C16) Easterly, along said North line and it's easterly prolongation, 324.6 feet more or less, to the **Point of Beginning.**

Containing 27.8 acres more or less.

**City of Porterville
Annexation No. 475D**

Description for Annexation

That portion of Section 23, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at a point of intersection of the south right of way line of Mulberry Avenue (55 feet wide) with the southerly prolongation of the east right of way line of Howland Street (40 feet wide) said point of intersection being an angle point in the existing City Limit line;

Thence, along said City Limit line the following thirty-one (31) courses:

D1) Northerly along said southerly prolongation and along the east right of way line of Howland Street, 371.50 feet more or less, to a point in the westerly prolongation of the north line of the south one-third of Lot 13 of Price Palm Acres per map recorded in Book 17, page 53 of Maps, Tulare County Records, thence;

D2) Westerly along said easterly prolongation and along the north line of the south one-third of said Lot 13, 340.95 feet more or less, to a point in the east line of Lot 155 of Pioneer Land Company's First Subdivision per map recorded in Book 3, page 34 of Maps, Tulare County Records, thence;

D3) Northerly along the east line of said Lot 155, a distance of 319.90 feet more or less, to the Northeast corner of the Southeast quarter of said Lot 155, thence;

D4) Westerly along the north line of the Southeast quarter of said Lot 155, a distance of 321 feet more or less, to the Southeast corner of the Northwest quarter of said Lot 155, thence;

D5) Northerly along the east line of the Northwest quarter of said Lot 155 and the westerly prolongation thereof, 659.11 feet more or less, to a point in the north right of way line of Westfield Avenue, said point also being in the east line of the Southwest quarter of Lot 174 of said Pioneer Land Company's First Subdivision, thence;

D6) Northerly along the east line of the Southwest quarter of said Lot 174, a distance of 558.63 feet, more or less, to a point in the south line of Deciduous Tract per map recorded in Volume 12, page 12 of Maps, Tulare County Records, thence;

D7) Easterly along the south line of said Deciduous Tract, 283 feet, more or less, to the Southeast corner of Deciduous Tract thence;

D8) Northerly along the east line of said Deciduous Tract, 570.18 feet more or less, to the Northeast corner of said Deciduous Tract, said corner being a point in the south right of way line of Pioneer Avenue (50 feet wide), thence;

D9) Easterly along the south right of way line of Pioneer Ave., 229 feet, more or less, to the Northwest corner of Lot 176 of said Pioneer Land Company's First Subdivision, thence;

D10) Southeasterly along the west line of said Lot 176, a distance of 1,083.87 feet, more or less, to a point which is 349.73 feet northwesterly of the Southwest corner of said Lot 176, thence;

D11) Northeasterly 200 feet, more or less, to a point in the west right of way line of Main Street and the east line of said Lot 176, said point being 480 feet northwesterly of the Southeast corner of said Lot 176, thence;

D12) Southeasterly along the west right of way line Main Street, 2,946 feet, more or less, to a point in the east line of said Lot 150, said point being distant 885.43 feet northwesterly from the Southeast corner of said Lot 150, as measured along the easterly line of said Lot 150, thence;

D13) Southwesterly, 158.45 feet, more or less, to a point in the westerly line of said Lot 150, said point also being the Northwest corner of Parcel One of Parcel Map No. 2252 recorded in Book 23, page 52 of Parcel Maps, Tulare County Records, said point also being in the easterly right of way line of the Southern Pacific Railroad, thence;

D14) Northwesterly along the easterly right of way of the Southern Pacific Railroad, 80 feet, more or less, to a point in the easterly prolongation of the north line of Lot 24 of Blacherne Tract per map recorded in Volume 8, page 78 of Maps, Tulare County Records, thence;

D15) Westerly along the easterly prolongation of the north line of said Lot 24, the north line of Lot 24, the easterly prolongation of the north line of Lot 13 of said Blacherne Tract, the north line of Lot 13, the north line of Lot 4 of said Blacherne tract and the westerly prolongation of the north line of said Lot 4, a distance of 1,281.2 feet, more or less, to a point in the west right of way line of Jaye Street (50 feet wide), thence;

D16) Southerly along the west right of way line of said Jaye Street, 458 feet, more or less, to a point which is 50 feet north right of way line of Henderson Avenue (82 feet wide) thence;

D17) Westerly parallel with the north right of way line of said Henderson Avenue, 154 feet, more or less, thence;

D18) Southerly parallel with the west right of way line of said Jaye Street, 50 feet, more or less to a point in the north right of way line of said Henderson Avenue, thence;

D19) Westerly along the north right of way line of said Henderson Avenue, 154 feet, more or less, to a point in the east right of way line of Woods Street (50 feet wide) thence;

D20) Continuing westerly along the north right of way line of said Henderson Avenue, 50 feet more or less, to a point in the west right of way line of Woods Street, thence;

D21) Northerly, 68 feet, more or less, thence;

D22) Westerly, 85 feet, more or less, thence;

D23) Southerly, 69 feet more or less, to a point in the north right of way line of Henderson Avenue, thence;

D24) Westerly along the north right of way line of Henderson Avenue 168 feet, more or less, to a point in the east line of Lot 147 of said Pioneer Land Company's First Subdivision, thence;

D25) Northerly along the east line of said Lot 1447, 282 feet, more or less, to the Southeast corner of Walnut Gardens East Unit No. 2 recorded in Volume 26, page 34 of Maps, Tulare County Records, thence;

D26) Northerly along the east line of said Walnut Gardens East, Unit No. 2 and along the east line of said Lot 147, a distance of 294.58 feet more or less, to the Northeast corner of said Walnut Gardens East, Unit No. 2, said point also being the Northeast corner of the south half of said Lot 147, thence;

D27) Westerly along the north line of said Walnut Gardens East, Unit No. 2 and along the north line of the south half of said Lot 147, a distance of 159.85 feet more or less, to the Southeast corner of Parcel 2 of Parcel Map No. 2087 per map recorded in Book 21, page 88 of Parcel Maps, Tulare County Records, thence;

D28) Northerly, 445.37 feet more or less, to the Northeast corner of said Parcel 2, thence;

D29) Westerly, 160.21 feet more or less, to the Northwest corner of said Parcel 2, said point also being the Southwest corner of Parcel 1 of said Parcel Map No 2087, thence;

D30) Northerly along the west line of said Parcel 1, a distance of 144.15 feet more or less, to the Northwest corner of said Parcel 1, said point also being in the south right of way line of Mulberry Avenue, thence;

D31) Easterly along the south right of way line of Mulberry Avenue 20 feet, more or less, to the **Point of Beginning.**

Containing 114 acres more or less.

**City of Porterville
Annexation No. 475E**

Description for Annexation

That portion of Lot 150 of Pioneer Land Company's First Subdivision in the County of Tulare, State of California, situated in Section 23, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian as per map recorded in Book 3, page 34 of Maps, in the office of the County Recorder of said County, described as follows:

Beginning at a point on the easterly line of said Lot 150, a distance of 558.8 feet northerly as measured along the easterly line of said Lot 150 from the Southeast corner thereof, said point being on the existing City Limits line;

Thence, along said City Limit line the following four (4) courses:

E1) South 47°33'00" West, 91.00 feet, more or less, thence;

E2) North 42°27'00" West, 25.00 feet, more or less, thence;

E3) North 27°46'00" East 102.63 feet more or less, to the most northerly corner of the land conveyed to Blacherne Water Company, a Corporation, by Deed recorded May 25, 1908, in Book 153, page 261 of Deeds, said point also being in the easterly line of said Lot 150, thence;

E4) South 37°07'00" East along the easterly line of said Lot 150, a distance of 60.00 feet, more or less, to the **Point of Beginning**.

Containing 0.1 acre more or less.

**City of Porterville
Annexation No. 475F**

Description for Annexation

That portion of Section 23, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at the Northwest corner of Lot 17 of Blacherne Tract per map recorded in Volume 8, page 78 of Maps, Tulare County Records, said corner being a point in the north line of said 26 and an angle point in the existing City Limit line;

Thence, along said City Limit line the following four (4) courses:

F1) Easterly along the north line of said Lot 17 and long the north line of said Section 26, a distance of 281.1 feet more or less, to a point in the east line of said Lot 17, said point also being in the west right of way line of "G" Street (50 feet wide) thence;

F2) Southerly along the east line of said Lot 17 and the west right of way line of "G" Street, 366 feet more or less, thence;

F3) Westerly, 281.1 feet more or less, to a point in the west line of said Lot 17, thence;

F4) Northerly along the west line of said Lot 17, a distance of 372.50 feet more or less, to the **Point of Beginning**.

Containing 2 acres more or less.

Resolution No. _____

A RESOLUTION OF APPLICATION BY THE CITY OF PORTERVILLE REQUESTING
THAT THE LOCAL AGENCY FORMATION COMMISSION TAKE PROCEEDINGS FOR
ANNEXATION 476

WHEREAS: the City of Porterville desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for Annexation 476; and

WHEREAS: the territory proposed to be annexed to the city totals approximately 121.94 acres, is substantially developed, surrounded, and is inhabited, and a description of the external boundary of the territory is set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS: this proposal is consistent with the Sphere of Influence for the affected city; and

WHEREAS: notice of this proposal was published in a newspaper of general circulation, *The Porterville Recorder*, and individually mailed to all property owners within and within a 300-foot radius surrounding the subject areas on March 14, 2015, which is 25 days in advance of the scheduled public hearing; and

WHEREAS: this proposal is made pursuant to Sections 56654 and 56375.3 of the California Government Code, inasmuch as :

1. the subject territory does not exceed 150 acres in area
2. the territory constitutes a number of individual unincorporated islands
3. the territory is substantially surrounded by the City of Porterville
4. the territory is substantially developed or developing
5. the territory is not prime agricultural land as defined by Section 56064
6. the territory will benefit from the change of organization and some properties within the territory already receive benefits in the form of utilities and services from the City of Porterville; and

WHEREAS: the reasons for this proposal are as follows:

1. To create a more definitive and organized city boundary. The City surrounds more than a square mile of islands as defined in §56375.3 of the Government Code. In the recently approved Municipal Services Review (Tulare LAFCo, October 1, 2014), LAFCo recommended that the City continue to pursue the annexation of the remaining County islands, as administratively feasible, to establish a more definitive and organized city limit boundary.
2. To efficiently provide government services in a manner consistent with the City's Annexation and Municipal Services Objectives, Policies, and Procedures (Resolutions 74-2014 and 75-2014). In light of the City's and LAFCo's policies, any property within an island is required to annex prior to provision of water. Staff

is noting an increased number of residents asking about how to initiate the process because they want to connect to City water before summer, and are anticipating that their wells are nearly dry.

3. To ensure the provision of services and facilities needed to accommodate planned population densities in the project area. By annexing previously developed county islands, the City of Porterville will have a more proactive role in monitoring changes to urbanized land use in these areas and will be able to anticipate and coordinate development as areas experience infill development or modification to land uses.

WHEREAS: the conditions of the proposed annexation are limited to compliance with the Porterville Municipal Code and Porterville General Plan.

NOW, THEREFORE, BE IT RESOLVED: this Resolution of Application is hereby adopted and approved by the City Council of the City of Porterville. The Local Agency Formation Commission of Tulare County is hereby requested to take proceedings for the territory as described in Exhibit A, according to the terms and conditions stated above, and in the manner provided for by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PASSED, APPROVED AND ADOPTED this 7th day of April, 2015.

Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

BY _____

Patrice Hildreth, Chief Deputy City Clerk

**City of Porterville
Annexation No. 476**

Description for Annexation

That portion of Sections 1 and 2, Township 22 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at a point in the existing City Limit Line (Annexation No. 386) 19 feet East of the Southwest corner of the parcel of land as shown on that Record of Survey recorded in Book 11 of Licensed Surveys, Page 43, in the Office of the Tulare County Recorder, said point being located on the East right of way line of South Main Street (79 feet wide);

Thence along the existing City Limit Line the following three (3) courses;

C1) Easterly, along a line parallel to and 594 feet North of the South line of the Northwest quarter of said Parcel 1, a distance of 1139 feet more or less, to a point 1320 feet East of the West right of way line of said South Main Street, thence;

C2) Northerly, 165 feet more or less, to an intersection with a line parallel to and 759 feet North of the South line of the Northwest quarter of said Section 1, thence;

C3) Westerly, along said parallel line, 1290 feet more or less, to an intersection with West right of way line of Plano Street, thence;

C4) Southerly, departing said existing City limit line along said West right of way line, 2080 feet more or less, to an intersection with the South right of way line of Gibbons Avenue, thence;

C5) Westerly, along said South right of way line, 3540 feet more or less, to an intersection with the southerly prolongation of the West line of Parcel 2 of Parcel Map No. 365, recorded in Book 4, Page 65 of Parcel Maps, Tulare County Records, thence;

C6) Northerly, along said West line and southerly prolongation as well as the existing City Limit Line, 687.76 feet more or less, to the Northwest corner of said Parcel 2:

Thence along the existing City Limit Line the following twelve (12) courses;

C7) Easterly, along the North line of said Parcel 2, a distance of 264 feet more or less, to the Northwest corner of said Parcel, thence;

C8) Southerly, 140 feet more less, thence;

C9) Easterly, 167.5 feet more less, thence;

C10) Southerly, 187 feet more less, thence;

C11) Easterly, 317 feet more less, thence;

C12) Southerly, 153 feet more or less, to a point located 155 feet North and perpendicular to the North right of way line of said Gibbons Avenue, thence;

C13) Easterly, 290 feet more or less, to the intersection with the East right of way line of Southern Pacific Railroad, thence;

C14) Northerly, along said East right of way line, 455 feet more or less, thence;

C15) Easterly, 235 feet more or less, to an intersection with the West right of way line of Second Street, thence;

C16) Northerly, along said West right of way line and its northerly prolongation, 303 feet more or less, to the North right of way line of Yates Avenue and the South line of Block 5 of Plano, recorded in Volume 5, Page 40 of Maps, Tulare County Records, thence;

C17) Westerly, along said South line, 154 feet more or less, to an intersection with the East right of way line of South Main Street, thence;

C18) Northerly, along said East right of way line, 990 feet more or less, to the **Point of Beginning**;

Containing 122.1 acre more or less.

Resolution No. _____

A RESOLUTION OF APPLICATION BY THE CITY OF PORTERVILLE REQUESTING
THAT THE LOCAL AGENCY FORMATION COMMISSION TAKE PROCEEDINGS FOR
ANNEXATION 478

WHEREAS: the City of Porterville desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for Annexation 478; and

WHEREAS: the territory proposed to be annexed to the city totals approximately 127.53 acres, is substantially developed, surrounded, and is inhabited, and a description of the external boundary of the territory is set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS: this proposal is consistent with the Sphere of Influence for the affected city; and

WHEREAS: notice of this proposal was published in a newspaper of general circulation, *The Porterville Recorder*, and individually mailed to all property owners within the subject areas and within a 300-foot radius surrounding the subject areas on March 14, 2015, which is 25 days in advance of the scheduled public hearing; and

WHEREAS: this proposal is made pursuant to Sections 56654 and 56375.3 of the California Government Code, inasmuch as:

1. the subject territory does not exceed 150 acres in area
2. the territory constitutes a number of individual unincorporated islands
3. the territory is substantially surrounded by the city of Porterville
4. the territory is substantially developed or developing
5. the territory is not prime agricultural land as defined by Section 56064
6. the territory will benefit from the change of organization and some properties within the territory already receive benefits in the form of utilities and services from the City of Porterville; and

WHEREAS: the reasons for this proposal are as follows:

1. To create a more definitive and organized city boundary. The city surrounds more than a square mile of islands as defined in §56375.3 of the Government Code. In the recently approved Municipal Services Review (Tulare LAFCo, October 1, 2014), LAFCo recommended that the City continue to pursue the annexation of the remaining County islands, as administratively feasible, to establish a more definitive and organized city limit boundary.
2. To efficiently provide government services in a manner consistent with the City's Annexation and Municipal Services Objectives, Policies, and Procedures (Resolutions 74-2014 and 75-2014). In light of the City's and LAFCo's policies, any property within an island is required to annex prior to provision of water. Staff

is noting an increased number of residents asking about how to initiate the process because they want to connect to City water before summer, and are anticipating that their wells are nearly dry.

3. To ensure the provision of services and facilities needed to accommodate planned population densities in the project area. By annexing previously developed County islands, the City of Porterville will have a more proactive role in monitoring changes to urbanized land use in these areas and will be able to anticipate and coordinate development as areas experience infill development or modification to land uses.

WHEREAS: the conditions of the proposed annexation are limited to compliance with the Porterville Municipal Code and Porterville General Plan.

NOW, THEREFORE, BE IT RESOLVED: this Resolution of Application is hereby adopted and approved by the City Council of the City of Porterville. The Local Agency Formation Commission of Tulare County is hereby requested to take proceedings for the territory as described in Exhibit A, according to the terms and conditions stated above, and in the manner provided for by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PASSED, APPROVED AND ADOPTED this 7th day of April, 2015.

Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

BY _____

Patrice Hildreth, Chief Deputy City Clerk

**City of Porterville
Annexation No. 478A**

Description for Annexation

That portion of Sections 15 and 22, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at point 62 feet East of the Northwest corner of said Section 22, located at the intersection of the East right of way line of Newcomb Street and the North line of said Section, and being on the existing City Limit Line;

Thence along the existing City Limit Line the following nine (9) courses;

A1) Northerly, along said East right of way line, 900 feet more or less, to the Southwest corner of the parcel of land conveyed to Calvary Baptist Church by deed recorded October 9, 1987 in Book 4626 of Official Records, Page 293, Document No. 59816, thence;

A2) Easterly, along the South line of said Calvary parcel and a line parallel with the South line of Lot 8 of Pioneer Land Company's Second Subdivision, recorded in Volume 3, Page 23, of Maps, Tulare County Records, 900 feet more or less, to the Southwest corner of the parcel of land conveyed to Calvary Baptist Church by deed recorded October 9, 1987 in Book 4626 of Official Records, Page 293, Document No. 59816, a distance of 298 feet more or less, to the Southeast corner of said Calvary parcel and the intersection with a line 340 feet East of the West line of said Lot 8, thence;

A3) Southerly, along said parallel line, 515 feet more or less, to the intersection with a line parallel with the South line of said Lot 8, thence;

A4) Easterly, along said line parallel, 90.10 feet more or less, to the intersection with a line parallel with the West line of said Lot 8, thence;

A5) Southerly, along said parallel line, 380.43 feet more or less, to the intersection with the South line of said Lot 8 and a point 222.24 feet West of the Southeast corner of said Lot, thence;

A6) Westerly, along said South line, 143 feet more or less, to the intersection with a line parallel to and 287.10 feet East of the West line of Lot 186 of the Pioneer Land Company's First Subdivision, recorded in Volume 3, Page 34, of Maps, Tulare County Records, thence;

A7) Southerly, along said parallel line, 300 feet more or less, to the North line of the South 20 feet of the North half of said Lot 186;

A8) Westerly, along said North line, 220 feet more or less to the East right of way line of Newcomb Street;

A9) Northerly, along said East right of way line, 320.07 feet more or less, to the **Point of Beginning**.

Containing 8.5 acre more or less.

**City of Porterville
Annexation No. 478B**

Description for Annexation

That portion of Sections 22, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at Southeast corner of Lot 3 of Pioneer Land Company's Second Subdivision, recorded in Volume 3, Page 23, of Maps, Tulare County Records, and being on the existing City Limit Line and West right of way line of Highway 65;

Thence along the existing City Limit Line the following ten (10) courses;

B1) South 0°19'50" West, along said West right of way line, 1216.45 feet more or less, thence;

B2) South 45°20'37" West, along said West right of way line, 62.85 feet more or less, thence;

B3) South 0°20'37" West, along said West right of way line, 5.00 feet more or less, to the North right of way line of Pioneer Avenue, thence;

B4) Westerly along said North right of way line, 608 feet more or less, to the Southeast corner of Lot 182 of Pioneer Land Company's First Subdivision, recorded in Volume 3, Page 34, of Maps, Tulare County Records, thence;

B5) Northerly, along the East line of said Lot 182, a distance of 903 feet more or less, to a point 523.5 feet South of the Northeast corner of said Lot, thence;

B6) Westerly, along a line parallel with the North line of said Lot 182, a distance of 622.86 feet more or less, to the intersection with the East right of way line of Prospect Street, thence;

B7) Northerly, along said East right of way line, 1006 feet more or less, to an intersection with the South line of the North half of Lot 4 of Pioneer Land Company's Second Subdivision, recorded in Volume 3, page 23, of Maps, Tulare County Records, thence;

B8) Easterly, along said South line, 623 feet more or less, to the intersection with the West line of Lot 3 of said Pioneer Land Company's Second Subdivision, thence;

B9) South 00°32'10" West, along said West line, 641.45 feet more or less, to the Southwest corner of said Lot 3, thence;

B10) South $87^{\circ}43'17''$ East, along the South line of said Lot 3, a distance of 652.23 feet more or less, to the **Point of Beginning**.

Containing 33.4 acre more or less.

**City of Porterville
Annexation No. 478C**

Description for Annexation

That portion of Sections 29 and 32, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at Northwest corner of Lot 25 of Amalene Estates Phase 1, recorded in Volume 41, Page 92, of Maps, Tulare County Records, said point also being on the existing City Limit Line;

Thence along the existing City Limit Line the following four (4) courses;

C1) Southerly, along the West line of said Lot 25, a distance of 207.00 feet more or less, to the Northeast corner of Lot 24 of said Amalene Estates Phase 1, thence;

C2) Westerly, along the North line of Lots 22 through 24 of said Amalene Estates Phase 1, a distance of 230.00 feet more or less, to the Northwest corner of said Lot 22, thence;

C3) Southerly, along the westerly line of said Amalene Estates Phase 1, a distance of 200.00 feet more or less, to an angle point in said West line, thence;

C4) Westerly, along the northerly line of said Amalene Estates Phase 1, a distance of 415 feet more or less, thence;

C5) Northerly, departing from said City Limit Line, 407 feet more or less, to an intersection with a line parallel with and 253 feet South of the North line of said Section 32, thence;

C6) Westerly, along said parallel line, 258 feet more or less, to the Southwest corner of that parcel granted in the Trustee's Deed Upon Sale recorded as Document No. 2012-0060063, Tulare County Records, thence;

C7) Northerly, along the East line of said parcel of land, 173 feet more or less, to the Northwest corner thereof, thence;

C8) Northeasterly, along the East line of said parcel of land, 120 feet more or less, to the intersection of the North right of way line of Olive Avenue (120') and the West right of way line of Elderwood Avenue (30'), thence;

C9) Northerly, along said West right of way line of Elderwood Avenue, 2601 feet more or less, to an intersection with the North line of the Southeast quarter of said Section 29, and the North line of

Tract No. 557, recorded in Volume 29, Page 31, Tulare County Records, and the existing City Lime Line, thence;

Thence along the existing City Limit Line the following seven (7) courses;

C10) Easterly, along said North line, 1276.60 feet more or less, to an intersection with the West right of way line of Westwood Street (84'), and the Northeast corner of Lot 15 of said Tract No. 557, thence;

C11) Southerly, along the East lines of Lots 15 through 19 and Lot 40 of said Tract No. 557 and said West right of way line, a distance of 660 feet more or less, to the Southeast corner of said Lot 40, thence;

C12) Easterly, along the easterly prolongation of the South line of said Tract No. 557, a distance of 2.00 feet more or less, to an angle point in said West right of way line of Westwood Street (82'), thence;

C13) Southerly, along said West right of way line, 1940 feet more or less, to the intersection with North right of way line of Olive Avenue, thence;

C14) Westerly, along said North right of way line, 641.50 feet more or less, to an intersection with a line parallel with the East line of the Northeast quarter of said Section 32, thence;

C15) Southerly, along said parallel line, 253 feet more or less, to an intersection with a line parallel with the North line of said Northeast quarter, thence;

C16) Easterly, along said parallel line, 253 feet more or less, to the **Point of Beginning**.

Containing 79.7 acre more or less.

Resolution No. _____

A RESOLUTION OF APPLICATION BY THE CITY OF PORTERVILLE REQUESTING
THAT THE LOCAL AGENCY FORMATION COMMISSION TAKE PROCEEDINGS FOR
ANNEXATION 479

WHEREAS: the City of Porterville desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for Annexation 479; and

WHEREAS: the territory proposed to be annexed to the city totals approximately 149.58 acres, is substantially developed, surrounded, and is inhabited, and a description of the external boundary of the territory is set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS: this proposal is consistent with the Sphere of Influence for the affected city; and

WHEREAS: notice of this proposal was published in a newspaper of general circulation, *The Porterville Recorder*, and individually mailed to all property owners within the subject areas and within a 300-foot radius surrounding the subject areas on March 14, 2015, which is 25 days in advance of the scheduled public hearing; and

WHEREAS: this proposal is made pursuant to Sections 56654 and 56375.3 of the California Government Code, inasmuch as:

1. the subject territory does not exceed 150 acres in area
2. the territory constitutes a number of individual unincorporated islands
3. the territory is substantially surrounded by the city of Porterville
4. the territory is substantially developed or developing
5. the territory is not prime agricultural land as defined by Section 56064
6. the territory will benefit from the change of organization and some properties within the territory already receive benefits in the form of utilities and services from the City of Porterville; and

WHEREAS: the reasons for this proposal are as follows:

1. To create a more definitive and organized city boundary. The city surrounds more than a square mile of islands as defined in §56375.3 of the Government Code. In the recently approved Municipal Services Review (Tulare LAFCo, October 1, 2014), LAFCo recommended that the City continue to pursue the annexation of the remaining County islands, as administratively feasible, to establish a more definitive and organized city limit boundary.
2. To efficiently provide government services in a manner consistent with the City's Annexation and Municipal Services Objectives, Policies, and Procedures (Resolutions 74-2014 and 75-2014). In light of the City's and LAFCo's policies, any property within an island is required to annex prior to provision of water. Staff

is noting an increased number of residents asking about how to initiate the process because they want to connect to City water before summer, and are anticipating that their wells are nearly dry.

3. To ensure the provision of services and facilities needed to accommodate planned population densities in the project area. By annexing previously developed County islands, the City of Porterville will have a more proactive role in monitoring changes to urbanized land use in these areas and will be able to anticipate and coordinate development as areas experience infill development or modification to land uses.

WHEREAS: the conditions of the proposed annexation are limited to compliance with the Porterville Municipal Code and Porterville General Plan.

NOW, THEREFORE, BE IT RESOLVED: this Resolution of Application is hereby adopted and approved by the City Council of the City of Porterville. The Local Agency Formation Commission of Tulare County is hereby requested to take proceedings for the territory as described in Exhibit A, according to the terms and conditions stated above, and in the manner provided for by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PASSED, APPROVED AND ADOPTED this 7th day of April, 2015.

Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

BY _____

Patrice Hildreth, Chief Deputy City Clerk

**City of Porterville
Annexation No. 479A**

Description for Annexation

That portion of Section 35 and 34, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at the Northwest corner of Lot 8 of Riley Subdivision, recorded in Volume 19, Page 30, of Maps, Tulare County Records, said point being a point 80 feet South more or less, and 40 feet East more or less, of the Northwest corner of said Section 34, thence;

A1) Easterly, along the existing City Limit line and the South right of way line of Olive Avenue, 425.54 feet more or less, to an intersection with the East line of Lot 3 of said Riley Subdivision, thence;

A2) Southerly along the existing City Limit line and said East line, 212 feet more or less, to the Southeast corner of said Lot 3, thence;

A3) Westerly, along said City Limit line and the North line of Lot 10 of said Riley Subdivision, 150 feet more or less, to the Northwest corner of said Lot 10, thence;

A4) Southerly, along said City Limit line and West line of said Lot 10 and the West line of Lot 11, as well as the East line of Lot 13 of said Riley Subdivision, 370.07 feet more or less, to and intersection with the South line of Lot 5 of Putman & Boatman Subdivision, recorded in Volume 4, Page 28, of Maps, Tulare County Records, thence;

A5) Easterly, along said City Limit line and said South line, 340 feet more or less, to the Southeast corner of said Lot 5, thence;

A6) Northerly, along said City Limit line and the East line of said Lot 5 as well as it's northerly prolongations and the East right of way line of Lotas Street, 160 feet more or less, to an intersection with the North right of way line of Slaughter Avenue, thence;

A7) Easterly, along said City Limit line and said North right of way line, 635.61 feet more or less, to an intersection with the West right of way line of Beverly Street, thence;

A8) Southerly, along said City Limit line and said West right of way line, 160 feet more or less, to an intersection with easterly prolongation of the North line of Tract No. 157, recorded in Volume 20, Page 49, of Maps, Tulare County Records, thence;

A9) Westerly, along said City Limit line and said easterly prolongation, 5 feet more or less, to Northeast corner of Lot 1 of said Tract No. 157, thence;

A10) Southerly, along said City Limit line and said West right of way line of Beverly Avenue also being the East line of Lots 1, 24, 25 and 48 of said Tract 178, a distance of 663.37 feet more or less, to the Southeast corner of said Lot 48, thence;

A11) Continuing southerly, along said City Limit line and said West right of way line of Beverly Avenue, 250.38 feet more or less to the Northeast corner of Lot 1 of Tract No. 538, recorded in Volume 26, Page 65, Tulare County Records, thence;

A12) Westerly, along the North line of said Lot 1 and the North line of Lot 12 of said Tract No. 538, a distance of 186 feet more or less, to the Southeast corner of Lot 13 of said Tract No. 538, thence;

A13) Northerly, along the East line of said Lot 13, the East line of Lot 14 of said Tract No. 538, and the East line of Parcel 2 of Parcel Map No. 1573 recorded in Book 16, Page 74, of Parcel Maps, Tulare County Records, 250.38 feet more or less, to the Northeast corner of said Parcel 2, thence;

A14) Westerly, along the North line of said Parcel Map No. 1573 and the North line of said Tract No. 538, a distance of 1096 feet more or less, to an intersection with the West line of said Section 34, thence;

A15) Northerly, along said West line of said Section 34, a distance of 993 feet more or less, to an angle point in the West right of way line of Newcomb Street (Road 232), thence;

A16) Westerly, at right angles, a distance of 40 feet more or less, to an angle point in said West right of way line of Newcomb Street (Road 232), thence;

A17) Northerly, along said West right of line, a distance of 250 feet more or less, to the South right of way line of Olive Avenue, thence;

A18) Easterly, along the South right of way line of Olive Avenue, 80 feet more or less, to the **Point of Beginning**, thence;

Containing 27.7 acres more or less.

TOGETHER WITH, that portion of Section 34, Township 21 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at the Northwest corner of Lot 3 of Tract No. 68, recorded in Volume 19, Page 109, of Maps, Tulare County Records, said point also being on the existing City Limit Line per Annexation 210, thence;

A19) Easterly, along the existing City Limit Line, the North line of said Lot 3 and North line of Lot 16 of said Tract No. 68, and it's easterly prolongation, a distance of 258.7 feet more or less, to the East right of line of Atkins Street, thence;

A20) Continuing easterly, along said existing City Limit Line and the North line of Lot 17 of said Tract No. 68, a distance of 212.02 feet more or less to the Northeast corner of said Lot 17, thence;

A21) Southerly, along said existing City Limit Line and the East line of said Lot 17, a distance of 25 feet more or less to the Northwest corner of said Lot 8, of Tract No. 319 recorded in Volume 22, Page 87, of Maps, Tulare County Records, thence;

A22) Easterly, along said existing City Limit Line and the North line of said Tract No. 319, a distance of 360.87 feet more less to the Northeast corner of said tract, thence;

A23) Southerly, along said existing City Limit Line and the East line of said Tract No. 319, a distance of 410.95 feet more less to the Southeast corner of said tract, thence;

A24) Easterly, along said existing City Limit Line and the South line of Lot 1 of Putman and Boatman's Subdivision, recorded in Volume 4, Page 28, of Maps, Tulare County Records, 116 feet more or less, to the intersection with a line parallel with the East line of said Putman and Boatman's Subdivision, thence;

A25) Northerly, along said existing City Limit Line and said parallel line, 403 feet more or less, to a point 404 feet North of the South line of said Lot 1 , thence;

A26) Easterly, along said existing City Limit Line and a line parallel with the South line of said Lot 1, a distance of 201 feet more or less, to the intersection with the East line of the Northwest quarter of said Section 34, thence;

A27) Northerly, along said existing City Limit Line and said East line of the Northwest quarter, 41.5 feet more or less, to the intersection with a line that is parallel with the North line of said Section 34, thence;

A28) Easterly, along said existing City Limit Line and said parallel line, 152 feet more or less, to the intersection with the West line of Tract No. 45, recorded in Volume 19, Page 82, of Maps, Tulare County records, thence;

A29) Southerly, along said existing City Limit Line and said West line, 6.71 feet more or less, to the Northwest corner of Lot 52, of said Tract No. 45, thence;

A30) Easterly, along said existing City Limit Line and North line of said Lot 52 and it's easterly prolongation, 275.64 feet more or less, to the East right of way line of Matson Street, thence;

A31) Northerly, along said existing City Limit Line and said East right of way line, 10.37 feet more or less, to the Northwest corner of Lot 4 of said Tract No. 45, thence;

A32) Easterly, along said existing City Limit Line and the North line of said Lot 4, a distance of 216 feet more or less, to the Northeast corner of said Lot 4, thence;

A33) Southerly, along said existing City Limit Line and the easterly line of said Tract No. 45, a distance of 630 feet more or less, to the Northeast corner of Lot 13 of said tract, thence;

A34) Easterly, along said existing City Limit Line and the northerly line of said Tract No. 45, a distance of 266.35 feet more or less, to the intersection with a line parallel to and 193.53 feet West of the East right of way line of Cobb Street, thence;

A35) Northerly, along said existing City Limit Line and said parallel line, 582 feet more or less, to the intersection with a line parallel with the North line of said Section 34, thence;

A36) Easterly, along said existing City Limit Line and said parallel line, 233.53 feet more or less, to the intersection with a line parallel to and 10 feet West of the East right of way line of Cobb Street, thence;

A37) Southerly, along said existing City Limit Line and said parallel line, 130.5 feet more or less, to the intersection with the westerly prolongation of the South line of Parcel 2 of Parcel Map No. 2747, recorded in Book 28, Page 48, of Parcel Maps, Tulare County Records, thence;

A38) Easterly, along said existing City Limit Line and said prolongation and South line, 136.52 feet more or less, to the intersection with the westerly right of way of Highway 65, thence;

A39) Southerly, along said existing City Limit Line and said westerly right of way line, 432.58 feet more or less, to and angle point in said westerly right of way of Highway 65, thence;

A40) Continuing southerly, along said existing City Limit Line and said westerly right of way line, 534.72 feet more or less, to and angle point in said westerly right of way of Highway 65 to the Southeast corner of said Tract No. 45, thence;

A41) Westerly, along said existing City Limit Line and the South line of said Tract No. 45, a distance of 1307 feet more or less, to the Southwest corner of Lot 38 of said tract, thence;

A42) Northerly, along said existing City Limit Line and the West line of said Lot 38, a distance of 193.20 feet more or less, to the beginning of a 20 foot radius curve concave southeasterly, thence;

A43) Northeasterly, along said existing City Limit Line and curve, through a central angle of 89°25'00", a distance of 31.21 feet more or less, thence;

A44) Westerly, along said existing City Limit Line, 99.80 feet more or less, to the North line of Lot 32 of Tract No. 199, recorded in Volume 21, Page 26, of Maps, Tulare County Records, and the beginning of a 20 foot radius curve, concave southwesterly, thence;

A45) Southeasterly, along said existing City Limit Line and curve, through a central angle of 90°00'00", a distance of 31.42 feet more or less, thence;

A46) Southerly, along said existing City Limit Line and East line of said Lot 32, a distance of 193.54 feet more or less, to the Southeast corner thereof, thence;

A47) Westerly, departing said City Limit Line along the South line of said Tract No. 199 and the South line of Tract No. 201 recorded in Volume 21, Page 48, of Maps, Tulare County Records, a distance of 1241.3 feet, to the Southwest corner of Lot 3 of said Tract No. 201, and the intersection with the East right of way line of Beverly Street and existing City Limit Line, thence;

A48) Northerly, along said East right of way line and the West line of Lots 1 and 3 of said Tract No. 201, a distance of 334.16, to the Northwest corner of said Lot 1, thence;

A49) Northwesterly, along said East right of way line, 5 feet more or less, to a point being 336.60 feet North of the North line of Lot 11 of Putman & Boatman Subdivision, recorded in Volume 4, Page 28, of Maps, Tulare County Records, and the intersection with the southerly prolongation of the West line of Lots 3 through 9 of Tract No. 68, recorded in Volume 19, Page 109, of Maps, Tulare County Records;

A50) Northerly, along said East right of way line, and the said West line Lots 3 through 9 and their southerly prolongation, 760 feet more or less, to the **Point of Beginning**;

Containing 59.3 acres more or less. Total acreage of Area 479A is 87 acres more or less.

**City of Porterville
Annexation No. 479B**

Description for Annexation

That portion of Section 3, Township 22 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at the Northeast corner of City of Porterville Annexation No. 408, said point being on the North line of said Section 3, and 442 feet more or less, East of the Northeast quarter of said section, thence;

Thence, along said City Limit line the following thirty-one (8) courses:

B1) Easterly 308 feet more or less, along the existing city limit line and said section line, to the intersection with the existing city limit line per Annexation No. 117, thence;

B2) Southerly along said existing city limit line, 40 feet more or less, to the intersection with the West right of way line of Highway 65, thence;

B3) Southeasterly along said West right of way line, a curve concave to the West, 84.72 feet more or less, thence;

B4) Continuing southeasterly along said West right of way line, 637.64 feet more or less, thence;

B5) Continuing southeasterly along said West right of way line, a curve concave to the West, 130.36 feet more or less, thence;

B6) Southerly along said West right of way line, 709.80 feet more or less, thence;

B7) Westerly along said West right of way line, 35.65 feet more or less, to the intersection with the East line of the West half of the Northeast quarter of said Section 3, thence;

B8) Southerly along said West right of way line and East line, 865.18 feet more or less, to the Southeast corner of Parcel 4 of Parcel Map No.2208, recorded in Book 23, Page 9 of Parcel Maps, Tulare County Records, and the centerline of Poplar Ditch, thence;

B9) Northwesterly, departing the existing city limit line, along said centerline of Poplar Ditch and the South line of said Parcel 4, a distance of 238.96 feet more or less, to and angle point in said line, thence;

B10) Westerly, along said centerline of Poplar Ditch and the South line of Parcels 1 through 4 of said Parcel Map No. 2208, a distance of 739.22 feet more or less, to and angle point in said line, thence;

B11) Westerly, along said centerline of Poplar Ditch and the South line of said Parcels 1 and 2, a distance of 256.52 feet more or less, to and angle point in said line, thence;

B12) Southwesterly, along said centerline of Poplar Ditch and the South line of said Parcel 1, a distance of 116.16 feet more or less, to the Southwest corner of said Parcel 1 and the intersection with the West line of said Northeast quarter, thence;

B13) Northerly, along West line, 1672 feet more or less, to the existing city limits line, and the intersection with the westerly prolongation of the South line of Lot 1 or Prospect Gardens, Unit 1, recorded in Volume 37, Page 91 of Maps, Tulare County Records, thence;

Thence, along said City Limit line the following thirty-one (10) courses:

B14) Easterly, along said prolongation line, 60 feet more or less, to the Southwest corner of said Lot 1, and the intersection with the East right of way line of Prospect Street, thence;

B15) Easterly, along the South line of said Lot 1, a distance of 100 feet more or less, to the Southeast corners thereof, thence;

B16) Northerly, along the East line of said Prospect Gardens Unit 1, a distance of 68 feet more or less, to the intersection with a line parallel with the South line of Lot 24 of Tract No. 41, recorded in Volume 19, Page 79 of Maps, Tulare County Records, thence;

B17) Easterly, along said parallel line, 200 feet more or less to the East line of said Lot 24, thence;

B18) Northerly, along said East line also being the West line of Lot 13 of said Tract No. 41, a distance of 90 feet more or less, to a point 316 feet North of the Southwest corner of said Lot 13, thence;

B19) Easterly, parallel with the North line of said Lot 13, a distance of 150 feet more or less, thence;

B20) Northerly, parallel with the West line of said Lot 13, a distance of 90 feet more or less, thence;

B21) Westerly, parallel with the North line of said Lot 13, a distance of 66.6 feet more or less, thence;

B22) Northerly, parallel with the West line of said Lot 13, a distance of 224 feet more or less, to the intersection with the South right of way line of Highway 190 (Poplar Avenue), thence;

B23) Continuing Northerly, parallel with the West line of said Lot 13, a distance of 40 feet more or less, to the **Point of Beginning**.

Containing 57 acres more or less.

**City of Porterville
CO Annexation No. 479C**

Description for Annexation

That portion of Section 9 and 10, Township 22 South, Ranch 27 East, Mount Diablo Base and Meridian, in the County of Tulare State of California, more particularly described as follows:

Beginning at the Southwest corner of City of Porterville Annexation No. 383, said point being on the West right of way of Newcomb Street (Road 232), and being 330.46 feet more or less, North of the South line of the Northeast quarter of said Section 9, thence;

C1) Easterly, along said City Limit line and the westerly prolongation of the North line of Parcel 2 of Parcel Map 1144, recorded in Book 12, Page 45, of Parcel Maps, Tulare County Records, 55 feet more or less, to the Northwest corner thereof, thence;

C2) Continuing Easterly along said City Limit line and said North line, 631.13 feet more or less, to the Northeast corner of said Parcel 2, thence;

C3) Southerly, departing said City Limit line along the East line of said Parcel 2, a distance of 330.43 feet more or less, to the Southeast corner thereof and the intersection with the existing City Limit line, thence;

C4) Westerly along said City Limit line and the South line of said Parcel 2, a distance of 630.98 feet more or less, to the Southwest corner thereof, thence;

C5) Continuing Westerly along said City Limit line and the westerly prolongation of said South line of Parcel 2, a distance of 55 feet more or less, to West right of way line of Newcomb Street (Road 232), thence;

C6) Northerly along said City Limit line and said West right of way line of Newcomb Street (Road 232), 330.46 feet more or less, to the **Point of Beginning**;

Containing 5.4 acres more or less.



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Second Reading - Ordinance 1822, Amending Ordinance 1796 which approved Zone Change 2012-002-Z from RM-2 (Medium Density Residential), RM-3 (High Density Residential), and CN (Neighborhood Commercial) to CMX (Commercial Mixed-Use) for that 23.4 +/- Acre Site Located Generally at the Southwest Corner of Henderson Avenue and Newcomb Street

SOURCE: Administrative Services

COMMENT: Ordinance 1822, an Ordinance of the City Council of the City of Porterville Amending Ordinance 1796 Which Approved Zone Change 2012-002-Z from RM-2 (Medium Density Residential), RM-3 (High Density Residential), and CN (Neighborhood Commercial) to CMX (Commercial Mixed-Use) for that 23.4 +/- Acre Site Located Generally at the Southwest Corner of Henderson Avenue and Newcomb Street, was given first reading on March 17, 2015, and has been printed.

RECOMMENDATION: That the City Council give Second Reading to Ordinance 1822, waive further reading, and adopt said Ordinance.

ATTACHMENTS: 1. Draft Ordinance

Appropriate/Funded: N/A

Review By:

Department Director:

Patrice Hildreth, Administrative Services Dir

Final Approver: John Lollis, City Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
AMENDING ORDINANCE 1796 WHICH APPROVED ZONE CHANGE 2012-002-Z FROM
RM-2 (MEDIUM DENSITY RESIDENTIAL), RM-3 (HIGH DENSITY RESIDENTIAL), AND
CN (NEIGHBORHOOD COMMERCIAL) TO CMX (COMMERCIAL MIXED-USE) FOR
THAT 23.4± ACRE SITE LOCATED GENERALLY AT THE SOUTHWEST CORNER OF
HENDERSON AVENUE AND NEWCOMB STREET

WHEREAS: The City Council of the City of Porterville at its regularly scheduled meeting of March 5, 2013, conducted a public hearing to approve findings and consider Zone Change 2012-002-Z, being a change of zone from RM-3 (High Density Residential), RM-2 (Medium Density Residential), and CN (Neighborhood Commercial) to CMX (Commercial Mixed-Use) for the site located on the south side of Henderson Avenue, approximately 550± west of Newcomb Street; and

WHEREAS: The City Council of the City of Porterville determined that the proposed Zone Change (2012-002-Z) would be consistent with the guiding and implementation policies of the adopted 2030 General Plan; and

WHEREAS: A Mitigated Negative Declaration was prepared for the project in accordance with the California Environmental Quality Act and was transmitted to interested agencies and made available for public review and comment. The review period ran for twenty (20) days from February 8, 2013 to February 28, 2013; and

WHEREAS: On January 14, 2015, the applicant (The Vincent Company) submitted to the Project Review Committee proposed modifications to the Project that would increase the retail space from 40,690 to 70,310 square feet, removing 18,000 square feet of office space and reduce the personal storage facility square footage from 61,450 square feet to 26,200 square feet; and

WHEREAS: On February 16, 2015, the Environmental Coordinator made the determination that an Addendum to the adopted Mitigated Negative Declaration would be applicable and appropriate for the project under CEQA guidelines; and

WHEREAS: The City Council of the City of Porterville at its regularly scheduled meeting of March 17, 2015, conducted a public hearing to consider amending Ordinance 1796 which approved Zone Change 2012-002-Z from RM-2 (Medium Density Residential), RM-3 (High Density Residential), and CN (Neighborhood Commercial) to CMX (Commercial Mixed-Use), as well as a Conditional Use Permit for the Mixed-Use Development and a modification to Conditional Use Permit 2012-002-M for the development of a personal storage facility; and

WHEREAS: The City Council made the following findings 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.

- a. The project supports and complies with the following General Plan guiding policies:

LU-G-1: Promote a sustainable, balanced land use pattern that responds to existing needs and future needs of the City.

LU-G-3 Promote sustainability in the design and development of public and private development projects.

LU-G-10: Foster viable, pedestrian-oriented neighborhood centers with vertically- and horizontally- mixed-use development.

- b. Development of the site as proposed, including personal storage, requires approval of a Conditional Use Permit and would be subject to the City's development standards.
- c. The General Plan land use designation is Commercial Mixed-Use. The commercial mixed-use (CMX) zoning will allow for similar types of land uses, but in different proportions than currently exist on the property. In addition, the CMX Zone will allow the personal storage development pursuant to approval of a Conditional Use Permit as well as the drive-through lanes as proposed.
- d. The subject Zone Change will not create adverse environmental impacts on the adjacent neighborhood when mitigation measures are implemented and standards of the Development Ordinance and General Plan are applied to the subsequent development project.

NOW, THEREFORE, BE IT ORDAINED: That the City Council of the City of Porterville does ordain as follows:

Section 1: That the following described property in the city of Porterville, County of Tulare, State of California, known as Zone Change 2012-002-Z, is hereby rezoned from RM-3 (High Density Residential), RM-2 (Medium Density Residential), and CN (Neighborhood Commercial) to CMX (Commercial Mixed-Use), pursuant to Section 3 below, for the parcels described herein as Assessor's Parcel Numbers 245-070-009, 245-070-088, 245-070-089, 245-410-035, and 245-410-035 located on the south side of Henderson Avenue, approximately 550± west of Newcomb Street; and

Section 2: It is further ordained that all records of the City of Porterville, together with the official zoning map of the City of Porterville, shall be changed to show the above described real property is rezoned from RM-3 (High Density Residential), RM-2 (Medium Density Residential), and CN (Neighborhood Commercial) to CMX (Commercial Mixed-Use) for the site described above, more particularly shown on the attached map as Exhibit "A;" and

Section 3: This ordinance shall be in full force and effect not sooner than thirty (30) days from and after the ordinance's publication and passage, subject to the following conditions:

- 1. The project shall comply with all local, State, and federal laws.
- 2. The project shall comply with all mitigation measures identified in the approved CEQA document.

3. Building Design Criteria: In order to receive building permit approval for the mixed-use project, City staff shall find that all of the following criteria have been met:
 - a. Integrated Theme – All buildings within the mixed-use development will exhibit an integrated architectural theme that includes consistent materials, colors, and design details; including a complete master site plan, building elevations, and landscaping.
 - b. The architectural details of building entrances shall be integrated with the overall building design in terms of materials, scale, proportion, and design elements.
 - c. All buildings shall include a complementary level of design detail on all facades.
4. Building permits secured separately for phased buildings and buildings with differing uses are considered part of one overall commercial mixed-use project.

As construction of the development occurs, all parking, building pads, drive aisles, enhanced public open spaces, features and amenities shall be constructed with the initial building permit. The remaining building pad areas may develop by separate permits.

5. The main access point for the residential component, along Henderson Avenue, shall be fully developed and provide connectivity to the street with the first building permit for any portion of the apartments. The connecting drive aisle and parking within this area, (approximately 80 foot width), shall be developed prior to issuance of a certificate of occupancy. A recorded access easement for ingress/egress, parking, trash and connectivity to both streets shall serve as a guarantee for the functionality of the apartments and the adjacent commercial development to the east.
6. All improvements shall be in accordance with City standards and should maintain a common theme throughout the entire project. All landscaping shall comply with all City of Porterville landscape and irrigation standards. Plants shall be selected for their ability to prosper in the climate and geography of this region; the Sunset Garden manual, Region 9, is one such approved resource that is frequently used to guide plant selection. Such landscaping shall include an automatic sprinkler system and adequate maintenance to maintain the landscaping as approved free of diseased, dead or damaged materials. Plants shall be maintained in a healthy and vigorous growing condition and planting areas shall be maintained in a clean and orderly manner, free of weeds and debris. Other improvements to the Land Area are to include, at a minimum, a seating area with one or more benches and a trash receptacle which are designed for use in the public space. Developer shall submit details regarding the style, color, and materials for approval of the Community Development Director, which approval shall not be unreasonably withheld.

PASSED, APPROVED AND ADOPTED this 17th day of March, 2015.

By: _____
Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

By: _____
Patrice Hildreth, Chief Deputy City Clerk



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Governor's Executive Order for Statewide Mandatory Water Reductions, and the Provision of Water to East Porterville Residents

SOURCE: City Manager's Office

COMMENT: On Wednesday, April 1, 2015, Governor Brown issued Executive Order B-29-15, which established drought-related mandates and restrictions in addition to actions 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, with consideration given to per capita usage as a basis. As has been previously reported to the Council, local potable water consumption has been down on average 20% compared to 2013, and has been among the lowest per capita usage rates in the region. 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 is directed to prohibit irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or micro-spray systems.

At its last meeting on March 17th, the City Council again considered the Tulare Operational Area Task Requests received on January 20th from the County pursuant to the Mutual Aid Agreement. The first Task Request was to continue to provide water delivery service by Mutual Aid Agreement for the next 120 days to the 300-gallon tanks that were previously placed by Porterville Area Coordinating Council. To date, a total of eighty (80) of these tanks are serviced by City staff and equipment on a weekly basis. The second Task Request (attached) was for the City to provide water for purchase to fill 1,500- and 2,500-gallon tanks for the next twelve (12) months in East Porterville, referred to as the County Household Tank Program. Both the Council and staff had previously expressed significant concerns relative to the provision of water, especially for the County Household Tank Program, without the commitment of a new water source to compensate for the anticipated impact to the City's water system. With the County of Tulare Board of Supervisors approving full-funding (\$1.6 million) of a new municipal well for the City at its meeting on March 10th, the Council approved the continuation of water delivery service, but deferred action on the County Household Tank Program pending consideration of an Agreement affirming the Board of Supervisors' action. City staff continues to coordinate with County staff in providing necessary documentation for the USDA grant application, which is likely to provide 25% (\$400,000) of the new well funding.

RECOMMENDATION: That the City Council accept staff's report, and provide direction as appropriate.

ATTACHMENTS: 1. Governor Executive Order B-29-15
2. County Mutual Aid Request for Water

Appropriate/Funded: MB

Review By:

Department Director:

Final Approver: John Lollis, City Manager

Executive Department
State of California

EXECUTIVE ORDER B-29-15

WHEREAS on January 17, 2014, I proclaimed a State of Emergency to exist throughout the State of California due to severe drought conditions; and

WHEREAS on April 25, 2014, I proclaimed a Continued State of Emergency to exist throughout the State of California due to the ongoing drought; and

WHEREAS California's water supplies continue to be severely depleted despite a limited amount of rain and snowfall this winter, with record low snowpack in the Sierra Nevada mountains, decreased water levels in most of California's reservoirs, reduced flows in the state's rivers and shrinking supplies in underground water basins; and

WHEREAS the severe drought conditions continue to present urgent challenges including: drinking water shortages in communities across the state, diminished water for agricultural production, degraded habitat for many fish and wildlife species, increased wildfire risk, and the threat of saltwater contamination to fresh water supplies in the Sacramento-San Joaquin Bay Delta; and

WHEREAS a distinct possibility exists that the current drought will stretch into a fifth straight year in 2016 and beyond; and

WHEREAS new expedited actions are needed to reduce the harmful impacts from water shortages and other impacts of the drought; and

WHEREAS the magnitude of the severe drought conditions continues to present threats beyond the control of the services, personnel, equipment, and facilities of any single local government and require the combined forces of a mutual aid region or regions to combat; and

WHEREAS under the provisions of section 8558(b) of the Government Code, I find that conditions of extreme peril to the safety of persons and property continue to exist in California due to water shortage and drought conditions with which local authority is unable to cope; and

WHEREAS under the provisions of section 8571 of the California Government Code, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay the mitigation of the effects of the drought.

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, in particular Government Code sections 8567 and 8571 of the California Government Code, do hereby issue this Executive Order, effective immediately.



IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my January 17, 2014 Proclamation, my April 25, 2014 Proclamation, and Executive Orders B-26-14 and B-28-14 remain in full force and effect except as modified herein.

SAVE WATER

2. The State Water Resources Control Board (Water Board) shall impose restrictions to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016. These restrictions will require water suppliers to California's cities and towns to reduce usage as compared to the amount used in 2013. These restrictions should consider the relative per capita water usage of each water suppliers' service area, and require that those areas with high per capita use achieve proportionally greater reductions than those with low use. The California Public Utilities Commission is requested to take similar action with respect to investor-owned utilities providing water services.
3. The Department of Water Resources (the Department) shall lead a statewide initiative, in partnership with local agencies, to collectively replace 50 million square feet of lawns and ornamental turf with drought tolerant landscapes. The Department shall provide funding to allow for lawn replacement programs in underserved communities, which will complement local programs already underway across the state.
4. The California Energy Commission, jointly with the Department and the Water Board, shall implement a time-limited statewide appliance rebate program to provide monetary incentives for the replacement of inefficient household devices.
5. The Water Board shall impose restrictions to require that commercial, industrial, and institutional properties, such as campuses, golf courses, and cemeteries, immediately implement water efficiency measures to reduce potable water usage in an amount consistent with the reduction targets mandated by Directive 2 of this Executive Order.
6. The Water Board shall prohibit irrigation with potable water of ornamental turf on public street medians.
7. The Water Board shall prohibit irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or microspray systems.

8. The Water Board shall direct urban water suppliers to develop rate structures and other pricing mechanisms, including but not limited to surcharges, fees, and penalties, to maximize water conservation consistent with statewide water restrictions. The Water Board is directed to adopt emergency regulations, as it deems necessary, pursuant to Water Code section 1058.5 to implement this directive. 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. The California Public Utilities Commission is requested to take similar action with respect to investor-owned utilities providing water services.

INCREASE ENFORCEMENT AGAINST WATER WASTE

9. The Water Board shall require urban water suppliers to provide monthly information on water usage, conservation, and enforcement on a permanent basis.
10. The Water Board shall require frequent reporting of water diversion and use by water right holders, conduct inspections to determine whether illegal diversions or wasteful and unreasonable use of water are occurring, and bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water. Pursuant to Government Code sections 8570 and 8627, the Water Board is granted authority to inspect property or diversion facilities to ascertain compliance with water rights laws and regulations where there is cause to believe such laws and regulations have been violated. When access is not granted by a property owner, the Water Board may obtain an inspection warrant pursuant to the procedures set forth in Title 13 (commencing with section 1822.50) of Part 3 of the Code of Civil Procedure for the purposes of conducting an inspection pursuant to this directive.
11. The Department shall update the State Model Water Efficient Landscape Ordinance through expedited regulation. This updated Ordinance shall increase water efficiency standards for new and existing landscapes through more efficient irrigation systems, greywater usage, onsite storm water capture, and by limiting the portion of landscapes that can be covered in turf. It will also require reporting on the implementation and enforcement of local ordinances, with required reports due by December 31, 2015. The Department shall provide information on local compliance to the Water Board, which shall consider adopting regulations or taking appropriate enforcement actions to promote compliance. The Department shall provide technical assistance and give priority in grant funding to public agencies for actions necessary to comply with local ordinances.
12. Agricultural water suppliers that supply water to more than 25,000 acres shall include in their required 2015 Agricultural Water Management Plans a detailed drought management plan that describes the actions and measures the supplier will take to manage water demand during drought. The Department shall require those plans to include quantification of water supplies and demands for 2013, 2014, and 2015 to the extent data is available. The Department will provide technical assistance to water suppliers in preparing the plans.

13. Agricultural water suppliers that supply water to 10,000 to 25,000 acres of irrigated lands shall develop Agricultural Water Management Plans and submit the plans to the Department by July 1, 2016. These plans shall include a detailed drought management plan and quantification of water supplies and demands in 2013, 2014, and 2015, to the extent that data is available. The Department shall give priority in grant funding to agricultural water suppliers that supply water to 10,000 to 25,000 acres of land for development and implementation of Agricultural Water Management Plans.
14. The Department shall report to Water Board on the status of the Agricultural Water Management Plan submittals within one month of receipt of those reports.
15. Local water agencies in high and medium priority groundwater basins shall immediately implement all requirements of the California Statewide Groundwater Elevation Monitoring Program pursuant to Water Code section 10933. The Department shall refer noncompliant local water agencies within high and medium priority groundwater basins to the Water Board by December 31, 2015, which shall consider adopting regulations or taking appropriate enforcement to promote compliance.
16. The California Energy Commission shall adopt emergency regulations establishing standards that improve the efficiency of water appliances, including toilets, urinals, and faucets available for sale and installation in new and existing buildings.

INVEST IN NEW TECHNOLOGIES

17. The California Energy Commission, jointly with the Department and the Water Board, shall implement a Water Energy Technology (WET) program to deploy innovative water management technologies for businesses, residents, industries, and agriculture. This program will achieve water and energy savings and greenhouse gas reductions by accelerating use of cutting-edge technologies such as renewable energy-powered desalination, integrated on-site reuse systems, water-use monitoring software, irrigation system timing and precision technology, and on-farm precision technology.

STREAMLINE GOVERNMENT RESPONSE

18. The Office of Emergency Services and the Department of Housing and Community Development shall work jointly with counties to provide temporary assistance for persons moving from housing units due to a lack of potable water who are served by a private well or water utility with less than 15 connections, and where all reasonable attempts to find a potable water source have been exhausted.
19. State permitting agencies shall prioritize review and approval of water infrastructure projects and programs that increase local water supplies, including water recycling facilities, reservoir improvement projects, surface water treatment plants, desalination plants, stormwater capture, and greywater systems. Agencies shall report to the Governor's Office on applications that have been pending for longer than 90 days.

20. The Department shall take actions required to plan and, if necessary, implement Emergency Drought Salinity Barriers in coordination and consultation with the Water Board and the Department of Fish and Wildlife at locations within the Sacramento - San Joaquin delta estuary. These barriers will be designed to conserve water for use later in the year to meet state and federal Endangered Species Act requirements, preserve to the extent possible water quality in the Delta, and retain water supply for essential human health and safety uses in 2015 and in the future.
21. The Water Board and the Department of Fish and Wildlife shall immediately consider any necessary regulatory approvals for the purpose of installation of the Emergency Drought Salinity Barriers.
22. The Department shall immediately consider voluntary crop idling water transfer and water exchange proposals of one year or less in duration that are initiated by local public agencies and approved in 2015 by the Department subject to the criteria set forth in Water Code section 1810.
23. The Water Board will 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. As the Department of Public Health's drinking water program was transferred to the Water Board, any reference to the Department of Public Health in any prior Proclamation or Executive Order listed in Paragraph 1 is deemed to refer to the Water Board.
24. The California Department of Forestry and Fire Protection shall launch a public information campaign to educate the public on actions they can take to help to prevent wildfires including the proper treatment of dead and dying trees. Pursuant to Government Code section 8645, \$1.2 million from the State Responsibility Area Fire Prevention Fund (Fund 3063) shall be allocated to the California Department of Forestry and Fire Protection to carry out this directive.
25. The Energy Commission shall expedite the processing of all applications or petitions for amendments to power plant certifications issued by the Energy Commission for the purpose of securing alternate water supply necessary for continued power plant operation. Title 20, section 1769 of the California Code of Regulations is hereby waived for any such petition, and the Energy Commission is authorized to create and implement an alternative process to consider such petitions. This process may delegate amendment approval authority, as appropriate, to the Energy Commission Executive Director. The Energy Commission shall give timely notice to all relevant local, regional, and state agencies of any petition subject to this directive, and shall post on its website any such petition.

26. For purposes of carrying out directives 2–9, 11, 16–17, 20–23, and 25, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are hereby suspended. This suspension applies 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. This suspension, and those specified in paragraph 9 of the January 17, 2014 Proclamation, paragraph 19 of the April 25, 2014 proclamation, and paragraph 4 of Executive Order B-26-14, shall remain in effect until May 31, 2016. Drought relief actions taken pursuant to these paragraphs that are started prior to May 31, 2016, but not completed, shall not be subject to Division 13 (commencing with section 21000) of the Public Resources Code for the time required to complete them.
27. For purposes of carrying out directives 20 and 21, section 13247 and Chapter 3 of Part 3 (commencing with section 85225) of the Water Code are suspended.
28. For actions called for in this proclamation in directive 20, the Department shall exercise any authority vested in the Central Valley Flood Protection Board, as codified in Water Code section 8521, et seq., that is necessary to enable these urgent actions to be taken more quickly than otherwise possible. The Director of the Department of Water Resources is specifically authorized, on behalf of the State of California, to request that the Secretary of the Army, on the recommendation of the Chief of Engineers of the Army Corps of Engineers, grant any permission required pursuant to section 14 of the Rivers and Harbors Act of 1899 and codified in section 48 of title 33 of the United States Code.
29. The Department is directed to enter into agreements with landowners for the purposes of planning and installation of the Emergency Drought Barriers in 2015 to the extent necessary to accommodate access to barrier locations, land-side and water-side construction, and materials staging in proximity to barrier locations. Where the Department is unable to reach an agreement with landowners, the Department may exercise the full authority of Government Code section 8572.
30. For purposes of this Executive Order, chapter 3.5 (commencing with section 11340) of part 1 of division 3 of the Government Code and chapter 5 (commencing with section 25400) of division 15 of the Public Resources Code are suspended for the development and adoption of regulations or guidelines needed to carry out the provisions in this Order. Any entity issuing regulations or guidelines pursuant to this directive shall conduct a public meeting on the regulations and guidelines prior to adopting them.

31. In order to ensure that equipment and services necessary for drought response can be procured quickly, 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, are hereby suspended for directives 17, 20, and 24. Approval by the Department of Finance is required prior to the execution of any contract entered into pursuant to these directives.

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 to 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 1st day of April 2015.

EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



Office of Emergency Services

5957 South Mooney Boulevard, Visalia, California 93277
(559) 624-7495 Telephone (559) 737-4692 Facsimile

TULARE OPERATIONAL AREA SEMS MISSION/TASK REQUEST **XTU-2015-LG-002**

To: **City of Porterville**

Date: **1/20/15**

Pursuant to the California Master Mutual Aid Agreement (MMAA), the Tulare County Regional Emergency Management Mutual Aid Agreement ("TC EMMAA"), and in accordance with the Standardized Emergency Management System (SEMS), the County of Tulare, serving as the Tulare Operational Area, requests the following Mission / Task to be completed:

TASK(S) TO BE PERFORMED:

1. Provide potable water from City of Porterville municipal water system, to be purchased by County of Tulare and transported by its agents to residential tanks placed in nearby unincorporated areas as part of the County's Household Tank Program.
2. Establish parameters under which water will be provided, to include:
 - a. Cost per water unit
 - b. Equipment and administrative costs
 - c. Designated filling locations
 - d. Other desired provisions or restrictions

DURATION & TERMINATION:

The recipient is requested to perform the task(s) above for: **12 months**

This request may be renewed prior to expiration should the Household Tank Program continue to operate and require source water. This request may be terminated prior to expiration by County of Tulare should the need abate; such termination shall occur at a time mutually agreed upon.

City of Porterville may terminate performance of the requested tasks for any reason. Should City of Porterville wish to cease performing the requested task, at least 15 days prior written notice is requested.



Office of Emergency Services

5957 South Mooney Boulevard, Visalia, California 93277
(559) 624-7495 Telephone (559) 737-4692 Facsimile

XTU-2015-LG-002

COMPENSATION:

The **County of Tulare** shall reimburse the **City of Porterville** for **100%** of actual costs associated with this request, upon receipt of invoice(s) from the City of Porterville for services performed.

The **County of Tulare** shall claim such costs for disaster recovery from the State of California. This section supercedes Paragraph D of Section VI of the Tulare County Regional Emergency Management Mutual Aid Agreement, as the contingent reimbursement outlined therein has been found to be in conflict with State and Federal policies and regulations.

Please contact my office should you have any questions in regards to this request.

Sincerely,

Andrew Lockman
Emergency Services Manager
County of Tulare, Office of Emergency Services



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Consideration of Modifications to Existing Contract with Pena's Disposal Service

SOURCE: Public Works

COMMENT: At the November 6, 2012, City Council meeting, staff was given authorization to negotiate with Pena's Disposal Service (Pena's) to amend the existing contract to include providing the services to transport, process, recycle and/or dispose of solid waste streams collected by the City, utilizing our transfer facility. On December 4, 2012, Council approved amending the contract that included a three-year extension with an option to renew on a year-to-year basis for up to two years and an annual rate adjustment based on the San Francisco Consumer Price Index for All Urban Consumers (CPI-U, San Francisco) for all streams.

The City currently pays Pena's a tipping fee of \$33.42 per ton for Municipal Solid Waste (MSW), \$32.52 per ton for Greenwaste, and receives \$5 per ton for Recyclables. The City recently entered into an agreement with the County for the disposal of the remaining MSW tonnage not under contract with Pena's at \$28 per ton.

Pena's has indicated they have experienced higher than anticipated operating costs and there is a global decrease in the demand for recyclables. Both of these factors have resulted in Pena's approaching the City with a request to modify the agreement. There are several scenarios that Pena's and staff have discussed and they are presented below. If a modification of the existing agreement cannot be reached, then Pena's has provided a letter to, respectfully, serve as a cancellation notice of the agreement with a 90-day notice beginning March 27, 2015.

Pena's proposed amendment would require the City's refuse fleet to return to taking all MSW to the County landfill. Although the City would recognize an annual increase in maintenance and operational costs of approximately \$104,000 due to the additional mileage of traveling to the Teapot Dome Landfill, the savings in tipping fees of approximately \$138,500 would result in a savings of \$34,500 the first year to the City and up to \$156,000 annually by the sixth year.

The proposed amendment also negates the payment the City currently receives from Pena's for our recyclable material, which results in a revenue loss of approximately \$12,800 annually. Instead, Pena's is proposing to charge the City a processing fee of \$15 per ton for the Recycling streams. This would result in an additional recycling processing costs of approximately \$53,900 annually. As part of the proposed amendment, Pena's would be removing their larger direct transfer trailers and would be loading the recyclable material from the ground into smaller roll-off boxes.

While there would be a savings of \$34,500 the first year to the City by

eliminating the MSW from Pena's agreement, the overall impact to the City of the new processing scenario would result in a cost to the City of \$32,200 the first year and a cost of \$10,600 the second year. However, by year three, the savings to the City would begin with \$11,500 in year three; \$34,300 in year four; \$57,700 in year five; and \$81,700 in year six.

The current agreement has four years remaining with two one-year options to extend. There are CPI increases built into Pena's fees. Factoring in these increases and exercising the two one-year extension options, the results would be an overall savings to the City of \$142,503.

The agreement stipulates a 60-day cancellation notice. If Council chooses not to modify the agreement, Pena's has agreed to immediately cancel the MSW portion of the agreement and continue the recyclables and greenwaste processing for up to 90 days to allow the City time to advertise and execute a new RFP and agreement for the required services.

It is staff's recommendation that the City accept the proposal to amend the agreement with Pena's and authorize the mayor to sign Amendment #2 of the agreement.

RECOMMENDATION: That City Council:

1. Accept Pena's Disposal Service proposal to eliminate the MSW from the agreement effective April 7, 2015, with the stipulation that Pena acknowledge this MSW material is not subject to the current tipping fees of the County and the City may enter into a contract with the County for any negotiated price;
2. Approve draft Amendment #2 to the current agreement with Pena to eliminate the revenue for the recyclables portion of the agreement and add a fee of \$15 per ton for processing of recyclable material;
3. Approve extending the term of the base agreement to end June 11, 2021; and
4. Authorize the Mayor to sign Amendment # 2.

OR

5. Accept Pena's 90 day Cancellation notice with immediate release from the contract of the MSW; and
6. Authorize staff to advertise a new RFP for the transfer and processing of recyclables and greenwaste.

ATTACHMENTS:

1. Pena's Disposal Service Proposal
2. Pena's Disposal Service Proposal Analysis
3. Amendment #2

Appropriate/Funded: MB

Review By:

Department Director:

Bryan Styles, Field Services Manager

Final Approver: John Lollis, City Manager



Peña's Disposal, Inc.



Phone: (559) 528-3909

12094 Avenue 408 • Cutler, California 93615

FAX (559) 528-4030

March 27, 2015

Bryan Styles
City Of Porterville
291 N. Main St
Porterville, CA 93257

Dear Bryan:

Pena's Disposal, Inc. has been providing Recycling and MSW transfer services in Tulare County for over 65 years and similar services to the City of Porterville for 3 Years. Pena's Disposal began these services after the County closed its Teapot Dome Landfill and raised the Tip rates. Pena's has and continues to save the city thousands of dollars monthly.

In August of 2014 Pena's Disposal, Inc. entered into a Waste Disposal Agreement with Tulare County. The agreement with Tulare County enabled the County to re-open its Teapot Dome landfill and offer lower rates for Cities and certain haulers in the County. The tip fee rates now charged by the county are somewhat higher than the rate Pena's was receiving at a private landfill, even when hauling costs are added in, however in spite of the potential for substantially higher costs to our company and for the overall health of the county landfill system, which would benefit all cities in Tulare County, our company opted to enter into the waste disposal agreement for the benefit of all concerned.

In December of 2014 it became clear that the rates being charged to the city of Porterville for transfer of MSW to Teapot Dome landfill would not be sufficient to operate at a profit, and in fact has turned into a loss to our company.

Pena's Disposal also transports and processes the recyclables for the city, the residuals or refuse contained in the recyclables made it difficult to achieve a profit, also the West Coast port conflict, combined with global decrease in demand for recyclables made this portion of our contract with the city non-profitable.

We have been in contact with Staff for several months to understand what may be done in order to re-negotiate the current contract, if not, to provide notice of discontinuation of the contract for financial reasons.

Our contract in regards to the Green Waste operation continues to be viable and we would like to continue those services.



Peña's Disposal, Inc.

REUSE
REDUCE
RECYCLE



Phone: (559) 528-3909

12094 Avenue 408 • Cutler, California 93615

FAX (559) 528-4030

We have provided proposed rates to your staff and wish the city to consider amending the contract to provide the established services: Our Company is proposing to develop a floating cost or payable based on a simple PPI (paper & pulp index) that may be able to better serve the city in costs or revenue generated by the recyclable market.

If this is not possible, Pena's Disposal would respectfully request that this letter serve as a cancellation of the contract. Our company would like to cease providing the transfer of MSW as soon as possible, but would continue the recyclables transfer for a 90 day time period in accordance with the termination clause. If possible we can continue to provide that service on a month to month basis after the 90 day clause for the proposed fee, should the city so desire.

Sincerely,
Arthur G Pena
Vice-President
Pena's Disposal Inc

Pena's Disposal Service Proposal Analysis

	Actual 13/14 TONS	Pena Current Tipping fee \$ 33.42	County Proposed Tipping fee \$ 28.00	Tipping fee savings	Hauling cost to return to Teapot	Total Savings to return to Landfill	Proposed Recycling Processing Fee \$ 15.00	Lost Recycling Revenue	Proposed Change Cost/(savings)
SOLID WASTE									
2015/2016	25556	\$ 854,082	\$ 715,568	\$ (138,514)	\$ 104,000	\$ (34,514)	\$ 53,925	\$ 12,800	\$ 32,211
2016/2017		\$ 877,104	\$ 715,568	\$ (161,536)	\$ 104,000	\$ (57,536)	\$ 55,381	\$ 12,800	\$ 10,645
2017/2018		\$ 900,786	\$ 715,568	\$ (185,218)	\$ 104,000	\$ (81,218)	\$ 56,876	\$ 12,800	\$ (11,542)
2018/2019		\$ 925,108	\$ 715,568	\$ (209,540)	\$ 104,000	\$ (105,540)	\$ 58,412	\$ 12,800	\$ (34,328)
2019/2020		\$ 950,085	\$ 715,568	\$ (234,517)	\$ 104,000	\$ (130,517)	\$ 59,989	\$ 12,800	\$ (57,728)
2020/2021		\$ 975,738	\$ 715,568	\$ (260,170)	\$ 104,000	\$ (156,170)	\$ 61,609	\$ 12,800	\$ (81,761)
		\$ 5,482,903	\$ 4,293,408	\$ (1,189,495)	\$ 624,000	\$ (565,495)	\$ 346,192	\$ 76,800	\$ (142,503)

CITY OF PORTERVILLE AGREEMENT
AMENDMENT NO. 2

AMENDMENT TO THE AGREEMENT MADE BY THE CITY OF
PORTERVILLE AND PEÑA'S DISPOSAL SERVICE
DATED JUNE 13, 2011

The parties stated in the above-described agreement do hereby agree as follows:

The agreement between the City of Porterville (City) and Peña's Disposal Service (Contractor) shall be amended as follows:

1. Eliminate from the agreement, at Contractor's request, the transfer and disposal of all City collected Municipal Solid Waste (MSW); and
2. Contractor acknowledges this MSW material is not subject to the current tipping fees of the County and the City may enter into a contract with the County for any negotiated price ; and
3. Eliminate the revenue paid to the City for any recyclables processed by the Contractor; and
4. City to pay a fee of \$15 per ton to Contractor for loading, transporting and processing of recyclable material.

Both Parties agree to extend the base agreement by two years ending June 12, 2021.

Except as amended herein, the Agreement between the City of Porterville and Peña's Disposal Service, dated June 13, 2011, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 on the 7th day of April 2015, and agree that this amendment shall amend and be incorporated as part of the agreement dated June 13, 2011.

APPROVED AS TO FORM

CITY OF PORTERVILLE
A Municipal Corporation

Julia Lew, City Attorney

Milt Stowe, Mayor

ATTEST:

CONTRACTOR:

John D. Lollis, City Clerk

Arthur G. Peña



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Consideration of Requiring a Street Maintenance Assessment be Included in the Approval of New Residential Subdivisions

SOURCE: City Manager's Office

COMMENT: Mayor Stowe requested, and the City Council approved, the consideration of requiring a street maintenance assessment be included in the approval of new residential subdivisions.

At its meeting on September 3, 2013, the City Council considered the adoption of a street maintenance assessment as part of its adoption of the City's Development Ordinance. Although not legally authorized by the Landscape and Lighting Act of 1972 to be included in a Landscape Maintenance District (LMD), the Benefit Assessment Act of 1982 does allow the City to establish a specific benefit assessment for street maintenance, which the fee establishment proceedings can be combined pursuant to Proposition 218. The City Council acted to not include a street maintenance assessment as a component of the adopted Development Ordinance.

At the meeting, staff presented two examples of residential subdivisions (Meadowoods Estates and Westwood Estates) indicating that an annual street maintenance assessment of approximately \$100 would provide for the subdivisions to receive an overlay treatment approximately every twenty (20) years.

There have been a couple of preliminary subdivision maps recently proposed to the City which, if a street maintenance assessment is to be required, the Development Ordinance would need to be amended to include a street maintenance assessment prior to the maps being considered by the City Council as tentative subdivision maps.

RECOMMENDATION: That the City Council consider amending the City's Development Ordinance to require a street maintenance assessment be included in the approval of new residential subdivisions.

ATTACHMENTS: 1. September 3, 2013 City Council Staff Report

Appropriate/Funded: MB

Review By:

Department Director:

John Lollis, City Manager

Final Approver: John Lollis, City Manager

CITY COUNCIL AGENDA: SEPTEMBER 03, 2013

SCHEDULED MATTER

SUBJECT: ASSESSMENT DISTRICTS

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT- PLANNING DIVISION
PUBLIC WORKS DEPARTMENT- ENGINEERING DIVISION
PARKS AND LEISURE SERVICES DEPARTMENT

PROJECT LOCATION: CITYWIDE

SPECIFIC REQUEST: On August 20, 2013, staff requested that the City Council provide further direction on the future use of Assessment Districts that may include Lighting and Landscape Maintenance Districts and/or Benefit Assessment Districts, and the use thereof for infrastructure, pocket parks, and frontage improvements benefitting the assessed properties within a given district. Staff presented four "Tiers" that explained different levels of assessment districts and potential costs associated with those assessments. Council directed staff to 1) focus efforts on the Tier 1 option while adding a road benefit assessment and 2) determine whether street maintenance is an authorized improvement under the Landscape and Lighting Act of 1972.

BACKGROUND: The following options were provided to Council as a basis for discussion.

Tier 1: The most basic tier would be to continue the use of LMDs as they currently exist. Current LMDs include perimeter landscaping along major street frontages, and a proportional share of the street light costs within and at the perimeter of the subdivision. The estimated cost per year ranges from \$73.04 to \$98.44 per lot per year.

Tier 2: In addition to the components of Tier 1, this option would add parkway strips to the list of landscaped areas to be maintained through the assessment(s). This tier would create a Benefit Assessment District to fund infrastructure improvements within the subdivision including curb, gutter, and sidewalks. The estimated cost of replacement of curb, gutter, and sidewalks is based on a 40-year life for those improvements. The estimated cost per year ranges from \$184.43 to \$222.00 per lot per year.

Tier 3: The third tier shifts maintenance responsibility of parkway strips to the homeowners while incorporating road maintenance costs (in addition to the other hardscape features previously mentioned) with a Benefit

DD JB
Acting

APPROPRIATED/FUNDED N/A

CM J

ITEM NO. 16

Assessment District. The estimated cost per year ranges from \$188.79 to \$230.68 per lot per year.

Tier 4: The fourth option returns the maintenance responsibility of parkway strips to the District and includes a Benefit Assessment District for street maintenance, curbs, gutters, and sidewalks, as well as the perimeter landscaping and lighting. The estimated cost per year ranges from \$272.23 to \$323.20 per lot per year.

COMMENT: A Benefit Assessment District for street maintenance only would have an estimated cost per year range of \$87.80 to \$102.20 per lot per year, in addition to the Tier 1 estimated cost per year ranges of \$73.04 to \$98.44 per lot per year.

The City Attorney has provided a memorandum regarding Improvements Authorized by Specific Assessment Law (Attachment 1). Ms. Lew outlined several options the City could pursue, which include using both a Landscape Maintenance District and a Benefit Assessment District, or adopting an ordinance authorizing a single assessment for specific improvements.

RECOMMENDATION: That the City Council provide direction on the future use of Lighting and Landscape Maintenance Districts or Benefit Assessment Districts.

ATTACHMENTS:

1. Memorandum from Julia Lew, City Attorney
2. August 20, 2013 Staff Report

MCCORMICK KABOT JENNER & LEW
MEMORANDUM

TO: Porterville City Council
cc: John Lollis, City Manager
Brad Dunlap, Community Development Director

FROM: Julia Lew, City Attorney

DATE: August 29, 2013

SUBJ: Improvements Authorized by Specific Assessment Law

This memorandum is provided in response to questions from the City Council Members at the August 20, 2013 City Council Meeting, concerning whether street maintenance is an authorized improvement under the Landscape and Lighting Act of 1972, and whether (and to what extent) certain assessments, under separate statutory authorizations, could be combined. As discussed in further detail below, while street maintenance assessments are not specifically authorized under the Landscape and Lighting Act, the City has several options, which include combining certain assessment proceedings or adopting an ordinance authorizing an assessment for specific improvements.

Street Maintenance is not specifically authorized as an allowed improvement under the Act. Per California Streets and Highways Code Section 22525, authorized improvements include an extensive list of improvements, including improvements that are located on or adjacent streets such as traffic signals, curbs, gutters, walls, and sidewalks. There is also a provision in the section that allows for the installation or construction of "any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof..." This section provides that regular maintenance of any of the items listed is also covered under the Act. While certain other agencies may be attempting to justify street maintenance under this Act, given the extensive improvements listed in this section, it could be inferred that if street maintenance were meant to have been included, it would have been explicitly provided for in this statute.

That stated, street maintenance is specifically authorized pursuant to the Benefit Assessment Act of 1982, and per the Landscape and Lighting Act (Streets and Highways Code Sec. 22679), *proceedings* for both assessments could be combined. Additionally, Charter Cities can adopt their own statutory authority for the imposition of assessments (provided such authority complies with the requirements of Prop. 218 and any City Charter requirements).

In sum, although certain improvements may be authorized under separate assessment laws, the City has flexibility in the development and implementation of any specific benefit assessments, so long as it abides by the constitutional restrictions imposed (Prop. 218) and its own Charter requirements.

ATTACHMENT
ITEM NO. 1

CITY COUNCIL AGENDA: AUGUST 20, 2013

SCHEDULED MATTER

SUBJECT: ASSESSMENT DISTRICTS

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT- PLANNING DIVISION
PUBLIC WORKS DEPARTMENT- ENGINEERING DIVISION
PARKS AND LEISURE SERVICES DEPARTMENT

PROJECT LOCATION: CITYWIDE

SPECIFIC REQUEST:

Staff is requesting that the City Council provide further direction on the future use of Assessment Districts that may include Lighting and Landscape Maintenance Districts and/or Benefit Assessment Districts, and the use thereof for infrastructure, pocket parks, and frontage improvements benefitting the assessed properties within a given district.

BACKGROUND:

Lighting and Landscape Maintenance Districts ("LMDs" or "Districts") have been employed by the City of Porterville since 1989, as a funding source for maintaining quality infrastructure improvements in residential developments. Currently, contract personnel for the Parks and Leisure Services Department provide the service of maintaining the LMDs. The contracted services are wholly funded by the assessments received from the Districts.

The City's General Plan, the Development Ordinance, and the Municipal Code all define expectations of the private property owners' financial responsibilities within the public rights of way as it relates to landscaped streets and public improvements where a direct benefit to the property owner can be demonstrated.

In 2008, the City Council adopted the 2030 General Plan, which is the policy document that provides the basis of all future development in the City of Porterville. The General Plan provides a policy framework to guide decision making. The Development Ordinance ensures adequate provision of parks and recreation facilities, open space, infrastructure, and the continued safe and efficient operation of Porterville's circulation system. Four of the policies within the General Plan address landscaped transportation corridors.

DD 

APPROPRIATED/FUNDED N/A

CM 

ITEM NO. 22

ATTACHMENT
ITEM NO. 2

The following is a summary of policies pertaining to the development of facilities that support sustainable growth of the city:

C-G-5: Improve the scenic character of transportation corridors in the City.

C-I-6: Require the installation of landscaping in center medians and at major intersections to minimize summer heat and enhance the character of the streetscapes.

C-I-7: Require street tree planting as part of an urban forestry program.

C-I-24: Amend the Zoning Ordinance to include standards for pedestrian circulation in all new development, including patterned concrete sidewalks, pedestrian scale lighting, and tree canopy shading for walkways.

The City's Development Ordinance, the primary implementation tool of the General Plan, calls for improvements associated with development to be maintained by some defined mechanism, such as a Lighting and Landscape Maintenance District or a Home Owners' Association. The most widely used mechanism has become the Lighting and Landscape Maintenance District, as the administration and monitoring of the maintenance then falls to the City, as opposed to a Home Owners' Association, which requires a volunteer board of directors and is prone to reduced effectiveness over time. Benefit Assessment Districts are another, more broadly applicable mechanism, and are allowed by the Development Ordinance as well. Benefit Assessment Districts would be more appropriate for street improvements and other items not specifically landscape or lighting related. Section 403.03 Design and Construction Standards, provides specific standards for the extension of improvements and the maintenance thereof. City staff is working to supplement the language with additional detail, with assistance from the Development Ordinance Committee (Committee).

Chapter 19, Article II of the Porterville Municipal Code addresses Parkway Trees. The City has adopted guidelines relative to street trees, their care, maintenance, and the responsibility of hardscape repair as a result of damage by street trees. Section 19-49 specifically states: "In new residential, commercial, and industrial developments, the developer shall plant street trees in the size, number, manner, and type required by the street tree guidelines and the city improvement standards. Funding for long term maintenance and care of the street trees, and repair to infrastructure damaged by the street trees, in new developments shall be provided through a homeowners' association or a similar assessment district."

THE VENTURA
JULY 1991

Clearly, the City has an established interest in the development and preservation of landscaped transportation corridors and similar amenities within developments. With new developments, the initial funding for such improvements has been a requirement of the developer with ongoing maintenance generated by a LMD assessment. The variable component has been and continues to be a matter of what improvements are required at a minimum, compared to amenities offered by the developer.

COMMENT: A variety of options have been developed by Staff and the Committee that achieve different degrees of improvements to be included in future Lighting and Landscape Maintenance Districts or Benefit Assessment Districts. These options are presented below as Tiers 1 through 4 as a basis for discussion and could be altered to suit the Council's goals.

Tier 1: The most basic tier would be to continue the use of LMDs as they currently exist. Current LMDs include perimeter landscaping along major street frontages, and a proportional share of the street light costs within and at the perimeter of the subdivision. The estimated cost per year ranges from \$73.04 to \$98.44 per lot per year.

Tier 2: In addition to the components of Tier 1, this option would add parkway strips to the list of landscaped areas to be maintained through the assessment(s). Parkway strips, the landscaped area along a street frontage between the sidewalk and the curb, are maintained in different manners depending on the jurisdiction. The intent of including parkway strips in a LMD or Benefit Assessment District, as opposed to leaving the responsibility of maintenance with the individual property owner, is that the entire street length would have a consistent look, which truly achieves the intent of the landscaped parkway strips. If the parkway strips are included in a district, the irrigation and maintenance of those areas would be independent of the property which they front but would be maintained to provide consistency of maintenance and appearance and, most notably, longevity of improvements.

Further, this tier would create a Benefit Assessment District to fund infrastructure improvements within the subdivision including curb, gutter, and sidewalks. Maintenance of these hardscape elements are currently the responsibility of individual homeowners, and an annual assessment could simplify the responsibility by allowing the City a mechanism to monitor and complete necessary repairs. The Council may draw a comparison to the recently approved sewer assessment district, and the popularity of that option among homeowners. The estimated cost of replacement of curb,

gutter, and sidewalks is based on a 40-year life for those improvements. The estimated cost per year ranges from \$184.43 to \$222.00 per lot per year.

Tier 3: The third tier shifts maintenance responsibility of parkway strips to the homeowners while incorporating road maintenance costs (in addition to the other hardscape features previously mentioned) with a Benefit Assessment District. The estimated cost per year ranges from \$188.79 to \$230.68 per lot per year.

Tier 4: The fourth option returns the maintenance responsibility of parkway strips to the District and includes a Benefit Assessment District for street maintenance, curbs, gutters, and sidewalks, as well as the perimeter landscaping and lighting. The estimated cost per year ranges from \$272.23 to \$323.20 per lot per year.

Tier 5: Elements such as pocket parks, on-site drainage retention basins, or other benefits specific to a residential development could also be included in a Lighting and Landscape Maintenance District or Benefit Assessment District. Costs associated with these features were not estimated, as the creation of such features are typically submitted as a design component with the original subdivision, and development costs are borne by the developer.

RECOMMENDATION: That the City Council provide direction on the future use of Lighting and Landscape Maintenance Districts or Benefit Assessment Districts, and the use thereof for infrastructure, pocket parks, and frontage improvements benefitting the assessed properties within a given district.

ATTACHMENTS:

1. Street and Highways Code Section 5180-5182
2. Street and Highway Code Section 22500-22509
3. Street and Highway Code Section 22520-22540
4. Street and Highway Code Section 22565-22574

STREETS AND HIGHWAYS CODE

SECTION 5180-5182

5180. The legislative body shall make the expense of such work chargeable upon a district, which the legislative body shall, in its resolution of intention, declare to be the district benefited by the work, and to be assessed to pay the cost and expense thereof. The territory comprising said district may, but need not, include all, or be confined to, or extend beyond, the lots or lands fronting upon the improvement, or be contiguous, and the district may consist of separate and distinct areas or sections. The work performed in one section need not benefit the other section or sections.

5181. The district may be described by:

- (a) Stating its exterior boundaries; or
- (b) Giving a description thereof according to any official or recorded map; or
- (c) Referring to a plat or map on file in the office of the clerk or engineer at the time of passing the resolution of intention, which shall indicate by a boundary line the extent of the territory included in the proposed district, and shall govern for all details as to the extent of the assessment district.

5182. The assessment district need not be described in any of the notices, resolutions, orders or determinations provided for in this division, other than the resolution of intention. Any description of said district in any of the same shall be sufficient, if it refers to the resolution of intention for a description of the district.

ATTACHMENT
ITEM NO. 1

STREETS AND HIGHWAYS CODE

SECTION 22500-22509

22500. This part shall be known and may be cited as the "Landscaping and Lighting Act of 1972."

22501. This part shall apply to local agencies whose annual taxes are carried on the county assessment roll and are collected by the county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code and made up solely of local agencies whose annual taxes are carried on the county assessment roll and are collected by the county.

22502. This part provides an alternative procedure for making the improvements herein authorized and shall not apply to or affect any other provisions of this code.

22503. An assessment district shall consist of all territory which, as determined by the legislative body, will be benefited by the improvements and is to be assessed to pay the costs thereof.

22504. An assessment district may consist of all or any part of the territory within the local agency and, in the case of a county, may consist of all or any part of the unincorporated territory of the county.

22505. An assessment district may consist of contiguous or noncontiguous areas. The improvements in one area need not be of benefit to other areas.

22506. The provisions of Chapter 2 (commencing with Section 5115) of Part 3 of Division 7, pertaining to the extension of the work or the assessment district beyond the boundaries of a local agency, are by this reference incorporated in this part.

ATTACHMENT
ITEM NO. 2

22507. Division 4 (commencing with Section 2800) and Division 4.5 (commencing with Section 3100) do not apply to this part or proceedings taken pursuant to this part, except that Division 4.5 (commencing with Section 3100) does apply to proceedings in which the legislative body determines to issue bonds or notes pursuant to Section 22662.5, and may be applied to any other proceedings pursuant to this part at the discretion of the legislative body.

22508. Any resolution, notice, report, diagram or assessment which is required to contain a description of the improvements, the boundaries of the assessment district or any zones therein, or the lines and dimensions of any lot or parcel of land may, for a full and detailed description thereof, refer to any plan or map which is on file with the clerk, the county auditor, or the county assessor and which is open to public inspection. The plan or map so referred to shall govern for all details of the description.

22509. This part shall be liberally construed to effectuate its purpose. Any proceedings taken under this part and any assessment levied pursuant thereto shall not be invalidated for failure to comply with the provisions of this part if such failure does not substantially and adversely affect the rights of any person. All determinations made by the legislative body pursuant to this part shall be final and conclusive in the absence of fraud or prejudicial abuse of discretion.

STREETS AND HIGHWAYS CODE

SECTION 22520-22540

22520. The definitions contained in this article govern the construction of this part unless the context otherwise requires. The definition of a word or phrase applies to any variants thereof.

22521. "Assessment district" means an assessment district formed pursuant to this part.

22522. "Clerk" means the clerk or secretary of a local agency or its legislative body.

22523. "Engineer" means the city engineer, county engineer, engineer of the district, or any other person designated by the legislative body as the engineer for the purposes of this part, including any officer, board, or employee of the local agency or any private person or firm specially employed by the local agency as engineer for the purposes of this part.

22524. "Fiscal year" means a 12-month period commencing on July 1 and ending on the following June 30.

22525. "Improvement" means one or any combination of the following:

- (a) The installation or planting of landscaping.
- (b) The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- (c) The installation or construction of public lighting facilities, including, but not limited to, traffic signals.
- (d) The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- (e) The installation of park or recreational improvements, including, but not limited to, all of the following:

**ATTACHMENT
ITEM NO. 3**

(1) Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.

(2) Lights, playground equipment, play courts, and public restrooms.

(f) The maintenance or servicing, or both, of any of the foregoing, and of any improvement authorized by subdivision (i).

(g) The acquisition of land for park, recreational, or open-space purposes.

(h) The acquisition of any existing improvement otherwise authorized pursuant to this section.

(i) The acquisition or construction of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions, fairs, conventions, exhibitions, pageants, meetings, parties, or other group events, activities, or functions, whether those events, activities, or functions are public or private.

22526. "Incidental expenses" include all of the following:

(a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment.

(b) The costs of printing, advertising, and the giving of published, posted, and mailed notices.

(c) Compensation payable to the county for collection of assessments.

(d) Compensation of any engineer or attorney employed to render services in proceedings pursuant to this part.

(e) Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements.

(f) Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.

(g) Costs associated with any elections held for the approval of a new or increased assessment.

22527. "Including," unless expressly limited, means including without limitation.

22528. "Landscaping" means trees, shrubs, grass, or other ornamental vegetation.

22529. "Legislative body" means the legislative body or governing board of any local agency.

22530. "Local agency" means a county, a city and county, a city, a special district, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code and made up solely of local agencies whose annual taxes are carried on the county assessment roll and are collected by the county.

22531. "Maintain" or "maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

(a) Repair, removal, or replacement of all or any part of any improvement.

(b) Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.

(c) The removal of trimmings, rubbish, debris, and other solid waste.

(d) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

22532. "Property owner" means: any person shown as the owner of land on the last equalized county assessment roll; when such person is no longer the owner, then any person entitled to be shown as owner on the next county assessment roll, if such person is known to the local agency; where land is subject to a recorded written agreement of sale, any person shown therein as purchaser.

22533. "Public agency" means the state or federal governments, any city, city and county, county, or other public corporation formed pursuant to charter, general law, or special act, for the performance of governmental or proprietary functions within limited boundaries and any department, board, commission, independent agency, or instrumentality of any of the foregoing.

22534. "Public lighting facilities" means all works or improvements used or useful for the lighting of any public places, including ornamental standards, luminaires, poles, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, braces, transformers, insulators, contacts, switches, capacitors,

meters, communication circuits, appliances, attachments, and appurtenances.

22535. "Public places" means one or any combination of the following:

(a) Any public street, highway, road, alley, lane, boulevard, parkway, or other way dedicated to or used for public use.

(b) Any public property, right-of-way, or leasehold interest which is in use in the performance of a public function and which adjoins any of the ways described in subdivision (a).

22536. "Public utility" means any public utility subject to the jurisdiction of and regulated by the Public Utilities Commission.

22537. "Resolution" includes an ordinance.

22538. "Service" or "servicing" means the furnishing of:

(a) Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements.

(b) Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

22539. "Special district" means any public corporation, other than a county or a city, formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries and which is authorized by such law or act to make any of the improvements or to furnish the maintenance or services provided for in this part.

22540. "Treasurer" means the treasurer of a local agency.

STREETS AND HIGHWAYS CODE

SECTION 22565-22574

22565. The engineer shall prepare reports in accordance with this article.

22566. A report shall be prepared for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements described in the report.

22567. A report shall refer to the assessment district by its distinctive designation, specify the fiscal year to which the report applies, and, with respect to that year, shall contain all of the following:

- (a) Plans and specifications for the improvements.
- (b) An estimate of the costs of the improvements.
- (c) A diagram for the assessment district.
- (d) An assessment of the estimated costs of the improvements.
- (e) If bonds or notes will be issued pursuant to Section 22662.5, an estimate of their principal amount.

22568. The plans and specifications shall show and describe existing and proposed improvements. The plans and specifications need not be detailed, but shall be sufficient if they show or describe the general nature, location, and extent of the improvements. If the assessment district is divided into zones, the plans and specifications shall indicate the class and type of improvements to be provided for each such zone. The plans or specifications may be prepared as separate instruments or either or both may be incorporated in the diagram as a combined instrument.

22569. The estimate of the costs of the improvements for the fiscal year shall contain estimates for all of the following:

- (a) The total costs for improvements to be made that year, being the total costs of constructing or installing all proposed improvements and of maintaining and servicing all existing and proposed improvements, including all incidental expenses. This may include a reserve which shall not exceed the estimated costs of maintenance and servicing to December 10 of the fiscal year, or

ATTACHMENT
ITEM NO. 4

whenever the city expects to receive its apportionment of special assessments and tax collections from the county, whichever is later.

(b) The amount of any surplus or deficit in the improvement fund to be carried over from a previous fiscal year.

(c) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(d) The amount, if any, of the annual installment for the fiscal year where the legislative body has ordered an assessment for the estimated cost of any improvements to be levied and collected in annual installments.

(e) The net amount to be assessed upon assessable lands within the assessment district, being the total improvement costs, as referred to in subdivision (a), increased or decreased, as the case may be, by any of the amounts referred to in subdivision (b), (c), or (d).

22570. The diagram for an assessment district shall show (a) the exterior boundaries of the assessment district, (b) the boundaries of any zones within the district, and (c) the lines and dimensions of each lot or parcel of land within the district. Each lot or parcel shall be identified by a distinctive number or letter.

22571. The lines and dimensions of each lot or parcel of land shown on the diagram shall conform to those shown on the county assessor's maps for the fiscal year to which the report applies. The diagram may refer to the county assessor's maps for a detailed description of the lines and dimensions of any lots or parcels, in which case, those maps shall govern for all details concerning the lines and dimensions of such lots or parcels.

22572. The assessment shall refer to the fiscal year to which it applies and shall do all of the following:

(a) State the net amount, determined in accordance with Section 22569, to be assessed upon assessable lands within the assessment district, which shall include an amount sufficient to pay the principal and interest due during the fiscal year from each parcel on any bonds or notes issued pursuant to Section 22662.5.

(b) Describe each assessable lot or parcel of land within the district.

(c) Assess the net amount upon all assessable lots or parcels of land within the district by apportioning that amount among the several lots or parcels in proportion to the estimated benefits to be received by each lot or parcel from the improvements.

The assessment may refer to the county assessment roll for a description of the lots or parcels, in which case that roll shall govern for all details concerning the description of the lots or parcels.

22573. The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.

The determination of whether or not a lot or parcel will benefit from the improvements shall be made pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 5000)).

22574. The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements.

Assessment District Options

Comparison: Custom home/large lot subdivision, Westwood Estates vs. a tract home/typical lot sized subdivision, Meadowoods Estates. The following figures are estimates and established for discussion purposes only.

Westwood Estates is a **204** lot subdivision

Meadowoods Estates is a **181** lot subdivision

Tier No. 1 : Basic tier that leaves the LMD structure as it is today (Perimeter Landscape and Lighting only)

Tier No. 2 : Maintenance of parkway strips is added to the Tier No. 1 structure via a LMD

Tier No. 3 : Shift maintenance of parkway strips to property owners and add street maintenance to Tier No. 1 structure via a LMD and a Benefit Assessment District

Tier No. 4 : All inclusive district that adds both parkway strips and street maintenance to the Tier No. 1 structure via a LMD and a Benefit Assessment District

Westwood Estates - Four tier concept presented to City Council on August 20, 2013

	Tier No. 1	Tier No. 2	Tier No. 3	Tier No. 4
Landscape and lighting	\$98.44	\$98.44	\$98.44	\$98.44
Parkway Strip Maintenance		\$92.52		\$92.52
C/G and SW Maintenance*		\$31.04	\$31.04	\$31.04
Street Maintenance			\$101.20	\$101.20
Total (Per Lot/Year)	\$98.44	\$222.00	\$230.68	\$323.20

Meadowoods Estates - Four tier concept presented to City Council on August 20, 2013

	Tier No. 1	Tier No. 2	Tier No. 3	Tier No. 4
Landscape and lighting	\$73.04	\$73.04	\$73.04	\$73.04
Parkway Strip Maintenance		\$83.44		\$83.44
C/G and SW Maintenance*		\$27.95	\$27.95	\$27.95
Street Maintenance			\$87.80	\$87.80
Total (Per Lot/Year)	\$73.04	\$184.43	\$188.79	\$272.23

*Denotes a 40 year life cycle

Westwood Estates - Two tier concept and focus of September 3, 2013 City Council meeting

	Tier No. 1	Tier No. 2
Landscape and lighting	\$98.44	\$98.44
Street Maintenance		\$101.20
Total (Per Lot/Year)	\$98.44	\$199.64

Meadowoods Estates - Two tier concept and focus of September 3, 2013 City Council meeting

	Tier No. 1	Tier No. 2
Landscape and lighting	\$73.04	\$73.04
Street Maintenance		\$87.80
Total (Per Lot/Year)	\$73.04	\$160.84



CITY COUNCIL AGENDA – APRIL 7, 2015

SUBJECT: Prepayment of 2013 Rabobank Lease Agreement and Refinancing of the 2002 Certificates of Participation

SOURCE: City Manager's Office

COMMENT: In June 1998, the City issued \$20 million in tax-exempt Certificates of Participation (COP) for the purposes of financing the widening of bridges and streets. In November 2005, the City refunded the 1998 COP issue for debt service savings, with the preclusion that the new tax-exempt COP issue could not be again refunded “tax-exempt” sooner than July 1, 2015. However, the 2005 COP could be refunded with a taxable bond issue. Given the favorable financing the City received in the refinancing of its 1997 Sewer Bond issue to initiate the current Annexation Sewer Districts Project, the City began to evaluate the potential advantage of the favorable financing environment to achieve debt service savings on the 2005 COP issue.

At its meeting on September 18, 2012, the City Council approved proceeding with a recommended financing approach to issue a taxable revenue bond, utilizing a Variable Rate Demand Obligation (VRDO) bond structure. One of the requirements of the VRDO refinance was to secure a bank Letter of Credit (LOC). During the course of meeting with banking institutions to secure the LOC, several banks declined to provide a LOC either because they have been (or potentially were to be) “burned” in several municipal bankruptcies (San Bernardino, Stockton, and Vallejo) or that the refinance amount was either too small or beyond their capacity. However, Rabobank indicated significant interest to work with the City, but rather in a direct lending relationship instead of a VRDO financing structure.

Rabobank is one of the highest rated banks internationally and, given their business model emphasis on agriculture, was interested in increasing its presence in the Central Valley, including the South Tulare County/Porterville area. Rabobank completed its due diligence of the City’s finances, and satisfied with its review, offered a Term Sheet for the City Council’s consideration and approval at its meeting on April 2, 2013.

Under the Rabobank financing effective July 1, 2013, the City defeased the 2005 COP issue with a total lease amount of \$21.06 million, and is making interest-only payments for up to three years based upon a fixed 3.3% interest rate, followed by a 17-year term at United States Dollar (USD) 1-month Libor +2.125% with a “floor” of 3.3%. Currently, USD Libor is 0.17925%, and over the past two years has not exceeded 0.208%. The City is projected to have saved \$1,198,207 in debt service payments through July 1, 2015.

With current instability and weakness of international economies and finances, as well as domestic inflation not meeting the annual target of two percent (2%) given only moderate economic growth and significantly reduced oil prices, the Federal Reserve has indicated that the federal funds rate may continue to be held near zero through 2015 (currently 0.12%) and potentially into early 2016, placing the City in an optimum position with the option to switch from the direct loan to either a variable or fixed rate tax exempt bond issue, affording the City with the most financing flexibility and options given historically low interest rates.

Given current bond financing rates, the City could refund the Rabobank loan with an annual debt service estimated savings of between \$300,000 and \$400,000 over the remaining 21 years of the lease term, for a total savings value of approximately \$1.4 million, and a net savings of approximately \$2.6 million including the 2 years of reduced debt service under the lease. In addition, due to estimated savings of approximately \$500,000, it is proposed to also refund the remaining four (4) years of the City's 2002 COP issue, which financed the construction of the Police Department.

The recommended financing approach is to issue new Certificates of Participation, which the current 30-year rate with AA rating is 3.40%. Standard & Poor's will be assigning the bond rating, which should be accomplished by April 6, 2015, with pricing of the new issue expected to occur between April 24 and 28, 2015.

To proceed with the prepayment of the 2013 Rabobank Lease Agreement and the refinancing of the 2002 Certificates of Participation, separate Resolutions and supporting agreements and documents have been prepared for adoption by the City Council, also serving as the Board of Directors for the Porterville Public Improvement Corporation (PPIC) and Porterville Public Financing Authority (PPFA).

RECOMMENDATION: That the City Council, also meeting as the Board of Directors for the Porterville Public Improvement Corporation and Porterville Public Financing Authority, consider and approve the prepayment of the 2013 Rabobank Lease Agreement and refinancing of the 2002 Certificates of Participation, and authorize the Mayor (Chair) and City Manager (Executive Director) to sign all draft resolutions, agreements, and documents as may be required.

ATTACHMENTS:

1. Draft Resolution - City Council
2. Draft Resolution - Porterville Public Improvement Corporation
3. Draft Resolution - Porterville Public Financing Authority
4. Site and Facility Lease
5. Lease Agreement
6. Assignment Agreement
7. Trust Agreement
8. Escrow Agreement
9. Termination Agreement
10. Certificate Purchase Agreement

11. Preliminary Official Statement

Appropriate/Funded: MB

Review By:

Department Director:

Final Approver: John Lollis, City Manager

RESOLUTION NO. ____-2015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO TO REFINANCE CAPITAL IMPROVEMENTS THROUGHOUT THE GEOGRAPHIC BOUNDARIES OF THE CITY, AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the City Council (the "Council") of the City of Porterville, California (the "City"):

WHEREAS, the City, with the assistance of the Porterville Public Improvement Corporation (the "Corporation"), has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to:

1. Provide for the defeasance of the City's outstanding Certificates of Participation (2002 Public Building Refunding Project) (the "2002 Certificates"); and
2. Provide for the prepayment of a lease agreement, dated as of April 1, 2013, by and between the Corporation and the City, which has been assigned to Rabobank, N.A. (the "2013 Lease"), to and to implement a lease financing for such purposes; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize and direct execution of the Lease Agreement (hereinafter defined) and certain other financing documents in connection therewith; and

WHEREAS, a preliminary official statement containing information material to the offering and sale of the Certificates described below (the "Preliminary Official Statement") has been prepared on behalf of the City; and

WHEREAS, the documents below specified shall be filed with the City, and the Members of the Council, with the aid of its staff, shall review said documents;

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. Certificates of Participation (2015 Refinancing Project) (the "Certificates") are hereby authorized to be executed and delivered pursuant to the provisions of the Trust Agreement, as hereinafter defined.

Section 2. The below-enumerated documents, in the forms on file with the City Clerk, be and are hereby approved, and the Mayor, the City Manager, the Finance Director or the assignee of any such official (each, a "Designated Officer"), are hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official, and the City Clerk or any deputy to the City Clerk is hereby authorized and directed to attest to such official's signature:

(a) a termination agreement by and among the City, the Porterville Public Financing Authority and U.S. Bank National Association, as successor to State Street Bank and Trust Company of California, N.A., trustee for the 2002 Certificates (the "2002 Trustee"), terminating the lease agreement and certain other documents relating to the 2002 Certificates;

(b) a site and facility lease between the City, as lessor, and the Corporation, as lessee, pursuant to which the City will lease certain property (the "Property") to the Corporation;

(c) a lease agreement by and between the Corporation, as lessor, and the City, as lessee (the "Lease Agreement"), pursuant to which the Corporation will lease the Property back to the City, so long as the principal amount of the Lease Agreement is not greater than \$24,000,000, the final maturity date of the Lease Agreement is not later than October 1, 2036, and the maximum annual lease payments to be paid under the Lease Agreement are not greater than \$1,750,000;

(d) a trust agreement by and among the Corporation, the City and U.S. Bank National Association, as trustee, relating to the financing, and the execution and delivery of the Certificates evidencing the direct, undivided fractional interests of the owners thereof in lease payments to be made by the City under the Lease Agreement; and

(e) an escrow deposit and trust agreement by and between the City and the 2002 Trustee, as escrow bank, relating to the defeasance of the 2002 Certificates.

Section 3. A certificate purchase agreement by and between Wulff Hansen & Co. and Gates Capital Corporation, as underwriters (collectively, the "Underwriters"), and the City, relating to the purchase by the Underwriters of the Certificates, in the form on file with the City Clerk, be and is hereby approved, and any Designated Officer is hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by such official, so long as the Underwriters' discount does not exceed 1.9% of the principal amount of the Certificates, exclusive of any original issue discount which does not represent compensation to the Underwriters.

Section 4. The Council hereby approves the Preliminary Official Statement, in the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by any Designated Officer. The Council authorizes and directs any Designated Officer to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The Underwriters are hereby authorized to cause to be furnished to prospective bidders copies of the Preliminary Official Statement.

Section 5. Any Designated Officer is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Certificates, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the

purpose of such statement) were, at the time of sale of the Certificates, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Certificates, and does not, as of the date of delivery of the Certificates, contain any untrue statement of a material fact with respect to the City or omit to state material facts with respect to the City required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Designated Officers shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by any Designated Officer and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the City.

Section 6. The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Certificates.

Section 7. The Mayor, the City Manager, the Finance Director, the City Clerk, any deputy to the City Clerk and all other appropriate officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the financing herein authorized.

Section 8. This Resolution shall take effect upon its adoption by this Council.

PASSED, APPROVED AND ADOPTED this 7TH day of April 2015.

Milt Stowe, Mayor

ATTEST:
John D. Lollis, City Clerk

By: _____
Patrice Hildreth, Chief Deputy City Clerk

RESOLUTION NO. ____-2015

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
PORTERVILLE PUBLIC IMPROVEMENT CORPORATION
APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN
LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE OFFERING AND
SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO TO
REFINANCE CAPITAL IMPROVEMENTS THROUGHOUT THE GEOGRAPHIC
BOUNDARIES OF THE CITY OF PORTERVILLE, AND AUTHORIZING AND
DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the Board of Directors (the “Board”) of the Porterville Public Improvement Corporation (the “Corporation”):

WHEREAS, the City of Porterville (the “City”), with the assistance of the Corporation, has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to (a) provide for the defeasance of the City’s outstanding Certificates of Participation (2002 Public Building Refunding Project) (the “2002 Certificates”), and (b) provide for the prepayment of a lease agreement, dated as of April 1, 2013, by and between the Corporation and the City, which has been assigned to Rabobank, N.A. (the “2013 Lease”), to and to implement a lease financing for such purposes;

WHEREAS, it is in the public interest and for the public benefit that the Corporation authorize and direct execution of certain financing documents in connection therewith; and

WHEREAS, the documents below specified shall be filed with the Corporation and the Members of the Council, with the aid of its staff, shall review said documents;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. Certificates of Participation (2015 Refinancing Project) (the “Certificates”) are hereby authorized to be executed and delivered pursuant to the provisions of the Trust Agreement, as hereinafter defined.

Section 2. The below-enumerated documents, in the forms on file with the Secretary, be and are hereby approved, and the Chair, the Executive Director or the Chief Financial Officer, or the designee of any such official, is hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official, and the Secretary or any deputy to the Secretary is hereby authorized and directed to attest to such official’s signature:

(a) a site and facility lease between the City, as lessor, and the Corporation, as lessee, pursuant to which the City will lease certain property (the “Property”) to the Corporation;

(b) a lease agreement between the Corporation, as lessor, and the City, as lessee (the “Lease Agreement”), pursuant to which the Corporation will lease the Property back to the City;

(c) an assignment agreement by and between the Corporation and U.S. Bank National Association, as trustee (the “Trustee”), pursuant to which the Corporation will assign certain of its rights under the Lease Agreement, including its right to receive lease payments thereunder, to the Trustee; and

(d) a trust agreement by and among the Corporation, the City and the Trustee, relating to the financing and the execution and delivery of the Certificates evidencing the direct, undivided fractional interests of the owners thereof in lease payments to be made by the City under the Lease Agreement.

Section 3. The Chair, the Executive Director, the Treasurer, the Secretary, any deputy to the Secretary and other officials of the Corporation are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the lease financing herein authorized.

Section 4. This Resolution shall take effect upon its adoption by the Board.

PASSED, APPROVED AND ADOPTED this 7TH day of April 2015.

Milt Stowe, Chair

ATTEST:
John D. Lollis, Executive Director

By: _____
Patrice Hildreth, Secretary

RESOLUTION NO. _____-2015

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
PORTERVILLE PUBLIC FINANCING AUTHORITY
APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A
TERMINATION AGREEMENT IN CONNECTION WITH THE DEFEASANCE
BY THE CITY OF PORTERVILLE OF ITS CERTIFICATES OF PARTICIPATION
(2002 PUBLIC BUILDING REFUNDING PROJECT) AND AUTHORIZING AND
DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the Board of Directors (the “Board”) of the Porterville Public Financing Authority (the “Authority”), as follows:

WHEREAS, the City of Porterville (the “City”), working together with the Authority, has heretofore caused the execution and delivery of the Certificates of Participation (2002 Public Building Refunding Project) (the “2002 Certificates”) evidencing and representing the fractional undivided interests of the owners thereof in rental payments to be made by the City as the rental for certain property pursuant to a lease agreement with the Authority to finance and refinance various public infrastructure improvements on real property within and without the boundaries of the City, including the refunding of certain outstanding obligations of the City;

WHEREAS, the City has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to refinance its obligations with respect to the 2002 Certificates;

WHEREAS, it is in the public interest and for the public benefit that the Authority authorize and direct execution of termination agreements in connection therewith; and

WHEREAS, the documents below specified have been filed with the Authority and the members of the Board, with the aid of its staff, have reviewed said documents;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. A termination agreement, by and among the City, U.S. Bank National Association, as trustee for the 2002 Certificates (the “2002 Trustee”), and the Authority, whereby the City, the Authority and the 2002 Trustee agree to terminate the documents relating to the 2002 Certificates, in the form on file with the Secretary, be and is hereby approved, and the Chairman, the Executive Director or the Treasurer, or any designee thereof, is hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by such official, the execution thereof to be conclusive evidence of such approval, and the Secretary is hereby authorized and directed to attest to such official’s signature.

Section 2. The Chairman, the Executive Director, the Treasurer, the Secretary and other officials of the Authority are hereby authorized and directed to execute such other agreements, documents and certificates and to take such other actions as may be necessary to effect the purposes of this resolution and the lease financing herein authorized.

Section 3. This Resolution shall take effect upon its adoption by the Board.

PASSED, APPROVED AND ADOPTED this 7TH day of April, 2015.

Milt Stowe, Chair

ATTEST:
John D. Lollis, Executive Director

By: _____
Patrice Hildreth, Secretary

AFTER RECORDATION PLEASE RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

SITE AND FACILITY LEASE

Dated as of May 1, 2015

by and between the

CITY OF PORTERVILLE, as Lessor

and the

PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, as Lessee

Relating to:

\$ _____

CERTIFICATES OF PARTICIPATION

(2015 Refinancing Project)

Evidencing Direct, Undivided Fractional Interests of the

Owners Thereof in Lease Payments to be Made by the

CITY OF PORTERVILLE, CALIFORNIA

As the Rental for Certain Property Pursuant to a Lease Agreement

with the Porterville Public Improvement Corporation

SITE AND FACILITY LEASE

THIS SITE AND FACILITY LEASE (this "Site and Facility Lease"), dated as of May 1, 2015, is by and between the CITY OF PORTERVILLE, a municipal corporation and chartered city, duly organized and existing under and by virtue of the laws of the State of California, as lessor (the "City"), and the PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, a nonprofit, public benefit corporation organized and existing under the laws of the State of California, as lessee (the "Corporation");

WITNESSETH:

WHEREAS, the Corporation intends to assist the City to (a) provide for the defeasance of the City's outstanding Certificates of Participation (2002 Public Building Refunding Project) (the "2002 Certificates"), and (a) provide for the prepayment of a lease agreement, dated as of April 1, 2013, by and between the Corporation and the City, which has been assigned to Rabobank, N.A. (the "2013 Lease"), by leasing certain land and improvements to the City pursuant to a Lease Agreement, dated as of May 1, 2015, a memorandum of which is recorded concurrently herewith (the "Lease Agreement"); and

WHEREAS, the City proposes to enter into this Site and Facility Lease with the Corporation as a material consideration for the Corporation's agreement to lease such land and improvements to the City;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED, as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, in this Site and Facility Lease shall have the meanings ascribed to them in the Lease Agreement.

Section 2. Site and Facility Lease. The City hereby leases to the Corporation and the Corporation hereby leases from the City, on the terms and conditions hereinafter set forth, those certain parcels of real property situated in Tulare County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"), and those certain improvements on the Site more particularly described in Exhibit B attached hereto and made a part hereof (collectively, the "Facility").

Section 3. Term. The term of this Site and Facility Lease shall commence on the date of recordation of this Site and Facility Lease in the Office of the City Recorder of Tulare County, State of California, and shall end on October 1, 2036, unless such term is extended or sooner terminated as hereinafter provided. If, on October 1, 2036, the aggregate amount of Lease Payments (as defined in and as payable under the Lease Agreement) shall not have been paid, or provision shall not have been made for their payment, then the term of this Site and Facility Lease shall be extended until such Lease Payments or Additional Payments (as defined in the Lease Agreement), if any, shall be fully paid or provision made for such payment. If, prior to October 1, 2036, all Lease Payments shall be fully paid or provision made for such payment in accordance with Section 4.4 or 10.1 of the Lease Agreement, the term of this Site and Facility Lease shall end.

Section 4. Advance Rental Payment. The City agrees to lease the Site and the Facility to the Corporation in consideration of the payment by the Corporation of an advance rental payment of _____ dollars (\$_____). The City and the Corporation agree that by reason of the sale of the Certificates and deposit of proceeds pursuant to the provisions of the Trust Agreement, dated as of May 1, 2015, by and among the City, the Corporation and U.S.

Bank National Association, as trustee thereunder (the "Trust Agreement"), the advance rental payment referenced in the preceding sentence shall be deemed to have been paid.

Section 5. Purpose. The Corporation shall use the Site and the Facility solely for the purpose of leasing the Site and the Facility to the City pursuant to the Lease Agreement and for such purposes as may be incidental thereto; *provided, however*, that in the event of default by the City under the Lease Agreement, the Corporation and its assigns may exercise the remedies provided in the Lease Agreement.

Section 6. County's Interest in the Site and the Facility. The City covenants that it is the owner in fee of the Site and the Facility.

Section 7. Assignments and Subleases. Unless the City shall be in default under the Lease Agreement, the Corporation may not assign its rights under this Site and Facility Lease or sublet the Site or the Facility, except as provided in the Lease Agreement.

Section 8. Right of Entry. The City reserves the right for any of its duly authorized representatives to enter upon the Site and the Facility at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 9. Termination. The Corporation agrees, upon the termination of this Site and Facility Lease, to quit and surrender the Site and the Facility in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this Site and Facility Lease shall remain thereon and title thereto shall vest in the City.

Section 10. Default. In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site and Facility Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the City may exercise any and all remedies granted by law, except that no merger of this Site and Facility Lease and of the Lease Agreement shall be deemed to occur as a result thereof and the City shall have no right to terminate this Site and Facility Lease as a remedy for such default; *provided, however*, that so long as any Certificates are Outstanding and unpaid in accordance with the terms thereof, the Lease Payments assigned by the Corporation to the Trustee under the Assignment Agreement shall continue to be paid to the Trustee.

Section 11. Quiet Enjoyment. The Corporation, at all times during the term of this Site and Facility Lease, shall peaceably and quietly have, hold and enjoy all of the Site subject to the provisions of the Lease Agreement and the Trust Agreement.

Section 12. Waiver of Personal Liability. All liabilities under this Site and Facility Lease on the part of the Corporation are solely liabilities of the Corporation and the City hereby releases each and every, member, director, officer, employee and agent of the Corporation of and from any personal or individual liability under this Site and Facility Lease. No member, director, officer, employee or agent of the Corporation shall at any time or under any circumstances be individually or personally liable under this Site and Facility Lease for anything done or omitted to be done by the Corporation hereunder.

Section 13. Taxes. All assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site and the Facility (including both land and improvements) will be paid in accordance with the Lease Agreement.

Section 14. Eminent Domain. In the event the whole or any part of the Site or the Facility thereon is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the then unpaid Certificates including the unpaid principal and interest with respect to any then outstanding Certificates and, subject to the provisions of the Lease Agreement, the balance of the award, if any, shall be paid to the City.

Section 15. Use of the Proceeds. The City and the Corporation hereby agree that the lease to the Corporation of the City's right and interest in the Site and the Facility pursuant to Section 1 serves the public purposes of the City by providing funds to enable the City to defease the 2002 Certificates and prepay the 2013 Lease.

Section 16. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site and Facility Lease shall, to any extent, be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding, order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site and Facility Lease shall be affected thereby, and each provision of this Site and Facility Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, and, if to the City, addressed to the City in care of the City Manager, City of Porterville, 291 North Main Street, Porterville, CA 93257, or if to the Corporation, addressed to the Corporation in care of the City Manager of the City, City of Porterville, 291 North Main Street, Porterville, CA 93257, or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 18. Binding Effect. This Site and Facility Lease shall inure to the benefit of and shall be binding upon the City and the Corporation and their respective successors and assigns.

Section 19. Amendment. This Site and Facility Lease may not be amended except as permitted under Section 10.01 of the Trust Agreement.

Section 20. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site and Facility Lease.

Section 21. Applicable Law. This Site and Facility Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 22. Execution in Counterparts. This Site and Facility Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City and the Corporation have caused this Site and Facility Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF PORTERVILLE

By _____
John D. Lollis
City Manager

Attest:

Patrice Hildreth
Chief Deputy City Clerk

PORTERVILLE PUBLIC IMPROVEMENT
CORPORATION

By _____
John D. Lollis
Executive Director

Attest:

Patrice Hildreth
Secretary

[NOTARY ACKNOWLEDGMENTS TO BE ATTACHED]

EXHIBIT A
DESCRIPTION OF THE SITE

All that certain real property situated in Tulare County, State of California, described as follows:

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility consists of:

1. **City Hall**, located at 291 North Main Street in Porterville.
2. **Police Station**, located at 350 North D Street in Porterville.
3. **Library**, located at 41 West Thurman Avenue in Porterville.
4. **Fire Station No. 1**, located at 40 West Cleveland Avenue in Porterville.
5. **Fire Station No. 2**, located at 500 North Newcomb Street in Porterville.
6. **Corporation Yard**, located at 555 North Prospect Street in Porterville.
7. **Community Center**, located at 466 East Putnam Avenue in Porterville.
8. **Murray Park**, located on Putnam Avenue in Porterville.
9. **Heritage Center**, located at 256 East Orange Avenue in Porterville.

LEASE AGREEMENT

Dated as of May 1, 2015

by and between the

PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, as Lessor

and the

CITY OF PORTERVILLE, as Lessee

Relating to:

\$ _____

CERTIFICATES OF PARTICIPATION

(2015 Refinancing Project)

Evidencing Direct, Undivided Fractional Interests of the

Owners Thereof in Lease Payments to be Made by the

CITY OF PORTERVILLE, CALIFORNIA

As the Rental for Certain Property Pursuant to a Lease Agreement

with the Porterville Public Improvement Corporation

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EXHIBIT A:	DESCRIPTION OF THE SITE
EXHIBIT B:	DESCRIPTION OF THE FACILITY
EXHIBIT C:	SCHEDULE OF LEASE PAYMENTS

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease Agreement"), dated for convenience as of May 1, 2015, by and between the PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, a nonprofit, public benefit corporation organized and existing under the laws of the State of California, as lessor (the "Corporation"), and the CITY OF PORTERVILLE, a municipal corporation and chartered city, duly organized and existing under and by virtue of the laws of the State of California, as lessee (the "City");

WITNESSETH:

WHEREAS, pursuant to that certain Site and Facility Lease, dated as of May 1, 2015 (the "Site and Facility Lease"), the City has leased those certain parcels of real property situated in Tulare County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"), and those certain improvements thereon, more particularly described in Exhibit B hereto (the "Facility" and, with the Site, the "Property"), to the Corporation, all for the purpose of enabling the City to (a) provide for the defeasance of the City's outstanding Certificates of Participation (2002 Public Building Refunding Project) (the "2002 Certificates"), and (a) provide for the prepayment of a lease agreement, dated as of April 1, 2013, by and between the Corporation and the City, which has been assigned to Rabobank, N.A. (the "2013 Lease");

WHEREAS, the Corporation proposes to lease the Property to the City pursuant to this Lease Agreement and to assign its right to receive lease payments under this Lease Agreement (the "Lease Payments"), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under this Lease Agreement in the event of a default hereunder by the City, to U.S. Bank National Association, as trustee (the "Trustee"), pursuant to that certain Assignment Agreement, dated as of May 1, 2015, by and between the Corporation and the Trustee;

WHEREAS, pursuant to that certain Trust Agreement, dated as of May 1, 2015, by and among the City, the Corporation and the Trustee, the Trustee will execute and deliver certificates of participation (the "Certificates") in the Lease Payments; and

WHEREAS, the proceeds of the Certificates, together with other available moneys, will be applied by the City to (a) defease the 2002 Certificates, (b) prepay the 2013 Lease, (c) fund a reserve fund for the Certificates, and (d) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates;

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Lease Agreement shall have the respective meanings specified in Section 1.01 of the Trust Agreement, dated as of May 1, 2015, by and among the City, the Corporation and the Trustee.

Section 1.2. Exhibits. The following exhibits are attached to, and by this reference made a part of, this Lease Agreement:

Exhibit A: The description of the Site.

Exhibit B: The description of the Facility.

Exhibit C: The schedule of Lease Payments to be paid by the City hereunder with respect to the Property, showing the Lease Payment Date and amount of each such Lease Payment.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants to the Corporation as follows:

(a) *Due Organization and Existence*. The City is a political subdivision, duly organized and existing under and by virtue of the laws of the State.

(b) *Authorization*. The laws of the State authorize the City to enter into the Site and Facility Lease, this Lease Agreement and the Trust Agreement and to enter into the transactions contemplated by and to carry out the City's obligations under all of the aforesaid agreements, the City has duly authorized and executed all of the aforesaid agreements and such agreements constitute the legal, valid and binding agreements of the City, enforceable against the City in accordance with their respective terms.

(c) *No Violations*. Neither the execution and delivery of the Site and Facility Lease, this Lease Agreement or the Trust Agreement, the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction, agreement or instrument to which the City is now a party or by which the City is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the City, or upon the Property, except Permitted Encumbrances.

(d) *Execution and Delivery*. The City has duly authorized and executed this Lease Agreement in accordance with all applicable laws.

Section 2.2. Representations, Covenants and Warranties of Corporation. The Corporation represents, covenants and warrants to the City as follows:

(a) *Due Organization and Existence*. The Corporation is a nonprofit, public benefit corporation, organized and existing under and by virtue of the laws of the State; has power to enter into the Site and Facility Lease, this Lease Agreement, the Assignment Agreement and the Trust Agreement; is possessed of full power to own and hold, improve and equip real and personal property and to lease and sell the same; has duly authorized the execution and delivery of all of the aforesaid agreements and such agreements constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

(b) *No Encumbrances*. The Corporation will not pledge the Lease Payments or other amounts derived from the Property and from its other rights under this Lease Agreement and will not mortgage or encumber the Property, except as provided under the terms of this Lease Agreement and the Trust Agreement.

(c) *No Violations*. Neither the execution and delivery of the Site and Facility Lease, this Lease Agreement, the Assignment Agreement or the Trust Agreement, the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance

whatsoever upon any of the property or assets of the Corporation, or upon the Property, except Permitted Encumbrances.

(d) *No Assignments*. Except as provided herein, the Corporation will not assign this Lease Agreement, its right to receive Lease Payments from the City or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

(e) *Execution and Delivery*. The Corporation has duly authorized and executed this Lease Agreement in accordance with all applicable laws.

ARTICLE III

DEPOSIT OF MONEYS

Section 3.1. Deposit of Moneys. On the Closing Date, the Corporation shall cause to be deposited with the Trustee the net proceeds of sale of the Certificates, of which amounts estimated to be required to pay Delivery Costs shall be deposited in the Delivery Costs Fund, an amount equal to the Reserve Requirement shall be deposited in the Reserve Fund, the amount, together with other moneys, required to defease the 2002 Certificates, shall be transferred to the Escrow Bank for deposit in the Escrow Fund, and the amount required to prepay the 2013 Lease shall be transferred to Rabobank, N.A.

Section 3.2. Payment of Delivery Costs. Payment of Delivery Costs shall be made from the moneys deposited in the Delivery Costs Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Section 3.04 of the Trust Agreement.

ARTICLE IV

AGREEMENT TO LEASE; TERM OF THIS LEASE AGREEMENT; LEASE PAYMENTS

Section 4.1. Lease.

(a) The Corporation hereby leases the Property to the City, and the City hereby leases the Property from the Corporation, upon the terms and conditions set forth in this Lease Agreement.

(b) The leasing of the Property by the City to the Corporation pursuant to the Site and Facility Lease shall not affect or result in a merger of the City's leasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Site and Facility Lease.

Section 4.2. Term of Agreement.

(a) The Term of the Lease Agreement shall commence on the Closing Date, and shall end on October 1, 2036, unless such term is extended as hereinafter provided. If, on October 1, 2036, the Trust Agreement shall not be discharged by its terms or if the Lease Payments or Additional Payments, if any, payable hereunder shall have been abated at any time and for any reason, then the Term of the Lease Agreement shall be extended without the need to execute any amendment to this Section 4.2 until there has been deposited with the Trustee an amount sufficient to pay all obligations due under the Lease Agreement, but in no event shall the Term of the Lease Agreement extend beyond October 1, 2046. If, prior to October 1, 2036, the Trust Agreement shall be discharged by its terms, the Term of the Lease Agreement shall thereupon end.

Section 4.3. Possession. The City hereby agrees to accept and take possession of the Property on or prior to the date of recordation of this Lease Agreement. The first Lease Payment shall be due on September 15, 2015.

Section 4.4. Lease Payments.

(a) *Obligation to Pay.* Subject to the provisions of Articles VI and X hereof, the City agrees to pay to the Corporation, its successors and assigns, as rental for the use and occupancy of the Property during each Rental Period, the Lease Payments (denominated into components of principal and interest) in the respective amounts specified in Exhibit C hereto, to be due and payable on the respective Lease Payment Dates specified in Exhibit C hereto. Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Article X hereof and other than amounts required for payment of Certificates not yet surrendered) shall be credited towards the Lease Payment then due and payable; and no Lease Payment need be made on any Lease Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be paid. The Lease Payments for the Property payable in any Rental Period shall be for the use of the Property for such Rental Period.

(b) *Effect of Prepayment.* In the event that the City prepays all remaining Lease Payments and all Additional Payments due under Section 4.7 hereof in full pursuant to Article X hereof, subject to Section 4.2(b) hereof, the City's obligations under this Lease Agreement shall thereupon cease and terminate including, but not limited to, the City's obligation to pay Lease Payments under this Section 4.4; subject however, to the provisions of Section 10.1 hereof in the case of prepayment by application of a security deposit. In the event that the City optionally prepays the Lease Payments in part but not in whole pursuant to Section 10.2 hereof or

pursuant to Section 10.3 hereof as a result of any insurance or condemnation award with respect to any portion of the Property, such prepayment shall be credited entirely towards the prepayment of the Lease Payments as follows: (i) the principal components of each remaining Lease Payment shall be reduced in such order as shall be selected by the City in integral multiples of \$5,000; and (ii) the interest component of each remaining Lease Payment shall be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Certificates thereby redeemed pursuant to Sections 4.01(a) or (b), as the case may be, of the Trust Agreement.

(c) *Rate on Overdue Payments.* In the event the City should fail to make any of the payments required in this Section 4.4, the payment in default shall continue as an obligation of the City until the amount in default shall have been fully paid and the City agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the rate per annum payable with respect to the Certificates. Such interest, if received, shall be deposited in the Lease Payment Fund or in the Reserve Fund to replenish the Reserve Fund if withdrawals were made therefrom as a result of the default.

(d) *Fair Rental Value.* The Lease Payments for each Rental Period shall constitute the total rental for each such Rental Period and shall be paid by the City in each Rental Period for and in consideration of the right of the use and occupancy and the continued quiet use and enjoyment of the Property during each Rental Period. The parties hereto have agreed and determined that the total Lease Payments for the Property represent the fair rental value of the Property. In making such determination, consideration has been given to the obligations of the parties under this Lease Agreement, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the City and the general public.

(e) *Source of Payments; Budget and Appropriation.* Lease Payments shall be payable from any source of available funds of the City, subject to the provisions of Articles VI and X hereof.

The City covenants to take such action as may be necessary to include all Lease Payments due hereunder in each of its budgets during the Term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments and for Additional Payments due under Section 4.7 hereof. To that end, the Council shall direct budgetary staff to include in each annual budget proposal to the Council an appropriation sufficient to pay Lease Payments and Additional Payments. The City hereby expresses its present intent to appropriate Lease Payments and Additional Payments due under Section 4.7 hereof during the Term of the Lease Agreement. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the City.

(f) *Assignment.* The City understands and agrees that all Lease Payments have been assigned by the Corporation to the Trustee in trust, pursuant to the Assignment Agreement, for the benefit of the Owners of the Certificates, and the City hereby assents to such assignment. The Corporation hereby directs the City, and the City hereby agrees to pay to the Trustee at the Principal Corporate Trust Office, all payments payable by the City pursuant to this Section 4.4 and all amounts payable by the City pursuant to Article X hereof.

Section 4.5. Quiet Enjoyment. During the Term of the Lease Agreement, the Corporation shall provide the City with quiet use and enjoyment of the Property and the City shall, during such Term, peaceably and quietly have and hold and enjoy the Property without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease Agreement. The

Corporation will, at the request of the City and at the City's cost, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation shall have the right to inspect the Property as provided in Section 7.2. hereof.

Section 4.6. Title. During the Term of the Lease Agreement, the Corporation shall hold leasehold title to the Property and shall hold fee title to those portions of the Property which are newly acquired or constructed and any and all additions which comprise fixtures, repairs, replacements or modifications to the Property, except for those fixtures, repairs, replacements or modifications which are added to the Property by the City at its own expense and which may be removed without damaging the Property and except for any items added to the Property by the City pursuant to Section 5.9 hereof.

If the City prepays the Lease Payments in full pursuant to Article X hereof or makes the security deposit permitted by Section 10.1 hereof, or pays all Lease Payments during the Term of the Lease Agreement as the same become due and payable, subject to Section 4.2(b) hereof, and pays Additional Payments, if any, all right, title and interest of the Corporation in and to the Property shall be terminated. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the City to consummate any such transfer of title.

Section 4.7. Additional Payments.

In addition to the Lease Payments, the City shall pay when due the following Additional Payments:

(a) Any fees and expenses incurred by the City in connection with or by reason of its leasehold estate in the Property as and when the same become due and payable.

(b) Any amounts due to the Trustee pursuant to the Trust Agreement for all services rendered under the Trust Agreement and for all reasonable expenses, charges, costs, liabilities, legal fees and other disbursements incurred in and about the performance of its powers and duties under the Trust Agreement.

(c) Any reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the City, the Corporation or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Lease Agreement or the Trust Agreement.

(d) Any reasonable out-of-pocket expenses of the City in connection with the execution and delivery of this Lease Agreement or the Trust Agreement, or in connection with the execution and delivery of the Certificates, including any and all expenses incurred in connection with the authorization, execution, sale and delivery of the Certificates, or incurred by the Corporation in connection with any litigation which may at any time be instituted involving this Lease Agreement, the Trust Agreement, the Certificates or any of the other documents contemplated hereby or thereby, or incurred by the Corporation in connection with the Continuing Disclosure Certificate, or otherwise incurred in connection with the administration thereof.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; USE LIMITATIONS; AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of the Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the City and the City shall pay, or otherwise arrange, for the payment of all utility services supplied to the Property which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the City or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Property, as hereinbefore more specifically set forth. The City waives the benefits of subsections 1 and 2 of section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the City under the terms of this Lease Agreement.

The City shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the City affecting the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of the Lease Agreement as and when the same become due.

The City may, at the City's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such items, the interest of the Corporation in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation. The City shall provide the Corporation with written notice of any such contest and shall provide such updates on the contest as the Corporation may reasonably request.

Section 5.2. Modification of Property. The City shall, at its own expense, have the right to remodel the Property or to make additions, modifications and improvements to the Property. All additions, modifications and improvements to the Property shall thereafter comprise part of the Property and be subject to the provisions of this Lease Agreement. Such additions, modifications and improvements shall not in any way damage the Property, substantially alter its nature, cause the interest component of Lease Payments to be subject to federal income taxes or cause the Property to be used for purposes other than those authorized under the provisions of State and federal law; and the Property, upon completion of any additions, modifications and improvements made thereto pursuant to this Section 5.2, shall be of a value which is not substantially less than the value of the Property immediately prior to the making of such additions, modifications and improvements. The City will not permit any mechanic's or other lien to be established or remain against the Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the City pursuant to this Section 5.2; provided that if any such lien is established and the City shall first notify the Corporation of the City's intention to do so, the City may in good faith contest any lien filed or established against the Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the

period of such contest and any appeal therefrom and shall provide the Corporation with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Corporation. The Corporation will cooperate fully in any such contest, upon the request and at the expense of the City.

Section 5.3. Public Liability and Property Damage Insurance. The City shall maintain or cause to be maintained, throughout the Term of the Lease Agreement, insurance policies, including a standard comprehensive general insurance policy or policies in protection of the Corporation, the City and the Trustee and their respective members, officers, agents and employees. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the City, and may be maintained through a nonprofit, public benefit corporation created for such purpose or in the form of self-insurance by the City. Said policy or policies shall provide for indemnification of said parties against direct or consequential loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$100,000 (subject to a deductible clause of not to exceed \$5,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the City and may be maintained in the form of insurance maintained through a nonprofit, public benefit corporation created for such purpose or in the form of self-insurance by the City. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

Section 5.4. Fire and Extended Coverage Insurance; No Earthquake Insurance. The City shall maintain, or cause to be maintained throughout the Term of the Lease Agreement, insurance against loss or damage to any part of the Property constituting structures, if any, by fire and lightning, with extended coverage and vandalism and malicious mischief insurance; *provided, however,* that the City shall not be required to maintain earthquake insurance with respect to the Property. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to one hundred percent (100%) of the replacement cost of such portion of the Property, if any. Such insurance may be subject to deductible clauses of not to exceed \$100,000 for any one loss. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried by the City and may be maintained in whole or in part in the form of insurance maintained through a nonprofit, public benefit corporation created for such purpose. The Net Proceeds of such insurance shall be applied as provided in Section 6.2(a) hereof.

Section 5.5. Rental Interruption Insurance. The City shall maintain, or cause to be maintained, throughout the Term of the Lease Agreement rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any part of the Property during the Term of the Lease Agreement as a result of any of the hazards covered in the insurance required by Section 5.4 hereof, if any, in an amount at least equal to two times maximum annual Lease Payments. The Net Proceeds of such insurance shall be paid to the Trustee and deposited in the Lease Payment Fund and shall be credited towards the payment of the Lease Payments in the order in which such Lease Payments come due and payable. Such insurance may be maintained as part of or in conjunction with any other insurance carried by the City and may be maintained in whole or in part in the form of insurance maintained through a nonprofit, public benefit corporation created for such purpose. The City may not satisfy the requirements of this Section 5.5 for rental interruption insurance with self-insurance.

Section 5.6. Title Insurance.

(a) The City shall provide, from moneys in the Delivery Costs Fund or at its own expense, on the Closing Date, an CLTA title insurance policy in the amount of not less than the principal amount of the Certificates, insuring the City's leasehold estate in the Property, subject only to Permitted Encumbrances.

(b) The Net Proceeds of such title insurance shall be applied as provided in Section 6.2(c) hereof.

Section 5.7. Insurance Net Proceeds; Form of Policies. Each policy or other evidence of insurance required by Sections 5.3, 5.4, 5.5 and 5.6 hereof shall provide that all proceeds thereunder shall be payable to the Trustee as and to the extent required hereunder, shall name the Trustee as additional insured and shall be applied as provided in Section 6.2 hereof. Insurance must be provided by an insurer rated "A" or better by S&P or A.M. Best Company. The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement. All policies evidencing required insurance shall provide thirty (30) days' prior written notice to the Corporation, the City and the Trustee of any cancellation, reduction in amount or material change in coverage. The Trustee shall not be responsible for the sufficiency of any insurance herein required, including any forms of self-insurance and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss. The City shall cause to be delivered annually on or before each August 1 to the Trustee a certification, signed by a City Representative, stating compliance with the provisions of Section 5.3 through 5.7 of this Lease Agreement. The Trustee shall be entitled to rely on such certification without independent investigation. The City shall have the adequacy of any insurance reserves maintained by the City or by a nonprofit, public benefit corporation, if applicable, for purposes of the insurance required by Section 5.3 and 5.4 hereof reviewed at least annually, on or before each August 1, by an independent insurance consultant and shall maintain reserves in accordance with the recommendations of such consultant to the extent moneys are available for such purpose and not otherwise appropriated.

Section 5.8. Advances. If the City shall fail to perform any of its obligations under this Article V, the Corporation or the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the City shall be obligated to repay all such advances as soon as possible, with interest at a rate equal to the rate then payable with respect to the Certificates from the date of the advance to the date of repayment.

Section 5.9. Installation of City's Equipment. The City may, at any time and from time to time in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon any portion of the Property. All such items shall remain the sole property of the City in which neither the Corporation nor the Trustee shall have any interest and may be modified or removed by the City at any time provided that the City shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement shall prevent the City from purchasing or leasing items to be installed pursuant to this Section 5.9 under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

Section 5.10. Liens. The City shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to

the Property, other than the respective rights of the Corporation and the City as provided herein and Permitted Encumbrances. Except as expressly provided in this Article V, the City shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The City shall reimburse the Corporation for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 5.11. Private Activity Bond Limitation. The City shall assure that proceeds of the Certificates are not so used as to cause the Certificates or the Lease Agreement to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.12. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Certificates or the Lease Agreement to be “federally guaranteed” within the meaning of section 149(b) of the Code.

Section 5.13. Rebate Requirement. The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Certificates and the Lease Agreement.

Section 5.14. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Certificates which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Certificates or the Lease Agreement to be “arbitrage bonds” within the meaning of section 148 of the Code.

Section 5.15. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

Section 5.16. No Condemnation. The City hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Certificates remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the Property. The City further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the City should fail or refuse to abide by such covenant and condemns the Property, the appraised value of the Property shall not be less than the greater of (i) if the Certificates are then subject to redemption, the principal and interest components of the Certificates Outstanding through the date of their redemption, or (ii) if the Certificates are not then subject to redemption, the amount necessary to defease the Certificates to the first available redemption date in accordance with the Trust Agreement.

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1. Eminent Domain.

(a) If all of the Property shall be taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (1) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the City and the Corporation, and so certified to by the parties to the Trustee, such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property, except to the extent of special funds, such as amounts in the Reserve Fund available for the payment of Lease Payments.

(b) The City hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Certificates remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the leased property. The City further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the City should fail or refuse to abide by such covenant and condemns the leased property, the appraised value of the leased property shall not be less than the greater of (i) if such Certificates are then subject to redemption, the principal and interest components of the Certificates outstanding through the date of their redemption, or (ii) if such Certificates are not then subject to redemption, the amount necessary to defease such Certificates to the first available redemption date in accordance with the Trust Agreement.

Section 6.2. Application of Net Proceeds.

(a) *From Insurance Award.* The Net Proceeds of any insurance award resulting from any damage to or destruction of any portion of the Property constituting structures, if any, by fire or other casualty shall be paid by the City to the Trustee, as assignee of the Corporation under the Assignment Agreement, deposited in the Insurance and Condemnation Fund held by the Trustee and applied as set forth in Section 6.01 of the Trust Agreement.

(b) *From Eminent Domain Award.* The Net Proceeds of any eminent domain award resulting from any event described in Section 6.1 hereof shall be paid by the City to the Trustee, as assignee of the Corporation under the Assignment Agreement, deposited in the Insurance and Condemnation Fund and applied as set forth in Section 6.02 of the Trust Agreement.

(c) *From Title Insurance.* The Net Proceeds of any title insurance award shall be paid to the Trustee, as assignee of the Corporation under the Assignment Agreement, deposited in the Insurance and Condemnation Fund and applied as set forth in Section 6.03 of the Trust Agreement.

Section 6.3. Abatement of Lease Payments in the Event of Damage or Destruction. Lease Payments shall be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the City of the Property or any portion thereof (other than any portions of the Property described in Section 5.2 hereof) to the

extent to be agreed upon by the City and the Corporation and communicated by a City Representative to the Trustee. The parties agree that the amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in Exhibit C, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed (giving due consideration to the factors identified in the last sentence of Section 4.4(d)), based upon any appropriate method of valuation, in which event the Lease Payments shall be abated such that they represent said fair rental value. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as communicated by a City Representative to the Trustee. In the event of any such damage or destruction, this Lease Agreement shall continue in full force and effect and the City waives any right to terminate this Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section 6.3 to the extent that (a) the proceeds of rental interruption insurance or (b) amounts in the Reserve Fund, if cash funded, and/or the Insurance and Condemnation Fund and/or the Lease Payment Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments. If an abatement event has occurred but remedied, the City shall be required to extend the Term of this Lease Agreement, as described in Section 4.2, so that amounts abated are recouped.

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS; INDEMNIFICATION

Section 7.1. Disclaimer of Warranties. THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY. IN NO EVENT SHALL THE AUTHORITY OR ITS ASSIGNS BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE SITE AND FACILITY LEASE, THIS LEASE AGREEMENT OR THE TRUST AGREEMENT FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR THE CITY'S USE OF THE PROPERTY.

Section 7.2. Access to the Property. The City agrees that the Corporation and any City Representative, and the Corporation's successors or assigns, shall have the right at all reasonable times to enter upon and to examine and inspect the Property. The City further agrees that the Corporation, any City Representative, and the Corporation's successors or assigns, shall have such rights of access to the Property as may be reasonably necessary to cause the proper maintenance of the Property in the event of failure by the City to perform its obligations hereunder.

Section 7.3. Release and Indemnification Covenants. The City shall and hereby agrees to indemnify and save the Corporation and the Trustee and their officers, agents, directors, employees, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on the Property by the City, (ii) any breach or default on the part of the City in the performance of any of its obligations under this Lease Agreement or the Trust Agreement, (iii) any act or omission of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Property, (iv) any act or omission of any sublessee of the City with respect to the Property, or (v) the authorization of payment of Delivery Costs. Such indemnification shall include the costs and expenses of defending any claim or liability arising under this Lease Agreement or the Trust Agreement and the transactions contemplated thereby. No indemnification is made under this Section 7.3 or elsewhere in this Lease Agreement for willful misconduct, negligence or breach of duty under this Lease Agreement by the Corporation, its officers, agents, directors, employees, successors or assigns.

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND AMENDMENT

Section 8.1. Assignment by the Corporation. The Corporation's rights under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the City under this Lease Agreement, have been assigned to the Trustee pursuant to the Assignment Agreement.

Section 8.2. Assignment and Subleasing by the City. This Lease Agreement may not be assigned by the City. The City may sublease the Property or any portion thereof, but only with the written consent of the Corporation and subject to, and delivery to the Corporation of a certificate as to, all of the following conditions:

(a) This Lease Agreement and the obligation of the City to make Lease Payments hereunder shall remain obligations of the City;

(b) The City shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Trustee a true and complete copy of such sublease;

(c) No such sublease by the City shall cause the Property to be used for a purpose other than as may be authorized under the provisions of the Constitution and laws of the State; and

(d) The City shall furnish the Corporation and the Trustee with a written opinion of Bond Counsel, which shall be an Independent Counsel, stating that such sublease does not cause the interest components of the Lease Payments to become subject to federal income taxes or State personal income taxes.

Notwithstanding the foregoing, the City may sublease the Property to the Corporation in connection with a future certificates of participation or lease revenue bond financing without the necessity to comply with any of the foregoing conditions, so long as the total of the unpaid principal component of the Lease Payments and the principal component of the lease payments to be paid with respect to such future certificates of participation or lease revenue bond financing does not exceed the value of the Property.

Section 8.3. Amendment of Lease Agreement.

(a) *Substitution of Site or Facility*. The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to substitute other land (a "Substitute Site") and/or a substitute facility (a "Substitute Facility") for the Site (the "Former Site"), or a portion thereof, and/or the Facility (the "Former Facility"), or a portion thereof, provided that the City shall satisfy all of the following requirements (to the extent applicable) which are hereby declared to be conditions precedent to such substitution:

(i) If a substitution of the Site, the City shall file with the Corporation and the Trustee an amended Exhibit A to the Site and Facility Lease which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(ii) If a substitution of the Site, the City shall file with the Corporation and the Trustee an amended Exhibit A to this Lease Agreement which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(iii) If a substitution of the Facility, the City shall file with the Corporation and the Trustee an amended Exhibit B to the Site and Facility Lease which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(iv) If a substitution of the Facility, the City shall file with the Corporation and the Trustee an amended Exhibit B to this Lease Agreement which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(v) The City shall certify in writing to the Corporation and the Trustee that such Substitute Site and/or Substitute Facility serve the purposes of the City, constitutes property that is unencumbered, subject to Permitted Encumbrances, and constitutes property which the City is permitted to lease under the laws of the State;

(vi) The City delivers to the Trustee and the Corporation evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Property following such substitution is equal to or greater than the Outstanding principal amount of the Certificates and confirms in writing to the Trustee that the indemnification provided pursuant to Section 11.03 of the Trust Agreement applies with respect to the Substitute Site and/or Substitute Facility;

(vii) The Substitute Site and/or Substitute Facility shall not cause the City to violate any of its covenants, representations and warranties made herein and in the Trust Agreement;

(viii) The City shall obtain an amendment to the title insurance policy required pursuant to Section 5.6 hereof which adds thereto a description of the Substitute Site and deletes therefrom the description of the Former Site;

(ix) The City shall certify that the Substitute Site and/or the Substitute Facility is essential to the City as was the Former Site and/or the Former Facility;

(x) The City shall provide notice of the substitution to any rating agency then rating the Certificates which rating was provided at the request of the City or the Corporation; and

(xi) The City shall furnish the Corporation and the Trustee with a written opinion of Bond Counsel, which shall be an Independent Counsel, stating that such substitution does not cause the interest components of the Lease Payments to become subject to federal income taxes or State personal income taxes.

(b) *Release of Site.* The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Site, provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The City shall file with the Corporation and the Trustee an amended Exhibit A to the Site and Facility Lease which describes the Site, as revised by such release;

(ii) The City delivers to the Trustee and the Corporation evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Site, as revised by such release, is equal to or greater than the Outstanding principal amount of the Certificates and confirms in writing to the

Trustee and the Corporation that the indemnification provided pursuant to Section 11.03 of the Trust Agreement applies with respect to the Site, as revised by such release;

(iii) Such release shall not cause the City to violate any of its covenants, representations and warranties made herein and in the Trust Agreement;

(iv) The City shall obtain an amendment to the title insurance policy required pursuant to Section 5.6 hereof which describes the Site, as revised by such release; and

(v) The City shall provide notice of the release to any rating agency then rating the Certificates which rating was provided at the request of the City or the Corporation.

(c) *Generally.* The Corporation and the City may at any time amend or modify any of the provisions of this Lease Agreement, but only (i) with the prior written consent of the Owners of a majority in aggregate principal amount of the Outstanding Certificates, or (ii) without the consent of any of the Owners, but only if such amendment or modification is for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City contained in this Lease Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City;

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, or in any other respect whatsoever as the Corporation and the City may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments will not materially adversely affect the interests of the Owners; or

(iii) to amend any provision thereof relating to the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest with respect to the Certificates under the Code, in the opinion of Bond Counsel.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined. The following shall be “events of default” under this Lease Agreement and the terms “Events of Default” and “Default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(a) Failure by the City to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein.

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease Agreement (including failure to request appropriation pursuant to Section 4.4(e) hereof) or under the Trust Agreement, other than as referred to in clause (a) of this Section 9.1, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Corporation, the Trustee or the Owners of not less than five percent (5%) in aggregate principal amount of Certificates then outstanding; *provided, however*, if the failure stated in the notice can be corrected, but not within the applicable period, the Corporation, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected.

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar acts which may hereafter be enacted.

Section 9.2. Remedies on Default. The Trustee shall have the right to re-enter and re-let the Property and to terminate this Lease Agreement.

Whenever any Event of Default referred to in Section 9.1 hereof shall have happened and be continuing, it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement; *provided, however*, that notwithstanding anything herein or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the City is expressly made a condition and upon the breach thereof, the Corporation may exercise any and all rights of entry and re-entry upon the Property, and also, at its option, with or without such entry, may terminate this Lease Agreement; *provided*, that no such termination shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. In the event of such default and notwithstanding any re-entry by the Corporation, the City shall, as herein expressly provided, continue to remain liable for the payment of the Lease Payments and/or damages for breach of this Lease Agreement and the performance of all conditions herein contained and, in any event such rent and/or damages shall be payable to the Corporation at the time and in the manner as herein provided, to wit:

(a) In the event the Corporation does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the City agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-leasing of

the Property, or, in the event the Corporation is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of the Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Corporation. The City hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the City to enter upon and re-lease the Property in the event of default by the City in the performance of any covenants herein contained to be performed by the City and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place within Tulare City, for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The City hereby waives any and all claims for damages caused or which may be caused by the Corporation in re-entering and taking possession of the Property as herein provided and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the City that may be in or upon the Property. The City agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in paragraph (b) hereof.

(b) In an Event of Default hereunder, the Corporation at its option may terminate this Lease Agreement and re-lease all or any portion of the Property. In the event of the termination of this Lease Agreement by the Corporation at its option and in the manner hereinafter provided on account of default by the City (and notwithstanding any re-entry upon the Property by the Corporation in any manner whatsoever or the re-leasing of the Property), the City nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments. Any surplus received by the Corporation from such re-leasing shall be credited towards the Lease Payments next coming due and payable. Neither notice to pay rent or to deliver up possession of the premises given pursuant to law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the City shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the City of the election on the part of the Corporation to terminate this Lease Agreement. The City covenants and agrees that no surrender of the Property and/or of the remainder of the Term of the Lease Agreement or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

Section 9.3. No Remedy Exclusive. No remedy herein is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation

to exercise any remedy reserved to it in this Article IX it shall not be necessary to give any notice, other than such notice as may be required in this Article IX or by law.

Section 9.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease Agreement should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party; *provided, however*, that the Trustee shall not be required to expend its own funds for any payment described in this Section 9.4.

Section 9.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.6. Application of Proceeds. All net proceeds received from the re-lease or other disposition of the Property under this Article IX, and all other amounts derived by the Corporation or the Trustee as a result of an Event of Default hereunder, shall be transferred to the Trustee promptly upon receipt thereof and after payment of all fees and expenses of the Trustee, including indemnifications and attorneys fees, shall be deposited by the Trustee in the Lease Payment Fund to be applied to the Lease Payments in order of payment date.

Section 9.7. Trustee and Certificate Owners to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article IX have been assigned by the Corporation to the Trustee under the Assignment Agreement, to which assignment the City hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Certificates as provided in the Trust Agreement and herein.

Section 9.8. No Right to Terminate for Corporation Default. The City shall not have the right to terminate this Lease Agreement as a remedy for a default by the Corporation in the performance of its obligations hereunder.

ARTICLE X

PREPAYMENT OF LEASE PAYMENTS

Section 10.1. Security Deposit. Notwithstanding any other provision of this Lease Agreement, the City may, on any date, secure the payment of all or a portion of the Lease Payments remaining due by an irrevocable deposit with the Trustee or an escrow holder under an escrow deposit and trust agreement as referenced in Section 14.01(b) of the Trust Agreement, of: (a) in the case of a security deposit relating to all Lease Payments, either (i) cash in an amount which, together with amounts on deposit in the Lease Payment Fund, the Insurance and Condemnation Fund and the Reserve Fund, is sufficient to pay all unpaid Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit C, or (ii) Defeasance Obligations in such amount as will, in the written opinion of an independent certified public accountant or other firm of recognized experts in such matters, together with interest to accrue thereon and, if required, all or a portion of moneys or Defeasance Obligations or cash then on deposit and interest earnings thereon in the Lease Payment Fund, the Insurance and Condemnation Fund and the Reserve Fund, be fully sufficient to pay all unpaid Lease Payments on their respective Lease Payment Dates; or (b) in the case of a security deposit relating to a portion of the Lease Payments, a certificate executed by a City Representative designating the portion of the Lease Payments to which the deposit pertains, and either (i) cash in an amount which is sufficient to pay the portion of the Lease Payments designated in such City Representative's certificate, including the principal and interest components thereof, or (ii) Defeasance Obligations in such amount as will, together with interest to be received thereon, if any, in the written opinion of an independent certified public accountant or other firm of recognized experts in such matters, be fully sufficient to pay the portion of the Lease Payments designated in the aforesaid City Representative's certificate.

In the event of a deposit pursuant to this Section 10.1 as to all Lease Payments and the payment of all fees, expenses and indemnifications owed to the Trustee, all obligations of the City under this Lease Agreement shall cease and terminate, excepting only the obligation of the City to make, or cause to be made, all payments from the deposit made by the City pursuant to this Section 10.1 and the obligations of the City pursuant to Section 5.13 hereof and title to the Property shall vest in the City on the date of said deposit automatically and without further action by the City or the Corporation. Said deposit and interest earnings thereon shall be deemed to be and shall constitute a special fund for the payments provided for by this Section 10.1 and said obligation shall thereafter be deemed to be and shall constitute the installment purchase obligation of the City for the Property. Upon said deposit, the Corporation will execute or cause to be executed any and all documents as may be necessary to confirm title to the Property in accordance with the provisions hereof. In addition, the Corporation hereby appoints the City as its agent to prepare, execute and file or record, in appropriate offices, such documents as may be necessary to place record title to the Property in the County.

Section 10.2. Prepayment Option. The Corporation hereby grants an option to the City to prepay the principal component of the Lease Payments in full, by paying the aggregate unpaid principal components of the Lease Payments as set forth in Exhibit C hereto, or in part, in a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

Said option may be exercised with respect to Lease Payments due on and after July 15, 2021, in whole or in part on any date, commencing July 15, 2020. Said option shall be exercised by the City by giving written notice to the Corporation and the Trustee of the exercise of such option at least forty-five (45) days prior to said prepayment date, or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee. In the event of prepayment in part, the partial prepayment shall be applied against Lease Payments in such order of payment

date as shall be selected by the City. Lease Payments due after any such partial prepayment shall be in the amounts set forth in a revised Lease Payment schedule which shall be provided by, or caused to be provided by, the City to the Trustee and which shall represent an adjustment to the schedule set forth in Exhibit C attached hereto taking into account said partial prepayment.

Section 10.3. Mandatory Prepayment From Net Proceeds of Insurance, Title Insurance or Eminent Domain. The City shall be obligated to prepay the Lease Payments, in whole on any date or in part on any Lease Payment Date, from and to the extent of any Net Proceeds of an insurance, title insurance or condemnation award with respect to the Property theretofore deposited in the Lease Payment Fund for such purpose pursuant to Article VI hereof and Article VI of the Trust Agreement. The City and the Corporation hereby agree that such Net Proceeds shall be applied first to the payment of any delinquent Lease Payments, and thereafter shall be credited towards the City's obligations under this Section 10.3. Lease Payments due after any such partial prepayment shall be in the amounts set forth in a revised Lease Payment schedule which shall be provided by, or caused to be provided by, the City to the Trustee and which shall represent an adjustment to the schedule set forth in Exhibit C attached hereto taking into account said partial prepayment.

Section 10.4. Credit for Amounts on Deposit. In the event of prepayment of the principal components of the Lease Payments in full under this Article X, such that the Trust Agreement shall be discharged by its terms as a result of such prepayment, remaining amounts on deposit in the Lease Payment Fund or the Reserve Fund shall be credited towards the amounts then required to be so prepaid.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in first-class form with postage fully prepaid:

If to the Corporation: Porterville Public Improvement Corporation
c/o City of Porterville
291 North Main Street
Porterville, CA 93257
Attention: City Manager
Phone: (559) 782-7499

If to the City: City of Porterville
291 North Main Street
Porterville, CA 93257
Attention: City Manager
Phone: (559) 782-7499

If to the Trustee: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust Services
Phone: (213) 615-6051

The Corporation, the City and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 11.2 Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns.

Section 11.3. Severability. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.4. Net-net-net Lease. This Lease Agreement shall be deemed and construed to be a "net-net-net lease" and the City hereby agrees that the Lease Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

Section 11.5. Further Assurances and Corrective Instruments. The Corporation and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intentions of this Lease Agreement.

Section 11.6. Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7. Applicable Law. This Lease Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.8. Corporation and City Representatives. Whenever under the provisions of this Lease Agreement the approval of the Corporation or the City is required, or the Corporation or the City is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by a Corporation Representative and for the City by a City Representative, and each party hereto shall be authorized to rely upon any such approval or request.

Section 11.9. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease Agreement.

IN WITNESS WHEREOF, the Corporation has caused this Lease Agreement to be executed in its name by its duly authorized officers; and the City has caused this Lease Agreement to be executed in its name by its duly authorized officers, as of the date first above written.

PORTERVILLE PUBLIC IMPROVEMENT
CORPORATION

By _____
John D. Lollis
Executive Director

Attest:

Patrice Hildreth
Secretary

CITY OF PORTERVILLE

By _____
John D. Lollis
City Manager

Attest:

Patrice Hildreth
Chief Deputy City Clerk

EXHIBIT A
DESCRIPTION OF THE SITE

All that certain real property situated in Tulare County, State of California, described as follows:

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility consists of:

1. **City Hall**, located at 291 North Main Street in Porterville.
2. **Police Station**, located at 350 North D Street in Porterville.
3. **Library**, located at 41 West Thurman Avenue in Porterville.
4. **Fire Station No. 1**, located at 40 West Cleveland Avenue in Porterville.
5. **Fire Station No. 2**, located at 500 North Newcomb Street in Porterville.
6. **Corporation Yard**, located at 555 North Prospect Street in Porterville.
7. **Community Center**, located at 466 East Putnam Avenue in Porterville.
8. **Murray Park**, located on Putnam Avenue in Porterville.
9. **Heritage Center**, located at 256 East Orange Avenue in Porterville.

EXHIBIT C

SCHEDULE OF LEASE PAYMENTS

<u>Lease Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Lease Payment</u>	<u>Annual Lease Payment</u>
09/15/15				
03/15/16				
09/15/16				
03/15/17				
09/15/17				
03/15/18				
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03/15/36				
09/15/36				

AFTER RECORDATION RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

ASSIGNMENT AGREEMENT

Dated as of May 1, 2015

by and between the

PORTERVILLE PUBLIC IMPROVEMENT CORPORATION

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Relating to:

\$ _____

CERTIFICATES OF PARTICIPATION

(2015 Refinancing Project)

Evidencing Direct, Undivided Fractional Interests of the

Owners Thereof in Lease Payments to be Made by the

CITY OF PORTERVILLE, CALIFORNIA

As the Rental for Certain Property Pursuant to a Lease Agreement

with the Porterville Public Improvement Corporation

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT, dated as of May 1, 2015, by and between the PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, a nonprofit, public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

Section 1. Recitals.

(a) The Corporation and the City of Porterville (the "City"), have entered into a lease agreement, dated as of May 1, 2015, a memorandum of which is recorded concurrently herewith (the "Lease Agreement"), whereby the Corporation has agreed to lease to the City, and the City has agreed to lease from the Corporation, those certain parcels of real property situated in Tulare County, State of California, more particularly described in Exhibit A hereto (the "Site"), and those certain improvements thereon, more particularly described in Exhibit B hereto (the "Facility" and, with the Site, the "Property"), in the manner and on the terms set forth in the Lease Agreement, which terms include, without limitation, the obligation of the City to pay lease payments (the "Lease Payments") to the Corporation in consideration of the City's use and enjoyment of the Property.

(b) Under the Lease Agreement, the Corporation is required to cause to be deposited with the Trustee certain sums of money to be credited, held and applied in accordance with the Lease Agreement and with a trust agreement, dated as of May 1, 2015 (the "Trust Agreement"), by and among the Corporation, the City and the Trustee.

(c) Upon delivery of the Lease Agreement, the Corporation is required to deposit with the Trustee moneys to (i) provide for the defeasance of the City's outstanding Certificates of Participation (2002 Public Building Refunding Project) (the "2002 Certificates"), and (ii) provide for the prepayment of a lease agreement, dated as of April 1, 2013, by and between the Corporation and the City, which has been assigned to Rabobank, N.A. (the "2013 Lease"). For the purpose of obtaining such moneys, the Corporation is willing to convey to certain persons (the "Owners") direct, undivided fractional interests in the Lease Payments, such direct, undivided fractional interests to be evidenced by certificates of participation therein (the "Certificates"). In order to make such fractional interests marketable on terms acceptable to the Corporation, the Corporation is willing to assign and transfer its rights under the Lease Agreement to the Trustee for the benefit of the Owners. Concurrently with the delivery of this Assignment Agreement, the Trustee is executing and delivering Certificates in an aggregate principal amount of _____ dollars (\$_____). The proceeds of such sale are anticipated to be sufficient to permit the Corporation to make the deposits required under the Lease Agreement and the Trust Agreement and to permit the Corporation to pay therewith the costs of refunding the 2002 Certificates and prepaying the 2013 Lease.

(d) Each of the parties has authority to enter into this Assignment Agreement and has taken all actions necessary to authorize its officers to execute it.

Section 2. Assignment. The Corporation, for good and valuable consideration, hereby transfers, assigns and sets over to the Trustee, for the benefit of the Owners of the Certificates (as defined in the Trust Agreement), all of the Corporation's rights and interests under the Lease Agreement (excepting only the Corporation's rights under Sections 5.8, 7.3 and 9.4 but none of its obligations, including, without limitation, its obligations under Section 4.7 of the Lease Agreement), including without limitation (i) the right to receive and collect all of the Lease Payments from the City, (ii) the right to receive and collect any proceeds of any insurance maintained thereunder and of any condemnation award rendered with respect to the Property, and (iii) the right to exercise such rights and remedies conferred on the Corporation pursuant to the Lease Agreement as may be necessary or convenient (A) to enforce payment of the Lease Payments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund established under the Trust Agreement, or (B) otherwise to protect the interests of the Owners in the event of a default by the City under the Lease Agreement. All rights assigned by the Corporation shall be administered by the Trustee in accordance with the provisions of the Trust Agreement and for the equal and fractional benefit of the Owners of the Certificates.

Section 3. Acceptance. The Trustee hereby accepts the assignments made herein for the purpose of securing, equally and fractionally, the payments due pursuant to the Lease Agreement and the Trust Agreement to, and the rights under the Lease Agreement and Trust Agreement of, the Owners of the Certificates delivered pursuant to the Trust Agreement, all subject to the provisions of the Trust Agreement.

Section 4. Conditions. This Assignment Agreement shall neither confer rights nor impose duties upon the Trustee beyond those expressly provided in the Trust Agreement. The Trustee assumes no responsibility for the accuracy of the recitals herein.

Section 5. Amendment. This Assignment Agreement may not be amended except as permitted under Section 10.01 of the Trust Agreement.

Section 6. Execution in Counterparts. This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

PORTERVILLE PUBLIC IMPROVEMENT
CORPORATION

By _____
John D. Lollis
Executive Director

Attest:

Patrice Hildreth
Secretary

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Ilse Vlach
Assistant Vice President

[NOTARY ACKNOWLEDGMENTS TO BE ATTACHED]

EXHIBIT A
DESCRIPTION OF THE SITE

All that certain real property situated in Tulare County, State of California, described as follows:

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility consists of:

1. **City Hall**, located at 291 North Main Street in Porterville.
2. **Police Station**, located at 350 North D Street in Porterville.
3. **Library**, located at 41 West Thurman Avenue in Porterville.
4. **Fire Station No. 1**, located at 40 West Cleveland Avenue in Porterville.
5. **Fire Station No. 2**, located at 500 North Newcomb Street in Porterville.
6. **Corporation Yard**, located at 555 North Prospect Street in Porterville.
7. **Community Center**, located at 466 East Putnam Avenue in Porterville.
8. **Murray Park**, located on Putnam Avenue in Porterville.
9. **Heritage Center**, located at 256 East Orange Avenue in Porterville.

TRUST AGREEMENT

Dated as of May 1, 2015

by and among

U.S. BANK NATIONAL ASSOCIATION, as Trustee,

the

PORTERVILLE PUBLIC IMPROVEMENT CORPORATION

and the

CITY OF PORTERVILLE, CALIFORNIA

Relating to:

\$ _____

CERTIFICATES OF PARTICIPATION

(2015 Refinancing Project)

Evidencing Direct, Undivided Fractional Interests of the

Owners Thereof in Lease Payments to be Made by the

CITY OF PORTERVILLE, CALIFORNIA

**As the Rental for Certain Property Pursuant to a Lease Agreement
with the Porterville Public Improvement Corporation**

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EXHIBIT A: DEFINITIONS

EXHIBIT B: FORM OF THE CERTIFICATES

TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of May 1, 2015, by and among U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee"), the PORTERVILLE PUBLIC IMPROVEMENT CORPORATION, a nonprofit, public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), and the CITY OF PORTERVILLE, a municipal corporation and chartered city, organized and existing under the laws of the State of California (the "City");

WITNESSETH:

WHEREAS, the City and the Corporation have entered into a lease agreement, dated as of the date hereof (the "Lease Agreement"), whereby the Corporation has agreed to lease certain real property and improvements (collectively, the "Property") to the City and the City has agreed to lease the Property from the Corporation;

WHEREAS, for the purpose of obtaining the moneys required to be deposited by it with the Trustee all for the purpose of enabling the City to (a) provide for the defeasance of the City's outstanding Certificates of Participation (2002 Public Building Refunding Project) (the "2002 Certificates"), and (a) provide for the prepayment of a lease agreement, dated as of April 1, 2013, by and between the Corporation and the City, which has been assigned to Rabobank, N.A. (the "2013 Lease"), the Corporation proposes to assign and transfer certain of its rights under the Lease Agreement to the Trustee, and the Trustee has agreed to execute and deliver certificates of participation, each evidencing a direct, fractional interest in lease payments made by the City under the Lease Agreement, to provide the moneys required herein to be deposited by the Corporation; and

WHEREAS, the proceeds of the Certificates, together with other available moneys, will be applied by the City to (a) defease the 2002 Certificates, (b) prepay the 2013 Lease, (c) fund a reserve fund for the Certificates, and (d) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. The terms defined in Exhibit A attached hereto and by this reference incorporated herein, as used and capitalized herein, shall, for all purposes of this Trust Agreement, have the meanings ascribed to them in said Exhibit A unless the context clearly requires some other meaning.

Section 1.02. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

Section 1.03. Exhibits. The following exhibits are attached to, and by reference made a part of, this Trust Agreement:

EXHIBIT A: DEFINITIONS

EXHIBIT B: FORM OF THE CERTIFICATES

ARTICLE II

THE CERTIFICATES OF PARTICIPATION

Section 2.01. Authorization. The Trustee is hereby authorized and directed upon written request from the Corporation to execute and deliver, to the Original Purchaser identified in such written request, Certificates in an aggregate principal amount of _____ dollars (\$_____) evidencing direct, undivided fractional interests of the Owners thereof in the Lease Payments.

Section 2.02. Date; Payment of Interest. Each Certificate shall be dated as of the Closing Date. Interest with respect thereto shall be payable from the Interest Payment Date next preceding the date of execution thereof, unless: (i) it is executed as of an Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (ii) it is executed after a Regular Record Date and before the following Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (iii) it is executed on or before September 15, 2015, in which event interest with respect thereto shall be payable from the Closing Date; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest represented by such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates. Payment of defaulted interest shall be paid by check mailed to the Owners as of a special record date to be fixed by the Trustee in its sole discretion, notice of which shall be given to the Owners not less than ten (10) days prior to such special record date.

Section 2.03. Maturity; Interest Rates; Percentages.

(a) *Maturity; Interest Rates*. The Certificates shall mature on October 1 in each of the respective years, and in the respective amounts, except that no Certificate may have principal maturing in more than one year, and interest represented thereby shall be computed at the respective rates, as follows:

Maturity Date (October 1)	Principal Amount	Interest Rate	Maturity Date (October 1)	Principal Amount	Interest Rate
------------------------------	---------------------	------------------	------------------------------	---------------------	------------------

(b) *Payments With Respect to Certificates Equal to Total Lease Payments*. The total principal and interest due with respect to all Certificates shall not exceed the total Lease Payments due under the Lease Agreement.

Section 2.04. Interest. Interest represented by the Certificates shall be payable on each Interest Payment Date to and including the date of maturity or redemption, whichever is earlier, as provided in Section 2.10 hereof. Said interest shall represent the portion of Lease Payments designated as interest and coming due during the six-month period preceding each Interest Payment Date. The portion of Lease Payments designated as interest with respect to any Certificate shall be computed by multiplying the portion of Lease Payments designated as principal with respect to such Certificate by the rate of interest applicable to such Certificate (on the basis of a 360-day year of twelve 30-day months).

Section 2.05. Forms. The Certificates shall be delivered in the form of fully registered Certificates without coupons in the denomination of \$5,000 or any integral multiple thereof. The Certificates shall be numbered consecutively, beginning with R-1. The Certificates shall be substantially in the form set forth in Exhibit B attached hereto and by this reference incorporated herein.

Section 2.06. Execution. The Certificates shall be executed by and in the name of the Trustee by the manual signature of an authorized officer or signatory of the Trustee. If any officer or signatory whose signature appears on any Certificate ceases to be such officer or signatory before the date of delivery of said Certificate, such signature shall nevertheless be as effective as if the officer or signatory had remained in office until such date.

Section 2.07. Application of Proceeds. The net proceeds received by the Trustee from the sale of the Certificates in the aggregate amount of \$_____, being the face amount of the Certificates (\$_____), less an underwriter's discount of \$_____, plus a net original issue premium of \$_____, shall forthwith be deposited by the Trustee in the following respective funds:

- (a) The Trustee shall deposit in the Delivery Costs Fund an amount equal to \$_____;
- (b) The Trustee shall deposit in the Reserve Fund an amount equal to \$_____ being equal to the Reserve Requirement;
- (c) The Trustee shall transfer to sum of \$_____ to the Escrow Bank for deposit in the Escrow Fund to provide for the defeasance of the 2002 Certificates; and
- (d) The Trustee shall transfer to sum of \$_____ to Rabobank, N.A. to provide for the prepayment of the 2013 Lease.

The Trustee may establish a temporary fund or account in its records to facilitate such deposits and transfers.

Section 2.08. Transfer and Exchange.

(a) *Transfer of Certificates*. The registration of any Certificate may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his attorney duly authorized in writing upon surrender of such Certificate for cancellation at the Principal Corporate Trust Office, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Certificate or Certificates shall be surrendered for registration of transfer, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The City shall pay any costs of the Trustee incurred in connection with such transfer, except that the Trustee may require the payment by the Certificate Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Trustee shall not be required to transfer (i) any Certificates or

portion thereof during the period between the date fifteen (15) days prior to the date of selection of Certificates for redemption and such date of selection, or (ii) any Certificates selected for redemption.

(b) *Exchange of Certificates.* Certificates may be exchanged, upon surrender thereof, at the Principal Corporate Trust Office for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. Whenever any Certificate or Certificates shall be surrendered for exchange, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The City shall pay any costs of the Trustee incurred in connection with such exchange, except that the Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to exchange (i) any Certificate or any portion thereof during the period between the date fifteen (15) days prior to the date of selection of Certificates for redemption and such date of selection, or (ii) any Certificate selected for redemption.

Section 2.09. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like tenor, maturity and amount in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled by it and destroyed with a certificate of destruction furnished to the City. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft shall be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor, maturity and amount and numbered as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment by the City of the expenses which may be incurred by the Trustee in carrying out the duties under this Section 2.09. Any Certificate executed and delivered under the provisions of this Section 2.09 in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and fractionally entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section 2.09, in lieu of delivering a new Certificate to replace a Certificate which has been mutilated, lost, destroyed or stolen, and which has matured or has been called for redemption, the Trustee may make payment with respect to such Certificate upon receipt of the aforementioned indemnity.

Section 2.10. Payment. Payment of interest due with respect to any Certificate on any Interest Payment Date shall be made to the person appearing on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his address as it appears on the Registration Books as of such Regular Record Date or, upon written request filed with the Trustee prior to the Regular Record Date by an Owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request shall remain in effect until rescinded in writing by the Owner. The principal and redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by check denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Corporate Trust Office.

Section 2.11. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Certificates. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, stating that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) The fact of the ownership of Certificates by any person and the amount, the maturity and the numbers of such Certificates and the date of his holding the same shall be proved by the Registration Books.

Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the Trustee pursuant to such request or consent.

Section 2.12. Registration Books. The Trustee shall keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Certificates, which shall at all reasonable times be open to inspection by the City and the Corporation during regular business hours on any Business Day with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Certificates as hereinbefore provided.

Section 2.13. CUSIP Numbers. The Trustee, the City and the Corporation shall not be liable for any defect or inaccuracy in the CUSIP number that appears on any Certificate or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Certificates have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Trustee, the City nor the Corporation shall be liable for any inaccuracies in such numbers.

Section 2.14. Use of Depository. Notwithstanding any provision of this Trust Agreement to the contrary:

(a) The Certificates shall be initially executed, delivered and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, the depository designated by the Original Purchaser, and shall be evidenced by one Certificate maturing on each of the maturity dates set forth in Section 2.03 hereof to be in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Certificates, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company or its nominee, or of any substitute depository designated pursuant to paragraph (ii) of this subsection (a) ("substitute depository"); provided that any successor of The Depository Trust Company or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any substitute depository designated in a written request of the City, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the City that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the City that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that no substitute depository which is not objected to by the City and the Trustee can be obtained.

(b) In the case of any transfer pursuant to paragraph (i) or paragraph (ii) of subsection (a) of this Section 2.14, upon receipt of all Outstanding Certificates by the Trustee, together with a written request of a City Representative to the Trustee, a single new Certificate shall be executed and delivered for each maturity of such Certificate then outstanding, registered in the name of such successor or such substitute depository or their nominees, as the case may be, all as specified in such written request of a City Representative. In the case of any transfer pursuant to paragraph (iii) of subsection (a) of this Section 2.14, upon receipt of all Outstanding Certificates by the Trustee together with a written request of a City Representative, new Certificates shall be executed and delivered in such denominations and registered in the names of such persons as are requested in a written request of the City provided the Trustee shall not be required to deliver such new Certificates within a period less than sixty (60) days from the date of receipt of such a written request of a City Representative.

(c) In the case of partial redemption or an advance refunding of any Certificates evidencing all of the principal maturing in a particular year, The Depository Trust Company shall, at the City's expense, deliver the Certificates to the Trustee for cancellation and re-registration to reflect the amounts of such reduction in principal.

(d) The City and the Trustee shall be entitled to treat the person in whose name any Certificate is registered as the absolute Owner thereof for all purposes of this Trust Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the City and the City and the Trustee shall have no responsibility for the accuracy of any records maintained by DTC or any participant in DTC or transmitting payments to, communication with, notifying or otherwise dealing with any beneficial owners of the Certificates. Neither the City nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except for the registered owner of any Certificate.

(e) So long as all outstanding Certificates are registered in the name of Cede & Co. or its registered assign, the City and the Trustee shall reasonably cooperate with Cede & Co., as sole registered Owner, or its registered assign in effecting payment of the principal and interest due with respect to the Certificates by arranging for payment in such manner that funds for such

payments are properly identified and are made immediately available on the date they are due, in accordance with the Letter of Representations between DTC and the Trustee.

(f) So long as all Outstanding Certificates are registered in the name of Cede & Co. or its registered assigns (hereinafter, for purposes of this paragraph (f), the “Owner”):

(i) All notices and payments addressed to the Owners shall contain the Certificates’ CUSIP number.

(ii) Notices to the Owner shall be forwarded in the manner set forth in the form of DTC’s standard form blanket issuer letter of representations executed by the City and received and accepted by DTC.

ARTICLE III

ESTABLISHMENT AND DISBURSEMENT OF DELIVERY COSTS FUND

Section 3.01. Delivery Costs Fund. The Trustee shall establish a special fund designated as the "Delivery Costs Fund;" shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as provided herein. There shall be deposited in the Delivery Costs Fund the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.07(a) hereof and any other funds from time to time deposited with the Trustee for such purpose and identified in writing to the Trustee.

Section 3.02. Payment of Delivery Costs. The moneys in the Delivery Costs Fund shall be disbursed by the Trustee to pay the Delivery Costs.

(a) The Trustee shall disburse moneys in the Delivery Costs Fund only upon a receipt of a sequentially numbered requisition, signed by a City Representative, setting forth the amounts to be disbursed for payment or reimbursement of Delivery Costs and the name and address of the person or persons to whom said amounts are to be disbursed, stating that the amounts to be disbursed are for Delivery Costs properly chargeable to the Delivery Costs Fund.

(b) The Trustee shall be responsible for the safekeeping and investment (in accordance with Section 8.02 hereof) of the moneys held in the Delivery Costs Fund and the payment thereof in accordance with this Section 3.02, but the Trustee shall not be responsible for the truth or accuracy of such requisitions, may rely conclusively thereon and shall be under no duty to investigate or verify any statements made therein.

(c) Upon written notice from a City Representative that all Delivery Costs have been paid, but in no event later than July 23, 2015, the Trustee shall transfer any moneys then remaining in the Delivery Costs Fund to the Lease Payment Fund and applied for the purposes of the Lease Payment, the Delivery Costs Fund shall be closed, the Trustee shall no longer be obligated to make payments for Delivery Costs and all further Delivery Costs shall be paid by the City.

ARTICLE IV

REDEMPTION OF CERTIFICATES

Section 4.01. Redemption.

(a) *Optional Redemption.* The Certificates maturing on or before October 1, ____, are not subject to optional redemption prior to maturity. The Certificates maturing on and after October 1, ____, are subject to optional redemption in whole or in part on any date in such order of maturity as shall be designated by the City (or, if the City shall fail to so designate the order of redemption, pro rata among maturities) and by lot within a maturity, on or after October 1, ____, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption from the proceeds of the optional prepayment of Lease Payments made by the City pursuant to the Lease Agreement, without premium.

(b) *Redemption From Net Proceeds of Insurance, Title Insurance, Condemnation or Eminent Domain Award.* The Certificates are subject to mandatory redemption in whole or in part on any date from the Net Proceeds of an insurance, title insurance, condemnation, or eminent domain award to the extent credited towards the prepayment of the Lease Payments by the City pursuant to Section 10.3 of the Lease Agreement, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

(c) *Mandatory Redemption.* The Certificates maturing on October 1, ____, are subject to mandatory redemption in part on October 1, ____, and on each October 1, thereafter, to and including October 1, ____, from the principal components of scheduled Lease Payments required to be paid by the City pursuant to Section 4.4 of the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in Section 6.3 of the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

<u>Year</u> <u>(October 1)</u>	<u>Principal Amount of</u> <u>Certificates to be Redeemed</u>
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†Maturity.

In the event that the Trustee shall redeem Certificates maturing on October 1, 2036, in part but not in whole pursuant to subsections (a) or (b) of this Section 4.01, the amount of the Certificates to be redeemed in each subsequent year pursuant to this subsection (c) shall be reduced to correspond to the principal components of the Lease Payments prevailing following such redemption as determined pursuant to Section 4.4(b) of the Lease Agreement.

Section 4.02. Selection of Certificates for Redemption. Whenever provision is made in this Trust Agreement for the redemption of Certificates and less than all Outstanding Certificates are to be redeemed, the Trustee shall select Certificates for redemption from the Outstanding Certificates not previously called for redemption in such order of maturity as shall be designated by the City, except for redemption pursuant to Section 4.01(c), (and, in lieu of such designation, *pro rata* among maturities) and by lot within a maturity. The Trustee shall select Certificates for redemption within a maturity by lot in any manner which the Trustee shall, in its sole discretion, deem appropriate. For the purposes of such selection, Certificates

shall be deemed to be composed of \$5,000 portions and any such portion may be separately redeemed. The Trustee shall promptly notify the City and the Corporation in writing of the Certificates so selected for redemption. Selection by the Trustee of Certificates for redemption shall be final and conclusive.

Section 4.03. Notice of Redemption. Unless waived in writing by any Owner of a Certificate to be redeemed, notice of any such redemption shall be given by the Trustee on behalf and at the expense of the City, by mailing a copy of a redemption notice by first class mail, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to such Owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate Registration Books maintained by the Trustee or at such other address as is furnished in writing by such Owner to the Trustee; *provided, however*, that neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of the Certificates.

All notices of redemption shall be dated and shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all Outstanding Certificates of a maturity are to be redeemed, the Certificate numbers (and, in the case of partial redemption, the respective principal amounts) of the Certificates to be redeemed; (iv) that on the redemption date the redemption price will become due and payable upon each such Certificate or portion thereof called for redemption and that interest with respect thereto shall cease to accrue from and after said date; (v) the place where such Certificates are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Corporate Trust Office; (vi) the CUSIP numbers of all Certificates being redeemed; (vii) the original date of execution and delivery of the Certificates; (viii) the rate of interest payable with respect to each maturity of Certificates being redeemed; (ix) the maturity date of each Certificate being redeemed; and (x) any other descriptive information needed to identify accurately the Certificates being redeemed.

Notwithstanding the foregoing, in the case of any optional redemption of the Certificates under Section 4.01(a), the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Certificates on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Certificates have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Certificates to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Certificates for which notice of optional redemption was given shall remain Outstanding for all purposes of this Trust Agreement.

Notice of redemption having been given as aforesaid and the deposit of the redemption price having been made by the City, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates shall be paid by the Trustee at the redemption price. Upon the payment of the redemption price of Certificates being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Certificates being redeemed with the proceeds of such check or other transfer, to the extent possible. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Certificates which have been redeemed shall be canceled by the Trustee, shall not be redelivered and shall be destroyed pursuant to Section 14.07.

In addition to the foregoing notice to the Owners, notice shall also be given by the Trustee, by telecopy, registered, certified or overnight mail, to all Securities Depositories and to an Information Service which shall state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption.

The Trustee shall have no responsibility for a defect in the CUSIP number that appears on any Certificate or in the redemption notice. The redemption notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of Certificate Owners and that the Trustee and the City shall not be liable in any way for inaccuracies in said numbers.

Section 4.04. Partial Redemption of Certificate. Upon surrender of any Certificate redeemed in part only, the Trustee shall execute and deliver to the Owner thereof a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Certificate surrendered and of the same interest rate and the same maturity.

Section 4.05. Purchase of Certificates. In lieu of redemption of Certificates as provided in this Article IV, amounts held by the Trustee for such redemption may also be used on any Interest Payment Date, upon receipt by the Trustee at least ninety (90) days prior to the next scheduled Interest Payment Date of the written request of a City Representative, for the purchase of Certificates at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the City may in its discretion direct. Such purchases may be effected through the investment department of the Trustee or of an affiliate of the Trustee. The aggregate principal amount of Certificates of the same maturity purchased in lieu of redemption pursuant to this Section 4.05 shall not exceed the aggregate principal amount of Certificates of such maturity which would otherwise be subject to such redemption. Remaining moneys, if any, shall be deposited in the Lease Payment Fund.

ARTICLE V

LEASE PAYMENTS; LEASE PAYMENT FUND

Section 5.01. Assignment of Rights in Lease Agreement. The Corporation has, in the Assignment Agreement, transferred, assigned and set over to the Trustee certain of its rights but none of its obligations set forth in the Lease Agreement, including but not limited to all of the Corporation's rights to receive and collect Lease Payments and all other amounts required to be deposited in the Lease Payment Fund pursuant to the Lease Agreement or pursuant hereto. All Lease Payments and such other amounts to which the Corporation may at any time be entitled shall be paid directly to the Trustee and all of the Lease Payments collected or received by the Corporation shall be deemed to be held and to have been collected or received by the Corporation as the agent of the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one Business Day after the receipt thereof, and all such Lease Payments and such other amounts shall be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund.

Section 5.02. Establishment of Lease Payment Fund. The Trustee shall establish a special fund designated as the "Lease Payment Fund." All moneys at any time deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Certificates. So long as any Certificates are Outstanding, neither the City nor the Corporation shall have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

Section 5.03. Deposits. There shall be deposited in the Lease Payment Fund all Lease Payments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Sections 4.01, 5.01 or Article VII hereof, or Article X of the Lease Agreement, and any other moneys required to be deposited therein pursuant to the Lease Agreement or pursuant to this Trust Agreement.

Section 5.04. Application of Moneys. All amounts in the Lease Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest with respect to the Certificates as the same shall become due and payable in accordance with the provisions of Article II and Article IV hereof.

Section 5.05. Surplus. Any surplus remaining in the Lease Payment Fund after redemption and/or payment of all Certificates, including accrued interest (if any) and payment of any applicable fees and expenses to the Trustee, or provision for such redemption or payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the City.

ARTICLE VI
RESERVE FUND

Section 6.01. Establishment of Reserve Fund. The Trustee shall establish a special fund designated as the "Reserve Fund." All moneys, equal to the Reserve Requirement, at any time on deposit in the Reserve Fund shall be held by the Trustee in trust for the benefit of the Owners of the Certificates, and applied solely as provided herein.

Section 6.02. Deposits. There shall be deposited in the Reserve Fund the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.07(b) hereof and any other funds from time to time deposited with the Trustee for such purpose and identified in writing to the Trustee. Moneys in the Reserve Fund shall be held in trust as a reserve for the payment when due of the Lease Payments.

Section 6.03. Transfers of Excess. The Trustee shall, on or before each March 1 and September 1, value investments in the Reserve Fund at market value and transfer any moneys in the Reserve Fund then in excess of the Reserve Requirement in accordance with Section 9.04; *provided, however,* that the Trustee shall not liquidate an investment to make such transfer of excess unless so directed in writing by a City Representative.

Section 6.04. Application in Event of Deficiency in the Lease Payment Fund. If, on any Interest Payment Date, the moneys available in the Lease Payment Fund do not equal the amount of the principal and interest with respect to the Certificates then coming due and payable, the Trustee shall apply the moneys available in the Reserve Fund to make delinquent Lease Payments by transferring the amount necessary for this purpose to the Lease Payment Fund. Upon receipt of any delinquent Lease Payment with respect to which moneys have been advanced from the Reserve Fund, such Lease Payment shall be deposited in the Reserve Fund to the extent of such advance.

Section 6.05. Transfer To Make All Lease Payments. If, on any Interest Payment Date, the moneys on deposit in the Reserve Fund and the Lease Payment Fund (excluding amounts required for payment of principal and interest with respect to Certificates not presented for payment) are sufficient to pay all Outstanding Certificates, including all principal and interest, the Trustee shall transfer all amounts then on deposit in the Reserve Fund to the Lease Payment Fund to be applied to the payment of the Lease Payments, and such moneys shall be distributed to the Owners of Certificates in accordance with Article II and IV of this Trust Agreement. Any amounts remaining in the Reserve Fund upon payment in full of all Outstanding Certificates and all amounts due the Trustee hereunder, or upon provision for such payment as provided in Section 14.01, shall be withdrawn by the Trustee and paid to the City.

ARTICLE VII

INSURANCE AND CONDEMNATION FUND; INSURANCE; EMINENT DOMAIN; TITLE INSURANCE

Section 7.01. Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award.

(a) Any Net Proceeds of insurance against damage to or destruction of any part of the Property collected by the City in the event of any such damage or destruction shall be paid to the Trustee by the City pursuant to Section 6.2(a) of the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in a special fund designated as the "Insurance and Condemnation Fund" to be established by the Trustee when deposits are required to be made therein.

(b) Within ninety (90) days following the date of such deposit, the City shall determine and notify the Trustee in writing of its determination either (i) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the City, or (ii) that all or a portion of such Net Proceeds are to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property.

(c) In the event the City's determination is as set forth in clause (i) of paragraph (b) above, such Net Proceeds shall be promptly transferred by the Trustee to the Lease Payment Fund, applied to the prepayment of Lease Payments pursuant to Section 10.3 of the Lease Agreement and applied to the redemption of Certificates as provided in Section 4.01(b) hereof; *provided, however*, that in the event of damage or destruction of the Property in full, such Net Proceeds may be transferred to the Lease Payment Fund only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Section 10.3 of the Lease Agreement, otherwise such Net Proceeds shall be applied to the replacement, repair, restoration, modification or improvement of the Property; *provided further, however*, that in the event of damage or destruction of the Property in part, such Net Proceeds may be transferred to the Lease Payment Fund and applied to the prepayment of Lease Payments only if the resulting Lease Payments represent fair consideration for the remaining portions of the Property, evidenced by a certificate signed by a City Representative and a Corporation Representative.

(d) In the event the City's determination is as set forth in clause (ii) of paragraph (b) above, Net Proceeds deposited in the Insurance and Condemnation Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the City, and disbursed by the Trustee upon receipt of requisitions signed by a City Representative stating with respect to each payment to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Trustee shall not be responsible for the representations made in such requisitions and may conclusively rely thereon and shall be under no duty to investigate or verify any statements made therein. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the City.

Section 7.02. Application of Net Proceeds of Eminent Domain Award. If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to Section 6.2(b) of the Lease Agreement and shall be applied and disbursed by the Trustee as follows:

(a) If the City has given written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the City to meet any of its obligations with respect to the Property under the Lease Agreement, and (ii) such proceeds are not needed for repair or rehabilitation of the Property, the City shall so certify to the Trustee and the Trustee, at the City's written request, shall transfer such proceeds to the Lease Payment Fund to be credited towards the prepayment of the Lease Payments pursuant to Section 10.3 of the Lease Agreement and applied to the redemption of Certificates in the manner provided in Section 4.01(b) hereof.

(b) If the City has given written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the City to meet any of its obligations with respect to the Property under the Lease Agreement, and (ii) such proceeds are needed for repair, rehabilitation or replacement of the Property, the City shall so certify to the Trustee and the Trustee, at the City's written request, shall pay to the City, or to its order, from said proceeds such amounts as the City may expend for such repair or rehabilitation, upon the filing with the Trustee of requisitions of the City Representative in the form and containing the provisions set forth in Section 7.01. The Trustee shall not be responsible for the representations made in such requisitions and may conclusively rely thereon and shall be under no duty to investigate or verify any statements made therein.

(c) If (i) less than all of the Property shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the City has given written notice to the Trustee of its determination that such eminent domain proceedings have materially affected the operation of the Property or the ability of the City to meet any of its obligations with respect to the Property under the Lease Agreement or (ii) all of the Property shall have been taken in such eminent domain proceedings, then the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited toward the prepayment of the Lease Payments pursuant to Section 10.3 of the Lease Agreement and applied to the redemption of Certificates in the manner provided in 4.01(b) hereof.

(d) In making any determination under this Section 7.02, the City may, but shall not be required to, obtain at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Trustee. Any such determination by the City shall be final.

Section 7.03. Application of Net Proceeds of Title Insurance Award. The Net Proceeds from a title insurance award shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to Section 6.2(c) of the Lease Agreement and shall be transferred to the Lease Payment Fund to be credited towards the prepayment of Lease Payments required to be paid pursuant to Section 10.3 of the Lease Agreement and applied to the redemption of Certificates in the manner provided in Section 4.01(b).

Section 7.04. Cooperation. The Corporation and the Trustee shall cooperate fully with the City, at the expense of the City, in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Lease Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Property or any portion thereof. Neither the Trustee nor the Corporation shall be obligated to join in such

action if it believes it will be exposed to liability or has not been indemnified to its satisfaction from any loss, liability or expense including, but not limited to, attorneys fees.

ARTICLE III

MONEYS IN FUNDS; INVESTMENT

Section 8.01. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Certificates and for the purposes herein specified and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement and shall not (except as set forth in Section 9.03 hereof) be subject to levy, attachment or lien by or for the benefit of any creditor of the Corporation, the Trustee, the City or any Owner of Certificates.

Section 8.02. Investments Authorized. Moneys held by the Trustee hereunder shall, upon written order of a City Representative, be invested and reinvested by the Trustee in Permitted Investments. The Trustee may deem all investments directed by a City Representative as Permitted Investments without independent investigation thereof. If a City Representative shall fail to so direct investments, the Trustee shall invest the affected moneys in Permitted Investments described in paragraph (f) of the definition thereof as shown in Exhibit A hereto. Such investments, if registrable, shall be registered in the name of and held by the Trustee or its nominee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 8.02. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as principal or agent in the making or disposing of any investment and make or dispose of any investment through its investment department or that of an affiliate and shall be entitled to its customary fees therefor. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section 8.02, to deal with itself (in its individual capacity) or with one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account.

Section 8.03. Accounting. The Trustee shall furnish to the City, at least monthly, an accounting which may be in the form of its customary accounting statements of all investments made by the Trustee; provided that the Trustee shall not be obligated to deliver an accounting for any fund or account that (a) has a balance of \$0.00 and (b) has not had any activity since the last reporting date. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 8.02 hereof. The City acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the City the right to receive brokerage confirmations of security transactions, the City waives receipt of such confirmations. The Trustee shall furnish to the City periodic statements of account which shall include detail of all investment transactions made by the Trustee.

Section 8.04. Allocation of Earnings. Unless and until otherwise directed by the City to the Trustee in writing, all interest or income received by the Trustee on investment of the Lease Payment Fund shall, as received, be retained in the Lease Payment Fund. Amounts retained or deposited in the Lease Payment Fund pursuant to this Section 8.04 shall be applied as a credit against the Lease Payment due by the City pursuant to the Lease Agreement on the Lease Payment Date following the date of deposit. All interest received by the Trustee on investment of the Reserve Fund shall be retained in the Reserve Fund in the event that amounts on deposit in the Reserve Fund are less than the Reserve Requirement. Reserve Fund investments may not have maturities extending beyond five years, except for investment agreements or repurchase agreements. In the event that amounts then on deposit in the Reserve Fund on the valuation date described in Section 7.03 hereof equal or exceed the Reserve Requirement, such excess shall be transferred to the Lease Payment Fund. Transfers to the Lease Payment Fund from the Reserve Fund shall be made by the Trustee on or prior to each March 1 and September 1. All

interest or income in the Delivery Costs Fund shall be retained in the Delivery Costs Fund until the Delivery Costs Fund is closed pursuant to Section 3.02 hereof.

Section 8.05. Acquisition, Disposition and Valuation of Investments. The City covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Trust Agreement, or otherwise containing gross proceeds of the Certificates (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued at their market value.

ARTICLE IX
THE TRUSTEE

Section 9.01. Appointment of Trustee. U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America with a Principal Corporate Trust Office in San Francisco, California, is hereby appointed Trustee, registrar and paying agent by the Corporation and the City for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Trust Agreement. The Corporation and the City agree that they will maintain a Trustee which shall be a corporation or association organized under the laws of any state, the United States of America, or the District of Columbia, authorized under such laws to exercise corporate trust powers, which shall have (or, in the case of a bank or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least fifty million dollars (\$50,000,000), subject to supervision or examination by federal or State authority, so long as any Certificates are Outstanding. If such corporation or association publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section 9.01, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 9.01, the Trustee shall resign immediately in the manner and with the effect specified in Section 9.07.

The Trustee is hereby authorized to pay the Certificates when duly presented for payment at maturity, or on redemption, or on purchase by the Trustee prior to maturity in accordance with Section 4.05 hereof, and to cancel all Certificates upon payment thereof. The Trustee shall keep records in accordance with industry standards of all funds administered by it and of all Certificates paid and discharged.

Section 9.02. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Trust Agreement and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement against the Trustee. In case an Event of Default has occurred (which has not been cured or waived) the Trustee may exercise such of the rights and powers vested in it by this Trust Agreement and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) No provision in this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys, receivers or agents and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder and shall

be absolutely protected in relying thereon. The Trustee shall not be responsible for the misconduct of such persons selected by it with reasonable care.

(d) The Trustee shall not be responsible for any recital herein, in the Assignment Agreement or in the Certificates, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Certificates delivered hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Corporation or the City under the Lease Agreement.

(e) The Trustee shall not be accountable for the use of any Certificates delivered hereunder or the proceeds thereof. The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Certificates secured hereby with the same rights which it would have if it were not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such committee shall represent the Owners of the majority in principal amount of the Certificates then Outstanding.

(f) In the absence of bad faith on its part, the Trustee shall be protected in acting or refraining from acting upon any notice, request, consent, requisition, certificate, order, affidavit, facsimile, letter, telegram or other paper or document believed by it to be genuine and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith pursuant to this Trust Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate, shall be conclusive and binding upon all future Owners of the same Certificate and upon Certificates executed and delivered in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at his request unless such person is the registered owner as shown on the Registration Books.

(g) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by a Corporation Representative or a City Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been given notice or is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient. The Trustee may accept a certificate of a Corporation Representative or a City Representative to the effect that an authorization in the form therein set forth has been adopted by the Corporation or the City, as the case may be, as conclusive evidence that such authorization has been duly adopted, and is in full force and effect.

(h) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees, affiliates and agents.

(i) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the City to make any of the Lease Payments to the Trustee required to be made by the City pursuant to the Lease Agreement or failure by the Corporation or the City to file with the Trustee any document required by this Trust Agreement or a Lease Agreement to be so filed subsequent to the delivery of the Certificates, unless the Trustee shall be specifically notified in writing of such default by the Corporation, the City or

by the Owners of at least five percent (5%) in aggregate principal amount of Certificates then Outstanding and all notices or other instruments required by this Trust Agreement to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Trust Agreement with respect to the execution of any Certificates, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Trust Agreement, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the Trustee for the purpose of establishing the right of the City to the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with Article VIII of this Trust Agreement.

(m) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Outstanding Certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.

(n) Before taking any action under Article XIV hereof or this Section 9.02 at the request or direction of the Certificate Owners, the Trustee may require payment or reimbursement of its fees and expenses, including fees and expenses of counsel and receipt of an indemnity bond satisfactory to it from the Certificate Owners to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

(o) Under no circumstances shall the Trustee be liable for the obligations evidenced by the Certificates.

(p) The Trustee shall not be accountable for the use or application by the City or the Corporation or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

(q) The Trustee has no obligation or duty to insure compliance by the City with the Code.

(r) The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal or environmental requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness

for the use contemplated by the City or the Corporation of the Property. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease Agreement or this Trust Agreement for the existence, furnishing or use of the Property.

(s) The Trustee makes no representations as to the validity or sufficiency of the Certificates and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon it. The Trustee shall not be responsible for the validity or sufficiency of the Lease Agreement or the assignment under the Assignment Agreement. The Trustee shall not be liable for the sufficiency or collection of any Lease Payments or other moneys required to be paid to it under the Lease Agreement (except as provided in this Trust Agreement), its right to receive moneys pursuant to the Lease Agreement, or the value of or title to the premises upon which the Property is located or the Property. The Trustee makes no representations and shall have no responsibility for any official statement or other offering material prepared or distributed with respect to the Certificates.

(t) In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners and the City or the Corporation having any claim against the Trustee arising from this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein.

(u) The Trustee is authorized and directed to execute the Assignment Agreement in its capacity as Trustee hereunder.

Section 9.03. Fees, Charges and Expenses of Trustee. The City shall pay and reimburse the Trustee for reasonable fees for its services rendered hereunder and under the Assignment Agreement and all advances and expenditures, including but not limited to, advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys or other experts employed by the Trustee in connection with such services and the Trustee shall, in the Event of Default, have a first and prior lien on the funds held hereunder to secure the same. The Trustee's rights hereunder, including its rights under Section 12.03 hereof, shall survive its resignation or removal and final payment of the Certificates.

Section 9.04. Notice to Certificate Owners of Default. If an Event of Default occurs of which the Trustee has been given or is deemed to have notice pursuant to Section 9.02(i) hereof, then the Trustee shall, within ninety (90) days of the occurrence thereof, give written notice thereof at the expense of the City by first class mail, postage prepaid, to the Owner of each Certificate, unless such Event of Default shall have been cured before the giving of such notice; *provided, however* that unless such Event of Default consists of the failure by the City to make any Lease Payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Certificate Owners not to give such notice.

Section 9.05. Intervention by Trustee. In any judicial proceeding to which the Corporation or the City is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of the Certificates, the Trustee may intervene on behalf of the Certificate Owners and shall do so if requested in writing by the Owners of at least twenty-five percent (25%) of the aggregate principal amount of Certificates then Outstanding, provided the Trustee shall have no duty to take such action unless it has received payment or reimbursement and has been indemnified to its satisfaction as provided in Section 9.02(n) hereof against all risk or liability arising from such action.

Section 9.06. Removal of Trustee. Upon thirty (30) days' notice, the City (so long as no Event of Default shall have occurred and be continuing) or the Owners of at least a majority of the aggregate principal amount of Certificates then Outstanding may, with the consent of the Corporation, remove the Trustee initially appointed, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee and the Corporation, and may appoint a successor or successors thereto; provided that any such successor shall be a corporation or association meeting the requirements set forth in Section 9.01 hereof.

Section 9.07. Resignation by Trustee. The Trustee and any successor Trustee may, at any time, resign by giving thirty (30) days' written notice by registered or certified mail to the City and the Corporation.

Section 9.08. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 9.06 or 9.07 hereof, the City shall promptly appoint a successor Trustee. In the event the City shall, for any reason whatsoever, fail to appoint a successor Trustee within thirty (30) days following the delivery to the Trustee of the instrument described in Section 9.06 hereof or within thirty (30) days following the receipt of notice by the City pursuant to Section 9.07 hereof, the Trustee may apply to a court of competent jurisdiction at the expense of the City, for the appointment of a successor Trustee meeting the requirements of Section 9.01 hereof. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the City purporting to appoint a successor Trustee following the expiration of such thirty (30) day period. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee.

Section 9.09. Merger or Consolidation. Any company or association into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 9.01 hereof, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 9.10. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also the Corporation and the City an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the City, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Upon such acceptance, the City shall mail, by first class mail, postage prepaid, or cause the mailing of, notice thereof to the Certificate Owners at their respective addresses set forth on the Registration Books. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article IX, shall be filed or recorded by the successor Trustee in each recording office where the Assignment Agreement shall have been filed or recorded.

ARTICLE X

MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 10.01. Amendments Permitted. This Trust Agreement and the rights and obligations of the Owners of the Certificates, the Lease Agreement and the rights and obligations of the parties thereto, the Site and Facility Lease and the rights and obligations of the parties thereto and the Assignment Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 10.03 hereof, shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof, without the express consent of the Owner of such Certificate; or (2) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of a Lease Agreement; or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 10.02 hereof.

This Trust Agreement and the rights and obligations of the Owners of the Certificates and the Lease Agreement and the rights and obligations of the respective parties thereto, may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only to the extent permitted by law and only (1) to add to the covenants and agreements of the Corporation or the City; (2) to cure, correct or supplement any ambiguous or defective provision contained herein or therein and which shall not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the Owners of the Certificates; (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the Owners of the Certificates; (4) to make such additions, deletions or modifications as may be necessary or appropriate in the opinion of bond counsel to assure the exclusion from gross income for federal income tax purposes of the interest component of Lease Payments and the interest payable with respect to the Certificates; (5) to add to the rights of the Trustee; or (6) to maintain the rating or ratings assigned to the Certificates. Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto or thereto, as the case may be.

This Trust Agreement and the Lease Agreement may not be modified or amended at any time by a supplemental agreement which would modify any of the rights and obligations of the Trustee without its written assent thereto.

The Trustee may request an opinion of Independent Counsel that any amendment entered into hereunder complies with the provisions of this Article X and the Trustee may rely conclusively on such opinion.

Section 10.02. Procedure for Amendment with Written Consent of Certificate Owners. This Trust Agreement and the Lease Agreement may be amended by supplemental agreement as provided in this Section 10.02 in the event the consent of the Owners of the Certificates is required pursuant to Section 10.01 hereof. A copy of such supplemental agreement (or a summary thereof), together with a request to the Certificate Owners for their consent thereto, shall be mailed by first class mail, postage prepaid, by the Trustee at the expense of the City, to each Owner of a Certificate at his address as set forth on the Registration Books, but failure to

mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as in this Section 10.02 provided.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 10.03 hereof) and a notice shall have been mailed as hereinafter in this Section 10.02 provided. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by Section 2.11 hereof. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in the following paragraph of this Section 10.02 provided for has been mailed.

After the Owners of the required percentage of Certificates shall have filed their consents to such supplemental agreement, the Trustee shall mail by first class mail, postage prepaid, a notice at the expense of the City, to the Owners of the Certificates in the manner hereinbefore provided in this Section 10.02 for the mailing of such supplemental agreement of the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section 10.02 (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section 10.02 to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Certificates at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period.

Section 10.03. Disqualified Certificates. Certificates owned or held by or for the account of the City or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the City (except any Certificates held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement; *provided, however*, that the Trustee shall not be liable for determining whether Certificates are owned or held by the City or any such other person unless such Certificates are registered in the name of the City or such other person on the Registration Books.

Section 10.04. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article X, this Trust Agreement or a Lease Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Certificates Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or a Lease Agreement, as the case may be, for any and all purposes.

Section 10.05. Endorsement or Replacement of Certificates Delivered After Amendments. The City may determine that Certificates delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Certificate Outstanding at such effective date and presentation of his Certificate for such purpose at the Principal Corporate Trust Office, a suitable notation shall be made on such Certificate. The City may determine that the delivery of substitute Certificates, so modified as in the opinion of the City is necessary to conform to such Certificate Owners' action, is necessary and such substitute Certificates shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such substitute Certificate shall be exchanged at the Principal Corporate Trust Office, at the expense of the City, for a Certificate of the same character then Outstanding, upon surrender of such Outstanding Certificate.

Section 10.06. Amendatory Endorsement of Certificates. The provisions of this Article X shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that proper notation thereof is made on such Certificates.

ARTICLE XI

COVENANTS

Section 11.01. Compliance With and Enforcement of Lease Agreement. The City covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement. The Corporation covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement.

The City will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of their respective Lease Agreement by the Corporation thereunder. The Corporation and the City, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting their respective estates, or either of them, in the Property, which may or can in any manner affect such estate of the City or the Corporation, will deliver the same, or a copy thereof, to the Trustee.

Section 11.02. Observance of Laws and Regulations. The City and the Corporation will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the City or the Corporation, respectively, including its right to exist and carry on business as a public entity, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 11.03. Prosecution and Defense of Suits. The City shall promptly, upon request of the Trustee or any Certificate Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Certificate Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

Section 11.04. Recordation and Filing. The City shall record and file, or cause to be recorded and filed, the Site and Facility Lease, the Lease Agreement (or a memorandum thereof), the Assignment Agreement and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Certificate Owners.

Section 11.05. Budgets. The City shall supply to the Trustee as soon as practicable, but not later than October 15 in each year, a written determination by a City Representative that the City has made adequate provision in its annual budget for the payment of Lease Payments due under the Lease Agreement in the Fiscal Year covered by such budget. The determination given by the City to the Trustee shall be that the amounts so budgeted are fully adequate for the payment of all Lease Payments and Additional Payments due under the Lease Agreement in the annual period covered by such budget.

Section 11.06. Further Assurances. The Corporation and the City will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Lease Agreement, or as may be requested by the Trustee and for the better assuring and confirming unto the Owners of the Certificates and the Trustee the rights and benefits provided herein.

Section 11.07. Satisfaction of Conditions Precedent. The City hereby certifies, recites and declares that all acts, conditions and things required by the constitution and statutes of the State, the Lease Agreement and this Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of the Certificates, do exist, have happened and have been performed in due time, form and manner as required by law.

Section 11.08. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Trust Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee shall, upon payment of its fees and expenses, including counsel fees, and receipt of indemnity satisfactory to it, at the request of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Certificates, or any holder or beneficial owner of the Certificates may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

ARTICLE XII

LIMITATION OF LIABILITY

Section 12.01. Limited Liability of City. Except for the payment of Lease Payments when due in accordance with the Lease Agreement and the performance of the other covenants and agreements of the City contained in the Lease Agreement and this Trust Agreement, the City shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee, except as expressly set forth herein.

Section 12.02. No Liability of City or Corporation for Trustee Performance. Neither the City nor the Corporation shall have any obligation or liability to any of the other parties or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 12.03. Indemnification of Trustee. The City shall to the extent permitted by law indemnify and save the Trustee, its officers, employees, directors, affiliates and agents harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses (including allocated costs of internal counsel), arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on, the Property by the Corporation or the City; (ii) any breach or default on the part of the Corporation or the City the performance of any of their respective obligations under the Lease Agreement, the Assignment Agreement, this Trust Agreement and any other agreement made and entered into for purposes of the Property; (iii) any act of the Corporation or the City or of any of their respective agents, contractors, servants, employees, licensees with respect to the Property; (iv) any act of any assignee of, or purchaser from the Corporation or the City or of any of its or their respective agents, contractors, servants, employees or licensees with respect to the Property; (v) the authorization of payment of Delivery Costs; (vi) the actions of any other party, including but not limited to the ownership, operation or use of the Property by the Corporation or the City including, without limitation, the use, storage, presence, disposal or release of any Hazardous Substances on or about the Property; (vii) the Trustee's exercise and performance of its powers and duties hereunder or as assigned to it under the Assignment Agreement; (viii) the offering and sale of the Certificates; (ix) the presence under or about or release from the Property, or any portion thereof, of any substance, material or waste which is or becomes regulated or classified as hazardous or toxic under State, local or federal law, or the violation of any such law by the City; or (x) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, in any official statement or other offering document utilized in connection with the sale of the Certificates. Such indemnification shall include the costs and expenses of defending against any claim or liability arising under this Trust Agreement. No indemnification will be made under this Section 12.03 or elsewhere in this Trust Agreement for willful misconduct or negligence under this Trust Agreement by the Trustee, its officers, affiliates or employees. The City's obligations hereunder shall remain valid and binding notwithstanding maturity and payment of the Certificates or resignation or removal of the Trustee.

Section 12.04. Limitation of Rights to Parties and Certificate Owners. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the City, the Corporation, the Trustee and the Owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions

and provisions are and shall be for the sole and exclusive benefit of the City, the Corporation, the Trustee and said Owners.

ARTICLE XIII

EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

Section 13.01. Assignment of Rights. Pursuant to the Assignment Agreement, the Corporation has transferred, assigned and set over to the Trustee all of the Corporation's rights in and to the Lease Agreement (excepting only the Corporation's rights under Sections 5.8, 7.3 and 9.4 and the obligations under Section 4.7 thereof), including without limitation all of the Corporation's rights to exercise such rights and remedies conferred on the Corporation pursuant to the Lease Agreement as may be necessary or convenient (i) to enforce payment of the Lease Payments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund, and (ii) otherwise to exercise the Corporation's rights and take any action to protect the interests of the Trustee or the Certificate Owners in an Event of Default.

Section 13.02. Remedies. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, and shall upon request of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, and upon payment of its fees and expenses, including counsel fees, and being indemnified to its satisfaction therefor shall, exercise any and all remedies available pursuant to law or granted pursuant to the Lease Agreement; *provided, however*, that notwithstanding anything herein or in the Lease Agreement to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Certificates or otherwise to declare any Lease Payment not then in default to be immediately due and payable.

Section 13.03. Application of Funds. All moneys held by the Trustee in the funds and accounts held hereunder and all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XIII or Article IX of the Lease Agreement shall be applied by the Trustee in the following order upon presentation of the several Certificates:

First, to the payment of the costs and expenses of the Trustee and of the Certificate Owners in declaring such Event of Default, and collecting moneys owed hereunder, including reasonable compensation to its or their agents, attorneys and counsel (including allocated costs of internal counsel), including all fees and expenses past due; and

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, with interest on the overdue principal and installments of interest at the rate per annum payable with respect to the Certificates (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 13.04. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, or if there shall be nonpayment of principal or interest with respect to the Certificates, the Trustee in its discretion may and shall, upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and upon payment of its fees and expenses, including counsel fees, and being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of

Certificates by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder. If one or more Events of Default shall occur and be continuing, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Property and for any property securing the Certificates and the revenues, income, produce, and profits thereon. In the case of any receivership, insolvency, bankruptcy, reorganization, or other judicial proceedings affecting the City or the Property, the Trustee shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Trustee and Owners allowed in such proceedings for the entire amount due and payable under this Trust Agreement at the time of the institution of such proceedings, and also for any additional amount which may become due and payable thereafter, without prejudice to the right of any Owner to file a claim on his or her own behalf. The Trustee shall not be obligated to take any such action unless offered compensation, indemnity for its potential liability, and reimbursement for its legal fees and expenses in accordance with this Section 13.04.

Section 13.05. Non-waiver. Nothing in this Article XIII or in any other provision of this Trust Agreement or in the Certificates, shall affect or impair the obligation of the City to pay or prepay the Lease Payments as provided in the Lease Agreement, or affect or impair the right of action, which is absolute and unconditional, of the Certificate Owners to institute suit to enforce and collect such payment. No delay or omission of the Trustee or of any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XIII to the Trustee or to the Owners of Certificates may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Owners.

Section 13.06. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

Section 13.07. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of a majority in aggregate principal amount of the Certificates Outstanding.

Section 13.08. Limitation on Certificate Owners' Right to Sue. No Owner of any Certificate executed and delivered hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least twenty-five percent (25%) in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such

request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Certificates of any remedy hereunder; it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Certificates.

The right of any Owner of any Certificate to receive payment of said Owner's fractional interest in the Lease Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section 13.08 or any other provision of this Trust Agreement.

Section 13.09. Parties Interested Herein. Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Corporation and the Trustee, their officers, employees and agents, and the Owners any right, remedy or claim under or by reason of this Trust Agreement, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Corporation and the Trustee, their officers, employees and agents, and the Owners.

ARTICLE XIV
MISCELLANEOUS

Section 14.01. Defeasance. If and when all Outstanding Certificates shall be paid and discharged and all other amounts due and owing hereunder have been paid (as set forth below) then, notwithstanding that any Certificates shall not have been surrendered for payment, all obligations of the Corporation, the Trustee and the City with respect to all Outstanding Certificates shall cease and terminate, except only the obligation of the City to pay or cause to be paid, from Lease Payments paid by or on behalf of the City from funds deposited pursuant to paragraph (b) of this Section 14.01, to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraph (b), the Certificates shall continue to represent direct and fractional interests of the Owners thereof in Lease Payments under the Lease Agreement.

Such payment and discharge may be accomplished in either of the following ways:

(a) by well and truly paying or causing to be paid the principal, and interest with respect to all Certificates Outstanding, as and when the same become due and payable; or

(b) by irrevocably depositing with the Trustee or an escrow holder security for the payment of Lease Payments as more particularly described in Section 10.1 of the Lease Agreement, to be applied to pay the Lease Payments as the same become due and payable and prepay the Lease Payments in full on any prepayment date, pursuant to Section 10.1 of the Lease Agreement.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (a) or (b) of this Section 14.01, which are not required for the payment to be made to Owners shall, after payment of all fees and expenses of the Trustee, including attorneys fees (including allocated costs of internal counsel), be paid over to the City.

To accomplish defeasance, the City shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants ("Accountant") verifying the sufficiency of the escrow established to pay the Certificates in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that (A) the Certificates are no longer Outstanding and (B) the defeasance will not adversely affect the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates; each Verification and defeasance opinion shall be acceptable in form and substance to the City, and addressed, to the City and the Trustee.

Certificates shall be deemed Outstanding under this Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

Section 14.02. Records. The Trustee shall keep records in accordance with industry standards of all moneys received and disbursed by it under this Trust Agreement, which shall be available for inspection by the City, the Corporation and any Owner of at least five percent (5%) of the Outstanding principal amount of the Certificates, or the agent of any of them, at any time during regular business hours on any Business Day upon reasonable prior notice.

Section 14.03. Notices. All written notices to be given under this Trust Agreement shall be given by first class mail, postage prepaid, to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to

time. Notice shall be effective upon deposit in the United States first class mail, postage prepaid to the address set forth below:

If to the Corporation: Porterville Public Improvement Corporation
c/o City of Porterville
291 North Main Street
Porterville, CA 93257
Attention: City Manager
Phone: (559) 782-7499

If to the City: City of Porterville
291 North Main Street
Porterville, CA 93257
Attention: City Manager
Phone: (559) 782-7499

If to the Trustee: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust Services
Phone: (213) 615-6051

The Trustee agrees to notify the Corporation in the event of any prepayment by the City of Lease Payments under the Lease Agreement and upon the termination of the Lease Agreement.

Section 14.04. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

Section 14.05. Binding Effect; Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever in this Trust Agreement the Corporation, the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Corporation, the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 14.06. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 14.07. Destruction of Canceled Certificates. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee and the delivery to the City of any Certificates, the Trustee may, in lieu of such cancellation and delivery, destroy such Certificates and deliver a certificate of such destruction to the City.

Section 14.08. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 14.09. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by first class mail, postage prepaid, or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or

receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 14.10. Payments Due on Other than Business Day. If the date for making any payment as provided in this Trust Agreement is not a Business Day, such payment may be made on the next succeeding Business Day with the same force and effect as if done on the date provided therefore herein.

Section 14.11. Payment of Unclaimed Moneys. Notwithstanding any provisions of this Trust Agreement and subject to the escheat laws of the State, any moneys held by the Trustee in trust for the payment of the principal or interest due with respect to any Certificates and remaining unclaimed two years from the date of deposit of such funds, or if the law shall have been changed and the City has notified the Trustee of such change or the Trustee notifies the City, then on the date thirty (30) days prior to the then applicable escheat provision of State law, shall, on such date, be repaid to the City free from the trusts created by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however,* that before the repayment of such moneys to the City as aforesaid, the Trustee may (at the cost and request of the City) first mail to the Owners to whom such amounts have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the amounts so payable and with respect to the provisions relating to the repayment to the City of the moneys held for the payment thereof. The Trustee shall not be liable for any interest on funds held by it. The City shall not be liable for any interest on the sums paid to it pursuant to this Section 14.11 and shall not be regarded as a trustee of such money.

Section 14.12. Separability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement as of the date and year first above written.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Ilse Vlach
Assistant Vice President

PORTERVILLE PUBLIC IMPROVEMENT
CORPORATION

By _____
John D. Lollis
Executive Director

Attest:

Patrice Hildreth
Secretary

CITY OF PORTERVILLE

By _____
John D. Lollis
City Manager

Attest:

Patrice Hildreth
Chief Deputy City Clerk

EXHIBIT A

DEFINITIONS

"Additional Payments" means the payments so designated and required to be paid by the City pursuant to Section 4.7 of the Lease Agreement.

"Assignment Agreement" means the Assignment Agreement, dated as of May 1, 2015, by and between the Corporation and the Trustee, together with any duly authorized and executed amendments thereto.

"Board" means the City Council of the City.

"Bond Counsel" means (a) Quint & Thimmig LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the City of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

"Business Day" means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the state in which the Principal Corporate Trust Office is located or in the State are closed or are required to close or a day on which the New York Stock Exchange is closed.

"Certificates" means the \$_____ aggregate principal amount of certificates of participation to be executed and delivered pursuant to the Trust Agreement which evidence direct, undivided fractional Interests of the Owners thereof in Lease Payments.

"City" means City of Porterville, municipal corporation and chartered city duly organized and existing under and by virtue of the laws of the State.

"City Representative" means the Mayor, City Manager, the Finance Director, or the designee of any such official, or any other person authorized by resolution delivered to the Trustee to act on behalf of the City under or with respect to the Site and Facility Lease, the Lease Agreement and the Trust Agreement.

"Closing Date" means May 12, 2015, the date upon which there is a physical delivery of the Certificates in exchange for the amount representing the purchase price of the Certificates by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced in the Lease Agreement or the Trust Agreement) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated under the Code.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the City and dated the date of execution and delivery of the Certificates, as it may be amended from time to time in accordance with the terms thereof.

"Corporation" means the Porterville Public Improvement Corporation, a nonprofit, public benefit corporation organized and existing under and by virtue of the laws of the State.

"Corporation Representative" means the President, the Vice President, the Executive Director, the Treasurer and the Secretary of the Corporation, or the designee of any such official, or any other person authorized by resolution delivered to the Trustee to act on behalf of the Corporation under or with respect to the Site and Facility Lease, the Lease Agreement, the Assignment Agreement and the Trust Agreement.

"Defeasance Obligations" means (a) cash, (b) direct non-callable obligations of the United States of America, (c) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, (d) Refcorp interest strips, (e) CATS, TIGRS, STRPS, and (f) defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination of the foregoing),

"Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the City or the Corporation relating to the execution and delivery of the Site and Facility Lease, the Lease Agreement, the Trust Agreement and the Assignment Agreement or the execution, sale and delivery of the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, costs for statistical data, initial fees and charges of the Trustee (including the fees and expenses of its counsel), financing discounts, legal fees and charges, insurance fees and charges (including title insurance), financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Certificates and charges and fees in connection with the foregoing.

"Delivery Costs Fund" means the fund by that name established and held by the Trustee pursuant to Article III of the Trust Agreement.

"Escrow Agreement" means that certain Escrow Deposit and Trust Agreement, dated the Closing Date, by and between the City and the Escrow Bank, as originally entered into or as it may be amended or supplemented pursuant to the provisions thereof, created to provide for the refunding of the 2002 Certificates.

"Escrow Bank" means U.S. Bank National Association, as escrow bank under the Escrow Agreement, or any successor thereto appointed as escrow bank thereunder in accordance with the provisions thereof.

"Escrow Fund" means the fund by that name created and maintained by the Escrow Bank pursuant to the Escrow Agreement.

"Event of Default" means an event of default under the Lease Agreement, as defined in Section 9.1 thereof.

"Facility" means those certain existing facilities more particularly described in Exhibit B to the Site and Facility Lease and in Exhibit B to the Lease Agreement.

"Federal Securities" means (a) Cash (insured at all times by the Federal Deposit Insurance Corporation), and (b) obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including: (i) United States treasury obligations, (ii) all direct or fully guaranteed obligations, (iii) Farmers Home Administration, (iv) General Services Administration, (v) Guaranteed Title XI financing, (vi) Government National Mortgage Association (GNMA), and (vi) State and Local Government Series.

"Fiscal Year" means the twelve-month period beginning on July 1 of any year and ending on June 30 of the next succeeding year, or any other twelve-month period selected by the City as its fiscal year.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Corporation, the City or the Trustee.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information or disseminating notices of redemption of obligations similar to the Certificates.

"Insurance and Condemnation Fund" means the fund by that name established and held by the Trustee pursuant to Section 7.01 of the Trust Agreement.

"Interest Payment Date" means the first (1st) day of April and October in each year, commencing October 1, 2015, so long as any Certificates are Outstanding.

"Lease Agreement" means that certain agreement for the lease of the Property by the Corporation to the City, dated as of May 1, 2015, together with any duly authorized and executed amendments thereto.

"Lease Payment Date" means the fifteenth (15th) day of March and September in each year during the Term of the Lease Agreement, commencing September 15, 2015.

"Lease Payment Fund" means the fund by that name established and held by the Trustee pursuant to Section 5.02 of the Trust Agreement.

"Lease Payments" means the total payments required to be paid by the City pursuant to Section 4.4 of the Lease Agreement, including any prepayment thereof pursuant to Article X of the Lease Agreement, which payments consist of an interest component and a principal component, as set forth in Exhibit C to the Lease Agreement.

"Moody's" means Moody's Investors Service, New York, New York, or its successors.

"Net Proceeds," when used with respect to insurance or condemnation proceeds, means any insurance proceeds or condemnation award paid with respect to the Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

"2002 Certificates" means the City's outstanding Certificates of Participation (2002 Public Buildings Refunding Project).

"2013 Lease" means that certain Lease Agreement, dated as of April 1, 2013, by and between the Corporation and the City, which has been assigned to Rabobank, N.A.

"Original Purchaser" means the first purchaser of the Certificates upon their delivery by the Trustee on the Closing Date.

"Outstanding," when used as of any particular time with respect to Certificates, means (subject to the provisions of Section 10.03 of the Trust Agreement) all Certificates theretofore executed and delivered by the Trustee under the Trust Agreement except:

(a) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Certificates for the payment or redemption of which funds or Defeasance Obligations in the necessary amount shall have theretofore been deposited with the Trustee or an escrow holder (whether upon or prior to the maturity or redemption date of such Certificates), provided that, if such Certificates are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Section 4.03 of the Trust Agreement or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(c) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee pursuant to Section 2.09 of the Trust Agreement.

"Owner" or *"Certificate Owner"* or *"Owner of a Certificate,"* or any similar term, when used with respect to a Certificate means the person in whose name such Certificate shall be registered on the Registration Books.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Encumbrances" means, as of any particular time: (a) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the City may, pursuant to provisions of Article V of the Lease Agreement, permit to remain unpaid; (b) the Site and Facility Lease; (c) the Lease Agreement; (d) the Assignment Agreement; (e) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (f) easements, rights-of-way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date and which the City certifies in writing will not materially impair the use of the Property; and (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of the Lease Agreement and to which the Corporation and the City agree in writing do not reduce the value of the Property.

"Permitted Investments" means any of the following:

(a) Federal Securities;

(b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including: (i) Export-Import Bank, (ii) Rural Economic Community Development Administration, (iii) U.S. Maritime Administration, (iv) Small Business Administration, (v) U.S. Department of Housing & Urban Development (PHAs), (vi) Federal Housing Administration, and (vii) Federal Financing Bank;

(c) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: (i) senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC), (ii) obligations of the Resolution Funding Corporation (REFCORP), and (iii) senior debt obligations of the Federal Home Loan Bank System;

(d) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks, which may include the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's

and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(e) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(f) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including funds for which the Trustee, its parent holding company, if any, or any affiliate or subsidiary of the Trustee, provide investment advisory or other management services;

(g) Pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or (B) (i) which are fully secured as to principal, interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (a) above, which escrow may be applied only to the payment of such principal, interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal, interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) Municipal obligations rated "Aaa/AAA" or general obligations of states with a rating of "A2/A" or higher by both Moody's and S&P;

(i) the Local Agency Investment Fund maintained by the State of California; and

(j) Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by section 53635 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended, including but not limited to the California Asset Management Program (CAMP).

"Principal Corporate Trust Office" means the corporate trust office of the Trustee located at 633 West Fifth Street, 24th Floor, Los Angeles, CA 90071, Attention: Global Corporate Trust Services, or such other office designated by the Trustee from time to time.

"Proceeds," when used with reference to the Certificates, means the face amount of the Certificates, less original issue discount.

"Property" means, collectively, the Site and the Facility.

"Rating Category" means, with respect to any Permitted Investment, one of the generic categories of rating by Moody's or S&P applicable to such Permitted Investment, without regard to any refinement or graduation of such rating category by a plus or minus sign or a numeral.

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.12 of the Trust Agreement for registration of the ownership and transfer of ownership of the Certificates.

"Regular Record Date" means the close of business on the fifteenth (15th) day of the month preceding each Interest Payment Date, whether or not such fifteenth (15th) day is a Business Day.

"Rental Period" means each twelve-month period during the Term of the Lease Agreement commencing on October 2 in any year and ending on October 1 in the next succeeding year; *provided, however*, that the first Rental Period shall commence on the Closing Date and shall end on October 1, 2015.

"Reserve Fund" means the fund by that name established and held by the Trustee pursuant to Section 6.01 of the Trust Agreement.

"Reserve Requirement" means an amount equal to the least of maximum annual Lease Payments, 125% of average annual Lease Payments, and 10% of the principal amount of the Certificates, which amount shall initially be \$_____ on the Closing Date. The amount of the Reserve Requirement shall not be reduced unless the Certificates are partially refunded, in which such amount shall be reduced to an amount equal to the maximum annual Lease Payments relating to the Certificates not so refunded, as specified in a certificate of a City Representative delivered to the Trustee.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and its successors.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041 Attention: Call Notification Department; or to such other addresses and/or such other registered securities depositories holding substantial amounts of obligations of types similar to the Certificates.

"Site" means that certain real property more particularly described in Exhibit A to the Site and Facility Lease and in Exhibit A to the Lease Agreement.

"Site and Facility Lease" means the Site and Facility Lease, dated as of May 1, 2015, by and between the City, as lessor, and the Corporation, as lessee, together with any duly authorized and executed amendments thereto.

"State" means the State of California.

"Term of the Lease Agreement" means the time during which the Lease Agreement is in effect, as provided in Section 4.2 of the Lease Agreement.

"Trust Agreement" means the Trust Agreement, dated as of May 1, 2015, by and among the City, the Corporation and the Trustee, together with any duly authorized amendments thereto.

"Trustee" means U.S. Bank National Association, or any successor thereto, acting as Trustee pursuant to the Trust Agreement.

EXHIBIT B
FORM OF THE CERTIFICATES

**Certificate of Participation
(2015 Refinancing Project)
Evidencing a Direct, Undivided Fractional Interest of the
Owners Hereof in Lease Payments to be Made by the
CITY OF PORTERVILLE, CALIFORNIA
As the Rental for Certain Property Pursuant to a Lease Agreement
with the Porterville Public Improvement Corporation**

RATE OF INTEREST	MATURITY DATE	DATED DATE	CUSIP
_____%	October 1, ____	May 12, 2015	567833 ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns (the "Owner"), as the registered owner of this Certificate of Participation (the "Certificate"), is the owner of a direct, undivided, fractional interest in a portion of the lease payments (the "Lease Payments") to be paid by the City of Porterville, a municipal corporation and chartered city, duly organized and existing under the laws of the State of California (the "City"), pursuant to that certain Lease Agreement, dated as of May 1, 2015, by and between the Porterville Public Improvement Corporation, a nonprofit, public benefit corporation organized and existing under the laws of the State of California (the "Corporation") and the City (the "Lease Agreement"), which Lease Payments, prepayments and certain other rights and interests under the Lease Agreement have been assigned to U.S. Bank National Association, as trustee (the "Trustee"), having a corporate trust office in San Francisco, California, or any other such location so designated by the Trustee (the "Principal Corporate Trust Office").

The Owner is entitled to receive, subject to the terms of the Lease Agreement, on the Maturity Date identified above, the Principal Amount identified above, representing a direct, undivided fractional portion of the Lease Payments designated as principal coming due on such date, and to receive on April 1 and October 1 of each year, commencing October 1, 2015 (each, an "Interest Payment Date"), until payment in full of said Principal Amount, the Owner's direct, undivided fractional share of the Lease Payments designated as interest coming due during the six months immediately preceding each of the Interest Payment Dates; provided that interest represented hereby shall be payable from the Interest Payment Date next preceding the date of execution of this Certificate unless (i) this Certificate is executed on an Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (ii) this Certificate is executed after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date, and prior to such Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (iii) this Certificate is executed on or before September 15, 2015, in which event interest shall be payable from the Dated Date stated above; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest represented by such Certificate shall be payable from the Interest Payment Date to which interest has previously

been paid or made available for payment with respect to the Outstanding Certificates. Payment of defaulted interest shall be paid by check of the Trustee mailed to the registered owners of the Certificates as of a special record date to be fixed by the Trustee in its sole discretion, notice of which shall be given to the registered owners of the Certificates not less than ten (10) days prior to such special record date. Said direct, undivided fractional share of the portion of the Lease Payments designated as interest is the result of the multiplication of the aforesaid portion of the Lease Payments designated as principal by the Rate of Interest per annum identified above. Interest represented hereby is payable in lawful money of the United States of America by check mailed by the Trustee on each Interest Payment Date by first class mail to the Owner at his address as it appears on the registration books of the Trustee, as of the close of business on the fifteenth (15th) day of the month immediately preceding each Interest Payment Date or, upon written request filed with the Trustee prior to the fifteenth (15th) day of the month immediately preceding the Interest Payment Date by a registered owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by each registered owner in such written request. Principal represented hereby is payable in lawful money of the United States of America by check of the Trustee upon presentation and surrender hereof at the Principal Corporate Trust Office.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of a Trust Agreement by and among the Trustee, the Corporation and the City, dated as of May 1, 2015 (the "Trust Agreement"). The City is authorized to enter into the Lease Agreement and the Trust Agreement under the laws of the State of California. Reference is hereby made to the Lease Agreement and the Trust Agreement (copies of which are on file at the Principal Corporate Trust Office) for a description of the terms on which the Certificates are delivered, the rights thereunder of the registered owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the City under the Lease Agreement, all of the provisions of which the Owner of this Certificate, by acceptance hereof, assents and agrees.

The City is obligated under the Lease Agreement to pay Lease Payments from any source of legally available moneys and the City has covenanted in the Lease Agreement to make the necessary annual appropriations therefor. The obligation of the City to pay the Lease Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Lease Payments does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto) and the registered owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then outstanding and may be amended without such consent under certain circumstances; provided that no such amendment shall impair the right of any registered owner to receive, in any case, such registered owner's fractional share of any Lease Payment or prepayment thereof in accordance with such registered owner's Certificate, without the consent of such registered owner.

This Certificate is transferable and exchangeable by the Owner, in person or by his attorney duly authorized in writing, at the Principal Corporate Trust Office, but only in the manner, subject to the limitations and upon payment of any charges provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer, a new Certificate or Certificates of an authorized denomination or denominations for the same aggregate principal amount will be delivered to the transferee in exchange for this Certificate. The City, the Corporation and the Trustee may treat the Owner as the absolute owner hereof for

all purposes, whether or not the payments represented by this Certificate shall be overdue and the City, the Corporation and the Trustee shall not be affected by any notice to the contrary.

The Certificates are subject to extraordinary redemption, in whole or in part, on any Interest Payment Date, in an order of maturity determined by the City, from the Net Proceeds of insurance or eminent domain proceedings credited towards the redemption of the Lease Payments pursuant to the Lease Agreement, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest represented thereby to the date fixed for redemption, without premium.

The Certificates maturing on or before October 1, ____, are not subject to optional redemption prior to maturity. The Certificates maturing on and after October 1, ____, are subject to optional redemption in whole or in part on any date in such order of maturity as shall be designated by the City (or, if the City shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, on or after October 1, ____, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium, from the proceeds of the optional prepayment of Lease Payments made by the City pursuant to the Lease Agreement.

The Certificates maturing on October 1, ____, are subject to mandatory redemption in part on October 1 in each year on and after October 1, ____, to and including October 1, ____, from the principal components of scheduled Lease Payments required to be paid by the City pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

<u>Year</u> <u>(October 1)</u>	<u>Principal Amount of</u> <u>Certificates to be Redeemed</u>
-----------------------------------	--

†Maturity.

Notice of redemption is to be given by the Trustee by mailing a redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate registration books maintained by the Trustee. Notice of redemption having been given as aforesaid, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) interest with respect to such Certificates or portions of Certificates shall cease to accrue and be payable. Neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of Certificates.

Notwithstanding the foregoing, in the case of any optional redemption of the Certificates, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Certificates on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Certificates have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Certificates to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners, to the

Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Certificates for which notice of optional redemption was given shall remain Outstanding for all purposes of the Trust Agreement.

The Trustee has no obligation or liability to the registered owners of the Certificates to make payments of principal or interest with respect to the Certificates. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the Certificates, the various funds and accounts established under the Trust Agreement. The Trustee makes no representation concerning the recitals contained in the Trust Agreement or in this Certificate.

The City has certified, recited and declared that all conditions, things and acts required by the constitution and statutes of the State of California, the Lease Agreement and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner as required by law.

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the City or its agent for registration of transfer, exchange, or payment, and any Certificate executed is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, this Certificate has been executed by U.S. Bank National Association, as trustee, acting pursuant to the Trust Agreement.

Date of Execution:

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Certificate and do(es) hereby irrevocably constitute and appoint

attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

ESCROW DEPOSIT AND TRUST AGREEMENT

by and between the

CITY OF PORTERVILLE

and

U.S. BANK NATIONAL ASSOCIATION, as Escrow Bank

Dated May 12, 2015

Relating to the Refunding of the outstanding
Certificates of Participation
(2002 Public Buildings Refunding Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
CITY OF PORTERVILLE, CALIFORNIA
As the Rental for Certain Property Pursuant to a
Lease Agreement with the
Porterville Public Financing Authority

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (this "Escrow Deposit and Trust Agreement") is dated this 12th day of May, 2015, by and between the CITY OF PORTERVILLE, a municipal corporation and chartered city, duly organized and existing under and by virtue of the laws of the State of California (the "City"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as escrow bank and as 2002 Trustee (as defined herein)(the "Escrow Bank");

WITNESSETH:

WHEREAS, the City has heretofore entered into a lease agreement, dated as of September 1, 2002, by and between the Porterville Public Financing Authority(the "Corporation") and the City (the "2002 Lease"), pursuant to which the Corporation agreed to lease certain real property and improvements (the "2002 Property") to the City, and the City agreed to make certain lease payments (the "2002 Lease Payments") to the Corporation;

WHEREAS, the 2002 Lease provides that in the event that the City deposits, or causes the deposit on its behalf of, moneys in an amount, together with investment earnings, sufficient to make all or a portion of the 2002 Lease Payments when and as due, then all of the obligations of the City under the 2002 Lease and all of the security provided by the City for such obligations, excepting only the obligation of the City to make the 2002 Lease Payments from said deposit, shall cease and terminate, and unencumbered title to the 2002 Property shall be vested in the City without further action by the City or the Corporation;

WHEREAS, pursuant to an assignment agreement, dated as of September 1, 2002 (the "2002 Assignment Agreement"), by and between the Corporation and the 2002 Trustee, the Corporation assigned to the 2002 Trustee its rights to receive 2002 Lease Payments from the City under the 2002 Lease and the right to exercise such rights and remedies conferred on the Corporation under the 2002 Lease to enforce payment of the 2002 Lease Payments;

WHEREAS, pursuant to a trust agreement, dated as of September 1, 2002, by and among the City, the Corporation and the 2002 Trustee (the "2002 Trust Agreement"), the 2002 Trustee agreed, among other matters, to execute and deliver certificates of participation (the "2002 Certificates") representing undivided fractional interests of the owners thereof to receive the 2002 Lease Payments made by the City and to apply such 2002 Lease Payments to the payment of principal and interest with respect to the 2002 Certificates, and to administer certain funds and accounts, created pursuant to the 2002 Trust Agreement;

WHEREAS, the City has determined that, as a result of favorable financial market conditions and for other reasons, it is in the best interests of the City at this time to refinance the City's obligation to make the 2002 Lease Payments under the 2002 Lease and, as a result thereof, to provide for the defeasance of the 2002 Certificates and, to that end, the City proposes to lease certain real property and improvements (the "Property") from the Corporation pursuant to that certain Lease Agreement, dated as of May 1, 2015 (the "Lease Agreement");

WHEREAS, the City proposes to make the deposit of moneys referenced in the 2002 Lease and to appoint the Escrow Bank for the purpose of applying said deposit to provide for the payment and prepayment of the 2002 Lease Payments in accordance with the instructions provided by this Escrow Agreement and of applying said 2002 Lease Payments to provide for the payment of principal and interest with respect to the 2002 Certificates to and including the

maturity date thereof, all in accordance with the 2002 Trust Agreement and the Escrow Bank desires to accept said appointment;

WHEREAS, to obtain moneys to make such deposit, the Corporation proposes to assign and transfer certain of its rights under the Lease Agreement to U.S. Bank National Association, as trustee (the "Trustee"), pursuant to that certain Assignment Agreement, dated as of May 1, 2015, by and between the Corporation and the Trustee, and to enter into that certain Trust Agreement, dated as of May 1, 2015 (the "Trust Agreement"), by and among the Corporation, the City and the Trustee, whereby the Trustee agrees to execute and deliver tax-exempt certificates of participation in the principal amount of \$_____ (the "Certificates"), each evidencing a direct, undivided fractional interest in a portion of the lease payments made by the City under the Lease Agreement;

WHEREAS, the City wishes to make such a deposit with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, herein, shall have the meanings ascribed thereto in the 2002 Trust Agreement.

Section 2. Appointment of Escrow Bank. The City hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Deposit and Trust Agreement and in accordance with the terms and provisions of this Escrow Deposit and Trust Agreement, and the Escrow Bank hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the City with, and to be held by, the Escrow Bank, as security for the payment of the 2002 Lease Payments as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the City and for the benefit of the owners of the 2002 Certificates, said escrow to be designated the "Escrow Fund." All moneys deposited in the Escrow Fund shall be held as a special fund for the payment of the principal and interest with respect to the 2002 Certificates in accordance with the provisions of the 2002 Trust Agreement. If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 4 hereof, the Escrow Bank shall notify the City of such fact and the City shall immediately cure such deficiency. The Escrow Bank shall have no liability for such deficiency.

Section 4. Deposit into Escrow Fund; Investment of Amounts.

(a) Concurrently with delivery of the Certificates, the City shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$_____ in immediately available funds, derived as follows:

(i) \$_____ from the proceeds of the sale of the Certificates;

(ii) \$_____ from the moneys on deposit in the reserve fund relating to the 2002 Certificates (the "2002 Reserve Fund").

(b) The Escrow Bank shall invest \$_____ of the moneys deposited into the Escrow Fund pursuant to the preceding paragraph in the securities set forth in Exhibit A attached hereto and by this reference incorporated herein (the "Escrowed Federal Securities") and shall hold the remaining \$_____ in cash, uninvested. The Escrowed Federal Securities shall be deposited with and held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

(c) The Escrow Bank may rely upon the conclusion of Grant Thornton LLP as contained in its opinion and accompanying schedules (the "Report") dated May 12, 2015, that the Escrowed Federal Securities mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to pay the principal and interest with respect to the 2002 Certificate to and including the maturity date thereof.

(d) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Deposit and Trust Agreement.

(e) Any money left on deposit in the Escrow Fund after payment in full of the 2002 Certificates, and the payment of all amounts due to the Escrow Bank hereunder, shall be transferred to the Trustee to be applied to the payment of principal and interest with respect to the Certificates.

(f) If the Escrow Bank learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of state and local government series securities ("SLGS") that is to be submitted pursuant to this Escrow Deposit and Trust Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the City with respect to funds which were to be invested in SLGS. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the City. In the absence of investment instructions from the City, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the City's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 5. Instructions as to Application of Deposit.

(a) The moneys deposited in the Escrow Fund pursuant to Section 4 shall be applied by the Escrow Bank for the sole purpose of paying the principal and interest with respect to the 2002 Certificate to and including the maturity date thereof, as set forth in Exhibit B attached hereto and by this reference incorporated herein.

(b) The Escrow Bank, in its capacity as 2002 Trustee, is hereby requested, and the Escrow Bank, in its capacity as 2002 Trustee, hereby agrees to give notice of the defeasance of the 2002 Certificates in the form of defeasance notice attached hereto as Exhibit C.

Section 6. Investment of Any Remaining Moneys. The Escrow Bank shall invest and reinvest the proceeds received from any of the Escrowed Federal Securities, and the cash originally deposited into the Escrow Fund, for a period ending not later than the next succeeding interest payment date relating to the 2002 Certificates, in Federal Securities pursuant to written directions of the District; *provided, however*, that (a) such written directions of the District shall be accompanied by (i) a certification of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of municipal corporation and chartered cities that the Federal Securities then to be so deposited in the Escrow Fund, together with the cash then on deposit in the Escrow Fund, together with the interest to be derived therefrom, shall be in an amount at all times at least sufficient to make the payments specified in Section 5 hereof, and (ii) an opinion of nationally recognized bond counsel ("Bond Counsel") that investment in accordance with such directions will not affect, for Federal income tax purposes, the exclusion from gross income of interest due with respect to the 2002 Certificates, and (b) if the District directs such investment or reinvestment to be made in United States Treasury Securities-State and Local Government Series, the District shall, at its cost, cause to be prepared all necessary subscription forms therefor in sufficient time to enable the Escrow Bank to acquire such securities. In the event that the District shall fail to file any such written directions with the Escrow Bank concerning the reinvestment of any such proceeds, such proceeds shall be held uninvested by the Escrow Bank. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 6 and not required for the purposes set forth in Section 5, as indicated by such verification, shall, promptly upon the receipt of such interest income by the Escrow Bank, be paid to the District.

Section 7. Substitution or Withdrawal of Federal Securities. The District may, at any time, direct the Escrow Bank in writing to substitute Federal Securities for any or all of the Escrowed Federal Securities then deposited in the Escrow Fund, or to withdraw and transfer to the District any portion of the Federal Securities then deposited in the Escrow Fund, provided that any such direction and substitution or withdrawal shall be simultaneous and shall be accompanied by (a) a certification of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of municipal corporation and chartered cities that the Federal Securities then to be so deposited in the Escrow Fund together with interest to be derived therefrom, or in the case of withdrawal, the Federal Securities to be remaining in the Escrow Fund following such withdrawal together with the interest to be derived therefrom, together with the cash then on deposit in the Escrow Fund, shall be in an amount at all times at least sufficient to make the payments specified in Section 3 hereof; and (b) an opinion of Bond Counsel that the substitution or withdrawal will not affect, for Federal income tax purposes, the exclusion from gross income of interest on the 2002 Certificates. In the event that, following any such substitution of Federal Securities pursuant to this Section 7, there is an amount of moneys or Federal Securities in excess of an amount sufficient to make the payments required by Section 5 hereof, as indicated by such verification, such excess shall be paid to the District.

Section 8. Compensation to Escrow Bank. The City shall pay the Escrow Bank full compensation for its duties under this Escrow Deposit and Trust Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 9. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Deposit and Trust Agreement unless the City shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the City or its agents relating to any

matter or action as Escrow Bank under this Escrow Deposit and Trust Agreement. The Escrow Bank shall have the same rights and protections hereunder as afforded to it as 2002 Trustee under Article VIII of the 2002 Trust Agreement.

The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Deposit and Trust Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or any securities deposited therein, the purchase of the securities to be purchased pursuant hereto, the retention of such securities or the proceeds thereof, the sufficiency of the securities or any uninvested moneys held hereunder to accomplish the purposes set forth in Section 5 hereof, or any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Deposit and Trust Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statement of the City, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the purposes set forth in Section 5 hereof or to the validity of this Escrow Deposit and Trust Agreement as to the City and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Deposit and Trust Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Deposit and Trust Agreement, and no implied covenants or obligations shall be read into this Escrow Deposit and Trust Agreement against the Escrow Bank. The Escrow Bank may consult with counsel, who may or may not be counsel to the City, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Deposit and Trust Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the City.

Anything in this Escrow Deposit and Trust Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Escrow Deposit and Trust Agreement and delivered using Electronic Means ("Electronic Means" means mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed

controlling. The City understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Bank may at any time resign by giving 30 days written notice of resignation to the City. Upon receiving such notice of resignation, the City shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Bank from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the City, the resigning Escrow Bank and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor.

The City hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective directors, officers, employees, successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Deposit and Trust Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Deposit and Trust Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the City shall not be required to indemnify the Escrow Bank against its own negligence or willful misconduct. The indemnities contained in this Section 9 shall survive the termination of this Escrow Deposit and Trust Agreement or the resignation or removal of the Escrow Bank.

Section 10. Amendment. This Escrow Deposit and Trust Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2002 Certificates shall have been filed with the Escrow Bank. This Escrow Deposit and Trust Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party,

other covenants to be observed, or to surrender any right or power herein or therein reserved to the City, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the 2002 Certificates or the Bonds, and that such amendment will not cause interest on the 2002 Certificates or the Bonds to become subject to federal income taxation. In connection with any contemplated amendment or revocation of this Escrow Deposit and Trust Agreement, prior written notice thereof and draft copies of the applicable legal documents shall be provided by the City to each rating agency then rating the 2002 Certificates.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Deposit and Trust Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence clause or provision shall not affect any of the remaining provisions of this Escrow Deposit and Trust Agreement. Notice of any such invalidity or unenforceability shall be provided to each rating agency then rating the 2002 Certificates.

Section 12. Notice of Escrow Bank and County. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the Principal Corporate Trust Office of the Escrow Bank as specified by the Escrow Bank as 2002 Trustee in accordance with the provisions of the 2002 Trust Agreement. Any notice to or demand upon the City shall be deemed to have been sufficiently given or served for all purposes by being mailed by first class mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2002 Lease (or such other address as may have been filed in writing by the City with the Escrow Bank).

Section 13. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as trustee under the 2002 Trust Agreement, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 14. Governing Law. This Escrow Deposit and Trust Agreement shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the City and the Escrow Bank have each caused this Escrow Deposit and Trust Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF PORTERVILLE

By _____
John D. Lollis
City Manager

Attest:

Patrice Hildreth
Chief Deputy City Clerk

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Bank and 2002 Trustee

By _____
Ilse Vlach
Assistant Vice President

EXHIBIT A

SCHEDULE OF ESCROW SECURITIES

Type	Maturity	Coupon	Par	Price	Cost	Accrued	Total
	10/01/15						
	04/01/16						
	10/01/16						
	04/01/17						
	10/01/17						
	04/01/18						
	10/01/18						
Total							

EXHIBIT B
PAYMENT SCHEDULE

Date	Scheduled Sinking Fund Payment	Interest	Total Payment
10/01/15	\$425,000	\$59,220.00	\$484,220.00
04/01/16	—	45,832.50	45,832.50
10/01/16	455,000	45,832.50	500,832.50
04/01/17	—	31,500.00	31,500.00
10/01/17	485,000	31,500.00	516,500.00
04/01/18	—	16,222.50	16,222.50
10/01/18	515,000	16,222.50	531,222.50

EXHIBIT C

NOTICE OF DEFEASANCE

**Certificates of Participation
(2002 Public Buildings Refunding Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
CITY OF PORTERVILLE, CALIFORNIA
As the Rental for Certain Property Pursuant to a
Lease Agreement with the
Porterville Public Financing Authority**

<u>Maturity Date</u>	<u>Amount Defeased</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
10/1/18	\$1,880,000	6.300%	736369 GM5

NOTICE IS HEREBY GIVEN, on behalf of the City of Porterville, California (the "City") to the owners of the outstanding Certificates of Participation (2002 Public Buildings Refunding Project) evidencing direct, undivided fractional interests of the owners thereof in lease payments to be made by the county as the rental for certain property pursuant to a lease agreement with the Porterville Public Financing Authority (the "Certificates"), as described above, that pursuant to the trust agreement authorizing the delivery of the Certificates (the "Trust Agreement"), the lien of the Trust Agreement with respect to the Certificates has been discharged through the irrevocable deposit of cash and U.S. Treasury securities in an escrow fund (the "Escrow Fund"). The Escrow Fund has been established and is being maintained pursuant to that certain Escrow Deposit and Trust Agreement, dated May 12, 2015, by and between the City and U.S. Bank National Association, as escrow bank. As a result of such deposit, the Certificates are deemed to have been paid and defeased in accordance with the Trust Agreement. The pledge of the funds provided for under the Trust Agreement and all other obligations of the City to the owners of the Certificates shall hereafter be limited to the application of moneys in the Escrow Fund for the payment of the principal and interest with respect to the Certificates as the same become due and payable as described below.

As evidenced by the verification report delivered to the Escrow Bank, cash and U.S. Treasury securities deposited in the Escrow Fund are calculated to provide sufficient moneys to pay the principal and interest with respect to the Certificates to and including the maturity date thereof.

Dated: _____, 2015

U.S. BANK NATIONAL
ASSOCIATION, as Escrow Bank

AFTER RECORDATION RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

TERMINATION AGREEMENT

Dated as of May 12, 2015

by and among the

CITY OF PORTERVILLE, CALIFORNIA

the

PORTERVILLE PUBLIC FINANCING AUTHORITY,

and

U.S. BANK NATIONAL ASSOCIATION, as Successor Trustee

Relating to the Refunding of the outstanding
Certificates of Participation
(2002 Public Buildings Refunding Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
CITY OF PORTERVILLE, CALIFORNIA
As the Rental for Certain Property Pursuant to a
Lease Agreement with the
Porterville Public Financing Authority

TERMINATION AGREEMENT

This TERMINATION AGREEMENT is dated as of May 12, 2015, and is by and among the CITY OF PORTERVILLE, CALIFORNIA (the "City"), the PORTERVILLE PUBLIC FINANCING AUTHORITY, (the "Authority"), U.S. BANK NATIONAL ASSOCIATION, as trustee (the "2002 Trustee").

WITNESSETH:

WHEREAS, the City and the Authority have heretofore entered into an Lease Agreement, dated as of September 1, 2002 (the "2002 Lease"), pursuant to which the Authority and the City entered into a transaction for the lease financing of certain facilities, including the site thereof (the "2002 Project"), and the City agreed to make certain lease payments (the "2002 Lease Payments") to the Authority;

WHEREAS, pursuant to an Assignment Agreement, dated as of September 1, 2002 (the "2002 Assignment Agreement"), by and between the Authority and the 2002 Trustee, the Authority assigned to the 2002 Trustee, among other things, its rights to receive 2002 Lease Payments from the City under the 2002 Lease and the right to exercise such rights and remedies conferred on the Authority under the 2002 Lease to enforce payment of the 2002 Lease Payments;

WHEREAS, pursuant to a Trust Agreement, dated as of September 1, 2002, by and among the City, the Authority and the 2002 Trustee, the 2002 Trustee agreed, among other matters, to execute and deliver certificates of participation (the "2002 Certificates") representing undivided fractional interests of the owners thereof to receive 2002 Lease Payments made by the City;

WHEREAS, the 2002 Lease Agreement provides that in the event that the City deposits, or causes the deposit on its behalf of moneys for the prepayment of the 2002 Lease Payments, then all of the obligations of the City under the 2002 Lease Agreement and all of the security provided by the City for such obligations, excepting only the obligation of the City to make the 2002 Lease Payments from said deposit, shall cease and terminate, and unencumbered title to the 2002 Project shall be vested in the City without further action by the City or the Authority;

WHEREAS, the City has determined that, as a result of favorable financial market conditions and for other reasons, it is in the best interests of the City at this time to refinance the City's obligation to make the 2002 Lease Payments under the 2002 Lease Agreement and, as a result thereof, to provide for the payment of the 2002 Certificates to and including November 1, 2002, and on such date to provide for the 2002 Certificates maturing on and after August 1, 2011, and to that end, the Porterville Public Improvement Corporation (the "Corporation") proposes to lease certain real property and improvements from the Corporation pursuant to that certain Lease Agreement, dated as of May 1, 2015 (the "Lease Agreement"), a memorandum of which has been recorded concurrently herewith;

WHEREAS, to obtain moneys to make such deposit, the Corporation proposes to assign and transfer certain of its rights under the Lease Agreement to U.S. Bank National Association, as trustee (the "Trustee"), pursuant to that certain Assignment Agreement, dated as of May 1, 2015, by and between the Corporation and the Trustee, which has been recorded concurrently herewith, and to enter into that certain Trust Agreement, dated as of May 1, 2015 (the "Trust Agreement"), by and among the Corporation, the City and the Trustee, whereby the Trustee agrees to execute and deliver certificates of participation in the principal amount of

\$_____ (the "Certificates"), each evidencing a direct, undivided fractional interest in the lease payments made by the City under the Lease Agreement; and

WHEREAS, upon delivery of the Certificates and deposit of a portion of the proceeds for prepayment of the 2002 Lease Payments, the 2002 Lease Agreement and the agreements related thereto need not be maintained (except as otherwise provided below), and the parties hereto now desire to provide for the termination of such documents as provided herein.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree:

Section 1. Termination.

(a) By virtue of the deposit of a portion of the proceeds of the Certificates for prepayment of the 2002 Lease Payments, all obligations of the City under the 2002 Lease Agreement shall cease and terminate, excepting only the obligation of the City to make, or cause to be made, all payments from such deposit and title to the 2002 Project shall vest in the City on the date of said deposit automatically and without further action by the City or the Authority. Said deposit and interest earnings thereon shall be deemed to be and shall constitute a special fund for the prepayment of the 2002 Lease Payments.

(b) In accordance with the foregoing, the following agreements (including any option to purchase contained therein), are hereby terminated and are of no further force or effect:

(i) Site and Facility Lease, dated as September 1, 2002, by and between the City and the Authority, recorded on November 6, 2002, as Instrument No. 2002-0086897, Tulare County Records;

(ii) 2002 Lease Agreement, recorded by memorandum on November 6, 2002, as Instrument No. 2002-0086898, Tulare County Records; and

(iii) 2002 Assignment Agreement, recorded on November 6, 2002, as Instrument No. 2002-0086899, Tulare County Records.

(c) From and after the date hereof, none of the parties shall have any further rights or obligations thereunder.

Section 2. Execution in Counterparts. This Termination Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Termination Agreement.

PORTERVILLE PUBLIC FINANCING
AUTHORITY

By _____
John D. Lollis
Executive Director

Attest:

Patrice Hildreth
Secretary

CITY OF PORTERVILLE

By _____
John D. Lollis
City Manager

Attest:

Patrice Hildreth
Chief Deputy City Clerk

U.S. BANK NATIONAL ASSOCIATION, as
2002 Trustee

By _____
Ilse Vlach
Assistant Vice President

NOTARY ACKNOWLEDGMENTS TO BE INSERTED

EXHIBIT A
DESCRIPTION OF THE SITE

All that certain real property situated in Tulare County, State of California, described as follows:

PARCEL 1:

The East 65 feet of the North 47 feet of Lot 1 in Block 7 of B. Hockett's Addition, in the City of Porterville, County of Tulare, State of California, as per Map thereof recorded in Book 3 of Maps, Page 28, Tulare County Records.

PARCEL 2:

The West 45 feet of Lot 1 and the North 20 feet of the West 45 feet of Lot 2 in Block 7 of B. Hockett's Addition to Porterville, in the City of Porterville, County of Tulare, State of California, as per Map thereof recorded in Book 3 of Maps, Page 28, Tulare County Records.

PARCEL 3:

Those portions of Lot 1 and 2 in Block 7 of B. Hockett's Addition, in the City of Porterville, County of Tulare, State of California, as per Map thereof recorded in Book 3 of Maps, Page 28, Tulare County Records, described as follows:

Beginning at a point 47 feet South of the Northeast corner of said Lot 1; thence West 65 feet; thence South 33 feet; thence East 65 feet; thence North 33 feet to the point of beginning.

PARCEL 4:

The South 40 feet of Lot 2 and all of Lots 3 and 4 in Block 7 of B. Hockett's Addition, in the City of Porterville, County of Tulare, State of California, as per Map thereof recorded in Book 3 of Maps, Page 28, Tulare County Records.

PARCEL 5:

Lots 3, 4, 5 and 6 in Block 3 of Hockett and Parkhurst North Extension to the City of Porterville, in the City of Porterville, County of Tulare, State of California, as per Map thereof recorded in Book 5 of Maps, Page 53, Tulare County Records.

PARCEL 6:

Lots 1 and 2 in Block 3 of Hockett and Parkhurst North Extension of Porterville, in the City of Porterville, County of Tulare, State of California, as per Map thereof recorded in Book 5 of Maps, Page 53, Tulare County Records.

PARCEL 7:

Lots 7 and 8 in Block 3 of Hockett and Parkhurst North Extension, in the City of Porterville, County of Tulare, State of California, as per Map thereof recorded in Book 5 of Maps, Page 53, Tulare County Records.

PARCEL 8:

Lots 75, 76, 77, 78, the West half of the North half of Lot 135, and the South half of Lot 135, and Lot 136 all of Pioneer Land Company's First Subdivision, in the City of Porterville, County of Tulare, State of California, according to the map thereof recorded in Book 3, Page 34 of Maps, Tulare County Records.

ALSO EXCEPTING the North 25 feet of said Lots 135 and 136.

ALSO EXCEPTING the West 40 feet of said Lots 75 and 136.

MEMO: By order of Board of Supervisors of Tulare County, the East 10 feet and the West 10 feet of Grand Avenue lying between Lots 78 and 79 was abandoned.

PARCEL 9:

Lots 1, 2, 3 and 4 in Block 2 of Pioneer and Murphy's Addition, in the City of Porterville, County of Tulare, State of California, as per Map thereof recorded in Book 4 of Maps, Page 29, Tulare County Records.

NOTE: By order of the City of Porterville that portion of Division Street lying along the West line of Block 2 was abandoned by resolutions recorded June 12, 1956 in Book 1929, Page 318 and November 26, 1979 in Book 3717, Page 650, Official Records.

\$ _____
CERTIFICATE OF PARTICIPATION
(2015 Refinancing Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
CITY OF PORTERVILLE, CALIFORNIA
As the Rental for Certain Property Pursuant to a Lease Agreement
with the Porterville Public Improvement Corporation

CERTIFICATE PURCHASE AGREEMENT

April 23, 2015

City of Porterville
291 North Main Street
Porterville, California 93257

Ladies and Gentlemen:

The undersigned, Wulff Hansen & Co. and Gates Capital Corporation, as underwriters (collectively, the "Underwriters"), hereby offer to enter into this Certificate Purchase Agreement (this Certificate Purchase Agreement, together with the exhibits hereto, being herein called the "Purchase Agreement") with the City of Porterville, California (the "City"), which, upon acceptance, will be binding upon the City and the Underwriters. This offer is made subject to the acceptance by the City, by execution of this Purchase Agreement and its delivery to the Underwriters prior to 5:00 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the City at any time prior to such acceptance.

Capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings given to such terms as set forth in Trust Agreement, dated as of May 1, 2015 (the "Trust Agreement") by and among the City, the Porterville Public Improvement Corporation (the "Corporation") and U.S. Bank National Association, as trustee (the "Trustee").

The City hereby acknowledges and agrees that (a) the purchase and sale of the Certificates pursuant to this Certificate Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriters, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as agents or fiduciaries of the City, (c) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering and sale of the Certificates contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or is currently providing other services to the City on other matters) and the Underwriters have no obligation to the City with respect to the offering and sale of the Certificates contemplated hereby except the obligations expressly set forth in this Certificate Purchase Agreement, and (d) the City has

consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the issuance of the Certificates and the other matters contemplated by this Certificate Purchase Agreement.

The City hereby acknowledges receipt from the Underwriters of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriters' role in the transaction, disclosures concerning the Underwriters' compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the City and the Corporation hereby agree to sell and deliver to the Underwriters all of the \$_____ aggregate principal amount of City of Porterville Certificates of Participation (2015 Refinancing Project) (the "Certificates"), evidencing the direct, undivided fractional interests of the owners thereof in lease payments (the "Lease Payments") to be made by the City pursuant to a Lease Agreement, dated as of May 1, 2015 (the "Lease Agreement"), with the Corporation. The purchase price of the Certificates shall be \$_____ (representing an aggregate principal amount of the Certificates of \$_____, less an Underwriters' discount of \$_____).

The Underwriters agree to make a bona fide public offering of all the Certificates at the initial public offering prices (or yields) set forth on Exhibit A attached hereto. After the initial offering, the Underwriters reserves the right to change such public offering prices as the Underwriters shall deem necessary in marketing the Certificates.

Section 2. The Certificates. The Certificates will be dated their date of delivery and will be substantially in the form described in, shall be authorized, executed and delivered under the provisions of, and shall be payable as provided in, the Trust Agreement. The Certificates are being executed and delivered to provide funds to (a) provide for the defeasance of the City's outstanding Certificates of Participation (2002 Public Building Refunding Project) (the "2002 Certificates"), (b) provide for the prepayment of a lease agreement, dated as of April 1, 2013, by and between the Corporation and the City, which has been assigned to Rabobank, N.A. (the "2013 Lease"), (c) fund a reserve fund for the Certificates, and (d) pay costs incurred in connection with executing and delivering the Certificates.

The City will lease certain land and the improvements thereon (the "Property") to the Corporation pursuant to a Site and Facility Lease, dated as of May 1, 2015 (the "Site Lease"). The Corporation will sublease the Property back to the City pursuant to the Lease Agreement. The Corporation will assign its right to receive Lease Payments from the City under the Lease to the Trustee pursuant to an Assignment Agreement, dated as of December 1, 2014 (the "Assignment Agreement").

The City will also enter into a Continuing Disclosure Certificate, dated the Closing Date (the "Continuing Disclosure Certificate"). The Trust Agreement, the Site Lease, the Lease Agreement, the Assignment Agreement, the Continuing Disclosure Certificate, that certain Escrow Deposit and trust Agreement, dated the Closing Date (the "Escrow Agreement"), by and between U.S. Bank National Association, as trustee for the 2002 Certificates and as escrow bank (the "Escrow Bank"), and this Purchase Agreement are hereinafter referred to as the "Legal Documents."

Section 3. The Official Statement.

(a) By its acceptance of this proposal, the City ratifies, confirms and approves of the use and distribution by the Underwriters prior to the date hereof of the preliminary official

statement, dated April 10, 2015, relating to the Certificates (including the cover page, all appendices and all information incorporated therein, the "Preliminary Official Statement"). The City hereby certifies that such Preliminary Official Statement is deemed final as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") except for certain omissions with respect to the pricing of the Certificates permitted to be omitted therefrom by Rule 15c2-12, and has executed and delivered a certificate in substantially the form attached hereto as Exhibit B.

The City hereby agrees to deliver or cause to be delivered to the Underwriters, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Certificates (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the City and the Underwriters, the "Official Statement") in such quantity as the Underwriters shall reasonably request. The City has approved the use and distribution by the Underwriters of the Official Statement, and the City hereby authorizes the use by the Underwriters of the Legal Documents in connection with the offer and sale of the Certificates.

Section 4. **Closing.** At 8:00 A.M., California time, on May 12, 2015, or at such other time and date as may be agreed upon by the City and the Underwriters (the "Closing Date"), (i) the City will cause to be delivered to the Underwriters the Certificates in definitive form, bearing CUSIP numbers and fully registered, through the book-entry system of The Depository Trust Company, New York, New York ("DTC"); and (ii) the City will cause to be delivered to the Underwriters the other documents herein mentioned at the offices of Quint & Thimmig LLP in Larkspur, California, or another place to be agreed upon by the Corporation, the City and the Underwriters. The Underwriters will accept such delivery and pay the purchase price of the Certificates as set forth in Section 1 hereof in immediately available funds to the order of the Trustee on behalf of the City. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing." Notwithstanding the foregoing, neither the failure to print CUSIP numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Certificates on the Closing Date in accordance with the terms of this Purchase Agreement.

Section 5. **Representation, Warranties and Covenants of the City.** The City represents, warrants and covenants to the Underwriters that:

(a) The City is a municipal corporation and chartered city, duly organized and validly existing under the Constitution and laws of the State of California. The City has all necessary power and authority and has taken all official action necessary to enter into and perform its duties under the Trust Agreement, the Site Lease, the Lease Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Agreement (collectively, the "City Documents"). The City Documents and the Official Statement have been duly executed and delivered by the City and, assuming the due authorization, execution and delivery by the other respective parties thereto, the City Documents to the best knowledge of the City will constitute legally valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally.

(b) To the best of its knowledge, except as may be required under Blue Sky or other securities laws of any state (as to which no representation is made), there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the City required for the execution, delivery and sale of the

Certificates or the consummation by the City of the transactions contemplated by the City Documents and by the Official Statement, which has not been duly obtained or made on or prior to the date hereof.

(c) To the best knowledge of the City, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court or governmental or public entity pending or threatened against the City which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates, or contesting the powers of the City to enter into or perform its obligations under any of the City Documents or the existence or powers of the City.

(d) the distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the City and as of the date hereof and at all times subsequent thereto up to and including the time of the Closing, the statements and information contained in the Official Statement (excluding statements under the captions "THE CORPORATION," "UNDERWRITING," information relating to DTC and the book-entry only system and information as to bond prices on the cover of the Official Statement, as to which no opinion or view is expressed) are and will be true, correct and complete in all material respects and the Official Statement does not and will not omit to state a material fact required to be stated therein or necessary to make such statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(e) The City agrees that, if at any time before the Closing Date any event of which it has knowledge occurs, as a result of which the Official Statement as then in effect would include any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the City shall promptly prepare or cooperate in the preparation of an amendment or supplement to the Official Statement if in the opinion of the City and the Underwriters or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement. The City shall advise the Underwriters promptly of any proposal to so amend or supplement the Official Statement and shall effect such amendment or supplement in a form and manner approved by the Underwriters. The City shall promptly advise the Underwriters of the institution of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Certificates.

If the information relating to the City contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date of the Closing, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein concerning the City or the City's affairs, in the light of the circumstances under which it was presented, not misleading.

(f) The City shall furnish or cause to be furnished to the Underwriters, in such quantities as shall be reasonably required by the Underwriters, copies of the Official Statement and all amendments and supplements thereto, in each case as soon as available.

(g) The proceeds from the sale to the Underwriters of the Certificates will be applied in the manner and for the purposes specified in the Trust Agreement.

(h) The resolution of the City approving the execution and delivery of the City Documents and the Official Statement has been duly adopted by the City, has not been amended, modified or repealed and is in full force and effect on the date hereof.

(i) To the best of its knowledge, neither the execution and delivery by the City of the City Documents nor the City's adoption of the resolution, nor the City's compliance with such documents or such resolution, nor the consummation of the transactions contemplated by such documents, such resolution or the Official Statement, conflicts with or constitutes a breach of or default under, or will conflict with or constitute a breach of or default under, any term or provision of any applicable law or any administrative rule or regulation of the State of California or the United States or any applicable judgment, decree, order, license, permit, agreement or instrument to which the City is subject or is otherwise bound has or will have a material adverse effect on the ability of the City to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instruments.

(j) The City agrees to cooperate with the Underwriters in endeavoring to qualify the Certificates for offer and sale under the securities or Blue Sky laws of as many jurisdictions of the states of the United States as the Underwriters may request; provided, however, that the City will not be required to expend any of its own funds in connection with such qualifications and will not be required to consent to service of process in any such jurisdiction in which it is not now subject to service of process or to qualify as a broker or a foreign corporation in connection with any such qualification in any jurisdiction.

(k) The City covenants that it will not take any action which would cause interest payable with respect to the Certificates to be subject to federal income taxation or State of California personal income taxation.

(l) Except as otherwise provided in the Preliminary Official Statement and the Official Statement, the City has not failed to comply with any previous continuing disclosure undertaking within the prior 5 years.

Section 6. Conditions to the Obligations of the Underwriters. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the City contained herein. The obligations of the Underwriters to accept delivery of and pay for the Certificates on the Closing Date shall be subject, at the option of the Underwriters, to the performance by the Corporation and the City of their obligations, to be performed hereunder and under the Legal Documents, at or prior to the Closing Date and the following additional conditions:

(a) at the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriters, and all such reasonable actions as, in the opinion of Special Counsel or counsel to the Underwriters, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(b) between the date hereof and the Closing Date, the market price or marketability, at the initial public offering prices set forth on the cover page of the Official Statement, of the Certificates shall not have been materially adversely affected, in the reasonable judgment of the Underwriters, by reason of any of the following:

(i) legislation enacted (or resolution passed) by or introduced or pending legislation amended in the Congress or recommended for passage by the President of the United States, the Secretary of the Treasury or any member of Congress, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed), official statement, press release or other form of notice or communication issued or made by or on behalf of the Treasury Department or the Internal Revenue Service of the United States, by the President or other agency of the federal government or members of Congress with the purpose or effect, directly or indirectly, of imposing federal income taxation upon interest as would be received by the owners of the Certificates;

(ii) the declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the normal operation of the government of or the financial community in the United States;

(iii) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(iv) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Certificates or obligations of the general character of the Certificates or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters; or

(v) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that (i) obligations of the general character of the Certificates, or the Certificates, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or (ii) the execution and delivery, offering or sale of obligations of the general character of the Certificates, or the execution and delivery, offering or sale of the Certificates, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(c) at or prior to the Closing, the Underwriters shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriters:

(i) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriters;

(ii) the approving opinion of Special Counsel, dated the Closing Date and addressed to the City, in substantially the form attached as Appendix B to the Official Statement, together with reliance letters addressed to the Underwriters and the Trustee;

(iii) a supplemental opinion of Special Counsel dated the Closing Date and addressed to the Underwriters and the City, in form and substance acceptable to each of them to the effect that:

(A) the statements in the Official Statement under the captions, "INTRODUCTION," "THE CERTIFICATES," "SECURITY FOR THE CERTIFICATES," "CONTINUING DISCLOSURE," "TAX MATTERS," "APPENDIX B – FORM OF SPECIAL COUNSEL OPINION," "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS," AND "APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE" insofar as such statements purport to summarize certain provisions of the Certificates, security for the Certificates, the Trust Agreement, the Site Lease, the Lease, the Assignment Agreement, the Continuing Disclosure Certificate and the legal opinion of Special Counsel with respect thereto concerning the validity and tax status of interest with respect to the Certificates, are accurate in all material respects; but excluding therefrom information about DTC and the book-entry only system;

(B) the Purchase Agreement has been duly authorized, executed and delivered by the Corporation and the City and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute valid and binding agreements of the Corporation and the City and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws affecting enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought; and

(C) the Certificates are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification as an Trust Agreement pursuant to the Trust Indenture Act of 1939, as amended;

(iv) the opinion of Quint & Thimmig LLP, in its capacity as Disclosure Counsel, dated the Closing Date and addressed to the City and the Underwriters, to the effect that, based upon its participation in the preparation of the Official Statement as Disclosure Counsel and upon the information made available to it in the course of the foregoing, but without having undertaken to determine or verify independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement (except to the extent expressly set forth in the opinion referred to in Section 7(c)(iii) above), nothing has come to the attention of the personnel directly involved in rendering legal advice and assistance in connection with the preparation of the Official Statement that causes them to believe that the Official Statement as of its date or as of the Closing Date contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, are not misleading (except for the description of any litigation, any financial statements, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included therein, as to all of which they express no view);

(v) a certificate, dated the Closing Date, signed by a duly authorized official of the City satisfactory in form and substance in the reasonable judgment of the Underwriters to the effect that:

(A) the City is a municipal corporation and chartered city, duly organized and existing under the laws of the State of California and has all necessary power and authority to enter into and perform its duties under the City Documents;

(B) by official action of the City, the City has approved the execution and delivery of and the performance by the City of the obligations on its part contained in the City Documents;

(C) the execution and delivery of the City Documents to which it is a party, compliance with the provisions thereof and performance of its duties thereunder, will not conflict with or constitute a breach of or default under the City's duties under any law, administrative regulation, judgment, decree, note, resolution, charter, by-law or other agreement to which the City is a party or is otherwise subject or by which its properties may be affected;

(D) the information relating to the City contained in the Official Statement does not contain any untrue or misleading statement of a material fact or omit to state any material fact which is necessary to make such statements therein, in the light of the circumstances under which they were made, not misleading;

(E) to the best knowledge of the City, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the City required for the execution, delivery and sale of the Certificates or the consummation by the City of the transactions on its part contemplated by the City Documents;

(F) to the best knowledge of the City, the City is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents;

(G) there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court or governmental agency or body, pending or, to the best knowledge of the City, threatened against the City, except as disclosed in the Official Statement, to restrain or enjoin the execution or delivery of the Certificates, or in any way contesting or affecting the validity or enforceability of the Certificates or the City Documents or contesting the powers of the City to enter into or perform its obligations under any of the foregoing; and

(H) the City covenants that it will not take any action which would cause interest with respect to the Certificates to be subject to federal income taxation or California personal income taxes;

(vi) a certificate of the Trustee, dated the Closing Date, signed by a duly authorized officer of the Trustee, and in form and substance satisfactory to the Underwriters, to the effect that:

(A) the Trustee is a national banking association duly organized and existing under and by virtue of the laws of the United States of America authorized to carry out corporate trust powers and has all necessary power and authority to enter into and perform its duties under the Trust Agreement and the Assignment Agreement and to execute the Certificates;

(B) the representations of the Trustee in the Trust Agreement and the Assignment Agreement are true and correct in all material respects as of the Closing Date;

(C) to the best of its knowledge, no litigation is pending or threatened (either in state or federal courts) (1) to restrain or enjoin the execution or delivery of any of the Certificates or the collection of revenues pledged under the Lease Agreement, or (2) in any way contesting or affecting any authority for the execution or delivery of the Certificates or the validity or enforceability of the Trust Agreement or the Assignment Agreement;

(D) the Trustee is duly authorized to execute and deliver the Certificates to the Underwriters upon instruction by the City pursuant to the terms of the Trust Agreement, and the Trust Agreement and the Assignment Agreement constitute legal, valid and binding obligations of the Trustee enforceable in accordance with its respective terms;

(E) to the best of its knowledge, the execution and delivery of the Trust Agreement and the Assignment Agreement, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, the Trustee's duties under said documents or any law, administrative regulation, court decree, resolution, charter, bylaws or other agreement to which the Trustee is subject or by which it is bound; and

(F) the Certificates have been validly executed and delivered by the Trustee;

(vii) the opinion of counsel to the Trustee, addressed to the Underwriters and the City, dated the Closing Date, to the effect that;

(A) the Trustee has been duly organized and is validly existing in good standing as a national banking association under the laws of the United States of America, with full corporate power to enter into the Trust Agreement and the Assignment Agreement and to accept the trust as provided therein, and to perform its obligations under the Trust Agreement and the Assignment Agreement;

(B) the Trustee has duly authorized, executed and delivered the Trust Agreement and the Assignment Agreement and by all proper corporate action has authorized the acceptance of the trust of the Trust Agreement;

(C) assuming the due authorization, execution and delivery by the other party to the Trust Agreement and the Assignment Agreement, the Trust Agreement and the Assignment Agreement, constitute legally valid and binding agreements of the Trustee, enforceable against the Trustee in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally;

(D) the Certificates have been validly executed by the Trustee; and

(E) to the best of such counsel's knowledge, no authorization, approval, consent or order of any governmental agency or any other person or corporation is required for the valid authorization, execution and delivery of the Trust Agreement and the Assignment Agreement by the Trustee or the authentication by the Trustee of the Certificates;

(viii) a certificate of the Escrow Bank, dated the Closing Date, signed by a duly authorized officer of the Escrow Bank, and in form and substance satisfactory to the Underwriters, to the effect that:

(A) the Escrow Bank is a national banking association duly organized and existing under and by virtue of the laws of the United States of America authorized to carry out corporate trust powers and has all necessary power and authority to enter into and perform its duties under the Escrow Agreement;

(B) the representations of the Escrow Bank in the Escrow Agreement are true and correct in all material respects as of the Closing Date;

(C) to the best of its knowledge, no litigation is pending or threatened (either in state or federal courts) in any way contesting or affecting the validity or enforceability of the Escrow Agreement;

(D) the Escrow Agreement constitutes the legal, valid and binding obligation of the Escrow Bank enforceable in accordance with its terms; and

(E) to the best of its knowledge, the execution and delivery of the Escrow Agreement, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, the Escrow Bank's duties under said document or any law, administrative regulation, court decree, resolution, charter, bylaws or other agreement to which the Escrow Bank is subject or by which it is bound.

(ix) the opinion of counsel to the Escrow Bank, addressed to the Underwriters and the City, dated the Closing Date, to the effect that:

(A) the Escrow Bank has been duly organized and is validly existing in good standing as a national banking association under the laws of the United States of America, with full corporate power to enter into the Escrow Agreement and to accept the trust as provided therein, and to perform its obligations under the Escrow Agreement;

(B) the Escrow Bank has duly authorized, executed and delivered the Escrow Agreement and by all proper corporate action has authorized the acceptance of the trust of the Escrow Agreement;

(C) assuming the due authorization, execution and delivery by the other party to the Escrow Agreement, the Escrow Agreement constitutes the legally valid and binding agreement of the Escrow Bank, enforceable against the Escrow Bank in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally; and

(D) to the best of such counsel's knowledge, no authorization, approval, consent or order of any governmental agency or any other person or corporation is required for the valid authorization, execution and delivery of the Escrow Agreement by the Escrow Bank;

(x) a copy of the Official Statement, executed on behalf of the City;

(xi) a copy of the general resolution of the Trustee authorizing the execution and delivery of the Trust Agreement and the Assignment Agreement;

(xii) a copy of all resolutions relating to the Certificates, the Official Statement and the Legal Documents adopted by the Corporation and the City, as applicable, and certified by an authorized official of the Corporation and the City;

(xiii) a tax certificate by the City in form and substance acceptable to Special Counsel;

(xiv) a letter from Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, indicating that the Certificates have been rated "___" and that such ratings have not been revoked or downgraded.

(xv) such additional legal opinions, certificates, proceedings, instruments or other documents as Special Counsel and counsel to the Underwriters, if any, may reasonably request to evidence compliance by the Corporation and the City with legal requirements, the truth and accuracy, as of the Closing Date, of the representations and warranties of the Corporation and City contained herein, and the due performance or satisfaction by the Corporation and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Corporation and the City.

Section 7. Changes in Official Statement. After the Closing, the City will not adopt any amendment of or supplement to the Official Statement to which the Underwriters shall object in writing. Within 90 days after the Closing or within 25 days following the end of the underwriting period, whichever occurs first, if any event relating to or affecting the Certificates, the Trustee, the Corporation or the City shall occur as a result of which it is necessary, in the opinion of the Underwriters, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the City will forthwith prepare and furnish to the Underwriters an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City shall cooperate with the Underwriters in the filing by the Underwriters of such amendment or supplement to the Official Statement with a nationally recognized municipal securities repository. For the purposes of this section the Trustee, the Corporation and the City will each furnish such information with respect to itself as the Underwriters may reasonably request from time to time during such period.

Section 8. Expenses. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriters shall be under no obligation to pay, and the City shall pay from the proceeds of the Certificates or otherwise, all expenses and costs of the City and the Corporation incident to the performance of their obligations in connection with the authorization, execution, sale and delivery of the Certificates to the Underwriters, including,

without limitation, printing costs, rating agency fees and charges, initial fees of the Trustee, including fees and disbursements of its counsel, if any, fees and disbursements of Special Counsel and Disclosure Counsel and other professional advisors employed by the City or the Corporation and costs of preparation, printing, signing, transportation, delivery and safekeeping of the Certificates. The Underwriters shall pay all out-of-pocket expenses of the Underwriters, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriters in connection with the public offering and distribution of the Certificates, shall be paid by the Underwriters except CUSIP Service Bureau charges and DTC fees.

Section 9. **Notices.** Any notice or other communication to be given to the Underwriters under this Purchase Agreement may be given by delivering the same in writing to Mr. Ben H. ("Bud") Levine, Wulff, Hansen & Co., 351 California Street, 10th Floor, San Francisco, CA 94104, and to Mr. John C. Fitzgerald, Fitzgerald Public Finance, A Division of Gates Capital Corporation, 545 South Figueroa Street, Suite 1234, Los Angeles, CA 90071. Any notice or communication to be given to the Corporation or the City under this Purchase Agreement may be given by delivering the same in writing to the Corporation's and the City's addresses, respectively set forth above, Attention: City Manager.

The approval of the Underwriters when required hereunder or the determination of the Underwriters' satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to you.

Section 10. **Parties in Interest.** This Purchase Agreement is made solely for the benefit of the Corporation, the City and the Underwriters (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Corporation and the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment of the Certificates.

Section 11. **Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 12. **Governing Law.** This Purchase Agreement shall be governed by the laws of the State of California.

WULFF HANSEN & CO.

By _____
Name _____
Title _____

GATES CAPITAL CORPORATION

By _____
Name _____
Title _____

Accepted and Agreed to:

CITY OF PORTERVILLE

By _____
John D. Lollis
City Manager

EXHIBIT A

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

\$ _____
CERTIFICATE OF PARTICIPATION
(2015 Refinancing Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
CITY OF PORTERVILLE, CALIFORNIA
As the Rental for Certain Property Pursuant to a Lease Agreement
with the Porterville Public Improvement Corporation

MATURITY SCHEDULE

Maturity Date (October 1)	Principal Amount	Interest Rate	Yield	Price
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REDEMPTION PROVISIONS

Extraordinary Redemption. The Certificates are subject to extraordinary redemption, in whole or in part, on any Interest Payment Date, in an order of maturity determined by the City, from the Net Proceeds of insurance or eminent domain proceedings credited towards the redemption of the Lease Payments pursuant to the Lease Agreement, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest represented thereby to the date fixed for redemption, without premium.

Optional Redemption. The Certificates maturing on and after October 1, ____, are subject to optional redemption in whole or in part on any date on and after October 1, ____, in such order of maturity as shall be designated by the City (or, if the City shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium, from the proceeds of the optional prepayment of Lease Payments made by the City pursuant to the Lease Agreement.

Mandatory Redemption. The Certificates maturing on October 1, ____, are subject to mandatory redemption in part on October 1 in each year on October 1, ____, to and including October 1, ____, from the principal components of scheduled Lease Payments required to be paid by the City pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

<u>Year</u> <u>(October 1)</u>	<u>Principal Amount of</u> <u>Certificates to be Redeemed</u>	<u>Year</u> <u>(October 1)</u>	<u>Principal Amount of</u> <u>Certificates to be Redeemed</u>
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†Maturity.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 10, 2015

NEW ISSUE—FULL BOOK ENTRY

RATING:
S&P: “ ”
(See “RATINGS” herein)

In the opinion of Quint & Thimmig LLP, Larkspur, California, Special Counsel, subject to compliance by the City with certain covenants, under present law, interest with respect to the Certificates is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In addition, in the opinion of Special Counsel, interest with respect to the Certificates is exempt from personal income taxation imposed by the State of California. See “TAX MATTERS” herein.



\$ _____ *

**Certificates of Participation
(2015 Refinancing Project)**
**Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
CITY OF PORTERVILLE, CALIFORNIA
as the Rental for Certain Property Pursuant
to a Lease Agreement with the
Porterville Public Improvement Corporation**

Dated: Date of Delivery

Due: October 1, as shown on the inside cover

The \$ _____ * Certificates of Participation (2015 Refinancing Project) (the “Certificates”), are being executed and delivered to (a) provide for the defeasance of the City of Porterville’s (the “City”) outstanding Certificates of Participation (2002 Public Building Refunding Project), (b) provide for the prepayment of a lease agreement, dated as of April 1, 2013, by and between the Corporation and the City, which has been assigned to Rabobank, N.A., (c) fund a reserve fund for the Certificates, and (d) pay costs incurred in connection with executing and delivering the Certificates. The Certificates will evidence direct, undivided fractional interests of the owners thereof in Lease Payments (as defined herein) to be made by the City to the Porterville Public Improvement Corporation (the “Corporation”) for the use and occupancy of the Property (as defined herein) under and pursuant to a Lease Agreement, dated as of May 1, 2015, by and between the Corporation and the City (the “Lease Agreement”). The Corporation will assign its right to receive Lease Payments from the City under the Lease Agreement and its right to enforce payment of the Lease Payments when due or otherwise protect its interest in the event of a default by the City thereunder to U.S. Bank National Association, Los Angeles, California, as trustee (the “Trustee”), for the benefit of the registered owners of the Certificates.

The Certificates will be executed and delivered pursuant to a Trust Agreement, dated as of May 1, 2015, by and among the City, the Corporation and the Trustee, in book-entry form only, and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (referred to herein as “DTC”). Purchasers of the Certificates (the “Beneficial Owners”) will not receive physical certificates representing their interest in the Certificates. Interest with respect to the Certificates accrues from their date of delivery, and is payable semiannually by check mailed on each April 1 and October 1, commencing October 1, 2015. The Certificates may be executed and delivered in denominations of \$5,000 or any integral multiple thereof. Payments principal and interest with respect to the Certificates will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Certificates. (See “THE CERTIFICATES—Book-Entry-Only System” herein).

The Certificates are subject to optional, mandatory and extraordinary redemption, as described herein.

The City will covenant in the Lease Agreement to make all Lease Payments due under the Lease Agreement, subject to abatement during any period in which by reason of damage or destruction of the Property, or by reason of eminent domain proceedings with respect to the Property, there is substantial interference with the use and occupancy by the City of the Property or any portion thereof. The City will covenant in the Lease Agreement to take such action as may be necessary to include all Lease Payments in its annual budgets and to make the necessary annual appropriations for all such Lease Payments.

NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT CONSTITUTES A DEBT OR INDEBTEDNESS OF THE CITY OR THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS OR RESTRICTION OR AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

MATURITY SCHEDULE

SEE THE INSIDE COVER

The cover page contains certain information for general reference only. It is not a summary of all the provisions of the Certificates. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See “RISK FACTORS” herein for a discussion of special risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Certificates.

The Certificates will be offered when, as and if delivered and received by the Underwriters subject to approval by Quint & Thimmig LLP, Larkspur, California, as Special Counsel. Certain matters will be passed upon for the City by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and by McCormick, Kabot, Jenner & Lew, the City Attorney. It is anticipated that the Certificates will be available for delivery to DTC in New York, New York, on or about May 12, 2015.

WULFF, HANSEN & CO.

GATES CAPITAL CORPORATION

Dated: April __, 2015

*Preliminary, subject to change.

\$ _____ *

**Certificates of Participation
(2015 Refinancing Project)**

**Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
CITY OF PORTERVILLE, CALIFORNIA
as the Rental for Certain Property Pursuant
to a Lease Agreement with the
Porterville Public Improvement Corporation**

MATURITY SCHEDULE*

\$ _____ Serial Certificates

CUSIP† Prefix: _____

Maturity Date (October 1)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
_____	_____	_____	_____	_____

\$ _____ % Term Certificates maturing October 1, _____, Price: _____ %, to yield _____ %—CUSIP† _____

\$ _____ % Term Certificates maturing October 1, _____, Price: _____ %, to yield _____ %—CUSIP† _____

*Preliminary, subject to change.

† Copyright 2015, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the registered owners of the Certificates. Neither the City nor the Underwriters is responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Certificates or as included herein. The CUSIP number for a specific maturity is subject to being changed after the delivery of the Certificates as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Certificates.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the City with respect to the Certificates that has been deemed "final" by the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Certificates by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth herein has been obtained from the City and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the Certificates, the Lease Agreement, the Trust Agreement, the Assignment Agreement, the Site and Facility Lease, or other documents, are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Director Finance for further information. See "INTRODUCTION—Other Information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the City's forecasts in any way. Neither the City nor the Corporation is obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur or do not occur.

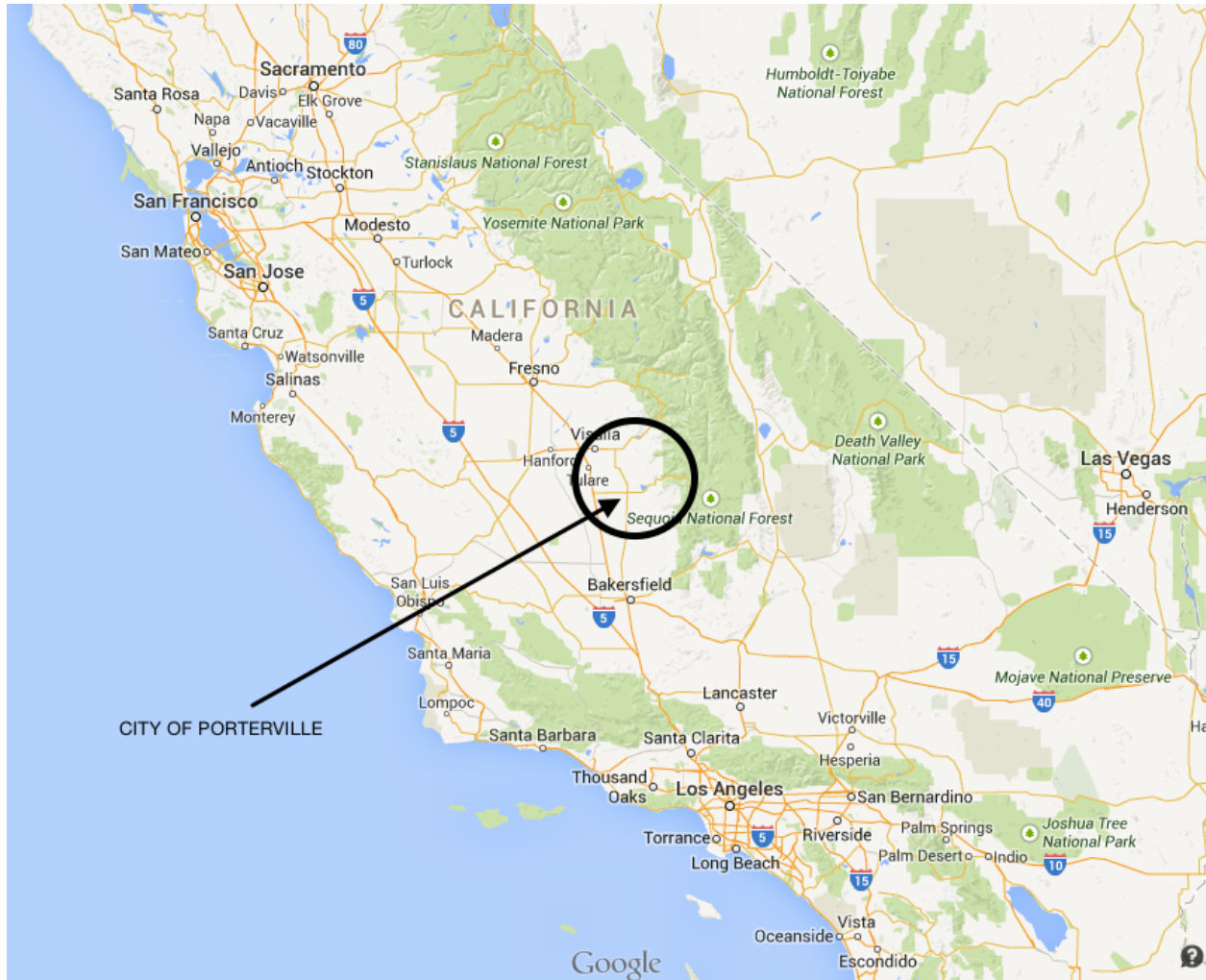
The execution, sale and delivery of the Certificates has not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

The City maintains a website. Unless specifically indicated otherwise, the information presented on such website is **not** incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Certificates.

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CITY OF PORTERVILLE LOCATION MAP



CITY OF PORTERVILLE

**291 North Main Street
Porterville, California 93257
<http://www.ci.porterville.ca.us/>**

CITY COUNCIL MEMBERS

Milt Stowe, *Mayor*
Cameron J. Hamilton, *Vice Mayor*
Brian Ward, *Councilmember*
Virginia R. Gurrola, *Councilmember*
A. Monte Reyes, *Councilmember*

CITY OFFICIALS

John Lollis, *City Manager & City Clerk*
Maria Bemis, *Finance Director*
Jenni Byers, *Interim Community & Economic Development Director*
Patrice Hildreth, *Administrative Services Director*
McCormick, Kabot, Jenner & Lew, *City Attorney*

SPECIAL SERVICES

Special Counsel and Disclosure Counsel

Quint & Thimmig LLP
Larkspur, California

Trustee and Escrow Bank

U.S. Bank National Association
Los Angeles, California

Verification Agent

Grant Thornton LLP
Minneapolis, Minnesota

\$ _____ *

CERTIFICATES OF PARTICIPATION
(2015 Refinancing Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
CITY OF PORTERVILLE
as the Rental for Certain Property
Pursuant to a Lease Agreement with the
Porterville Public Improvement Corporation

INTRODUCTION

This introduction does not purport to be complete and reference is made to the body of this Official Statement, appendices and the documents referred to herein for more complete information with respect to matters concerning the captioned Certificates. Potential investors are encouraged to read this entire Official Statement. Capitalized terms used and not defined in this Introduction shall have the meanings assigned to them elsewhere in this Official Statement and in APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS.

General

This Official Statement, including the cover page, the inside cover page and appendices hereto, is provided to furnish information in connection with the execution, sale and delivery of \$ _____* aggregate principal amount of Certificates of Participation (2015 Refinancing Project) (the “Certificates”). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of May 1, 2015 (the “Trust Agreement”), by and among the City of Porterville (the “City”), the Porterville Public Improvement Corporation (the “Corporation”) and U.S. Bank National Association, as trustee (the “Trustee”).

The proceeds of the Certificates will be used to (a) provide for the defeasance of the City of Porterville’s (the “City”) outstanding Certificates of Participation (2002 Public Building Refunding Project) (the “2002 Certificates”), (b) provide for the prepayment of a lease agreement, dated as of April 1, 2013, by and between the Corporation and the City, which has been assigned to Rabobank, N.A. (the “2013 Lease”), (c) fund a reserve fund for the Certificates, and (d) pay costs incurred in connection with executing and delivering the Certificates. See “PLAN OF FINANCING.”

The City will lease certain existing property (collectively, the “Property”) to the Corporation pursuant to a Site and Facility Lease, dated as of May 1, 2015 (the “Site and Facility Lease”). The Corporation will lease the Property back to the City pursuant to a Lease Agreement, dated as of May 1, 2015 (the “Lease Agreement”). The Certificates are payable solely from and secured by certain lease payments (“Lease Payments”) to be made by the City to the Corporation pursuant to the Lease Agreement. See “SOURCE OF PAYMENT FOR THE CERTIFICATES” and “THE PROPERTY.”

Interest with respect to the Certificates is payable on April 1 and October 1 of each year, commencing October 1, 2015. The Certificates will mature in the amounts and on the dates and be payable

* Preliminary, subject to change.

at the interest rates shown on the inside cover page of this Official Statement. See “THE CERTIFICATES.”

The Certificates will be delivered in fully registered form only, in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”). DTC will act as the depository for the Certificates and all payments due with respect to the Certificates will be made to Cede & Co. Ownership interests in the Certificates may be purchased only in book-entry form. See “THE CERTIFICATES—Book-Entry Only System” and APPENDIX F—DTC’S BOOK-ENTRY ONLY SYSTEM.

Source of Payment for the Certificates

The Certificates represent direct, undivided fractional interests of the Owners thereof in the Lease Payments to be paid by the City to the Corporation pursuant to the Lease Agreement. Lease Payments are calculated to be sufficient to permit the payment of the principal and interest with respect to the Certificates when due. The Lease Payments are payable by the City from its general fund for the right to use and possess the Property. The Lease Payments are subject to abatement during any period in which by reason of damage or destruction there is substantial interference with the use and occupancy by the City of the Property or any portion thereof. The City will covenant under the Lease Agreement to take such action as necessary to include the Lease Payments in its annual budget and to make all necessary appropriations therefor (subject to abatement under certain circumstances described in the Lease Agreement). Pursuant to an Assignment Agreement, dated as of May 1, 2015 (the “Assignment Agreement”), by and between the Corporation and the Trustee, the Corporation will assign to the Trustee, for the benefit of the Owners of the Certificates, certain of its rights under the Lease Agreement, including its right to receive Lease Payments from the City for the purpose of securing the payment of principal and interest with respect to the Certificates. See “SOURCE OF PAYMENT FOR THE CERTIFICATES” and “RISK FACTORS.”

A Reserve Fund equal to the Reserve Requirement will be funded from the proceeds of the Certificates. Money in the Reserve Fund will be used by the Trustee in the event amounts in the Lease Payment Fund are insufficient to pay principal and/or interest with respect to the Certificates. See “SOURCE OF PAYMENT FOR THE CERTIFICATES—Reserve Fund.”

THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT CONSTITUTES AN INDEBTEDNESS OF THE CITY OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

The City

The City, incorporated on May 7, 1902, is located midway between San Francisco and Los Angeles, an hour from Fresno and Bakersfield. It is situated in the southeastern portion of California’s San Joaquin Valley, the most diverse agricultural area in the world. The City currently occupies a land area of 16 square miles and serves a population of approximately 55,000. See “THE CITY,” “CITY

FINANCIAL INFORMATION” and APPENDIX A—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY.

Continuing Disclosure

The City will covenant in a Continuing Disclosure Certificate to prepare and deliver an annual report to the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access system. See “CONTINUING DISCLOSURE” and APPENDIX G—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

Summaries of Documents

This Official Statement contains descriptions of the Certificates, the Trust Agreement, the Site and Facility Lease, the Lease Agreement, the Assignment Agreement and various other agreements and documents. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive and reference is made to each such document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors’ rights generally. Copies of the various documents described herein are available for inspection during business hours at the corporate trust office of the Trustee at 700 South Flower Street, Suite 500, Los Angeles, CA 90017.

Other Information

This Official Statement speaks only as of its date as set forth on the inside cover page hereof, the information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

Unless otherwise expressly noted, all references to internet websites in this Official Statement, including without limitation, the City’s website, are shown for reference and convenience only and none of their content is incorporated herein by reference. The information contained within such websites has not been reviewed by the City and the City makes no representation regarding the accuracy or completeness of the information therein.

SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of the proceeds from the sale of the Certificates and other moneys:

Sources

Par Amount of the Certificates

Plus: Net Original Issue Premium

Plus: Released 2002 Reserve Fund Moneys

Total Sources

=====

Uses

Deposit to Escrow Fund ⁽¹⁾

Prepayment of 2013 Lease

Deposit to Reserve Fund ⁽²⁾

Delivery Costs ⁽³⁾

Total Uses

=====

⁽¹⁾ Amounts deposited in the Escrow Fund will be used to defease the 2002 Certificates. See PLAN OF FINANCING.

⁽²⁾ The amounts deposited in the Reserve Fund is equal to the Reserve Requirement being _____.

⁽³⁾ Delivery Costs include the Underwriters' discount, fees and expenses of the financial advisor, special counsel, disclosure counsel and the Trustee, printing expenses, rating fees, title insurance and other costs.

PLAN OF FINANCING

The proceeds of the Certificates will be used to (a) provide for the defeasance of the 2002 Certificates, (b) provide for the prepayment of the 2013 Lease, (c) fund the Reserve Fund, and (d) pay costs incurred in connection with executing and delivering the Certificates.

Defeasance of the 2002 Certificates. A portion of the proceeds from the sale of the Certificates will be deposited into an escrow fund (the "Escrow Fund") to be created and maintained by U.S. Bank National Association, as escrow bank (the "Escrow Bank"), under an escrow deposit and trust agreement by and between the City and the Escrow Bank. A portion of the moneys deposited in the Escrow Fund will be invested in U.S. Treasury Securities—State and Local Government Series ("SLGS") and the remaining amount will be held in cash, uninvested. The maturing SLGS, the interest thereon and the uninvested cash will be applied to the payment of principal and interest with respect to the 2002 Certificates to and including their maturity date.

The sufficiency of the moneys, investment earnings and maturing SLGS for such purposes will be verified by Grant Thornton LLP (the "Verification Agent"). See "VERIFICATION OF MATHEMATICAL COMPUTATIONS." Assuming the accuracy of the Verification Agent's computations, as a result of the deposit and application of funds as provided in the Escrow Agreement, the obligations of the City with respect to the 2002 Certificates will be defeased and discharged. The maturing SLGS, the interest income thereon and the uninvested cash in the Escrow Fund will be held in trust solely for the 2002 Certificates and will not be available to pay principal or interest with respect to the Certificates or any obligations other than the 2002 Certificates.

Prepayment of 2013 Lease. A portion of the proceeds from the sale of the Certificates will be applied, on the date of delivery of the Certificates, to the prepayment in full of the 2013 Lease.

THE PROPERTY

Pursuant to the Site and Facility Lease, the City will lease the Property to the Corporation. Pursuant to the Lease Agreement, the Corporation will, in turn, lease the Property back to the City. See APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Site and Facility Lease and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Lease Agreement.

The Property consists of the following properties:

1. City Hall, located at 291 North Main Street in Porterville.
2. Police Station, located at 350 North D Street in Porterville.
3. Library, located at 41 West Thurman Avenue in Porterville.
4. Fire Station No. 1, located at 40 West Cleveland Avenue in Porterville.
5. Fire Station No. 2, located at 500 North Newcomb Street in Porterville.
6. Corporation Yard, located at 555 North Prospect Street in Porterville.
7. Community Center, located at 466 East Putnam Avenue in Porterville.
8. Murry Park, located on Putnam Avenue in Porterville.
9. Heritage Center, located at 256 East Orange Avenue in Porterville.

For a description of certain terms of the Lease Agreement see “SOURCE OF PAYMENT FOR THE CERTIFICATES” and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—LEASE AGREEMENT.

Pursuant to the Lease Agreement, the City may substitute the Property, in whole or in part, by other properties, upon the satisfaction of certain conditions. For more information regarding the substitution of property see “SOURCE OF PAYMENT FOR THE CERTIFICATES—Substitution or Release of Site or Facility” and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Lease Agreement.

The City has not granted any security interest in the Property for the benefit of the Certificates and there is no remedy of foreclosure on the Property upon the occurrence of an Event of Default under the Lease Agreement. For a discussion of remedies upon an Event of Default under the Lease Agreement, see “RISK FACTORS—Limitations on Remedies.”

SEMI-ANNUAL DEBT SERVICE

The following table shows the scheduled semi-annual debt service for the Certificates:

Interest Payment Date (1)	Principal*	Interest	Total
10/1/15			
4/1/16			
10/1/16			
4/1/17			
10/1/17			
4/1/18			
10/1/18			
4/1/19			
10/1/19			
4/1/20			
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10/1/34			
4/1/35			
10/1/35			
4/1/36			
10/1/36			
4/1/37			
10/1/37			
4/1/38			
10/1/38			
4/1/39			
10/1/39			
4/1/40			
10/1/40			
TOTAL	\$		

*Preliminary, subject to change.

(1) Principal and interest payments with respect to the Certificates on each April 1 and October 1 are derived from Lease Payments made by the City on the preceding March 15 and September 15.

THE CERTIFICATES

General

The Certificates will be executed and delivered in the aggregate principal amount and will mature on the dates and interest with respect thereto will be payable at the rates per annum as set forth on the inside cover page of this Official Statement. The Certificates will be delivered in the form of fully registered Certificates without coupons in the denomination of \$5,000 or any integral multiple thereof. Interest with respect to the Certificates will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on April 1 and October 1 of each year, commencing October 1, 2015 (each an “Interest Payment Date”), until maturity or earlier redemption thereof. The Certificates will be initially executed, delivered and registered in the name of “Cede & Co.” as nominee of DTC and will be evidenced by one Certificate maturing on each of the maturity dates in a denomination corresponding to the total principal therein designated to mature on such date. See “THE CERTIFICATES—Book-Entry Only System.”

Interest with respect to the Certificates will be payable from the Interest Payment Date next preceding the date of execution thereof, unless: (i) it is executed as of an Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (ii) it is executed after a Regular Record Date (i.e., the close of business on the 15th day of the month preceding each Interest Payment Date, whether or not such 15th day is a Business Day) and before the following Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (iii) it is executed on or before September 15, 2015, in which event interest with respect thereto will be payable from its dated date; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest represented by such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates. Payment of defaulted interest shall be paid by check mailed to the Owners as of a special record date to be fixed by the Trustee in its sole discretion, notice of which shall be given to the Owners not less than ten (10) days prior to such special record date.

Payment of interest due with respect to any Certificate on any Interest Payment Date will be made to the person appearing on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his or her address as it appears on the Registration Books as of such Regular Record Date or, upon written request filed with the Trustee prior to the Regular Record Date by an Owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request shall remain in effect until rescinded in writing by the Owner. The principal and redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by check denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Corporate Trust Office.

Redemption

Optional Redemption. The Certificates maturing on or before October 1, ____, are not subject to optional redemption prior to maturity. The Certificates maturing on and after October 1, ____, are subject to optional redemption in whole or in part on any date in such order of maturity as shall be

designated by the City (or, if the City shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, on or after October 1, _____, at a redemption price equal to the principal amount of the Certificates to be redeemed, together with accrued interest, without premium, to the date fixed for redemption, from the proceeds of the optional prepayment of Lease Payments made by the City pursuant to the Lease Agreement.

Mandatory Sinking Fund Redemption. The Certificates maturing on October 1, _____, are subject to mandatory redemption in part on October 1, _____, and on each October 1 thereafter to and including October 1, _____, from the principal components of scheduled Lease Payments required to be paid by the City pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (October 1)	Principal Amount of Certificates to be Redeemed

†Maturity.

The Certificates maturing on October 1, _____, are subject to mandatory redemption in part on October 1, _____, and on each October 1 thereafter to and including October 1, _____, from the principal components of scheduled Lease Payments required to be paid by the City pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (October 1)	Principal Amount of Certificates to be Redeemed

†Maturity.

Extraordinary Redemption from Net Proceeds of Insurance, Title Insurance, Condemnation or Eminent Domain Award. The Certificates are subject to extraordinary redemption in whole on any date or in part on any Interest Payment Date from the Net Proceeds of an insurance, title insurance, condemnation or eminent domain award, to the extent credited towards the prepayment of the Lease Payments by the City pursuant to the Lease Agreement, in such order of maturity as shall be designated by the City (or, if the City shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, at a redemption price equal to the principal amount of the Certificates to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Selection of Certificates for Redemption. Whenever provision is made in the Trust Agreement for the redemption of Certificates and less than all of the Outstanding Certificates are to be redeemed, the Trustee will select Certificates for redemption from the Outstanding Certificates not previously called for redemption in such order of maturity as will be designated by the City (and, in lieu of such designation, *pro rata* among maturities) and by lot within a maturity. The Trustee will select Certificates for redemption within a maturity by lot in any manner which the Trustee will, in its sole discretion, deems appropriate. For purposes of such selection, Certificates will be deemed to be composed of \$5,000 portions and any such portion may be separately redeemed. The Trustee will promptly notify the City in writing of the Certificates so selected for redemption. Selection by the Trustee of Certificates for redemption will be final and conclusive.

Notice of Redemption. Unless waived in writing by any Owner of a Certificate to be redeemed, notice of any such redemption will be given by the Trustee on behalf and at the expense of the City, by mailing a copy of a redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption, to such Owner of the Certificate or Certificates to be redeemed at the address shown on the Registration Books or at such other address as is furnished in writing by such Owner to the Trustee; *provided, however*, that neither the failure to receive such notice nor any defect in any notice will affect the sufficiency of the proceedings for the redemption of the Certificates.

Effect of Redemption. If notice of redemption has been given as described above, the Certificates or portions of Certificates so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date, interest with respect to such Certificates or portions of Certificates will cease to be payable.

Partial Redemption of Certificate. Upon surrender of any Certificate redeemed in part only, the Trustee will execute and deliver to the Owner thereof a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Certificate surrendered and of the same interest rate and the same maturity.

Transfer and Exchange of Certificates

The registration of any Certificate may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his or her attorney duly authorized in writing upon surrender of such Certificate for cancellation at the Principal Corporate Trust Office, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Certificate or Certificates shall be surrendered for registration of transfer, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The City shall pay any costs of the Trustee incurred in connection with such transfer, except that the Trustee may require the payment by the Certificate Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Trustee shall not be required to transfer (i) any Certificates or portion thereof during the period between the date fifteen (15) days prior to the date of selection of Certificates for redemption and such date of selection, or (ii) any Certificates selected for redemption.

Certificates may be exchanged, upon surrender thereof, at the Principal Corporate Trust Office for a like aggregate principal amount of Certificates of other authorized denominations of the same

maturity. Whenever any Certificate or Certificates shall be surrendered for exchange, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The City shall pay any costs of the Trustee incurred in connection with such exchange, except that the Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to exchange (i) any Certificate or any portion thereof during the period between the date fifteen (15) days prior to the date of selection of Certificates for redemption and such date of selection, or (ii) any Certificate selected for redemption.

Book-Entry Only System

The Certificates will be initially executed, delivered and registered as one fully registered certificate for each maturity, without coupons, in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Certificates. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Certificates purchased. Principal and interest will be paid to DTC which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Certificates as described herein. So long as DTC's book-entry system is in effect with respect to the Certificates, notices to Owners of the Certificates by the City or the Trustee will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the Certificates, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. See APPENDIX F—DTC'S BOOK-ENTRY ONLY SYSTEM.

In the event that such book-entry system is discontinued with respect to the Certificates, the City will cause the Trustee to execute and deliver replacements in the form of registered certificates and, thereafter, the Certificates will be transferable and exchangeable on the terms and conditions provided in the Trust Agreement. In addition, the following provisions would then apply: Payment of interest due with respect to any Certificate on any Interest Payment Date will be made to the person appearing on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his or her address as it appears on the Registration Books as of such Regular Record Date or, upon written request filed with the Trustee prior to the Regular Record Date by an Owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request will remain in effect until rescinded in writing by the Owner. The principal and redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by check denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Corporate Trust Office.

SOURCE OF PAYMENT FOR THE CERTIFICATES

General

Each Certificate represents a direct, undivided fractional interest in the Lease Payments. Pursuant to the Lease Agreement, the City will lease the Property from the Corporation and agree to make Lease Payments. See "THE PROPERTY." Upon satisfaction of certain conditions set forth in the Lease

Agreement, the City may substitute the Property with other properties. See “Substitution or Release of Site or Facility” below.

As security for the Certificates, the Corporation will assign to the Trustee for the payment of principal and interest with respect to the Certificates, the Corporation’s rights, title and interest in the Lease Agreement (with certain exceptions), including the right to receive Lease Payments to be made by the City under the Lease Agreement. The Lease Payments are designed to be sufficient, in both time and amount, to pay when due, the principal and interest with respect to the Certificates. The Lease Payments are payable by the City from any source of legally available funds.

THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT CONSTITUTES AN INDEBTEDNESS OF THE CITY OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

Lease Payments; Covenant to Appropriate

Pursuant to the Lease Agreement, the City has agreed to make Lease Payments for the lease of the Property which are calculated to be sufficient to pay principal and interest due with respect to the Certificates. Lease Payments will be made by the City to the Trustee on March 15 and September 15 in each year, in advance of the corresponding April 1 and October 1 Interest Payment Dates. The City will also pay as additional payments (“Additional Payments”), amounts required for the payment of all costs and expenses incurred by the City to comply with the provisions of the Trust Agreement and the Lease Agreement or in connection with the execution and delivery of the Certificates. The City has covenanted under the Lease Agreement to take such action as may be necessary to include all Lease Payments and Additional Payments in its annual budget and to make the necessary annual appropriations for all such payments. Under certain circumstances described under the Lease Agreement, however, Lease Payments are subject to abatement during periods of substantial interference with the City’s use and occupancy of the Property or any portion thereof. See “SOURCE OF PAYMENT FOR THE CERTIFICATES—Abatement.”

Insurance

The City is required to keep or cause to be kept casualty insurance against loss or damage by fire and lightning, with extended coverage and vandalism and malicious mischief insurance, in an amount at least equal to one hundred percent (100%) of the replacement cost of the Property. Such insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. The City is not required by the Lease Agreement to maintain earthquake coverage with respect to the Property and the City does not expect to purchase such coverage.

To insure against loss of rental income caused by perils mentioned above, the City is required to maintain, or cause to be maintained throughout the term of the Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any part of the Property as a result

of any of the hazards described above in an amount equal to two times the maximum annual Lease Payments.

Public liability and property damage insurance coverage is required in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$100,000 (subject to a deductible clause of not to exceed \$5,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the City and may be maintained in the form of insurance maintained through a joint exercise of powers authority created for such purpose or in the form of self-insurance by the City. The net proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

The City shall provide, from moneys in the Delivery Costs Fund or at its own expense, on the Closing Date, a CLTA title insurance policy in the amount of not less than the principal amount of the Certificates, insuring the City's leasehold estate in the Property, subject only to Permitted Encumbrances.

See APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—LEASE AGREEMENT—Insurance.

Abatement

Pursuant to the Lease Agreement, Lease Payments will be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the City of the Property or any portion thereof (other than certain portions of the Property which have been modified by the City as described in the Lease Agreement) to the extent to be agreed upon by the City and the Corporation and communicated by a City Representative to the Trustee. The parties agree that amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in an exhibit attached to the Lease Agreement, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed (giving due consideration to the factors identified related to fair rental value as discussed in the Lease Agreement), based upon the opinion of an MAI appraiser with expertise in valuing such properties, or based upon any other appropriate method of valuation, in which event the Lease Payments will be abated such that they represent said fair rental value. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as communicated by a City Representative to the Trustee. In the event of any such damage or destruction, the Lease Agreement will continue in full force and effect and the City waives any right to terminate the Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there will be no abatement of Lease Payments under the Lease Agreement to the extent that (a) the proceeds of rental interruption insurance or (b) amounts in the Reserve Fund and/or the Insurance and Condemnation Fund and/or the Lease Payment Fund are available to pay Lease Payments which would otherwise be abated under the Lease Agreement. See "SOURCE OF PAYMENT FOR THE CERTIFICATES—Insurance," APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Lease Agreement—Insurance and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Lease Agreement—Abatement of Lease Payments in the Event of Damage or Destruction.

Eminent Domain

Pursuant to the Lease Agreement, if all of the Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the Lease Agreement will cease as of the day possession is taken. If less than all of the Property is taken permanently, or if all of the Property or any part thereof is taken temporarily under the power of eminent domain, (1) the Lease Agreement will continue in full force and effect and will not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there will be a partial abatement of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments under the Lease Agreement, in an amount to be agreed upon by the City and the Corporation and communicated to the Trustee such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property, except to the extent of special funds, such as amounts in the Reserve Fund available for the payment of Lease Payments. The Net Proceeds of such eminent domain award are required to be applied to the redemption of Certificates as provided in the Lease Agreement and the Trust Agreement.

Reserve Fund

The Trust Agreement provides that the Trustee will establish and maintain a reserve fund (the "Reserve Fund"). Pursuant to the Trust Agreement, immediately after the execution and delivery of the Certificates, the amount deposited in the Reserve Fund will equal the "Reserve Requirement." Except as otherwise expressly provided in the Trust Agreement, all money in the Reserve Fund will be held in trust as a reserve for the payment when due of the Lease Payments on behalf of the City. "Reserve Requirement" means an amount equal to maximum annual Lease Payments, which amount shall be \$ _____ on the Closing Date. The amount of the Reserve Requirement shall not be reduced unless the Certificates are partially refunded, in which such amount shall be reduced to an amount equal to the maximum annual Lease Payments relating to the Certificates not so refunded.

Optional Prepayment

Pursuant to the Lease Agreement, the City has an option to prepay the principal components of the Lease Payments in full, by paying the aggregate unpaid principal components of the Lease Payments, or in part, in a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together with accrued interest to the date fixed for prepayment, together with the premium set forth for the redemption of Certificates. See "THE CERTIFICATES—Redemption—Optional Redemption."

Said option may be exercised with respect to Lease Payments due on and after September 15, _____, in whole or in part on any date, commencing September 15, _____. In the event of prepayment in part, the partial prepayment will be applied against Lease Payments in such order of payment date as will be selected by the City. Lease Payments due after any such partial prepayment will be in the amounts set forth in a revised Lease Payment schedule which will be provided by, or caused to be provided by, the City to the Trustee and which will represent an adjustment to the schedule set forth in the Lease Agreement taking into account said partial prepayment. The Trustee agrees to notify the Corporation in the event of any prepayment of Lease Payments, as provided in the Trust Agreement.

Mandatory Prepayment from Net Proceeds of Insurance, Title Insurance or Eminent Domain

The City will be obligated to prepay the Lease Payments, in whole on any date or in part on any Lease Payment Date, from and to the extent of any Net Proceeds of an insurance, title insurance or condemnation award with respect to the Property theretofore deposited in the Lease Payment Fund for such purpose pursuant to the Lease Agreement and the Trust Agreement. The City and the Corporation agree that such Net Proceeds will be applied first to the payment of any delinquent Lease Payments, and thereafter will be credited towards the City's obligations under the mandatory prepayment provisions of the Lease Agreement. Lease Payments due after any such partial prepayment will be in the amounts set forth in a revised Lease Payment schedule which will be provided by, or caused to be provided by, the City to the Trustee and which will represent an adjustment to the schedule set forth in the Lease Agreement taking into account said partial prepayment. See "THE CERTIFICATES—Redemption—Extraordinary Redemption from Net Proceeds of Insurance, Title Insurance, Condemnation or Eminent Domain Award."

Substitution or Release of Site or Facility

Substitution of Site or Facility. The City shall have, and is granted, the option at any time and from time to time during the Term of the Lease Agreement to substitute other land (a "Substitute Site") and/or a substitute facility (a "Substitute Facility") for the Site (the "Former Site"), or a portion thereof, and/or the Facility (the "Former Facility"), or a portion thereof, provided that the City shall satisfy all of the following requirements (to the extent applicable) which are hereby declared to be conditions precedent to such substitution:

(i) If a substitution of the Site, the City shall file with the Corporation and the Trustee an amendment to the Site and Facility Lease which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(ii) If a substitution of the Site, the City shall file with the Corporation and the Trustee an amendment to the Lease Agreement which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(iii) If a substitution of the Facility, the City shall file with the Corporation and the Trustee an amendment to the Site and Facility Lease which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(iv) If a substitution of the Facility, the City shall file with the Corporation and the Trustee an amendment to the Lease Agreement which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(v) The City shall certify in writing to the Corporation and the Trustee that such Substitute Site and/or Substitute Facility serve the purposes of the City, constitutes property that is unencumbered, subject to Permitted Encumbrances, and constitutes property which the City is permitted to lease under the laws of the State;

(vi) The City delivers to the Corporation and the Trustee evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Property following such substitution is equal to or greater than the Outstanding

principal amount of the Certificates and confirms in writing to the Trustee that the indemnification provided pursuant to the Trust Agreement applies with respect to the Substitute Site and/or Substitute Facility;

(vii) The Substitute Site and/or Substitute Facility shall not cause the City to violate any of its covenants, representations and warranties made herein and in the Trust Agreement, as evidenced by an officer's certificate delivered to the Trustee;

(viii) The City shall obtain an amendment to the title insurance policy required pursuant to the Lease Agreement which adds thereto a description of the Substitute Site and deletes therefrom the description of the Former Site;

(ix) The City shall provide notice of the substitution to any rating agency then rating the Certificates which rating was provided at the request of the City or the Corporation; and

(x) The City shall furnish the Corporation and the Trustee with a written opinion of Bond Counsel, which shall be an Independent Counsel, stating that such substitution does not cause the interest components of the Lease Payments to become subject to federal income taxes or State personal income taxes.

Release of Site. The City shall have, and is granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Site, provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The City shall file with the Corporation and the Trustee an amendment to the Site and Facility Lease which describes the Site, as revised by such release;

(ii) The City shall file with the Corporation and the Trustee an amendment to the Lease Agreement which describes the Site, as revised by such release;

(iii) The City delivers to the Corporation and the Trustee evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Property, as revised by such release, is equal to or greater than the Outstanding principal amount of the Certificates and confirms in writing to the Trustee and the Corporation that the indemnification provided pursuant to the Trust Agreement applies with respect to the Site, as revised by such release;

(iv) Such release shall not cause the City to violate any of its covenants, representations and warranties made herein and in the Trust Agreement, as evidenced by an officer's certificate delivered to the Trustee; and

(vi) The City shall provide notice of the release to any rating agency then rating the Certificates which rating was provided at the request of the City or the Corporation.

Release of Facility. The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Facility, provided that the

City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The City shall file with the Corporation and the Trustee an amendment to the Site and Facility Lease which describes the Facility, as revised by such release;

(ii) The City shall file with the Corporation and the Trustee an amendment to the Lease Agreement which describes the Facility, as revised by such release;

(iii) The City delivers to the Corporation and the Trustee evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Property, as revised by such release, is equal to or greater than the Outstanding principal amount of the Certificates and confirms in writing to the Trustee and the Corporation that the indemnification provided pursuant to the Trust Agreement applies with respect to the Facility, as revised by such release;

(iv) Such release shall not cause the City to violate any of its covenants, representations and warranties made herein and in the Trust Agreement, as evidenced by an officer's certificate delivered to the Trustee; and

(v) The City shall provide notice of the release to any rating agency then rating the Certificates which rating was provided at the request of the City or the Corporation.

Amendment of Lease Agreement

The Corporation and the City may, at any time, amend or modify any of the provisions of the Lease Agreement, but only (a) with the prior written consent of the Owners of a majority in aggregate principal amount of the Outstanding Certificates, or (b) without the consent of any of the Owners, but only if such amendment or modification is for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City contained in the Lease Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power reserved in the Lease Agreement to or conferred upon the City;

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Lease Agreement, or in any other respect whatsoever as the Corporation and the City may deem necessary or desirable, provided that, in the opinion of Special Counsel, such modifications or amendments will not materially adversely affect the interests of the Owners; or

(iii) to amend any provision thereof relating to the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest with respect to the Certificates under the Code, in the opinion of Special Counsel.

THE CITY

The City, incorporated on May 7, 1902, is located midway between San Francisco and Los Angeles, an hour from Fresno and Bakersfield. It is situated in the southeastern portion of California's San Joaquin Valley, the most diverse agricultural area in the world. The City currently occupies a land area of 16 square miles and serves a population of approximately 55,000. Porterville is empowered to levy property taxes within its boundaries in accordance with Article XIII A of the California Constitution (Proposition 13). It is also empowered to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City has operated under the council-manager form of government since 1927. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and four other members. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three members elected during one election and two during the next. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both Porterville's manager and attorney. The city manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the city, and for appointing the heads of the various departments.

See APPENDIX A—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY for a more complete description of the City as well as certain demographic and statistical information.

CITY FINANCIAL INFORMATION

Financial Statements

The City's accounting policies conform to generally accepted accounting principles. The audited financial statements also conform to the principles and standards for public financial reporting established by the Governmental Accounting Standards Board.

Basis of Accounting and Financial Statement Presentation. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Audited Financial Statements. The City retained the firm of Gallina LLP, Roseville, California (the "City's Auditor"), to examine the general purpose financial statements of the City as of and for the year ended June 30, 2014. The audited financial statements for fiscal year ended June 30, 2014, are included in APPENDIX B—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE

YEAR ENDED JUNE 30, 2014. *The City has not requested, and the City's Auditor has not provided, any review or update of such financial statements in connection with their inclusion in this Official Statement.*

Budgetary Process

The City Council adopts an annual budget with appropriations for all City funds prior to the beginning of the fiscal year, which begins on July 1 of each year. The City Council adopted its fiscal year 2014-15 Budget on August 5, 2014. The City Council has the legal authority to amend the budget at any time during the fiscal year. A comprehensive mid-year budget review is done to update revenue and expenditure projections. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the City's operating budget is the program area within each fund, and for the capital improvement budget it is each individual capital improvement project within each fund. For the operating budget, the City Manager has the authority to move appropriations between accounts (without dollar limitation) within a budget program and within the same fund as long as the transfers are within the same program area. For the capital improvement program, the City Manager has the authority to transfer appropriations (with no dollar limitation) between capital projects within the same fund. Appropriation increases, decreases or transfers between funds require the approval of the City Council.

All appropriations lapse at the end of the fiscal year unless specific carryovers are approved by the City Council.

Certain of the City's revenues are collected and dispersed by the State (such as sales tax and motor-vehicle license fees) or allocated in accordance with State law (most importantly, property taxes). Therefore, State budget decisions can have an impact on City finances. On-going weak economic conditions have resulted in significant revenue shortfalls to the State. See "STATE BUDGET INFORMATION."

There can be no assurances that, as a result of the current State financial stress, it will not significantly reduce revenues to local governments (including the City) or shift financial responsibility for programs to local governments as part of its efforts to address the State financial difficulties. No prediction can be made by the City as to what measures the State will adopt to respond to the current or potential future financial difficulties. The City cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on the City's finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors, including the current economic downturn, over which the City has no control. There can be no assurances that State actions to respond to State financial difficulties will not adversely affect the financial condition of the City.

On November 6, 2012, the voters of the State approved Proposition 30, a sales and income tax increase initiative supported by Governor Jerry Brown, primarily to prevent significant cuts to funding for schools. Proposition 30 raises California's sales tax to 7.50% from 7.25%, and creates four new income tax brackets for taxpayers with taxable incomes exceeding \$250,000, \$300,000, \$500,000 and \$1,000,000. This increased tax will be in effect for seven years. The State Legislative Analyst's Office estimates that Proposition 30 will raise an average of \$6 billion annually between 2012-13 and 2016-17, and smaller amounts in 2011-12, 2017-18 and 2018-19, as the taxes are phased in and out.

The following table shows the City's final budget and actual results for general fund revenues and expenditures for fiscal years 2012-13 and 2013-14 and the adopted budget for fiscal year 2014-15.

CITY OF PORTERVILLE
General Fund Budget Summary
Fiscal Years 2012-13 through 2014-15

	FY 2012-13 Final Budget	FY 2012-13 Actual	FY 2013-14 Final Budget	FY 2013-14 Actual	FY 2014-15 Final Budget
Revenues					
Property taxes	\$ 6,766,568	\$ 7,346,813	\$ 7,058,762	\$ 7,406,413	\$ 7,100,442
Sales taxes	3,901,619	4,233,168	4,182,651	4,218,380	4,431,959
Utility users tax	3,950,000	3,969,652	4,000,000	3,955,357	4,000,000
Franchise tax	1,471,134	1,473,957	1,471,134	1,551,762	1,476,134
Transient occupancy tax	310,000	335,319	315,000	370,999	350,000
Business licenses	390,000	402,444	395,000	417,856	410,000
Building permits	176,715	196,186	160,000	206,815	175,000
Plumbing permits	111,262	108,624	100,000	175,405	100,000
Electrical permits	51,528	56,077	50,000	62,942	50,000
Other licenses and permits	16,200	16,237	17,000	18,514	17,000
Vehicle license fees	—	28,249	29,379	23,542	23,000
Federal grants	143,100	2,375	391,823	208,850	—
State grants/reimbursements	45,272	484,295	1,743,005	1,299,803	42,000
Planning and zoning	25,000	54,844	35,000	22,085	35,000
Engineering and inspection	50,000	96,998	61,100	73,738	60,000
Police services	316,000	386,719	374,000	407,366	380,000
Fire services	55,000	48,183	28,000	60,172	33,000
Library services	40,000	36,980	40,000	42,251	40,000
Recreational activities	1,671,741	1,602,549	1,751,922	1,600,988	1,830,147
Other service charge	1,200	2,150	2,900	6,240	5,000
Interdepartmental service charge	1,716,470	1,730,514	1,600,000	1,748,299	1,600,000
Special assessments and fees	5,818	5,802	5,848	5,833	5,636
Parking fines	10,000	14,746	12,000	13,579	12,000
Vehicle code fines	3,000	3,707	3,000	3,688	3,000
Other fines	40,000	58,226	50,000	56,884	50,000
Impact fees	4,523	22,408	—	—	-
Interest	200,000	104,710	183,000	291,275	100,000
Rent	100,078	87,699	102,277	107,980	114,401
Contributions	3,300	4,975	4,150	4,570	4,000
Other revenues	67,000	121,731	63,000	80,810	60,500
Total Revenues	21,642,528	23,036,337	24,229,951	24,442,396	22,508,219
Expenditures					
Community Development	888,742	716,917	806,231	725,461	810,527
General government	2,741,043	2,611,900	2,719,595	2,538,855	2,913,457
Parks and recreation	4,681,709	4,264,757	4,640,293	4,225,116	4,879,807
Public safety – Fire	3,510,968	3,260,573	3,492,822	3,120,349	3,773,801
Public safety – Police	8,244,813	7,345,848	8,387,421	7,970,708	8,856,918
Public works	2,259,189	2,078,905	2,265,810	2,048,747	2,403,733
Debt Service	1,582	675	—	234	-
Capital outlay	298,000	593,196	870,482	909,946	1,397,400
Total Expenditures	22,626,046	20,872,771	23,182,654	21,539,416	25,035,643
Excess/(deficiency) of Revenues over/(under) Expenditures	(983,518)	2,163,566	1,047,297	2,902,980	(2,527,424)
Other Financing Sources/(Uses)					
Sale of assets	—	15,988	—	7,957	—
Transfers in	1,202,282	1,553,983	1,309,199	5,894,668	1,319,490
Transfers (out)	(79,000)	(2,405,911)	(79,000)	(7,927,063)	(1,311,505)
Total Other Financing Sources/(Uses)	1,123,282	(835,940)	1,230,199	(2,024,438)	7,985
Net Change in Fund Balances	139,764	1,327,626	2,277,496	878,542	(2,519,439)
Fund balance – beginning of year	16,107,306	16,107,306	17,434,932	17,434,932	18,313,474
Fund balance – end of year	16,247,070	17,434,932	19,712,428	18,313,474	15,794,035

Source: City of Porterville 2013 and 2014 CAFRs and City of Porterville Finance Department.

City Financial Management Policies

The City Council has adopted a comprehensive set of financial management policies including: [(1) a general finance and budget policy; (2) a fund balance policy, establishing targeted general fund reserves; (2) an investment policy to ensure the prudent investment of City funds; (3) use of a long term debt policy; (4) investment policies; and (5) a post-issuance compliance policy]. The City's fiscal policies are reviewed at least annually.

Reserves Policy. The City will increase the committed fund balance in any fiscal year in which recurring revenue sources exceed recurring expenditure uses with the intent to attain and maintain a minimum committed balance of 15%, of regular general fund operating expenditures.

Investment Policy. The investment of funds of the City (except pension and retirement funds) is made in accordance with the City's Investment Policy, most recently approved on April 18, 2006 (the "Investment Policy"), prepared by the Finance Director as authorized by section 53601 of the Government Code of California. The Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition of the portfolio will change over time as old investments mature, or are sold, and as new investments are made. Invested funds are managed to insure preservation of capital through high quality investments, maintenance of liquidity and then yield. Further, operating funds may not be invested in any investment with a maturity greater than five years. The City has never invested in derivatives or reverse repurchase agreements and such investments and instruments are not allowed by City policy.

For more information about the City's investment policy, see APPENDIX C—CITY INVESTMENT POLICY.

Reliance on State Budget

Approximately 47.5% of the City's general fund revenues for fiscal year 2013-14 consisted of payments collected by the State and passed-through to local governments or collected by the County and allocated to local governments by State law. Approximately 50% of the City's general fund revenues for fiscal year 2014-15 are expected to come from such sources. There can be no assurance that current or future State budget difficulties will not adversely affect the City's revenues or its ability to make payments under the Lease Agreement. See "STATE BUDGET INFORMATION."

Principal Sources of General Fund Revenues

Summary of Tax Revenues. Sales and use taxes represented approximately 17% of general fund revenues in fiscal year 2013-14. Property taxes represented approximately 30% of general fund revenues in fiscal year 2013-14. Utility Users taxes represented approximately 16% of general fund revenues in fiscal year 2013-14. These sources represented an aggregate of approximately 63% of the general fund revenues for fiscal year 2013-14. For a discussion of potential State Budget impacts on general fund revenues, see "—Reliance on State Budget."

The following table shows the City's tax revenues by source for the most recent five fiscal years:

CITY OF PORTERVILLE
General Fund Tax Revenues by Source

	2009-10	2010-11	2011-12	2012-13	2013-14
Property Tax	\$ 6,674,609	\$ 6,830,654	\$ 6,713,256	\$ 7,346,813	\$ 7,406,413
Franchise Tax	1,469,489	1,485,182	1,482,657	1,473,957	1,551,762
Utility Users Tax	4,045,732	4,048,106	3,908,443	3,969,652	3,955,357
Transient Occupancy Tax	276,338	301,029	309,577	335,319	370,999
Sales Tax	3,376,898	3,494,454	3,697,274	4,233,168	4,218,380
Motor Vehicle In-Lieu Tax	382,477	242,142	27,107	28,249	23,542
Total Tax Revenues	<u>\$16,225,543</u>	<u>\$16,401,567</u>	<u>\$16,138,314</u>	<u>\$17,387,158</u>	<u>\$17,526,453</u>

Source: City of Porterville Finance Department.

Sales Taxes. A sales tax is imposed on the privilege of consuming personal property in California. California does not tax services. The tax rate is established by the State Legislature and is presently 7.50% (after the passage of Proposition 30). In addition, many of California's cities, counties, towns and communities have special taxing jurisdiction to impose a transaction (sales) or use tax. These so-called district taxes increase the tax rate in a particular area by adding the local option tax to the statewide tax. These district taxes can vary up to 1%, and more than one district tax may be in effect for a particular location. The City's share of sales tax is approximately 1.000% of the total 8.500%. More than half of the City's share of sales tax is credited to the general fund.

The State's actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution and are determined on a quarterly basis.

On March 2, 2004, voters approved a statewide bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of \$15 billion of Economic Recovery Bonds to finance ongoing State budget deficits, which are payable from a fund established by the redirection of tax revenues known as the "Triple Flip." The State issued \$11.3 billion of Economic Recovery Bonds prior to June 30, 2004, and the remainder of the authority in 2008. Under the "Triple Flip," one-quarter of local governments' one percent share of the sales tax imposed on taxable transactions within their jurisdiction is being redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, State legislation provides for certain property taxes to be redirected to local government. Because these property tax monies were previously earmarked for schools, the legislation provides for schools to receive other State general fund revenues. It is expected that the swap of sales taxes for property taxes will terminate once the Economic Recovery Bonds are repaid, which is currently expected to occur during the State's 2016-17 fiscal year. See "STATE BUDGET INFORMATION."

The following table shows the City's sales and use tax revenues for fiscal years 2009-10 through 2013-14.

CITY OF PORTERVILLE
General Fund Sales and Use Tax Revenues

<u>Fiscal Year</u>	<u>Total Revenue</u>
2009-10	\$3,376,898
2010-11	\$3,484,454
2011-12	\$3,697,274
2012-13	\$4,233,168
2013-14	\$4,218,380

Source: City of Porterville Finance Department.

Property Taxes. Property taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the County, including the City. The County levies, bills and collects property taxes for the City. Property taxes paid to the City by the County within 90 days after the end of the fiscal year are "available" and are, therefore, recognized as revenue.

For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State/assessed public utilities property and property the taxes on which are a lien on real property sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Secured and unsecured property taxes are levied based on the assessed value as of January 1, the lien date, of the preceding fiscal year. Secured property tax is levied on October 1 and due in two installments, on November 1 and March 1. Collection dates are December 10 and April 10 which are also the delinquent dates. At that time, delinquent accounts are assessed a penalty of 10%. Accounts that remain unpaid on June 30 are charged an additional 1.5% per month. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County Treasurer.

Unsecured property tax is levied on July 1 and due on July 31, and has a collection date of August 31 which is also the delinquent date. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuation. All property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law provides exemptions from ad valorem property taxation for certain classes of property such as churches, colleges, nonprofit hospitals and charitable institutions.

Future assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of “base” revenues from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year.

The passage of Assembly Bill 454 in 1987 changed the manner in which unitary and operating nonunitary property is assessed by the State Board of Equalization. The legislation deleted the formula for the allocation of assessed value attributed to such property and imposed a State-mandated local program requiring the assignment of the assessment value of all unitary and operating non-unitary property in each county of each State assessee other than a regulated railway company. The legislation established formulas for the computation of applicable county-wide rates for such property and for the allocation of property tax revenues attributable to such property among taxing jurisdictions in the county beginning in fiscal year 1988-89. This legislation requires each County to issue each State assessee, other than a regulated railway company, a single tax bill for all unitary and operating nonunitary property.

Assessment Appeals. Property tax values determined by the County Assessor may be subject to appeal by property owners. Assessment appeals are annually filed with the Assessment Appeals Board for a hearing and resolution. The resolution of an appeal may result in a reduction to the County Assessor’s original taxable value and a tax refund to the applicant/property owner.

Each assessment appeal could result in a reduction of the taxable value of the real property, personal property or possessory interest of the property which is the subject of the appeal. Alternatively, an appeal may be withdrawn by the applicant or the Assessment Appeals Board may deny or modify the appeal at a hearing or by stipulation.

Effect of Delinquencies and Foreclosures on Property Tax Collections. As described above, once an installment of property tax becomes delinquent, penalties are assessed commencing on the applicable delinquency date until the delinquent installment(s) and all assessed penalties are paid. In the event of foreclosure and sale of property by a mortgage holder, all past due property taxes, penalties and interest are required to be paid before the property can be transferred to a new owner.

The level of default and foreclosure activity has affected certain homeowners nationwide. Within the State, the greatest impacts to date are in regions of the Central Valley, the Inland Empire, and other areas in the State where the large numbers of new mortgages were originated in more affordable areas. The increased level of default and foreclosure activity has resulted in downward pressure on home prices in the affected areas.

Set forth in the table below are assessed valuations for secured and unsecured property within the City for the five most recent fiscal years.

CITY OF PORTERVILLE
Assessed Valuations
(Amounts in Thousands)

<u>Fiscal Year</u>	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2010-11	\$2,195,432,693	\$1,983,635	\$80,704,920	\$2,278,121,248
2011-12	\$2,114,645,510	\$1,983,897	\$88,389,602	\$2,205,019,009
2012-13	\$2,071,556,648	\$1,965,732	\$84,250,490	\$2,157,772,870
2013-14	\$2,140,222,628	\$2,191,850	\$83,079,925	\$2,225,494,403
2014-15	\$2,236,302,143	\$2,191,850	\$91,732,070	\$2,330,226,063

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of parcels in the City, according to assessed valuation. As shown, the majority of land in the City is used for residential purposes.

CITY OF PORTERVILLE
Assessed Valuation and Parcels by Land Use
Fiscal Year 2014-15

	2014-15 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial/Office	\$ 4,359,098	0.19%	51	0.34%
Vacant Commercial	455,839,774	20.38	682	4.57
Industrial	34,800,139	1.56	219	1.47
Vacant Industrial	81,349,922	3.64	29	0.19
Recreational/Casinos	4,739,354	0.21	51	0.34
Government/Social/Institutional	10,245,296	0.46	36	0.24
Miscellaneous	13,526,926	0.60	142	0.95
Subtotal Non-Residential	\$604,860,509	27.05%	1,210	8.10%
Residential:				
Single Family Residence	\$1,378,210,592	61.63%	11,607	77.70%
Condominium/Townhouse	27,562,653	1.23	320	2.14
Mobile Home	18,448,212	0.82	119	0.8
Mobile Home Park	15,304,457	0.68	631	4.22
	28,708,721	1.28	17	0.11
2-4 Residential Units	74,981,643	3.35	517	3.46
5+ Residential Units/Apartments	61,651,450	2.76	115	0.77
Vacant Residential	26,573,906	1.19	402	2.69
Subtotal Residential	\$1,631,441,634	72.95%	13,728	91.90%
Total	\$2,236,302,143	100.00%	14,938	100.00%

Source: California Municipal Statistics, Inc.

(1) Local Secured Assessed Valuation; excluding tax-exempt property.

Assessed Valuation of Single Family Residential Parcels. The following table shows a breakdown of the assessed valuations of Single Family Residential parcels in the City, according to assessed valuation.

CITY OF PORTERVILLE
Per Parcel 2014-15 Assessed Valuation
of Single Family Homes

	No. of Parcels	2014-15 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	11,607	\$1,378,210,592	\$118,740	\$113,000

2014-15 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$24,999	223	1.92%	1.92%	\$ 3,894,700	0.280%	0.280%
\$25,000 - \$49,999	972	8.374	10.296	38,630,892	2.803	3.086
\$50,000 - \$74,999	1,290	11.114	21.409	80,576,221	5.846	8.932
\$75,000 - \$99,999	1,832	15.784	37.193	160,955,281	11.679	20.611
\$100,000 - \$124,999	2,661	22.926	60.119	297,247,070	21.568	42.178
\$125,000 - \$149,999	1,902	16.387	76.506	260,059,630	18.869	61.048
\$150,000 - \$174,999	1,233	10.623	87.128	198,232,909	14.383	75.431
\$175,000 - \$199,999	622	5.359	92.487	116,055,359	8.421	83.852
\$200,000 - \$224,999	322	2.774	95.261	68,117,172	4.942	88.794
\$225,000 - \$249,999	211	1.818	97.079	49,933,373	3.623	92.417
\$250,000 - \$274,999	107	0.922	98.001	27,948,278	2.028	94.445
\$275,000 - \$299,999	82	0.706	98.708	23,447,031	1.701	96.146
\$300,000 - \$324,999	63	0.543	99.25	19,554,174	1.419	97.565
\$325,000 - \$349,999	39	0.336	99.586	13,172,955	0.956	98.521
\$350,000 - \$374,999	14	0.121	99.707	5,035,150	0.365	98.886
\$375,000 - \$399,999	12	0.103	99.81	4,651,955	0.338	99.224
\$400,000 - \$424,999	6	0.052	99.862	2,447,498	0.178	99.401
\$425,000 - \$449,999	8	0.069	99.931	3,535,654	0.257	99.658
\$450,000 - \$474,999	3	0.026	99.957	1,360,234	0.099	99.757
\$475,000 - \$499,999	0	0.000	99.957	0	0.000	99.757
\$500,000 and greater	5	0.043	100.000	3,355,056	0.243	100.000
Total	11,607	100.00%		\$1,378,210,592	100.00%	

Source: California Municipal Statistics, Inc.

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

The County only provides secured tax charge and delinquency information for general obligation bond debt service levies. Since the City does not have any general obligation bonds outstanding, there is no information to report. The County does not participate in the Teeter Plan.

In 1978, the voters of the State passed Proposition 8, a constitutional amendment to Article XIII A that allows a temporary reduction in assessed value when real property suffers a decline in value. A decline in value occurs when the current market value of real property is less than the current assessed (taxable) factored base year value as of the lien date, January 1. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS— Article XIII A of the California Constitution.”

Principal Taxpayers. The following table sets forth the principal secured property taxpayers in the City as of fiscal year 2014-15, the most current information available.

CITY OF PORTERVILLE
Largest Local Secured Property Tax Payers
Fiscal Year 2014-15

	Property Owner	Primary Land Use	Assessed Valuation	% of Total ⁽¹⁾
1.	Wal-Mart Stores East LP	Industrial	\$ 83,044,956	3.71%
2.	Del Mesa Farms	Industrial	39,953,846	1.79%
3.	Target Corporation	Commercial	18,374,029	0.82%
4.	Lowe's HIW Inc.	Commercial	14,027,260	0.63%
5.	Royalty Carpet Mills Inc.	Industrial	11,668,462	0.52%
6.	Beckman Coulter Inc.	Industrial	11,532,447	0.52%
7.	Keith Cherry Trust	Mobile Home Park	11,316,349	0.51%
8.	Ennis Commercial Properties	Professional Buildings	11,135,608	0.50%
9.	Daryl C. & Victoria M. Nicholson	Residential Properties	10,040,564	0.45%
10.	Porterville Investments 2005 LP	Commercial	9,902,000	0.44%
11.	Henderson-Prospect Partners LP	Commercial	9,614,140	0.43%
12.	Porterville Retirement Res LLC	Apartments	8,275,150	0.37%
13.	HD Development Of Maryland Inc.	Commercial	7,855,600	0.35%
14.	Citizens Business Bank	Commercial	7,627,106	0.34%
15.	Melmike LP	Professional Buildings	7,095,000	0.32%
16.	David Stapleton	Commercial	6,738,987	0.30%
17.	Randall L. Carroll Trust	Residential Properties	6,683,603	0.30%
18.	Miramar GP LP	Hotel/Motel	6,411,275	0.29%
19.	International Settlement Holdings Corp.	Commercial	6,143,918	0.27%
20.	Vallarta Properties LLC	Commercial	5,685,998	0.25%
			<u>\$293,126,298</u>	<u>13.11%</u>

Source: California Municipal Statistics, Inc.

(1) 2014-15 Local Secured Assessed Valuation: \$2,236,302,143.

Motor Vehicle In-Lieu Tax. Vehicle license fees are assessed in the amount of 2% of a vehicle's depreciation market value for the privilege of operating a vehicle on California's public highways. A program to offset (or reduce) a portion of the vehicle license fees ("VLF") paid by vehicle owners was established by Chapter 322, Statutes of 1998. Beginning January 1, 1999, a permanent offset of 25% of the VLF paid by vehicle owners became operative. Various pieces of legislation increased the amount of the offset in subsequent years to the existing statutory level of 67.5% of 2% (resulting in the current effective rate of 0.65%). This level of offset was estimated to provide tax relief of \$3.95 billion in the fiscal year 2003-04.

In connection with the offset of the VLF, the Legislature authorized appropriations from the State general fund to "backfill" the offset so that the local governments, which receive all of the vehicle license fee revenues, would not experience any loss of revenues. The legislation that established the VLF offset program also provided that if there were insufficient general fund moneys to fully backfill the VLF offset, the percentage offset would be reduced proportionately (i.e., the license fee payable by drivers would be increased) to assure that local governments would not be disadvantaged. In June 2003, the State Director of Finance ordered the suspension of VLF offsets due to a determination that insufficient general fund moneys would be available for this purpose, and, beginning in October 2003, VLF paid by vehicle owners

were restored to the 1998 level. However, the offset suspension was rescinded by the Governor on November 17, 2003, and offset payments to local governments resumed. Local governments received backfill payments totaling \$3.80 billion in fiscal year 2002-03. Backfill payments totaling \$2.65 billion were expected to be paid to local governments in fiscal year 2003-04. The State-local agreement also provided for the repayment in August 2006 of approximately \$1.2 billion in backfill that was not received by local governments during the time period between the suspension of the offsets and the implementation of higher fees. This repayment obligation was codified by Proposition 1A, which was approved by voters in the November 2004 general election and was repaid early by the State in August 2005. For a description of Proposition 1A, see “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS—Proposition 1A.”

Beginning in fiscal year 2004-05, the State-local agreement permanently reduced the VLF rate to 0.65% and replaced the backfill with a like amount of property taxes. Subsequent to fiscal year 2004-05, each city’s “property tax in-lieu of VLF” increased proportionally to increases in such city’s assessed valuation. However, in fiscal years 2004-05 and 2005-06, the State “shifted” \$700 million in city and county taxes to the State’s General Fund.

The following table sets forth the Motor Vehicle License Fees and Property Tax In-Lieu of VLF received by the City for the last five fiscal years.

CITY OF PORTERVILLE
General Fund Property Tax In-Lieu of VLF

Fiscal Year	Total Revenue
2009-10	\$3,411,314
2010-11	\$3,400,234
2011-12	\$3,281,167
2012-13	\$3,205,140
2013-14	\$3,305,391

Source: City of Porterville Finance Department.

Senate Bill 89 was signed into law as part of the State’s fiscal year 2011-12 Budget Act. SB 89 increases motor vehicle license fees (“VLF”) by \$12. As a result of SB 89, \$300 million is transferred to a new Local Law Enforcement Services Account (“LLESA”) to fund law enforcement grants. In addition, beginning July 1, 2011, SB 89 transfers the remaining VLF revenue previously allocated to cities to the LLESA. Instead of cities receiving \$130 million in VLF revenues, under SB 89 they would receive only \$75 million in earmarked grants. This has the effect of reducing the City’s revenues by \$10,000 in FY 11-12. The City considers this revenue loss to be permanent.

In addition, the City receives the following local taxes:

Utility User’s Tax. The City collects a 6% utility users tax on the use of telephone, electrical, gas, water, and cable television services.

The following table sets forth the Utility Users Tax received by the City for the last five fiscal years.

CITY OF PORTERVILLE
Utility Users Tax

<u>Fiscal Year</u>	<u>Total Revenue</u>
2009-10	\$4,045,732
2010-11	\$4,048,106
2011-12	\$3,908,443
2012-13	\$3,969,652
2013-14	\$9,955,357

Source: City of Porterville 2014 CAFR.

Transient Occupancy Tax. The City levies an 8% transient occupancy tax on hotel and motel bills.

The following table sets forth the Transient Occupancy Tax received by the City for the last five fiscal years.

CITY OF PORTERVILLE
Transient Occupancy Tax

<u>Fiscal Year</u>	<u>Total Revenue</u>
2009-10	\$276,338
2010-11	\$301,029
2011-12	\$309,577
2012-13	\$335,319
2013-14	\$370,999

Source: City of Porterville 2014 CAFR.

In addition to the taxes described above the City receives the following general fund revenues:

Licenses and Permits. These revenues primarily consist of business licenses and building construction permits.

Intergovernmental. These revenues consist of federal and state operating and capital grants awarded to the City for specific programs and projects.

Fines, Forfeitures and Penalties. These revenues include parking citations and other fines for municipal code violations.

Charges for Services. The City charges fees for plan checking, building inspection and a variety of other municipal services.

The following table illustrates other revenue sources:

CITY OF PORTERVILLE					
Other Revenue Sources					
	2009-10	2010-11	2011-12	2012-13	2013-14
Licenses and permits	\$ 836,180	\$ 824,499	\$ 749,377	\$ 779,568	\$ 881,532
Intergovernmental	1,543,434	655,225	404,075	486,670	1,508,653
Charges for services	3,568,334	3,645,764	3,946,926	3,981,345	3,961,139
Special assessments and fees	-	8,428	5,848	5,802	5,833
Fines and forfeitures	82,717	54,926	72,009	76,679	74,151
Investment earnings	476,798	404,988	383,487	192,409	399,255
Miscellaneous	93,606	84,790	74,034	126,706	93,337
Total Other Revenue Sources	<u>\$6,601,069</u>	<u>\$5,678,650</u>	<u>\$5,635,756</u>	<u>\$5,649,179</u>	<u>\$6,923,900</u>

Source: City of Porterville 2010-2014 CAFRs.

General Fund Balance Sheet, Revenues and Expenditures

The following two tables summarize the General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance of the City's general fund for the fiscal years 2009-10 through 2013-14.

CITY OF PORTERVILLE General Fund Balance Sheet Fiscal Years 2001-10 through 2013-14

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
Assets					
Cash and cash equivalents	\$ 218,736	\$ 142,264	\$ 269,784	\$ 42,103	\$ 2,575
Investments	14,918,397	13,841,475	10,708,342	12,221,926	12,292,505
Receivables - Interest	118,724	118,314	85,230	63,235	98,525
Receivables - Taxes	1,003,451	870,697	800,517	879,567	957,413
Receivables - Other	215,735	207,809	287,478	340,406	534,811
Receivables - Intergovernmental	77,971	42,177	1,174,254	1,145,115	2,041,486
Prepaid items	14,705	15,440	20,649	21,681	23,015
Advances receivable	1,320,215	4,057,876	61,426	—	—
Notes receivable	2,720,592	4,326,667	4,437,275	4,269,297	4,096,241
Total Assets	20,608,526	23,622,719	17,844,955	18,983,330	20,046,571
Liabilities					
Accounts and other payable	283,848	285,308	270,827	215,884	335,594
Payroll payable	545,175	571,120	584,241	584,297	582,988
Interfund payable	31,430	30,482	29,752	17,497	15,779
Intergovernmental payables	104,130	—	—	—	182,211
Advances payable	938,044	894,753	852,829	641,182	616,525
Total Liabilities	1,902,627	1,781,663	1,737,649	1,458,860	1,733,097
Fund Balances					
Nonspendable		8,399,983	5,551,025	5,322,652	5,244,721
Restricted		517,869	439,194	418,245	61,821
Committed		2,644,395	2,090,757	4,372,705	4,894,487
Assigned		5,360,982	5,653,905	6,250,701	6,573,514
Unassigned		4,917,827	2,372,425	1,070,629	1,538,931
Total Fund Balances	18,705,899	21,841,056	16,107,306	17,434,932	18,313,474
Total Liabilities and Fund Balances	20,608,526	23,622,719	17,844,955	18,983,330	20,046,571

Source: City of Porterville 2010-2014 CAFRs

CITY OF PORTERVILLE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Fiscal Years 2009-10 through 2013-14

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
Revenues					
Property taxes	\$ 6,674,609	\$ 6,830,654	\$ 6,713,256	\$ 7,346,813	\$ 7,406,413
Sales taxes	3,376,898	3,494,454	3,697,274	4,233,168	4,218,380
Utility users tax	4,045,732	4,048,106	3,908,443	3,969,652	3,955,357
Franchise tax	1,469,489	1,485,182	1,482,657	1,473,957	1,551,762
Transient occupancy tax	276,338	301,029	309,577	335,319	370,999
Licenses and permits	836,180	824,499	749,377	779,568	881,532
Vehicle license fees	382,477	242,142	27,107	28,249	23,542
Intergovernmental	1,543,434	655,225	404,075	486,670	1,508,653
Charges for services	3,568,334	3,645,764	3,946,926	3,981,345	3,961,139
Special assessments and fees	-	8,428	5,848	5,802	5,833
Fines and forfeitures	82,717	54,926	72,009	76,679	74,151
Investment earnings	476,798	404,988	383,487	192,409	399,255
Miscellaneous	93,606	84,790	74,034	126,706	93,337
Total Revenues	22,826,612	22,080,187	21,774,070	23,036,337	24,450,353
Expenditures					
Community and economic development	836,239	707,782	673,444	716,917	725,461
General government	2,585,191	2,795,383	2,662,273	2,611,900	2,538,499
Parks and recreation	4,404,077	4,318,958	4,519,554	4,264,757	4,225,116
Public safety - Fire	3,226,212	3,358,174	3,297,355	3,260,573	3,037,881
Public safety - Police	7,361,336	7,460,910	7,931,550	7,345,848	7,831,424
Public works	2,039,749	2,091,503	2,126,302	2,078,905	2,048,747
Debt service - Principal	-	-	-	-	-
Debt service - Interest	6,696	2,278	1,729	675	234
Capital outlay	726,026	606,154	608,141	593,196	909,946
Total Expenditures	21,185,526	21,341,142	21,820,348	20,872,771	21,317,308
Excess/(deficiency) of Revenues over/(under) Expenditures	1,641,086	739,045	(46,278)	2,163,566	3,133,045
Other Financing Sources/(Uses)					
Other sources	2,029,820	197,649	15,339	15,988	-
Transfers in	1,571,354	1,483,522	1,286,334	1,553,983	5,894,668
Transfers (out)	(5,311,143)	(3,203,436)	(2,731,595)	(2,405,911)	(8,149,171)
Total Other Financing Sources/(Uses)	(1,709,969)	(1,522,265)	(1,429,922)	(835,940)	(2,254,503)
Net Change in Fund Balances	(68,883)	(783,220)	(1,476,200)	1,327,626	878,542
Fund balances - Beginning of year	18,774,782	18,705,899	21,841,056	16,107,306	17,434,932
Fund balances - End of year	18,705,899	21,841,056⁽¹⁾	16,107,306⁽²⁾	17,434,932	18,313,474

Source: City of Porterville 2010-2014 CAFRs.

(1) Includes a prior period adjustment of \$3,918,377.

(2) Includes a prior period adjustment of \$(4,257,550).

OTHER FINANCIAL INFORMATION

Labor Relations

Currently 256 permanent City employees are covered by negotiated agreements. The City Manager has an individual employment agreement with the City. Negotiated agreements have the following expiration dates:

CITY OF PORTERVILLE Negotiated Employee Agreements

Bargaining Unit	Contract Expiration Date	Number of Employees
Porterville City Employees Association (PCEA)	6/30/2015	99
Public Safety Support Unit (PSSU)	6/30/2015	24
Management/Confidential Series (MCS)	6/30/2015	46
Fire Officer Series (FOS)	6/30/2015	8
Porterville Peace Officers Association (PPOA)	7/1/2014 (in negotiations)	55
Porterville City Firefighters Association (PCFA)	7/1/2014 (in negotiations)	24

Source: City of Porterville

The City has never had an employee work stoppage.

Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Effective January 1979, the City Council approved a program of self-insurance for workers' compensation, medical and dental, unemployment and, effective July 1985, general liability. The self-insurance program was established as an Internal Service Fund and is supported by charges to various City departments that are reported as interfund services provided and used. There have neither been significant reductions in insurance coverage from the prior year nor any settlements exceeding insurance coverage for each of the past three years.

The City contracts with a third-party administrator to administer all claims under the medical and dental program. Charges per employee are based on total outstanding claims and past history. The City will pay all medical claims up to \$110,000 per claim. The City then purchases stop loss coverage that covers claim costs above \$110,000 up to \$2,000,000. The maximum payment for dental claims is \$2,000 per employee per year.

The unemployment liability program is administered through the State of California wherein the City is charged for the actual cost of claims paid by the State.

At June 30, 2014, \$1,174,482 has been accrued for claims representing estimates of amounts to be paid for actual claims and incurred but not reported claims based on past actuarial experience. Non-incremental claims adjustment expenses have been included as part of the liability for claims and judgments.

See APPENDIX B—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE YEAR ENDED JUNE 30, 2013—Notes to Basic Financial Statements—NOTE 5B.

Employee Retirement Plans

PERS Plan Description. The City has two defined benefit pension plans, a Miscellaneous Plan and a Safety Plan, each providing retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Both plans are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. State statutes within the Public Employees Retirement Law establish a menu of benefit provisions, as well as other requirements. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through City resolution. The new Public Employees Pension Reform Act (PEPRA) implemented new benefit formulas and final compensation, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of new member as per PEPRA. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California, 95814.

Funding Policy. The City as well as the active plan members are required to contribute a percentage of the annual covered salary to the Plan. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The employer contribution rate is established and may be amended by CalPERS and the contribution requirements of the active plan members are established by State statute.

Annual Pension Cost. Under GASB 27, an employer reports an annual pension cost equal to the annual required contribution plus an adjustment for the cumulative difference between the annual pension cost and the employer's actual plan contributions for the year. For the fiscal year 2013-2014, the City's annual pension cost of \$3,238,877 for all plans was equal to the City's required and actual contributions.

CITY OF PORTERVILLE Annual Pension Costs

Fiscal Year	Miscellaneous Plan		Safety Plan		Combined
	Annual Pension Cost (APC)	Percentage APC Contributed	Annual Pension Cost (APC)	Percentage APC Contributed	Net Pension Obligation/(Asset)
FY12	\$ 2,099,697	100.0%	\$ 1,803,336	100.0%	\$ 0
FY13	1,774,926	100.0	1,635,608	100.0	0
FY14	1,825,014	100.0	1,413,863	244.1	(3,451,250)

Source: City of Porterville 2014 CAFR.

For more information, including schedules of funding progress for the City's various pension plans, see APPENDIX B—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE YEAR ENDED JUNE 30, 2013—Notes to Basic Financial Statements—NOTE 5F.

Other Post-Employment Benefits

Plan Description. The City provides other postemployment benefits (OPEB) for its employees with a single-employer retiree health program. Retired employees are eligible to purchase the City's Medical, Dental, and/or Vision Plan benefits for themselves and their spouse, provided the spouse was covered under each of the Benefit Plans proposed to be purchased for not less than 30 days immediately prior to the employee's retirement date. Employees who retire on or after January 1, 2005 will pay 70 percent of the nominal monthly contribution rate established for medical coverage for themselves and for their eligible spouse; and the City will contribute 30 percent of said costs, for so long as timely and continuous monthly premium payments are made by or on behalf of the eligible retiree and/or by their eligible spouse. Medical plan benefit coverage for retirees and eligible spouses will be effective until they reach the age of 65.

Funding Policy. At this time, the City manages its own other postemployment benefit plan. The City's funding policy is to finance benefit payments as they come due, on a pay-as-you-go basis.

As required by GASB 45, an actuary will determine the City's annual required contribution (ARC) at least once every two years. The ARC is calculated in accordance with certain parameters, and includes the normal cost for one year and a component of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years. This is the basis of the annual OPEB cost and the net OPEB obligation. The following table shows the components of the City's annual OPEB cost, the amount actually contributed to the plan, and the City's net OPEB obligation at June 30, 2014:

CITY OF PORTERVILLE Net OPEB Obligation

Annual required contribution	\$ 898,319
Interest on net OPEB obligation	103,928
Adjustment to ARC	(71,030)
Annual OPEB cost (expense)	931,217
Contributions made	(713,995)
Increase in net OPEB obligation	217,222
Net OPEB obligation – beginning of year	2,078,558
Net OPEB obligation – end of year	2,295,780

Source: City of Porterville 2014 CAFR.

The City's annual OPEB Cost, the percentage of annual OPEB Cost contributed to the plan, and the net OPEB obligation for the current year and the two preceding years, are as follows:

CITY OF PORTERVILLE
Percentage of OPEB Contributed

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
FY12	\$ 701,991	\$ 275,785	39.3%	\$ 1,587,786
FY13	906,678	415,906	45.9	2,078,558
FY14	931,217	713,995	76.7	2,295,780

Source: City of Porterville 2014 CAFR.

For more information see APPENDIX B—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE YEAR ENDED JUNE 30, 2013—Notes to Basic Financial Statements—NOTE 5F.

Short-Term Obligations

The City currently has no outstanding short-term obligations.

Long-Term General Fund Obligations

Other than the 2002 Certificates to be defeased and the 2013 Lease to be prepaid from the proceeds of the Certificates, the City's only general fund debt is its 2013 Taxable Pension Obligation Refunding Bonds, currently outstanding in the principal amount of \$3,765,000 (the "Pension Bonds").

The following table shows the City's payment obligations with respect to the Pension Bonds.

Fiscal Year Ending June 30	Principal	Interest	Total
2015	\$ 490,000	\$105,600	\$ 595,600
2016	505,000	90,675	595,675
2017	520,000	75,300	595,300
2018	540,000	59,400	599,400
2019	555,000	42,975	597,975
2020	570,000	26,100	596,100
2021	585,000	8,775	593,775
TOTAL	\$3,765,000	\$408,825	\$4,173,825

Source: City of Porterville 2014 CAFR.

General Obligation Debt

The City currently has no outstanding general obligation debt.

Overlapping Debt

Set forth below is a direct and overlapping debt report (the “Debt Report”) prepared by California Municipal Statistics, Inc. and effective April 1, 2015. The Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the City; (2) the second column shows the respective percentage of the assessed valuation of the overlapping public agencies identified in column 1 which is represented by property located in the City; and (3) the third column is an apportionment of the dollar amount of each public agency’s outstanding debt (which amount is not shown in the table) to property in the City, as determined by multiplying the total outstanding debt of each agency by the percentage of the City’s assessed valuation represented in column 2.

Direct and Overlapping Bonded Debt as of April 1, 2015

CITY OF PORTERVILLE

2014-15 Assessed Valuation: \$2,330,226,063

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 4/1/15</u>
Kern Community College District Safety, Repair and Improvement District	2.740%	\$ 4,047,277
Porterville Unified School District	0.061	1,552
Porterville Unified School District School Facilities Improvement District	78.073	14,659,565
Burton School District	92.559	<u>1,562,749</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$20,271,143
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Tulare County Certificates of Participation	8.004%	\$ 3,435,317
Tulare County Board of Education Certificates of Participation	8.004	3,007,103
Kern Community College District Certificates of Participation	2.484	972,486
Kern Community College District Benefit Obligations	2.484	2,023,466
Porterville Unified School District Certificates of Participation	44.904	13,028,896
Burton School District Certificates of Participation	92.559	3,290,472
City of Porterville General Fund Obligations	100.000	22,940,000 ⁽¹⁾
City of Porterville Pension Obligation Bonds	100.000	<u>3,275,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$51,972,740
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	100.000%	\$7,645,000
 COMBINED TOTAL DEBT		\$79,888,883 ⁽²⁾

Ratios to 2014-15 Assessed Valuation:

Overlapping Tax and Assessment Debt	0.87%
Total Direct Debt (\$26,215,000)	1.12%
Combined Total Debt	3.43%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$104,643,704):

Total Overlapping Tax Increment Debt	7.31%
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Source: California Municipal Statistics, Inc.

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

STATE BUDGET INFORMATION

Information regarding the State Budget is regularly available at various State-maintained websites. The Proposed fiscal year 2014-15 State Budget further described below may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." Additionally, an impartial analysis of the State's Budgets is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the City, and the City takes no responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Funding by the State of California

General. California counties administer numerous health and social service programs as the administrative agent of the State of California (the "State") and pursuant to State law. Many of these programs have been either wholly or partially funded with State revenues which have been subject each year to the State budget and appropriation process. Over the last several years, State and federally mandated expenditures in justice, health and welfare have grown at a greater rate than the County's discretionary general purpose revenues.

The State Budget Process. The State's fiscal year begins on July 1 and ends on June 30. Pursuant to the State Constitution, the Governor of the State is required to propose a budget for the next fiscal year (the "Governor's Budget") to the State Legislature no later than January 10 of each year. The Governor's Budget is then revised in May and a final budget must be adopted by each house of the State Legislature by no later than June 15. The budget becomes law upon the signature of the Governor.

Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the State Legislature takes up the proposal. Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the State Legislature and signed by the Governor. The Budget Act must be approved by each house of the State Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the State Legislature. Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by each house of the State Legislature and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt. However, delays in the adoption of a final State budget in any fiscal year may affect payments of State funds during such budget impasse.

Fiscal Year 2014-15 Proposed State Budget. On January 9, 2014, Governor Edmund G. Brown released the fiscal year 2014-15 Proposed State Budget (the "Fiscal Year 2014-15 Proposed State Budget"), which projects fiscal year 2013-14 general fund revenues and transfers of \$100.15 billion, total expenditures of \$98.5 billion and a year-end surplus of \$4.21 billion, of which \$955 million would be reserved for liquidation of encumbrances and \$3.26 billion would be deposited in a reserve for economic uncertainties. The Fiscal Year 2014-15 Proposed State Budget projects fiscal year 2014-15 general fund

revenues and transfers of \$104.5 billion, total expenditures of \$106.79 billion and a year-end surplus of \$1.92 billion, of which \$955 million would be reserved for liquidation of encumbrances and \$967 million would be deposited in a reserve for economic uncertainties. The Fiscal Year 2014-15 Proposed State Budget also proposes a deposit of \$1.59 billion into the State's Rainy Day Fund. The Fiscal Year 2014-15 Proposed State Budget proposes a constitutional amendment to strengthen the Rainy Day Fund, scheduled to appear on the ballot in November 2014. Under the proposal, revenues would be deposited into the Rainy Day Fund when capital gains revenues rise to more than 6.5% of general fund tax revenues. The Rainy Day Fund would also allow supplemental payments to long-term liabilities of the State and would smooth spikes in funding to schools under Proposition 98. Amounts that could be withdrawn from the districts and complying with State audit findings. Further, if the new IFD overlaps with a dissolved redevelopment agency, the amount of funding available for the IFD would depend on the extent to which the redevelopment agency's existing payment obligations have been met.

May Revision to the Fiscal Year 2014-15 Proposed State Budget. On May 13, 2014, the Governor released his May Revision to the 2014-15 Proposed State Budget (the "May Revision"), which projects Fiscal Year 2013-14 revenues and transfers of \$102.19 billion, total expenditures of \$100.71 billion and a year-end surplus of \$3.90 billion (inclusive of the \$2.43 billion fund balance from Fiscal Year 2012-13), of which \$955 million would be reserved for the liquidation of encumbrances and \$2.95 billion would be deposited in a reserve for economic uncertainties. The May Revision projects Fiscal Year 2014-15 revenues and transfers of \$105.35 billion, total expenditures of \$107.77 billion and a year-end surplus of \$1.48 billion (inclusive of the projected \$3.90 billion State General Fund balance as of June 30, 2014 which would be available for Fiscal Year 2014-15), of which \$955 million would be reserved for the liquidation of encumbrances and \$528 million would be deposited in a reserve for economic uncertainties. In addition, in Fiscal Year 2014-15, \$1.604 billion would be deposited into the State's Budget Stabilization Account/Rainy Day Fund. The May Revision states that State revenues are forecasted to increase by \$2.4 billion, which amounts will be offset in part by unanticipated increases in Medi-Cal costs associated with the expansion under the Affordable Care Act, increased costs of drought management and additional costs associated with State pension obligations. The May Revision states that a number of major risks continue to threaten the State's fiscal stability, including the overhang of fiscal debts, growing long-term liabilities and continuing uncertainties regarding the costs of the federal Affordable Care Act. The May Revision also states that the agreement between the Governor and legislative leaders to create a Rainy Day Fund through an amendment to the State Constitution, if approved by voters in November 2014, will help the State minimize the volatility of future budgetary surplus and deficit cycles.

Future State Budgets. Changes in the revenues received by the State can affect the amount of funding, if any, to be received from the State by the City and other cities and counties in the State. The City cannot predict the extent of the budgetary problems the State will encounter in this or in any future Fiscal Year, and, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of current or future State budget negotiations, the impact that such budgets will have on its finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets are being and will be affected by national and State economic conditions and other factors, including the current economic conditions, over which the City has no control.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS

Article XIII A of the California Constitution

On June 6, 1978, California voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution. This amendment, which added Article XIII A to the California Constitution, among other things affects the valuation of real property for the purpose of taxation in that it defines the full cash property value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value,” or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further limits the amount of any ad valorem tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition.

Legislation enacted by the California Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value. Tax rates for voter approved bonded indebtedness and pension liability are also applied to 100% of assessed value.

The voters of the State subsequently approved various measures which further amended Article XIII A. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first \$1,000,000 of the Full Cash Value of other real property between parents and children, do not constitute a “purchase” or “change of ownership” triggering reappraisal under Article XIII A. Other amendments permitted the State Legislature to allow persons over the age of 55 who meet certain criteria or “severely disabled homeowners” who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence’s assessed value to the new residence. Other amendments permit the State Legislature to allow persons who are either 55 years of age or older, or who are “severely disabled,” to transfer the old residence’s assessed value to their new residence located in either the same or a different county and acquired or newly constructed within two years of the sale of their old residence.

In the November 1990 election, the voters approved an amendment of Article XIII A to permit the State Legislature to exclude from the definition of “new construction” certain additions and improvements, including seismic retrofitting improvements and improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIII A has also been amended to provide that there would be no increase in the Full Cash Value base in the event of reconstruction of the property damaged or destroyed in a disaster.

Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to

subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property.

Section 4 of Article XIII A also provides that cities, counties and special districts cannot, without a two-thirds vote of the qualified electors, impose special taxes, which has been interpreted to include special fees in excess of the cost of providing the services or facility for which the fee is charged, or fees levied for general revenue purposes.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

Article XIII B of the California Constitution

On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIII B to the California Constitution. In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111. Article XIII B of the California Constitution limits the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the governmental entity. The “base year” for establishing such appropriation limit is fiscal year 1978-79. Increases in appropriations by a governmental entity are also permitted (1) if financial responsibility for providing services is transferred to the governmental entity, or (2) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the Federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to any entity of government from (1) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (2) the investment of tax revenues and (3) certain State subventions received by local governments. As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate “proceeds of taxes” received by the City over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

As amended in June 1990, the appropriations limit for the City in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The change in the cost of living is, at the City’s option, either (1) the percentage change in California per capita personal income, or (2) the percentage change in the local assessment roll for the jurisdiction due to the addition of nonresidential new construction. The measurement of change in

population is a blended average of statewide overall population growth, and change in attendance at local school and community college (“K-14”) districts.

Article XIII B permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years.

Proposition 62

Proposition 62 was adopted by the voters at the November 4, 1986, general election which (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the City be approved by a two-thirds vote of the governmental entity’s legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local government entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIII A of the California Constitution, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

On September 28, 1995, the California Supreme Court, in the case of *Santa Clara County Local Transportation Authority v. Guardino*, upheld the constitutionality of Proposition 62. In this case, the court held that a county-wide sales tax of one-half of one percent was a special tax that, under Section 53722 of the Government Code, required a two-thirds voter approval. The county-wide sales tax at issue received an affirmative vote of only 54.1% and was found to be invalid.

Following the California Supreme Court’s decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62. On June 4, 2001, the California Supreme Court released its decision in one of these cases, *Howard Jarvis Taxpayers Association v. City of La Habra, et al.* (“*La Habra*”). In this case, the court held that public agency’s continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

Proposition 218

Proposition 218. On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Proposition 218 states that all taxes imposed by local governments shall be deemed to be either general taxes or special taxes. Special purpose districts, including school districts, have no power to levy general taxes. No local government may

impose, extend or increase any general tax unless and until such tax is submitted to the electorate and approved by a majority vote. No local government may impose, extend or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote.

Proposition 218 also provides that no tax, assessment, fee or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except: (i) the ad valorem property tax imposed pursuant to Article XIII and Article XIII A of the California Constitution, (ii) any special tax receiving a two-thirds vote pursuant to Section 4 of Article XIII A the California Constitution, and (iii) assessments, fees, and charges for property related services as provided in Article XIII D. Proposition 218 added voter requirements for assessments and fees and charges imposed as an incident of property ownership, other than fees and charges for sewer, water, and refuse collection services. In addition, all assessments and fees and charges imposed as an incident of property ownership, including sewer, water, and refuse collection services, are subjected to various additional procedures, such as hearings and stricter and more individualized benefit requirements and findings. The effect of such provisions has been to increase the difficulty a local agency will have in imposing, increasing or extending such assessments, fees and charges.

Proposition 218 also extended the initiative power to reducing or repealing any local taxes, assessments, fees and charges. This extension of the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairment of contracts.

Proposition 218 provides that, effective July 1, 1997, fees that are charged “as an incident of property ownership” may not “exceed the funds required to provide the property related services” and may only be charged for services that are “immediately available to the owner of the property.”

The City does not expect the application of Proposition 218 will have a material adverse impact on its ability to pay Lease Payments.

Proposition 1A of 2004

The California Constitution and existing statutes give the legislature authority over property taxes, sales taxes and the vehicle license fee (the “VLF”). The legislature has authority to change tax rates, the items subject to taxation and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance.

The California Constitution generally requires the State to reimburse the local governments when the State “mandates” a new local program or higher level of service. Due to the ongoing financial difficulties of the State, it has not provided in recent years reimbursements for many mandated costs. In other cases, the State has “suspended” mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

The 2004 Budget Act, related legislation and the enactment of Proposition 1A of 2004 (described below) dramatically changed the State-local fiscal relationship. These constitutional and statutory changes

implemented an agreement negotiated between the Governor and local government officials (the “State-local agreement”) in connection with the 2004 Budget Act.

One change related to the reduction of the VLF rate from 2% to 0.65% of the market value of the vehicle. In order to protect local governments, which had previously received all VLF revenues, the 1.35 percent reduction in VLF revenue to cities and counties from this rate change was backfilled by an increase in the amount of property tax revenues they receive. This worked to the benefit of local governments, because the backfill amount annually increases in proportion to the growth in secured roll property tax revenues, which has historically grown at a higher rate than VLF revenues. Proposition 1A of 2004 requires the State to provide local governments with equal replacement revenues.

On November 3, 2004 the voters of the State approved Proposition 1A (“Proposition 1A of 2004”). Proposition 1A of 2004 amended the State Constitution to, among other things, reduce the Legislature’s authority over local government revenue sources by placing restrictions on the State’s access to local governments’ property, sales, and VLF revenues as of November 3, 2004. Pursuant to Proposition 1A of 2004, the State is able to borrow up to 8% of local property tax revenues but only if the Governor proclaims such action is necessary due to a severe State fiscal hardship and two-thirds of both houses of the State Legislature approve the borrowing. Any amounts borrowed are required to be repaid within three years. Proposition 1A of 2004 also permits the State to borrow from local property tax revenues for no more than two fiscal years within a period of 10 fiscal years, and only if previous borrowings have been repaid. In addition, the State cannot reduce the local sales tax rate or restrict the authority of the local governments to impose or change the distribution of the statewide local sales tax. Proposition 1A of 2004 generally prohibits the State from mandating activities on cities, counties, or special districts without providing the funding needed to comply with the mandates, and if the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties, or special districts to abide by the mandate is suspended. Proposition 1A of 2004 also expanded the definition of what constitutes a mandate to encompass State action that transfers to cities, counties, and special districts financial responsibility for a required program for which the State previously had partial or complete responsibility. The State mandate provisions of Proposition 1A of 2004 do not apply to schools or community colleges or to mandates relating to employee rights.

Pursuant to statutory changes made in conjunction with amendments to the fiscal year 2008-09 State Budget Act, the fiscal year 2009-10 State Budget Act and related budget legislation adopted by the State Legislature and signed by the Governor in February 2012 (collectively, the “February 2012 Budget Package”), the VLF rate increased from 0.65% to 1.15% effective May 19, 2012. Of this 0.50% increase, 0.35% will flow to the State General Fund, and 0.15% will support various law enforcement programs previously funded by the State General Fund.

Proposition 22

Proposition 22 (“Proposition 22”), which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. Due to the prohibition with respect to State’s ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A of 2004. See “– Proposition 1A” herein. In addition, Proposition 22 generally eliminates the State’s authority to temporarily shift property taxes from cities, counties, and special districts to

schools, temporarily increase school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO states that Proposition 22 will prohibit the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies.

Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009. The LAO anticipates that Proposition 22 will require the State to adopt alternative actions to address its fiscal and policy objectives, particularly with respect to short-term cash flow need. The City does not believe that the adoption of Proposition 22 will have a significant impact on its revenues and expenditures during fiscal year 2012-13.

Proposition 26

Proposition 26 ("Proposition 26"), which was approved by California voters on November 2, 2010, revises the California Constitution to expand the definition of "taxes." Proposition 26 re-categorizes many State and local fees as taxes and specifies a requirement of two-thirds voter approval for taxes levied by local governments.

Proposition 26 requires the State obtain the approval of two-thirds of both houses of the State Legislature for any proposed change in State statutes, which would result in any taxpayer paying a higher tax. Proposition 26 eliminates the previous practice whereby a tax increase coupled with a tax reduction that resulted in an overall neutral fiscal effect was subject only to a majority vote in the State Legislature. Furthermore, pursuant to Proposition 26, any increase in a fee above the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require such two-thirds vote of approval to be effective. In addition, for State imposed fees and charges, any fee or charge adopted after January 1, 2010 with a majority vote of approval of the State Legislature which would have required a two-thirds vote of approval of the State Legislature if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII C of the State Constitution to state that a "tax" means a levy, charge or exaction of any kind imposed by a local government, except (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (6) a charge imposed as a

condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218. See “—Proposition 218.”

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010, unless exempted, as stated above. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies. As of the date hereof, none of the City’s fees or charges has been challenged in a court of law in connection with the requirements of Proposition 26.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a fifty percent voter requirement. Proposed local government fees that are not subject to Proposition 26 generally are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of the affected property owners.

Future Initiatives

Article XIII A, Article XIII B, Proposition 218 and Proposition 1A were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the City or local districts to increase revenues or to increase appropriations which may affect the City’s revenues or its ability to expend its revenues.

RISK FACTORS

This section provides a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Certificates. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Certificates, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Certificates are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Certificates. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Lease Payments Are Not Debt

The obligation of the City to make the Lease Payments under the Lease Agreement does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to make Lease Payments does not constitute a debt of the City, the State of California or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the City, the City is obligated under the Lease Agreement to pay the Lease Payments from any source of legally available funds and the City has covenanted in the Lease Agreement that, for so long as the

Property is available for its use, it will make the necessary annual appropriations within its budget for the Lease Payments. The City is currently liable and may become liable on other obligations payable from general revenues, some of which may have a priority over the Lease Payments, or which the City, in its discretion, may determine to pay prior to the Lease Payments.

The City has the capacity to enter into other obligations payable from the City's general fund, without the consent of or prior notice to the Owners of the Certificates. To the extent that additional obligations are incurred by the City, the funds available to make Lease Payments may be decreased. In the event the City's revenue sources are less than its total obligations, the City could choose to fund other municipal services before making Lease Payments. The same result could occur if, because of State constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues. The City's appropriations, however, have never exceeded the limitations on appropriations under Article XIII B of the California Constitution. For information on the City's current limitations on appropriations, see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS—Article XIII B of the California Constitution."

Valid and Binding Covenant to Budget and Appropriate

Pursuant to the Lease Agreement, the City covenants to take such action as may be necessary to include Lease Payments due in its annual budgets and to make necessary appropriations for all such payments. Such covenants are deemed to be duties imposed by law, and it is the duty of the public officials of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform such covenants. A court, however, in its discretion may decline to enforce such covenants. Upon delivery of the Certificates, Special Counsel will render its opinion (substantially in the form of APPENDIX D—FORM OF OPINION OF SPECIAL COUNSEL) to the effect that, subject to the limitations and qualifications described therein, the Lease Agreement constitutes a valid and binding obligation of the City.

Abatement

In the event of loss or substantial interference in the use and possession by the City of all or any portion of the Property caused by material damage, title defect, destruction to or condemnation of the Property, Lease Payments will be subject to abatement. In the event that such component of the Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time that proceeds of the City's rental interruption insurance will be available in lieu of Lease Payments, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of such component of the Property or redemption of the Certificates, there could be insufficient funds to make payments to Owners in full. Reduction in Lease Payments due to abatement as provided in the Lease Agreement does not constitute a default thereunder.

It is not possible to predict the circumstances under which such an abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, it may be that the value of the Property is substantially higher or lower than its value at the time of the execution and delivery of the Certificates. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Certificates.

No Acceleration Upon Default

In the event of a default, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease Agreement and the Trustee is not empowered to sell a fee simple interest in the Property and use the proceeds of such sale to prepay the Certificates or pay debt service thereon. Any suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest as described below.

Risk of Uninsured Loss

The City covenants under the Lease Agreement to maintain certain insurance policies on the Property. See “SOURCE OF PAYMENT FOR THE CERTIFICATES—Insurance.” These insurance policies do not cover all types of risk, and the City need not obtain insurance except as available on the open market from reputable insurers. For instance, the City does not covenant to maintain earthquake insurance. The Property could be damaged or destroyed due to earthquake or other casualty for which the Property is uninsured. Additionally, the Property could be the subject of an eminent domain proceeding. Under these circumstances an abatement of Lease Payments could occur and could continue indefinitely. There can be no assurance that the providers of the City’s liability and rental interruption insurance will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies. Further, there can be no assurances that amounts received as proceeds from insurance or from condemnation of the Property will be sufficient to redeem the Certificates.

Under the Lease Agreement the City may obtain casualty insurance which provides for a deductible up to \$250,000. Should the City be required to meet such deductible expenses, the availability of general fund revenues to make Lease Payments may be correspondingly affected.

The City is not obligated under the Lease Agreement to procure and maintain, or cause to be procured and maintained, earthquake insurance on the Property. Depending on its severity, an earthquake could result in abatement of Lease Payments under the Lease Agreement. See “—Abatement.”

Eminent Domain

If the Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the Lease Agreement will cease as of the day possession is taken. If less than all of the Property is taken permanently, or if the Property or any part thereof is taken temporarily, under the power of eminent domain, (a) the Lease Agreement will continue in full force and effect and will not be terminated by virtue of such taking, and (b) there will be a partial abatement of Lease Payments as a result of the application of net proceeds of any eminent domain award to the prepayment of the Lease Payments, in an amount to be agreed upon by the City and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property. The City covenants in the Lease Agreement to contest any eminent domain award which is insufficient to either: (i) prepay the Lease Payments in whole, if all the Property is condemned; or (ii) prepay a pro rata share of Lease Payments, in the event that less than all of the Property is condemned.

Hazardous Substances

The existence or discovery of hazardous materials may limit the beneficial use of the Property. In general, the owners and lessees of the Property may be required by law to remedy conditions of such parcel relating to release or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well known and widely applicable of these laws, but California laws with regard to hazardous substances are also similarly stringent. Under many of these laws, the owner or lessee is obligated to remedy a hazardous substance condition of the property whether or not the owner or lessee had anything to do with creating or handling the hazardous substance.

Further it is possible that the beneficial use of the Property may be limited in the future resulting from the current existence on the Property of a substance currently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the current existence on the Property of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method in which it is handled. All of these possibilities could significantly limit the beneficial use of the Property.

The City is unaware of the existence of hazardous substances on the Property site which would materially interfere with the beneficial use thereof.

Earthquakes

The City is not legally obligated under the Lease Agreement to maintain, or cause to be maintained, earthquake insurance on the Property and no assurance is made that any earthquake insurance will be maintained. If there were to be an occurrence of severe seismic activity in the City, there could be substantial damage to and interference with the City’s right to use and occupy all or a portion of the Property, which could result in Lease Payments being subject to abatement. Additionally, severe seismic activity in the City could impact the City’s general fund expenditures. See “CERTAIN RISK FACTORS—Abatement” above.

Bankruptcy

The City is a unit of State government and therefore is not subject to the involuntary procedures of the United States Bankruptcy Code (the “Bankruptcy Code”). However, pursuant to Chapter 9 of the Bankruptcy Code, the City may seek voluntary protection from its creditors for purposes of adjusting its debts. In the event the City were to become a debtor under the Bankruptcy Code, the City would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have a priority of payment superior to that of Owners of Certificates; and (iv) the possibility of the adoption of a plan for the adjustment of the City’s debt (a “Plan”) without the consent of the Trustee or all of the Owners of Certificates, which Plan may restructure, delay, compromise or

reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable.

In addition, the City could either reject the Lease Agreement or assume the Lease Agreement despite any provision of the Lease Agreement which makes the bankruptcy or insolvency of the City an event of default thereunder. In the event the City rejects the Lease Agreement, the Trustee, on behalf of the Owners of the Certificates, would have a pre-petition claim that may be limited under the Bankruptcy Code and treated in a manner under a Plan over the objections of the Trustee or Owners of the Certificates. Moreover, such rejection would terminate the Lease Agreement and the City's obligations to make payments thereunder.

Pension Benefit Liability

Many factors influence the amount of the City's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of PERS retirement system laws, changes in the level of benefits provided or in the contribution rates of the City, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), and differences between actual and anticipated investment experience of PERS. Any of these factors could give rise to additional liability of the City to its pension plans as a result of which the City would be obligated to make additional payments to its pension plans in order to fully fund the City's obligations to its pension plans.

Early Redemption Risk

Early redemption of the Certificates may occur in whole or in part without premium, on any date if the Property or a portion thereof is lost, destroyed or damaged beyond repair or taken by eminent domain and from the proceeds of title insurance, or on any Interest Payment Date, without a premium (see "THE CERTIFICATES - Redemption"), if the City exercises its right to prepay Lease Payments in whole or in part pursuant to the provisions of the Lease Agreement and the Trust Agreement.

Limitations on Remedies

The enforcement of any remedies provided in the Lease Agreement and the Trust Agreement could prove both expensive and time consuming. Although the Lease Agreement provides that if the City defaults the Trustee may reenter the Property and re-let the Property, portions of the Property may not be easily recoverable, and even if recovered, could be of little value to others because of the Property's specialized nature. Additionally, the Trustee may have limited ability to re-let the Property to provide a source of rental payments sufficient to pay the principal of and interest on the Bonds so as to preserve the tax-exempt nature of interest with respect to the Certificates. Furthermore, due to the governmental nature of the Property, it is not certain whether a court would permit the exercise of the remedy of re-letting with respect thereto.

Alternatively, the Trustee may terminate the Lease Agreement and proceed against the City to recover damages pursuant to the Lease Agreement. Any suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

The rights of the Owners of the Certificates are subject to certain limitations on legal remedies against cities, redevelopment agencies and other governmental entities in the State, including but not limited to a limitation on enforcement against funds that are otherwise needed to serve the public welfare and interest. Additionally, the rights of the Owners of the Certificates may be subject to (i) bankruptcy, insolvency, reorganization, moratorium, or similar laws limiting or otherwise affecting the enforcement of creditors' rights generally (as such laws are now or hereafter may be in effect), (ii) equity principles (including but not limited to concepts of materiality, reasonableness, good faith and fair dealing) and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or law, (iii) the exercise by the United States of America of the powers delegated to it by the Constitution, and (iv) the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs bankruptcy proceedings for public agencies, there are no involuntary petitions in bankruptcy. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners, the Trustee and the Corporation could be prohibited or severely restricted from taking any steps to enforce their rights under the Lease Agreement and from taking any steps to collect amounts due from the City under the Lease Agreement.

Special Counsel has limited its opinion as to the enforceability of the Lease Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. Additionally, the Certificates are not subject to acceleration in the event of the breach of any covenant or duty under the Lease Agreement. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

Risk of Tax Audit

In December 1999, as a part of a larger reorganization, the Internal Revenue Service (the "Service"), commenced operation of its Tax Exempt and Government Entities Division (the "TE/GE Division"), as the successor to its Employee Plans and Exempt Organizations division. The new TE/GE Division has a subdivision that is specifically devoted to tax-exempt bond compliance. Public statements by Service officials indicate that the number of tax-exempt bond examinations (which would include securities such as the Certificates) is expected to increase significantly under the new TE/GE Division. There is no assurance that if an examination of the Certificates was undertaken that it would not adversely affect the market value of the Certificates. See "TAX MATTERS." The City has not been contacted by the Service regarding the examination of any of its bond transactions.

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," in order to maintain the exclusion from gross income for federal income tax purposes of the interest with respect to the Certificates, the City has covenanted in the Lease Agreement not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest with respect to the Certificates under section 103 of the Code. Interest with respect to the Certificates could become includable in gross income for purposes of Federal income taxation retroactive to the date the Certificates were delivered, as a result of acts or omissions of the City in violation of the Code. Should such an event of taxability occur, the Certificates are not subject to early redemption and will remain outstanding to

maturity or until prepaid under the optional redemption or mandatory sinking fund redemption provisions of the Trust Agreement.

Secondary Market Risk

There can be no assurance that there will be a secondary market for purchase or sale of the Certificates, and from time to time there may be no market for them, depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition of the City.

Changes in Law

There can be no assurance that the electorate of the State will not at some future time adopt additional initiatives or that the Legislature will not enact legislation that will amend the laws or the Constitution of the State resulting in a reduction of the general fund revenues of the City and consequently, having an adverse effect on the security for the Certificates.

Taxability Risk

As discussed under the caption "TAX MATTERS," interest with respect to the Certificates could become includable in gross income for purposes of federal income taxation retroactive to the date the Certificates were delivered, as a result of future acts or omissions of the City in violation of its covenants in the Lease Agreement. There is no provision in the Certificates or the Trust Agreement for special redemption or acceleration or for the payment of additional interest should such an event of taxability occur, and the Certificates will remain outstanding until maturity or until redeemed under one of the other redemption provisions contained in the Trust Agreement.

In addition, as discussed under the caption "TAX MATTERS," Congress is or may be considering in the future legislative proposals, including some that carry retroactive effective dates, that, if enacted, would alter or eliminate the exclusion from gross income for federal income tax purposes of interest on municipal bonds, such as the Certificates. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal tax legislation. The City can provide no assurance that federal tax law will not change while the Certificates are outstanding or that any such changes will not adversely affect the exclusion of interest with respect to the Certificates from gross income for federal income tax purposes. If the exclusion of interest with respect to the Certificates from gross income for federal income tax purposes were amended or eliminated, it is likely that the market price for the Certificates would be adversely impacted.

ABSENCE OF LITIGATION

At the time of delivery of and payment for the Certificates, the City will certify that there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court or regulatory agency, public board, or body pending or threatened against the City or the Corporation affecting their existence or the titles of their respective officers or seeking to restrain or to enjoin the issuance, sale, or delivery of the Certificates, or the application of the proceeds thereof in accordance with the Trust Agreement, or in any way contesting or affecting the validity or enforceability of the Certificates, any agreement entered into between the City and any purchaser of the Certificates, the Lease Agreement, the

Trust Agreement, the Assignment Agreement, the Site and Facility Lease or any other applicable agreements or any action of the City or the Corporation contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or the Corporation or their authority with respect to the Certificates or any action of the City or the Corporation contemplated by any of said documents, nor, to the knowledge of the City or the Corporation, is there any basis therefor.

CONTINUING DISCLOSURE

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City has entered into an agreement with U.S. Bank National Association, as Trustee and Dissemination Agent (the “Dissemination Agent”), for the benefit of holders of the Certificates to provide certain financial information and operating data relating to the City and the balances of funds relating to the Certificates, by not later than April 1 of each fiscal year commencing with the report for the 2012-13 fiscal year (the “Annual Information”), and to provide notices of the occurrence of certain enumerated events, if deemed by the City to be material. The Annual Information and notices of material events will be filed by the City or the Dissemination Agent, with the Municipal Securities Rulemaking Board (the “MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. The nature of the information to be provided in the Annual Information and the notices of material events is set forth in APPENDIX G—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

The City previously entered into disclosure undertakings under the Rule in connection with its outstanding obligations. During the last five years, the City has, in some instances, failed to comply fully with such undertakings. In particular, the City failed to provide the financial and operating data required to be filed with respect to its 2002 water COPS, its 2002 sewer COPS and its 2011 sewer revenue bonds. Remedial filings for all issues have now been made. The City plans to establish procedures to ensure compliance with future continuing disclosure obligations and undertakings.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Verification Agent will verify, from the information provided to it, the mathematical accuracy as of the date of the delivery of the Certificates of computations relating to the adequacy of the proceeds of the Certificates to be deposited in the Escrow Fund for the defeasance of the 2002 Certificates. The Verification Agent will also verify the yield of the Lease Agreement and on the Escrow Securities to be deposited in the Escrow Fund upon the delivery of the Certificates. The Verification Agent will restrict its procedures to examining the arithmetical accuracy of certain computations and will not make a study or evaluation of the information and assumptions on which such computations are based and, accordingly, will not express an opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcome.

LEGAL MATTERS

All legal matters in connection with the execution and delivery of the Certificates are subject to the approval of Quint & Thimmig LLP, Larkspur, California, Special Counsel. Special Counsel’s opinion with respect to the Certificates will be substantially in the form set forth in APPENDIX D—FORM OF

OPINION OF SPECIAL COUNSEL. Certain legal matters will also be passed on for the City by Quint & Thimmig LLP, as Disclosure Counsel, and for the City by McCormick, Kobot, Jenner & Lew, the City Attorney. The fees and expenses of Special Counsel and Disclosure Counsel are contingent upon the execution and delivery of the Certificates.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Certificates, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest with respect to the Certificates to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest with respect to the Certificates to become includable in gross income for federal income tax purposes retroactively to the date of delivery of the Certificates.

Subject to the City's compliance with the above referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Special Counsel, interest with respect to the Certificates is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest with respect to the Certificates is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Special Counsel will rely upon certifications of the City with respect to certain material facts within its knowledge. Special Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT for a corporation, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporations' taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would generally include certain tax-exempt interest, but not interest with respect to the Certificates.

Ownership of the Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Certificates should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Certificates is the price at which a substantial amount of such maturity of the Certificates is first sold to the public. The Issue Price of a

maturity of the Certificates may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

Owners of Certificates who dispose of Certificates prior to the stated maturity (whether by sale, redemption or otherwise), purchase Certificates in the initial public offering, but at a price different from the Issue Price, or purchase Certificates subsequent to the initial public offering, should consult their own tax advisors.

If a Certificate is purchased at any time for a price that is less than the Certificate's stated redemption price at maturity (the "Reduced Issue Price"), the purchaser will be treated as having purchased a Certificate with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Certificate is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases a Certificate for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Certificate. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Certificates.

An investor may purchase a Certificate at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Certificate in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Certificate. Investors who purchase a Certificate at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Certificate's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Certificate.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal tax legislation. Special Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Certificates. If an audit is commenced, under current procedures the Service may treat the Issuer as a taxpayer and the Owners may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Certificates until the audit is concluded, regardless of the ultimate outcome.

Payments of interest with respect to, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Certificates, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Certificate owner who fails to

provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Certificate owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Special Counsel, interest with respect to the Certificates is exempt from California personal income taxes.

Ownership of the Certificates may result in other state and local tax consequences to certain taxpayers. Special Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Certificates. Prospective purchasers of the Certificates should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Special Counsel expects to deliver upon the delivery of the Certificates is set forth in APPENDIX D—FORM OF OPINION OF SPECIAL COUNSEL.

UNDERWRITING

The Certificates are being purchased by Wulff, Hansen & Co. and Gates Capital Corporation (the “Underwriters”) at a price of \$_____ (consisting of \$_____ aggregate principal amount of the Certificates, less \$_____ of Underwriters’ discount, plus \$_____ of original issue premium).

The Underwriters intend to offer the Certificates to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriters may offer and sell to certain dealers and others at a price lower than the offering prices stated on the inside cover page hereof. The offering price may be changed from time to time by the Underwriters.

RATING

Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) has assigned the rating of “_____” to the Certificates. Such rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P at the following address: 55 Water Street, New York, NY 10041, (212) 208-8000. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price for the Certificates.

FINANCIAL STATEMENTS

The City’s Audited Financial Statements for fiscal year ended June 30, 2014, and the City’s Auditor’s Report regarding such financial statements, are set forth in APPENDIX B—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE YEAR ENDED

JUNE 30, 2014. The City's Auditor was not requested to consent to the inclusion of its report in Appendix B and it has not undertaken to update financial statements included in Appendix B. No opinion is expressed by the City's Auditor with respect to any event subsequent to its report.

ADDITIONAL INFORMATION

All of the preceding summaries of the Certificates, the Trust Agreement, the Lease Agreement, the Assignment Agreement, the Site and Facility Lease, and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Certificates.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof.

The City will furnish a certificate dated the date of delivery of the Certificates, from an appropriate officer of the City, to the effect that to the best of such officer's knowledge and belief, and after reasonable investigation, (i) neither the Official Statement or any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (ii) since the date of the Official Statement, no event has occurred which should have been set forth in an amendment or supplement to the Official Statement which has not been set forth in such an amendment or supplement, and the Certificates, the Trust Agreement, the Lease Agreement, the Assignment Agreement, the Site and Facility Lease, and other applicable agreements conform as to form and tenor to the descriptions thereof contained in the Official Statement; and (iii) the City has complied with all the agreements and has satisfied all the conditions on its part to be performed or satisfied under the Trust Agreement at and prior to the date of the issuance of the Certificates.

The execution and delivery of the Official Statement by the City have been duly authorized by the City Council on behalf of the City.

CITY OF PORTERVILLE

By _____
City Manager

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APPENDIX A

GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY

The City

The City of Porterville (the “City”), incorporated on May 7, 1902, is located midway between San Francisco and Los Angeles, an hour from Fresno and Bakersfield. It is situated in the southeastern portion of California’s San Joaquin Valley, the most diverse agricultural area in the world. The City currently occupies a land area of 16 square miles and serves a population of approximately 55,000. Porterville is empowered to levy property taxes within its boundaries in accordance with Article XIII A of the California Constitution (Proposition 13). It is also empowered to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City has operated under the council-manager form of government since 1927. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and four other members. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three members elected during one election and two during the next. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both Porterville’s manager and attorney. The city manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the city, and for appointing the heads of the various departments.

The City of Porterville provides a full range of services, including general administration, human resources, treasury, finance and accounting; risk management; police and fire protection; public works (engineering, building inspection, streets, roads and other infrastructure construction and maintenance); planning, zoning, and economic and community development; and parks and trailways maintenance, community services (including a sports complex, a skate park, an off-highway vehicle park, and a youth center), library, and senior, adult and youth recreational activities. It also administers low-income housing programs and manages landscape maintenance districts. Transit, water, sewer, and solid waste disposal services are provided through enterprise funds, as are airport, golf course, and the Pearl Zalud Estate museum operations.

The City of Porterville’s economy is a thriving mixture of agri-business, light industry and commercial enterprise. Local businesses produce a variety of products such as electronic medical instruments, printed forms and specialty documents, food products, carpet yarn, machine products, aircraft parts, and lumber. Several public facilities are also located here including the Porterville Developmental Center, Sequoia National Forest Headquarters, the Army Corps of Engineers Lake Success Facility, and the Porterville College campus of the Kern Community College District.

Retail recruitment remains a high priority for the City. Several projects are currently under development including Me-N-Ed’s Pizzeria, Panera, as well as Phase 1 of the Village at Henderson with 168 new market-rate apartments. More development projects are anticipated in the coming year including Applebee’s, Phase 2 of the Village at Henderson with a new anchor tenant, and a new commercial center. Meanwhile, the construction of the Walmart Supercenter, a 43,000 square foot retail store is further delayed due to the Court of Appeals ruling against the City and Walmart. The project is

expected to greatly impact downtown revitalization with approximately 300 new jobs plus increased sales tax revenues for the City.

The County

Tulare County (the “County”) is a county in the U.S. state of California. Its county seat is Visalia. The County is named for Tulare Lake, once the largest freshwater lake west of the Great Lakes. Drained for agricultural development, the site is now in Kings County, which was created in 1893 from the western portion of the formerly larger Tulare County.

Tulare County comprises the Visalia-Porterville, CA Metropolitan Statistical Area. The County is located south of Fresno, spanning from the San Joaquin Valley east to the Sierra Nevada. According to the U.S. Census Bureau, the county has a total area of 4,839 square miles (12,530 km²), of which 4,824 square miles (12,490 km²) is land and 14 square miles (36 km²) (0.3%) is water.

Sequoia National Park is located in the county, as are part of Kings Canyon National Park, in its northeast corner (shared with Fresno County), and part of Mount Whitney, on its eastern border (shared with Inyo County).

Population

The table below summarizes population of the City and the County.

POPULATION Porterville and Tulare County

<u>Year</u>	<u>City of Porterville</u>	<u>Tulare County</u>
2010	54,165	442,179
2011	54,676	445,183
2012	55,173	451,529
2013	55,526	456,037
2014	55,697	459,446

Source: California Department of Finance, Demographic Research Unit.

Employment

The following table summarizes the historical numbers of workers by industry in the Visalia-Porterville MSA for the last five years:

**VISALIA-PORTERVILLE MSA
(TULARE COUNTY)
Labor Force and Industry Employment
Annual Averages by Industry**

	2010	2011	2012	2013	2014 ⁽¹⁾
Total, All Industries	144,800	144,300	143,800	148,200	149,300
Total Farm	37,700	36,400	33,700	35,100	34,700
Total Nonfarm	107,100	107,900	110,100	113,100	114,600
Total Private	76,100	77,300	79,500	83,100	85,200
Goods Producing	15,000	15,100	15,400	15,800	16,500
Mining, Logging, and Construction	3,900	3,900	4,000	4,200	4,500
Manufacturing	11,100	11,200	11,300	11,600	12,000
Service Providing	92,100	92,900	94,700	97,300	98,100
Private Service Providing	61,100	62,200	64,200	67,300	68,700
Trade, Transportation & Utilities	23,600	24,200	25,500	26,700	27,200
Information	1,100	1,000	900	900	900
Financial Activities	3,800	3,800	3,800	3,800	3,800
Professional & Business Services	8,700	9,400	9,600	10,000	9,300
Educational & Health Services	12,000	11,900	11,800	12,700	13,600
Leisure & Hospitality	8,900	8,900	9,500	10,000	10,500
Other Services	3,000	3,100	3,100	3,200	3,400
Government	31,000	30,600	30,600	30,000	29,400

Source: California Employment Development Department based on March 2014 benchmark.

(1) Last available full year data.

*Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households, and persons involved in labor/management trade disputes. Employment reported by place of work. Items may not add to totals due to independent rounding.

The following tables summarize historical employment and unemployment for Tulare County, the State of California and the United States for the past five years:

TULARE COUNTY, CALIFORNIA, AND UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate ⁽¹⁾
2009	Tulare County	203,500	172,700	30,800	15.2%
	California	18,208,300	16,144,500	2,063,900	11.3
	United States	154,142,000	139,877,000	14,265,000	9.3
2010	Tulare County	208,100	172,800	35,300	17.0%
	California	18,316,400	16,051,500	2,264,900	12.4
	United States	153,889,000	139,064,000	14,825,000	9.6
2011	Tulare County	208,000	173,100	34,900	16.8%
	California	18,384,900	16,226,600	2,158,300	11.7
	United States	153,617,000	139,869,000	13,747,000	8.9
2012	Tulare County	206,000	173,300	32,700	15.9%
	California	18,494,900	16,560,300	1,934,500	10.5
	United States	154,975,000	142,469,000	12,506,000	8.1
2013	Tulare County	205,300	176,600	28,700	14.0%
	California	18,596,800	16,933,300	1,663,500	8.9
	United States	155,389,000	143,929,000	11,460,000	7.4

Source: California Employment Development Department, based on March 2013 benchmark and US Department of Labor, Federal Bureau of Labor Statistics

(1) The unemployment rate is computed from unrounded data, therefore, it may differ from rates computed from rounded figures available in this table.

Major Employers

The table below sets forth the principal employers of the County.

TULARE COUNTY 2015 Major Employers

Company	Location	Industry
College of the Sequoias	Visalia	Schools-Universities & Colleges Academic
Eagle Mountain Casino	Porterville	Casinos
Enns Packing Co	Dinuba	Fruits & Vegetables-Growers & Shippers
Fruit Patch Inc	Dinuba	Fruits & Vegetables-Growers & Shippers
Jostens	Visalia	Trophies Awards & Medals
Kd Medical Ctr	Visalia	Hospitals
Kings Canyon National Park	Kings Canyon National Pk	Parks
Land O'Lakes Indl Cheese	Tulare	Cheese Processors (Mfrs)
Monrovia Nursery Co	Woodlake	Nurseries-Plants Trees & Etc-Wholesale
Porterville Developmental Ctr	Porterville	Mental Health Services
Ruiz Food Products Inc	Dinuba	Mexican Food Products-Manufacturers
Sierra View District Hospital	Porterville	Hospitals
Sun Pacific	Exeter	Fruits & Vegetables-Growers & Shippers
Tulare County Child Care Prgm	Visalia	Child Care Service
Tulare County Parks & Rec Dept	Visalia	Parks
Tulare County Resource Mgmt	Visalia	Government Offices-County
Tulare County Sheriff's Office	Visalia	Sheriff
Tulare District Health Care	Tulare	Health Services
Tulare Regional Medical Ctr	Tulare	Hospitals
US Cotton Classing Office	Visalia	Government Offices-Us
Visalia Public Works Admin	Visalia	Parking Area/Lots Maintenance & Marking
Walmart	Porterville	Department Stores
Walmart Distribution Ctr	Porterville	Distribution Centers (Whls)
Walmart Supercenter	Dinuba	Department Stores
Wawona Packing Co	Cutler	Fruits & Vegetables-Growers & Shippers

Source: California Employment Development Department. Data retrieved March 12, 2015.

Construction Activity

The following tables reflect the five-year history of building permit valuation for the City and County:

CITY OF PORTERVILLE Building Permits and Valuation (Dollars in Thousands)

	2009	2010	2011	2012	2013
<u>Permit Valuation:</u>					
New Single-family	23,267	11,170	9,864	6,850	8,275
New Multi-family	315	7,600	-	-	-
Res. Alterations/Additions	3,059	1,377	2,413	1,246	904
Total Residential	27,026	20,147	12,277	8,097	9,180
Total Nonresidential	8,281	9,584	7,215	3,304	41,325
Total All Building	33,638	27,442	19,492	11,402	50,505
<u>New Dwelling Units:</u>					
Single Family	118	57	50	31	39
Multiple Family	5	70	-	-	-
Total	123	127	50	31	39

TULARE COUNTY Building Permits and Valuation (Dollars in Thousands)

	2009	2010	2011	2012	2013
<u>Permit Valuation:</u>					
New Single-family	172,385	160,609	124,334	88,018	171,844
New Multi-family	11,155	32,423	10,636	6,755	6,959
Res. Alterations/Additions	15,996	23,152	36,917	13,736	11,590
Total Residential	199,537	216,186	171,887	108,531	190,394
Total Nonresidential	85,544	104,349	131,281	107,928	403,981
Total All Building	285,081	320,535	303,168	216,459	594,375
<u>New Dwelling Units:</u>					
Single Family	985	977	721	530	843
Multiple Family	120	282	138	111	60
Total	1,105	1,259	919	641	903

Source: Construction Industry Research Board: "Building Permit Summary."

Note: Totals may not add due to independent rounding.

Commercial Activity

Taxable sales in the City and County are shown below. Beginning in 2009, reports summarize taxable sales and permits using the NAICS codes. As a result of the coding change, however, industry-level data for 2009 are not comparable to prior years.

TAXABLE SALES, 2008-2012 CITY OF PORTERVILLE (dollars in thousands)

	2008			
Retail Stores				
Apparel Stores				8,283
General Merchandise Stores				114,098
Food Stores				38,156
Eating and Drinking Places				50,211
Home Furnishings and Appliances				8,281
Building Material Group				43,498
Motor Vehicles and Parts				59,750
Service Stations				45,412
All Other Retail Stores				24,464
Retail Stores Totals				392,154
All Other Outlets				63,598
Total All Outlets ⁽²⁾				455,752

	2009 ⁽¹⁾	2010 ⁽¹⁾	2011 ⁽¹⁾	2012 ⁽¹⁾⁽³⁾
Retail and Food Services				
Motor Vehicles and Parts Dealers	43,402	45,844	54,680	64,140
Home Furnishings and Appliance Stores	10,265	10,832	11,411	11,172
Bldg. Mtrl. and Garden Equip. and Supplies	39,847	39,623	41,194	42,958
Food and Beverage Stores	25,601	27,109	29,023	31,216
Gasoline Stations	45,822	51,481	61,311	65,809
Clothing and Clothing Accessories Stores	10,410	11,135	9,252	16,066
General Merchandise Stores	99,350	102,892	106,910	105,010
Food Services and Drinking Places	49,190	49,878	51,584	55,483
Other Retail Group	23,923	23,401	26,148	28,182
Total Retail and Food Services	347,809	362,196	391,541	420,035
All Other Outlets	49,073	56,232	53,828	62,379
Totals All Outlets ⁽²⁾	396,882	418,428	445,369	482,414

Source: California Board of Equalization, Taxable Sales in California (Sales & Use Tax).

(1) Starting in 2009, categories were revised from prior years.

(2) Totals may not add up due to independent rounding.

(3) Last available full year data.

TAXABLE SALES, 2008-2012
TULARE COUNTY
(dollars in thousands)

	2008			
Retail Stores				
Apparel Stores		147,266		
General Merchandise		668,226		
Food Stores		284,241		
Eating and Drinking		252,003		
Household Group		97,819		
Building Material Group		249,924		
Automotive Group		470,992		
Service Stations		433,385		
All Other Retail Stores		453,338		
Retail Stores Totals		3,157,194		
Business & Personal Services		140,184		
All Other Outlets		1,458,027		
Total All Outlets ⁽²⁾		4,755,406		

	2009 ⁽¹⁾	2010 ⁽¹⁾	2011 ⁽¹⁾	2012 ⁽¹⁾⁽³⁾
Retail and Food Services				
Motor Vehicles and Parts Dealers	367,378	391,317	456,949	530,101
Furniture and Home Furnishings Stores	45,699	46,956	50,305	51,322
Electronics and Appliance Stores	144,819	265,250	307,473	272,085
Bldg Mtrl. and Garden Equip. and Supplies	268,055	265,155	296,559	298,763
Food and Beverage Stores	214,578	219,786	231,844	231,678
Health and Personal Care Stores	60,692	66,236	82,390	92,727
Gasoline Stations	397,623	495,585	627,941	666,872
Clothing and Clothing Accessories Stores	165,546	176,797	187,042	219,619
Sporting Goods, Hobby, Book and Music Stores	77,799	76,156	86,683	86,492
General Merchandise Stores	589,794	603,133	615,773	634,261
Miscellaneous Store Retailers	108,661	95,700	106,121	114,277
Nonstore Retailers	17,018	16,879	18,789	23,893
Food Services and Drinking Places	344,394	353,310	372,764	400,104
Total Retail and Food Services	2,802,055	3,072,261	3,440,636	3,622,196
All Other Outlets	1,343,447	1,424,619	1,613,087	1,877,165
Totals All Outlets ⁽²⁾	4,145,502	4,496,880	5,053,721	5,499,361

Source: California Board of Equalization, Taxable Sales in California (Sales & Use Tax).

(1) Starting in 2009, categories were revised from prior years.

(2) Totals may not add up due to independent rounding.

(3) Last available full year data.

Median Household Income

The following table summarizes the median household effective buying income for the City, the County, the State of California and the nation for the years 2009 through 2013.

CITY OF PORTERVILLE, TULARE COUNTY, CALIFORNIA AND UNITED STATES Effective Buying Income

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2009	City of Porterville	533,528	33,042
	Tulare County	6,190,528	37,001
	California	844,823,319	49,736
	United States	6,571,536,768	43,252
2010	City of Porterville	502,765	31,295
	Tulare County	5,826,395	34,764
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	City of Porterville	533,538	31,336
	Tulare County	6,045,045	34,581
	California	814,578,457	47,062
	United States	6,438,704,663	41,253
2012	City of Porterville	672,733	33,714
	Tulare County	6,386,965	37,110
	California	664,088,827	47,307
	United States	6,737,867,730	41,358
2013	City of Porterville	689,643	33,566
	Tulare County	6,358,653	36,537
	California	858,676,636	48,340
	United States	6,982,757,379	43,715

Source: Nielsen,

Inc.

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APPENDIX B

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE YEAR ENDED JUNE 30, 2014

The Auditor was not requested to consent to the inclusion of its report in this Appendix B and it has not undertaken to update financial statements included in this Appendix B. No opinion is expressed by the Auditor with respect to any event subsequent to its report.

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APPENDIX C

INVESTMENT POLICY OF THE CITY

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APPENDIX D

FORM OF SPECIAL COUNSEL OPINION

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

City Council of the
City of Porterville
291 North Main Street
Porterville, California 93257

OPINION: \$ _____ * Certificates of Participation (2015 Refinancing Project) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the City of Porterville, as the Rental for Certain Property Pursuant to a Lease Agreement with the Porterville Public Improvement Corporation

Members of the City Council:

We have acted as special counsel in connection with the delivery by the City of Porterville (the "City"), of its \$ _____ * Lease Agreement, dated as of May 1, 2015, by and between the Porterville Public Improvement Corporation (the "Corporation") and the City (the "Lease Agreement"), pursuant to the California Government Code. The Corporation has, pursuant to the Assignment Agreement, dated as of May 1, 2015 (the "Assignment Agreement"), by and between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), assigned certain of its rights under the Lease Agreement, including its right to receive a portion of the lease payments made by the City thereunder (the "Lease Payments"), to the Trustee. Pursuant to the Trust Agreement, dated as of May 1, 2015, by and among the Trustee, the Corporation and the City (the "Trust Agreement"), the Trustee has executed and delivered certificates of participation (the "Certificates") evidencing direct, undivided fractional interests of the owners thereof in the Lease Payments. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Lease Agreement and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The City is duly created and validly existing as a municipal corporation and chartered city organized and existing under the laws of the State of California with the power to enter into the Lease Agreement and the Trust Agreement and to perform the agreements on its part contained therein.

2. The Lease Agreement has been duly authorized, executed and delivered by the City and is an obligation of the City valid, binding and enforceable against the City in accordance with its terms.

* Preliminary, subject to change.

3. The Trust Agreement and the Assignment Agreement are valid, binding and enforceable in accordance with their terms.

4. Subject to the terms and provisions of the Lease Agreement, the Lease Payments to be made by the City are payable from general funds of the City lawfully available therefor. By virtue of the Assignment Agreement, the owners of the Certificates are entitled to receive their fractional share of the Lease Payments in accordance with the terms and provisions of the Trust Agreement.

5. Subject to the City's compliance with certain covenants, interest with respect to the Certificates is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest with respect to the Certificates to be includable in gross income for federal income tax purposes retroactively to the date of delivery of the Certificates.

6. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from personal income taxation imposed by the State of California.

Ownership of the Certificates may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Certificates.

The rights of the owners of the Certificates and the enforceability of the Lease Agreement, the Assignment Agreement and the Trust Agreement may be subject to the Bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS

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APPENDIX F

DTC'S BOOK-ENTRY ONLY SYSTEM

The information in this Appendix F, concerning The Depository Trust Company, New York, New York ("DTC"), and DTC's book-entry system, has been furnished by DTC for use in official statements and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest or principal with respect to the Certificates, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Certificates, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Certificates, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix F. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. Information Furnished by DTC Regarding its Book-Entry Only System

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Certificates (as used in this Appendix E, the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates

representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit the notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the paying agent or bond trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the paying agent or bond trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the paying agent or bond trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the paying agent or bond trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the CITY OF PORTERVILLE (the “City”) in connection with the execution and delivery of \$_____ * City of Porterville, California, Certificates of Participation (2015 Refinancing Project) (the “Certificates”). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of May 1, 2015, by and among U.S. Bank National Association, as trustee (the “Trustee”), the City and the Porterville Public Improvement Corporation (the “Trust Agreement”). The City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

“*Annual Report*” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Beneficial Owner*” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

“*Dissemination Agent*” shall mean the City or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation. In the absence of such a designation, the City shall act as the Dissemination Agent.

“*EMMA*” or “*Electronic Municipal Market Access*” means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

“*Listed Events*” shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Participating Underwriter*” shall mean any original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

“*Rule*” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the owners and Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

* Preliminary, subject to change.

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The City shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the City's fiscal year (which currently ends on June 30), commencing with the report for the 2014-15 Fiscal Year, which is due not later than March 31, 2016, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year.* If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the City.

(d) *Report of Non-Compliance.* If the City is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the City shall send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the City is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the City for the preceding fiscal year, prepared in accordance generally accepted accounting principles. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited final statements of the City, the Annual Report shall also include financial and operating data with respect to the City for preceding fiscal year, as follows:

- (i) General Fund Budget;
- (ii) General Fund Statement of Actual Revenues, Expenditures and Changes in Fund Balance;
- (iii) Historical Taxable Sales and Sales Tax Receipts;
- (iv) Assessed Valuation;
- (v) Secured Tax Levies and Delinquencies;
- (vi) Ten Largest Taxpayers;
- (vii) General Fund Long-Term Debt Outstanding;

- (viii) Employer Contribution Rates to Retirement System, UAAL and Funded Ratios –Safety Plan; and
- (ix) Employer Contribution Rates to Retirement System, UAAL and Funded Ratios –Miscellaneous Plan.

(c) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on EMMA. The City shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Listed Events.

(a) *Reportable Events.* The City shall, or shall cause the Dissemination Agent (if not the City) to, give notice of the occurrence of any of the following events with respect to the Certificates:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.
- (5) Defeasances.
- (6) Rating changes.
- (7) Tender offers.
- (8) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- (9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Reportable Events.* The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material:

- (1) Non-payment related defaults.
- (2) Modifications to rights of security holders.
- (3) Bond calls.
- (4) The release, substitution, or sale of property securing repayment of the securities.

- (5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
- (6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* The City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the City obtains knowledge of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Certificates under the Trust Agreement.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent.* The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the City, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the City. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Certificate owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the City shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the City.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid reasonable compensation by the City for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the City from time to time and all reasonable expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the City, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the City or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the City. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the City that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances.* If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal

requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or the type of business conducted.

(b) *Compliance as of Issue Date.* The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Certificate owners in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Certificate owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Certificate owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the City shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Certificate owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Trust Agreement. The obligations of the City under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Date: [Closing Date]

CITY OF PORTERVILLE

By _____
John D. Lollis
City Manager

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Porterville, California

Name of Issue: Certificates of Participation (2015 Refinancing Project and 2015 Refinancing Project)
Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease
Payments to be made by the City of Porterville, as the Rental for Certain Property
Pursuant to a Lease Agreement with the Porterville Public Improvement Corporation

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

CITY OF PORTERVILLE, Dissemination Agent

By _____
Authorized Officer

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