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**CITY OF SELMA  
WORKSHOP/PRE-COUNCIL MEETING  
October 19, 2015**

The Workshop/ pre-Council meeting of the Selma City Council was called to order at 5:00 p.m. in the Council Chambers. Council members answering roll call were: Derr, Montijo, Rodriguez, Mayor Pro Tem Avalos and Mayor Robertson.

Also present were City Manager Grey, City Attorney Costanzo, Financial Consultant Yribarren, and interested citizens.

The agenda for this meeting was duly posted in a location visible at all times by the general public seventy-two hours prior to this meeting.

**EXECUTIVE SESSION:** Mayor Robertson recessed the meeting into Executive Session at 5:01 p.m. to discuss the following: Conference with Real Property Negotiator on Existing property and/or New Hyundai Dealership with Agency Negotiator City Manager Grey and the Negotiating Parties being the City and Hyundai Dealership, Under Negotiation Council to Negotiate Sales Tax Agreement for Sales Originating at Dealership; and Public Employment, pursuant to Government Code Section 54957 for Position(s): Administrative Positions; Evaluation of Assignment of Duties.

The meeting reconvened at 6:04 p.m., with Mayor Robertson stating that there was no reportable action.

**ADJOURNMENT:** There being no further business, the meeting was adjourned at 6:05 p.m.

Respectfully submitted,

Reyna Rivera  
City Clerk

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Scott Robertson  
Mayor of the City of Selma

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**CITY OF SELMA  
REGULAR COUNCIL MEETING  
October 19, 2015**

The regular meeting of the Selma City Council was called to order at 6:10 p.m. in the Council Chambers. Council members answering roll call were: Derr, Montijo, Rodriguez, Mayor Pro Tem Avalos, and Mayor Robertson.

Also present were City Manager Grey, City Attorney Costanzo, Community Services Director Kirchner, Financial Consultant Yribarren, Fire Chief Kain, Police Lieutenant Dyck, Public Works Director Shiplee, the press, and interested citizens.

The agenda for this meeting was duly posted in a location visible at all times by the general public seventy-two hours prior to this meeting.

**INVOCATION:** Pastor Mark Wikstrom, St. Paul Lutheran Church led the invocation.

**BEAUTIFICATION AWARD:** Mayor Robertson announced that the Herron House Preschool Center was being recognized with the Beautification Award, but were unable to attend the meeting.

**FINANCIAL QUARTERLY BUDGET REVIEW PRESENTATION:** Financial Consultant Yribarren stepped forward and provided a Power Point presentation on the financial analyses of the 2015/2016 first quarter budget. After his report, his recommendations are to continue to replenish the deficits and build the desired levels of reserves. He explained that the revenue projections seem to be within projected amounts, expenditure levels are within budgeted expectations, and staff will continue to monitor revenues. After much discussion, Council thanked him for his presentation.

**ORAL COMMUNICATIONS:** City Manager Grey presented a letter received along with a donation for the Second Chance Animal Shelter on behalf of the Combined Vacation Bible Schools.

**ADDITION TO THE AGENDA:** City Attorney Costanzo reported that an item needed to be added to the agenda. He stated that the issue had been brought to his attention after the agenda was distributed, and required immediate attention.

After discussion, motion to add to the Consent Agenda the Consideration and Necessary action on Resolution Authorizing City Manager to execute a deed conveying property owned by the City consisting of 38.73 acres on East Nebraska Avenue south of Bethel and to execute an acceptance of a deed to the City for the property known as Rockwell Pond from CID as Item 1.d., was made by Council member Derr and seconded by Council member Rodriguez. Motion carried with the following vote:

AYES: Derr, Rodriguez, Montijo, Avalos, Robertson

NOES: None

ABSTAIN: None

ABSENT: None

**CONSENT CALENDAR:** Council member Derr requested that agenda item 1.c. be pulled for separate discussion. Motion to approve the remainder of the Consent Calendar was made by Council member Rodriguez and seconded by Council member Montijo. Motion carried with the following vote:

AYES: Rodriguez, Montijo, Avalos, Robertson

NOES: None

ABSTAIN: Derr\* was absent during the meetings of October 5, 2015.

ABSENT: None

- a. Minutes of the Oct. 5, 2015 Workshop/Pre-Council meeting approved as read.
- b. Minutes of the Oct. 5, 2015 Regular meeting approved as read.
- c. Pulled for separate discussion.
- d. RESOLUTION NO. 2015 – 65R, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA AUTHORIZING ITS CITY MANAGER TO EXECUTE A DEED CONVEYING PROPERTY OWNED BY THE CITY OF SELMA CONSISTING OF 38.73 ACRES ON EAST NEBRASKA AVENUE SOUTH OF BETHEL AVENUE AND TO EXECUTE AN ACCEPTANCE OF A DEED TO THE CITY FOR THE PROPERTY KNOWN AS ROCKWELL POND FROM CONSOLIDATED IRRIGATION DISTRICT.

**AGENDA ITEM 1.c. CONSIDERATION AND NECESSARY ACTION ON CHECK REGISTER DATED OCTOBER 14, 2015:** After discussion, motion to approve Check Register Dated October 14, 2015 was made by Council member Rodriguez and seconded by Council member Derr. Motion carried with the following vote:

AYES: Rodriguez, Derr, Montijo, Avalos, Robertson

NOES: None

ABSTAIN: None

ABSENT: None

**CONSIDERATION AND NECESSARY DISCUSSION ON RESOLUTION  
INITIATING DINUBA – DUKE RAVEN REORGANIZATION/ ANNEXATION  
(CASA BELLA SINGLE FAMILY RESIDENTIAL SUBDIVISION**

**DEVELOPMENT)**: City Attorney Costanzo explained the need to amend the Resolution by adding Consolidated Irrigation District as a detached District.

After discussion, motion to approve RESOLUTION NO. 2015-66R, A RESOLUTION OF THE SELMA CITY COUNCIL INITIATING DINUBA-DUKE RAVEN REORGANIZATION/ANNEXATION CASA BELLA SINGLE-FAMILY RESIDENTIAL SUBDIVISION DEVELOPMENT (RAVEN HOMES) was made by Council member Rodriguez and seconded by Council member Derr. Motion carried with the following vote:

AYES: Rodriguez, Derr, Montijo, Avalos, Robertson  
NOES: None  
ABSTAIN: None  
ABSENT: None

**CONSIDERATION AND NECESSARY ACTION ON PROPOSED CONTRACT  
WITH RETAIL STRATEGIES FOR RETAIL RECRUITMENT)**: City Manager Grey reported that a proposal was submitted for Council review. He further stated that a request from Kosmont Realty Corporation to address Council at an upcoming meeting was received. After discussion, motion to continue the proposal from Retail Strategies until other proposals are reviewed was made by Council member Rodriguez and seconded by Council member Montijo. Motion carried with the following vote:

AYES: Rodriguez, Montijo, Derr, Avalos, Robertson  
NOES: None  
ABSTAIN: None  
ABSENT: None

**CONSIDERATION AND NECESSARY ACTION ON RESOLUTION ACCEPTING  
PROPOSAL FROM GATEWAY ENGINEERING INC. FOR ENGINEERING  
SERVICES FOR SURVEY, ENGINEERING, AND CONSTRUCTION  
MANAGEMENT SERVICES FOR THE REALIGNMENT AND WIDENING OF  
FLORAL AVENUE WEST OF HIGHWAY 99 SOUTHBOUND EXIT AT FLORAL:**

After discussion, motion to approve RESOLUTION NO. 2015-67R, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA APPROVING AND

AUTHORIZING ACCEPTANCE OF A PROPOSAL FOR THE ENGINEERING SERVICES FOR THE REALIGNMENT AND WIDENING OF FLORAL AVENUE was made by Council member Montijo and seconded by Council member Derr. Motion carried with the following vote:

AYES: Montijo, Derr, Rodriguez, Avalos, Robertson  
NOES: None  
ABSTAIN: None  
ABSENT: None

**CONSIDERATION AND NECESSARY ACTION ON DELEGATED LANDSCAPE MAINTENANCE AGREEMENT FOR MAINTENANCE OF STATE HIGHWAY IN THE CITY OF SELMA:** City Manager Grey reported that in response to a letter issued by the Selma Ambassadors requesting landscape maintenance to State Route 99, Caltrans has provided a sample agreement for delegated landscape maintenance.

After discussion, it was the consensus of Council to direct staff to further research the matter.

**DEPARTMENTAL REPORTS:** Public Works Director Shiplee discussed department workforce and their current projects.

Police Lieutenant Dyck discussed the biweekly Police Department report for Council.

Community Services Director Kirchner reminded everyone on the upcoming programming at the Selma Arts Center, and distributed and discussed the Pioneer Village Rental flyer.

Fire Chief Kain provided Council with an update to the fire training facility, and discussed the reimbursement process for the Strike Teams.

**COUNCIL REPORTS:** Council member Derr distributed flyers for the upcoming Chamber mixer, reported on attending the League of Cities Conference, and inquired about the details of the upcoming band festival parade. It was then stated that Council would be walking the parade this year.

Council member Montijo reported on attending the following: Visalia Review with the ALMS marching band, Cattlemens ribbon cutting, Wilson School Carnival, and Tejano Concert. She reminded everyone of the upcoming SKF Open House and opening of the new Yogi-Gurt restaurant.

Mayor Pro Tem Avalos reported on attending the Cattlemens ribbon cutting, Selma Race Day at the Fair, and thanked all the volunteers and churches for their service to the community.

Mayor Robertson reported on attending the following: Webinar on AB2, League of Cities meeting, and the Tejano Concert. He reminded everyone on the upcoming workshop that Congressman Valadao would be holding at the Senior Center, and thanked Mayor Pro Tem Avalos for donating tickets to the volunteers at the SMART Center and the Animal Shelter.

**ORAL COMMUNICATIONS:** Mrs. Rose Robertson stepped forward to thank all the volunteers that assisted with the Tejano Concert.

**ADJOURNMENT:** There being no further business, the meeting was adjourned at 7:46 p.m.

Respectfully submitted,

Reyna Rivera  
City Clerk

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Scott Robertson  
Mayor of the City of Selma

## Check Register Report

1 . c .

Date: 10/27/2015

Time: 4:20 pm

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City of Selma

BANK: UNION BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>UNION BANK Checks</b>							
66061	10/14/2015	Printed		10180.190	RUDY ALCARAZ	COPSWEST PER DIEM	195.00
66062	10/14/2015	Printed		10180.850	ALVES ELECTRIC	CAMERA AT SALAZAR PARK	849.31
66063	10/14/2015	Printed		10190.063	AMERICAN AMBULANCE	AMBULANCE OVERPAYMENT REIMB	978.91
66064	10/14/2015	Printed		10100.515	AT&T	TELEPHONE SERVICE	5,161.63
66065	10/14/2015	Printed		10230.130	BENNETT & BENNETT, INC.	MTRL FOR WATER LINE-FD TR CNT	26.53
66066	10/14/2015	Printed		10310.455	CALIFORNIA WATER SERVICE	WATER SERVICE	10,823.64
66067	10/14/2015	Printed		10328.177	CASTELLANOS SERVICES	PV LANDSCAPING-SEPT 15	2,500.00
66068	10/14/2015	Printed		10340.048	NICOLETTE CHAVEZ ANDERSON	CHAIR PURCHASE REIMB	50.00
66069	10/14/2015	Printed		11620.729	CITY OF SELMA	PETTY CASH	100.00
66070	10/14/2015	Printed		10370.375	COMCAST	INTERNET SERVICE	1,060.00
66071	10/14/2015	Printed		10370.940	COOK'S COMMUNICATION CORP	OUTFITTING NEW PD UNIT	14,693.44
66072	10/14/2015	Printed		10370.953	COOL AIR SPECIALTY	HVAC MAINT & REPLACEMENT	7,422.00
66073	10/14/2015	Printed		10370.958	COPWARE, INC.	LEGAL SOURCEBOOK	400.00
66074	10/14/2015	Printed		10370.969	CORELOGIC	REALQUEST SERVICE	481.25
66075	10/14/2015	Printed		10430.043	DEPARTMENT OF FORESTRY AND	REIM OF LITTLE DEER FIRE PYMNT	18,703.52
66076	10/14/2015	Printed		10430.071	DEPARTMENT OF JUSTICE	FINGERPRINTS	1,121.00
66077	10/14/2015	Printed		11120.275	OLGA EHOFF	AMBULANCE OVERPAYMENT REIMB	1,005.20
66078	10/14/2015	Printed		10610.500	CASSY FAIN	SUPERVISORY UPDATE PER DIEM	54.00
66079	10/14/2015	Printed		10610.605	FAMILY HEALING CENTER	MDIC INTERVIEW	400.00
66080	10/14/2015	Printed		10624.900	RICHARD FIGUEROA	BICYCLE TRAINING PER DIEM	65.00
66081	10/14/2015	Printed		10640.265	FORENSIC NURSE SPECIALIST, INC	EXAM - 15-4185	900.00
66082	10/14/2015	Printed		10670.270	FRESNO CO	RMS/JMS/CAD ACCESS FEES	478.24
66083	10/14/2015	Printed		10670.292	TREASURER-SHERIFF		
					FRESNO COUNTY AUDITOR'S OFFICE	COUNTY PARKING	75.00
66084	10/14/2015	Printed		10670.160	FRESNO COUNTY CLERK	2015-0050 READER BOARD SIGNS	50.00
66085	10/14/2015	Printed		10670.583	FRUSA EMS	AMBULANCE BILLING	5,288.23
66086	10/14/2015	Void	10/14/2015			Void Check	0.00
66087	10/14/2015	Void	10/14/2015			Void Check	0.00
66088	10/14/2015	Void	10/14/2015			Void Check	0.00
66089	10/14/2015	Printed		10700.080	G&K SERVICES	LINEN/UNIFORM SERVICE	692.02
66090	10/14/2015	Printed		11040.176	MAGNOLIA S. JIMENEZ GALLARDO	PHLEBOTOMY SERVICE 15-4779	50.00
66091	10/14/2015	Printed		10710.400	MICHAEL CALEB GARCIA	COPSWEST PER DIEM	195.00
66092	10/14/2015	Printed		10710.617	GREG GARNER	POLICE CHIEFS ASSOC WORKSHOP	150.00
66093	10/14/2015	Printed		10760.097	JUAN GUZMAN	SHEL SILVERSTEIN SUPPLIES REIM	68.68
66094	10/14/2015	Printed		10820.020	HEALTHEDGE	ADMINISTRATIVE FEES	772.30
66095	10/14/2015	Printed		10820.020	ADMINISTRATORS INC.		
					HEALTHEDGE	DENTAL CLAIMS	3,158.54
					ADMINISTRATORS INC.		
66096	10/14/2015	Printed		10820.155	HENRY SCHEIN INC.	MEDICAL SUPPLIES	1,014.84
66097	10/14/2015	Void	10/14/2015			Void Check	0.00
66098	10/14/2015	Printed		10820.702	HEWLETT-PACKARD FINANCIAL SERV	LEASES	16,371.19
66099	10/14/2015	Printed		10850.149	HUB INTERNATIONAL	SELMA CANCER SUPPORT	148.68
66100	10/14/2015	Printed		10900.362	INDUSTRIAL HEALTH CARE	PRE EMPLOYMENT PHYSICAL-PW	672.00
66101	10/14/2015	Printed		11040.385	JOSHUA JOHNSON	SUPERVISORY UPDATE PER DIEM	24.00
66102	10/14/2015	Printed		11040.710	JORGENSEN & COMPANY	FIRE EXT SERVICE-FLEET	814.62
66103	10/14/2015	Printed		11050.650	JUDICIAL DATA SYSTEM	PARKING CITATIONS	5.92
66104	10/14/2015	Printed		11140.495	KINGSBURG VETERINARY CLINIC	K9 VACCINATIONS	55.94
66105	10/14/2015	Printed		11220.027	LEE CENTRAL CALIFORNIA	PUBLICATIONS	234.08

# Check Register Report

Date: 10/27/2015  
Time: 4:20 pm  
Page: 2

City of Selma

BANK: UNION BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>UNION BANK Checks</b>							
66106	10/14/2015	Printed		11310.136	MADD CENTRAL CALIFORNIA	KEYCHAINS	499.70
66107	10/14/2015	Printed		11310.681	MARATHON DISTRIBUTORS, INC.	BINGO MACHINE MOTOR	108.23
66108	10/14/2015	Printed		11365.099	STEPHEN G MUIR	ARRANTS STORM DRAIN SURVEY	10,000.00
66109	10/14/2015	Printed		11448.023	NEXUS ENERGY SYSTEMS	REFUND-BUILDING PERM 15-0433	334.95
66110	10/14/2015	Printed		11530.100	OFFICE DEPOT	OFFICE SUPPLIES	355.66
66111	10/14/2015	Printed		11620.115	LANCE PEARCE	BICYCLE TRAINING PER DIEM	65.00
66112	10/14/2015	Printed		11620.724	ANNE PETERSON	STEEL MAGNOLIAS PROPS REIMB	25.00
66113	10/14/2015	Printed		11810.361	RAY MORGAN COMPANY	MAINT/COPY AGREEMENT	407.11
66114	10/14/2015	Printed		11840.166	JESSIE ROSALES	CERAMIC SUPPLIES-SENIOR CENTER	141.00
66115	10/14/2015	Printed		11910.183	SACRAMENTO METROPOLITAN FIRE	GEMT COST	1,404.73
66116	10/14/2015	Printed		11910.433	SAMPSON, SAMPSON, AND PATTERSON	AUDIT-YE 06/30/15	9,800.00
66117	10/14/2015	Printed		11926.843	SECOND CHANCE ANIMAL SHELTER	REIMB OF DONATION CHECK	80.00
66118	10/14/2015	Printed		11945.298	SELMA DISPOSAL	GARBAGE-SEPTEMBER 2015	110,817.20
66119	10/14/2015	Printed		11900.389	SPARKLETTS	WATER SERIVCE-PD	118.82
66120	10/14/2015	Printed		11988.100	SURVEILLANCE INTEGRATION INC.	CAMERAS FOR SALAZAR PARK	12,955.80
66121	10/14/2015	Void	10/21/2015	11990.100	SWANSON-FAHRNEY FORD	VEHICLE STORAGE FOR EVIDENCE	0.00
66122	10/14/2015	Printed		12010.108	TAG-AMS, INC.	EMPLOYEE DRUG TESTING	73.50
66123	10/14/2015	Printed		11945.400	THE KINGSBURG RECORDER	SUBSCRIPTION RENEWAL	26.00
66124	10/14/2015	Printed		12030.143	THE SHIRT SHAK	COED SOFTBALL AWARDS	400.14
66125	10/14/2015	Printed		12072.972	TYCO INTEGRATED SECURITY LLC	ALARM SERVICE	2,157.89
66126	10/14/2015	Printed		12100.050	U.S. BANK CORPORATE PMT SYSTEM	CALCARD CHARGES 8/24-9/22/15	58,660.95
66127	10/14/2015	Printed		12220.210	VALLEY NETWORK SOLUTIONS INC.	NETCARE	4,774.50

**Total Checks: 67** **Checks Total (excluding void checks): 310,515.89**

**Total Payments: 67** **Bank Total (excluding void checks): 310,515.89**

**Total Payments: 67** **Grand Total (excluding void checks): 310,515.89**

			TRANSACTION		DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT	Trace Numbers to employee Statement and Agree
DEPARTMENT	EMPLOYEE NAME	EMPLOYEE POSITION	DATE	VENDOR NAME				
ADMINISTRATION	TESLA NASON	HUMAN RESOURCE ANALYST	9/6/2015	SAVE MART	SNACKS FOR POLICE OFC. INTERVIEWS	100-1400-610.920.000	10.97	10.97
	REYNA RIVERA	CITY CLERK	9/10/2015	THE BUSINESS JOURNAL	ANNUAL SUBSCRIPTION-CITY MGR	100-1300-600.210.000	69.00	69.00
	ROSEANN GALVAN	ADMINISTRATIVE ANALYST	9/8/2015	WALMART	AMBASSADOR MEETING SUPPLIES	100.1550.610.920.000	14.25	14.25
FIRE	CITY OF SELMA FIRE QRT MST	ENGINEER	9/2/15	USPS	POSTAGE	100-2500-600.120.000	16.15	
	CITY OF SELMA FIRE QRT MST	ENGINEER	9/2/15	WALMART	STATION SUPPLIES	100-2525-600.250.000	11.96	28.11
	CITY OF SELMA-STATION 1	CAPTAIN	8/25/15	HOME DEPOT	STATION 1 ROOF REPAIRS	100-2500-600.370.000	9.78	
	CITY OF SELMA-STATION 1	CAPTAIN	8/26/15	HOME DEPOT	STATION 2 REMODEL	100-2500-600.370.000	20.16	29.94
	CITY OF SELMA-STATION 2	CAPTAIN	8/28/15	NELSONS HARDWARE	COOLER PUMP FOR STATION 2, COOLER PADS FOR ST 1 & 2	100-2500-600.370.000	102.63	
	CITY OF SELMA-STATION 2	CAPTAIN	8/28/15	NELSONS HARDWARE	ARMOR ALL FOR ENGINE	100-2525-600.250.000	14.11	
	CITY OF SELMA-STATION 2	CAPTAIN	9/1/15	HOME DEPOT	STATION 2 REMODEL	100-2500-600.370.000	54.05	
	CITY OF SELMA-STATION 2	CAPTAIN	9/3/15	LITTLE CEASARS	FIRELINE MEAL-DINNER	100-2525-600.250.000	29.61	
	CITY OF SELMA-STATION 2	CAPTAIN	9/14/15	HOME DEPOT	STATION 2 REMODEL	100-2500-600.370.000	42.01	
	CITY OF SELMA-STATION 2	CAPTAIN	9/19/15	HOME DEPOT	STATION 2 REMODEL	100-2500-600.370.000	10.04	252.45
	KELLI TELLEZ	DEPARTMENT SECRETARY	8/25/15	HOME DEPOT-SELMA, CA	LASER MEASURE AND DIGITAL SCALE	100-2550-600.250.000	169.91	
	KELLI TELLEZ	DEPARTMENT SECRETARY	9/1/15	SAVE MART	BREAKFAST FOR STAFF MEETING	100-2500-600.250.000	14.06	
	KELLI TELLEZ	DEPARTMENT SECRETARY	9/3/15	WORLDPOINT	CPR BOOKS	100-2500-600.250.200	280.34	
PLANNING /	KELLI TELLEZ	DEPARTMENT SECRETARY	9/9/15	USPS	STAMPS AND POSTAGE	100-2500-600.120.000	49.00	
	KELLI TELLEZ	DEPARTMENT SECRETARY	9/9/15	WALMART-SELMA	PAPER TOWELS	100-2500-600.250.000	14.10	
	KELLI TELLEZ	DEPARTMENT SECRETARY	9/8/15	CA CONF OF ARSON	ARSON MEMBERSHIP RENEWAL FOR CEASAR LUNA	100-2500-610.900.000	125.00	652.41
	JERRY HOWELL	INFORMATION SYSTEMS SUPERVISOR	8/31/2015	KRATOS MUSIC	XLR CORD FOR MIKE-COUNCIL CHAMBERS	100-1100-600.250.000	32.61	32.61
POLICE	CALEB GARCIA	POLICE OFFICER	8/25/2015	CHEVRON	FUEL	701-9200-600.257.000	39.18	
	CALEB GARCIA	POLICE OFFICER	8/26/2015	TACO BELL	FOOD	100-2100-600.250.000	23.70	62.88
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	8/27/2015	GALLS	PRISONER TRANSPORT HOODS	100-2200-600.250.000	100.04	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	8/26/2015	AMAZON.COM	LAPEL MICROPHONES	100-2200-600.250.000	25.10	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	8/27/2015	AMAZON.COM	LAPEL MICROPHONES	100-2200-600.250.000	25.10	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	8/27/2015	LYNN PEAVEY CORPORATION	NIK KITS, FINGERPRINT INK PAD	100-2200-600.250.000	374.16	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	8/28/2015	AMAZON.COM	TWO-WAY RADIO BATTERIES	100-2200-600.250.000	104.75	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	8/28/2015	ARROWHEAD SCIENTIFIC, INC.	CABLE TIES & CELL PHONE FARADAY BAG	100-2200-600.250.000	67.95	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	8/27/2015	LYNN PEAVEY CORPORATION	CREDIT FOR INCORRECT NIK KITS	100-2200-600.250.000	-230.50	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	9/1/2015	GALLS	PRISONER TRANSPORT HOODS & CABLE	100-2200-600.250.000	403.73	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	9/8/2015	AMAZON.COM	MOTOROLA RADIO HOLSTER	100-2200-600.250.000	57.45	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	9/9/2015	DASH MEDICAL GLOVES	LATEX GLOVES	100-2200-600.250.000	167.22	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	9/10/2015	BEST BUY	MEMORY CARDS	100-2200-600.250.000	38.00	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	9/9/2015	OFFICE DEPOT	INK CARTRIDGES, MARKERS	100-2100-600.250.000	73.56	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	9/15/2015	MADERA UNIFORM & ACCESSORIES	SHIRTS	100.2200.600.250.000	149.88	
	DEBBIE GOMEZ	COMMUNITY SERVICE OFFICER	9/15/2015	GALLS	DUTY BELTS, HANDCUFFS, MAGAZINE HO	100.2200.600.250.000	814.25	2,170.69
	FRANK SANTILLAN	POLICE SERGEANT	8/25/2015	UNIFORM WAREHOUSE	POLICE EXPLORERS	100.000.270.091.000	45.55	
	FRANK SANTILLAN	POLICE SERGEANT	8/24/2015	ZENNI OPTICAL	REVOLVING ACCT SANTILLAN	100.0000.123.010.000	36.90	
	FRANK SANTILLAN	POLICE SERGEANT	9/5/2015	WALMART SELMA, CA.	PD CLEANING SUPPLIES	100.2100.600.250.000	29.29	
	FRANK SANTILLAN	POLICE SERGEANT	9/4/2015	ARCO, AMPM ANAHEIM, CA.	CITY VEHICLE FUEL	701.9200.600.257.000	43.40	
	FRANK SANTILLAN	POLICE SERGEANT	9/4/2015	POROTFINO ANAHEIM, CA.	TRAINING HOTEL FEE	100.2200.610.915.000	30.00	
	FRANK SANTILLAN	POLICE SERGEANT	9/7/2015	WALMART SELMA, CA.	PD CLEANING SUPPLIES	100.2100.600.250.000	10.70	
	FRANK SANTILLAN	POLICE SERGEANT	9/19/2015	AUTOZONE SELMA, CA.	PD UNIT CLEANING SUPPLIES	100.2100.600.250.000	14.99	210.83
	GREG GARNER	POLICE CHIEF	9/1/2015	THE CLIFFS RESORT	FMCPCA WORKSHOP	100-2300-610.915.000	467.85	467.85
	JACOB PUMAREJO	POLICE OFFICER	8/29/2015	SHELL FRESNO	FUEL VEH#170	701-9200-600.257.000	44.32	
	JACOB PUMAREJO	POLICE OFFICER	8/28/2015	BEST BUY FRESNO	CHARGING CORDS/TV IPAD CONNECT	100-2100-600.250.000	151.47	
	JACOB PUMAREJO	POLICE OFFICER	8/31/2015	H2O COSTA MESA	PER DIEM DINNER	100-2200-610.915.000	28.08	
	JACOB PUMAREJO	POLICE OFFICER	9/2/2015	DOUBLE TREE LA	LODGING/COURT LA COUNTY	100-2200-610.915.000	241.81	
	JACOB PUMAREJO	POLICE OFFICER	9/1/2015	JUSTICE RESTAURANT LA	PER DIEM LUNCH	100-2200-610.915.000	19.08	
	JACOB PUMAREJO	POLICE OFFICER	9/3/2015	PENNYWISE FRESNO	FUEL VEH#170	701-9200-600.257.000	43.07	
	JACOB PUMAREJO	POLICE OFFICER	9/8/2015	SHELL FRESNO	FUEL VEH#170	701-9200-600.257.000	46.02	
	JACOB PUMAREJO	POLICE OFFICER	9/17/2015	SHELL FRESNO	FUEL VEH#170	701-9200-600.257.000	35.01	
	JACOB PUMAREJO	POLICE OFFICER	9/18/2015	ELM FOOD MART FRESNO	FUEL VEH#170	701-9200-600.257.000	37.89	
	JACOB PUMAREJO	POLICE OFFICER	9/18/2015	ITUNES -APPLE STORE	USED CALCARD BY MISTAKE-REIMBURSED THE CITY	800-0000-220.000.000	14.98	
	JACOB PUMAREJO	POLICE OFFICER	9/21/2015	MARRIOT ANAHEIM	PARKING WHILE AT TRAINING	100-2200-610.915.000	96.00	757.73
	JACOB PUMAREJO	POLICE OFFICER						

			TRANSACTION		DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT	Trace Numbers to employee Statement and Agree
DEPARTMENT	EMPLOYEE NAME	EMPLOYEE POSITION	DATE	VENDOR NAME				
POLICE	MYRON DYCK	LIEUTENANT	8/25/2016	LIND ELECTRONICS	REPLACEMENT POWER CORDS FOR MDTs	100-2200-600.375.000	53.85	
	MYRON DYCK	LIEUTENANT	8/26/2015	GALLS	PATROL SUPPLIES	100-2200-600.250.000	805.73	
	MYRON DYCK	LIEUTENANT	8/31/2015	WALMART	CLOTHING FOR SCABIES EXPOSURE PER TESLA	100-2200-600.250.000	17.74	
	MYRON DYCK	LIEUTENANT	9/10/2015	NELSON'S	SPARE KEYS FOR NEW EXPLORERS	100-2200-600.250.000	7.15	
	MYRON DYCK	LIEUTENANT	9/17/2015	SPIKE N RAIL	LUNCH FOR POLICE OFFICER ORAL PANEL	100-1400-600.250.000	71.90	
	MYRON DYCK	LIEUTENANT	9/18/2015	METRO UNIFORM	SHOULDER PATCHES	100-2200-600.250.000	429.46	1,385.83
	POLICE DEPT NO 1		8/23/2015	TRAVEL CENTER-ARVIN, CA	FUEL	701.9200.600.257.000	20.00	
	POLICE DEPT NO 1		8/23/2015	TRAVEL CENTER-ARVIN, CA	FUEL	701.9200.600.257.000	44.09	64.09
	RENE GARZA	DETECTIVE -POLICE OFFICER	9/1/2015	SINACO OIL & CORP	FUEL	701-9200-600.257.000	33.86	
	RENE GARZA	DETECTIVE -POLICE OFFICER	8/31/2015	H20 RESTAURANT	PER-DIEM FOR DINNER	100-2100-610.920.000	30.00	
	RENE GARZA	DETECTIVE -POLICE OFFICER	9/1/2015	ARCHDIOCESE	GARAGE PARKING	100-2100-610.920.000	18.00	
	RENE GARZA	DETECTIVE -POLICE OFFICER	9/2/2015	DOUBLE TREE HOTEL	HOTEL PARKING FEE	100-2100-610.920.000	35.00	116.86
	RUDY ALCARAZ	SERGEANT	8/25/2015	BEST BUY	DIGITAL CAMERA/ DUTY GEAR	100-2200-700.200.000	687.58	
	RUDY ALCARAZ	SERGEANT	8/25/2015	AMAZON	RADIO ANTENNA / DUTY GEAR	100-2200-700.200.000	47.45	
	RUDY ALCARAZ	SERGEANT	8/25/2015	AMAZON	RADIO BATTERY / DUTY GEAR	100-2200-700.200.000	20.95	
	RUDY ALCARAZ	SERGEANT	8/24/2015	PROFORCE LAW ENFORCEMENT	TASER CARTRIDGES / DUTY GEAR	100-2200-700.200.000	865.14	
	RUDY ALCARAZ	SERGEANT	8/27/2015	THE BEARS DEN	CHIEF'S MEETING	100-2200-600.250.000	15.00	
	RUDY ALCARAZ	SERGEANT	9/14/2015	CORNER STORE	FUEL / KEY NOT OPERABLE UNIT 162	701.9200.600.257.000	45.38	
	RUDY ALCARAZ	SERGEANT	9/17/2015	SMART & FINAL	SUPPLIES / REALITY TOURS (ENHANCEMENT)	800-0000-220.000.000	83.08	
	RUDY ALCARAZ	SERGEANT	9/17/2015	THE BEARS DEN	CHIEF'S MEETING	100-2200-600.250.000	16.00	
	RUDY ALCARAZ	SERGEANT	9/16/2015	NATIONAL NEIGHBORHOOD WATCH	NEIGHBORHOOD WATCH SUPPLIES (ENHANCEMENT)	800-0000-220.000.000	37.82	1,818.40
	STEVE MARES	COMMUNITY RESOURCE OFFICER	8/24/2015	NELSON'S ACE HARDWARE	KEYS	100.2100.600.250.000	27.99	
	STEVE MARES	COMMUNITY RESOURCE OFFICER	8/26/2015	MCDONALDS	PRISONER MEAL	100.2100.600.250.000	7.59	
	STEVE MARES	COMMUNITY RESOURCE OFFICER	9/14/2015	OFFICE MAX	HARD DRIVE	100.2100.600.250.000	76.09	111.67
	TERRY REID	SERGEANT	9/6/2015	AUTO ZONE	HEADLAMP BULB	701-9200-600.256.000	23.91	
	TERRY REID	SERGEANT	9/9/2015	TARGETS ONLINE	RANGE TARGETS AND PASTER ROLLS	100-2200-600.250.000	95.33	
	TERRY REID	SERGEANT	9/9/2015	LAW ENFORCEMENT TARGETS	RANGE QUALIFICATION TARGETS	100-2200-600.250.000	37.08	156.32
PUBLIC WORKS	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	8/4/2015	CENTRAL SANITARY SUPPLY	TP FOR PARKS	100-5300-600.250.000	87.68	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	8/4/2015	CENTRAL SANITARY SUPPLY	MISCELLANEOUS JANITORIAL SUPPLIES	702-9300-600.250.000	540.22	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	8/24/2015	HOME DEPOT	DOWNTOWN LANDSCAPING	210-5400-600.250.000	51.83	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	8/26/2015	GRAINGER	SAFETY GLASSES	100-5300-600.250.000	111.81	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	8/26/2015	GRAINGER	SAFETY GLASSES	210-5400-600.250.000	111.81	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	8/28/2015	AMAZON.COM	LED EMERGENCY LIGHTING FOR CITY HALL RESTROOMS	702-9300-600.370.000	34.78	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/1/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES	100-5300-600.250.000	4.64	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/1/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES	702-9300-600.250.000	19.22	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/1/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES	100-5300-600.250.000	78.77	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/1/2015	EWING IRRIGATION PRODUCTS	SPRINKLER SUPPLIES	100-5300-600.250.000	221.50	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/1/2015	EWING IRRIGATION PRODUCTS	SPRINKLER SUPPLIES	100-5300-600.250.000	254.76	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/1/2015	EWING IRRIGATION PRODUCTS	SPRINKLER SUPPLIES	100-5300-600.250.000	337.73	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/2/2015	ZUMAR INDUSTRIES	SCHOOL CROSSING SIGNS - MEASURE C FLEX	214-5400-600.250.000	470.42	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/3/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES LLMD5	220-5300-600.250.405	5.92	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/3/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES LLMD1	220-5300-600.250.401	5.92	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/3/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES LLMD2	220-5300-600.250.402	5.92	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/3/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES LLMD6	220-5300-600.250.406	5.92	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/3/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES LLMD7	220-5300-600.250.407	5.92	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/3/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES LLMD8	220-5300-600.250.408	5.92	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/3/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES LLMD11	220-5300-600.250.411	5.92	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/3/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES LLMD4	220-5300-600.250.404	5.92	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/3/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES LLMD3	220-5300-600.250.403	5.92	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/3/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES	100-5300-600.250.000	57.68	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/3/2015	CENTRAL FLOOR SUPPLY	FLOORING FOR W FRONT FIRE STATION	702-9300-600.370.000	251.13	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/9/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES	210-5400-600.250.000	52.50	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/15/2015	GRAINGER	SECURITY PLANTER	100-5300-600.250.000	529.71	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/16/2015	STATEWIDE TRAFFIC SAFETY & SIGNS	SANDBAGS	210-5400-600.250.000	1244.59	
	ROMEO SHIPLEE	PUBLIC WORKS DIRECTOR	9/18/2015	SAFETYLINE	WINTER JACKET	100-5300-600.300.000	115.37	4,629.43

			TRANSACTION		DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT	Trace Numbers to employee Statement and Agree
DEPARTMENT	EMPLOYEE NAME	EMPLOYEE POSITION	DATE	VENDOR NAME				
PUBLIC WORKS	SHANE FERRELL	MAINTENANCE WORKER III	8/27/2015	HOME DEPOT	ARTIFICIAL TURF INSTALLATION - MEASURE C FLEX	214-5400-600.250.000	84.22	405.48
	SHANE FERRELL	MAINTENANCE WORKER III	8/31/2015	NELSON'S ACE HARDWARE	CONCRETE FOR TURF INSTALLATION - MEASURE C FLEX	214-5400-600.250.000	32.62	
	SHANE FERRELL	MAINTENANCE WORKER III	9/1/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES	702-9300-600.250.000	7.59	
	SHANE FERRELL	MAINTENANCE WORKER III	9/1/2015	HOME DEPOT	SPECIAL SUPPLIES - SALAZAR CENTER	702-9300-600.250.000	80.38	
	SHANE FERRELL	MAINTENANCE WORKER III	9/3/2015	HOME DEPOT	CHEMICAL SPRAYER	100-5300-600.250.000	7.19	
	SHANE FERRELL	MAINTENANCE WORKER III	9/10/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES - SALAZAR PARK	100-5300-600.250.000	8.65	
	SHANE FERRELL	MAINTENANCE WORKER III	9/10/2015	NELSON'S ACE HARDWARE	CONCRETE FOR INSTALLATION OF SURVEILLANCE CAMERA AT SALAZAR	407-5100-450.100.000	76.11	
	SHANE FERRELL	MAINTENANCE WORKER III	9/10/2015	NELSON'S ACE HARDWARE	CONCRETE FOR INSTALLATION OF SURVEILLANCE CAMERA AT SALAZAR	407-5100-450.100.000	108.72	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/24/2015	SWANSON FAHRNEY FORD	AUTO PARTS - #222	701-9200-600.256.000	199.26	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/24/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #149	701-9200-600.457.000	770.53	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/24/2015	LES SCHWAB	AUTO SERVICE REPAIRS - # 315	701-9200-600.457.000	142.25	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/24/2015	MCCARTY'S COLLISION CENTER	AUTO SERVICE REPAIR - #3601	701-9200-600.457.000	240.98	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/24/2015	DAVE'S TOWING	TOWING - #714	701-9200-600.458.000	65.00	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/24/2015	COOK'S COMMUNICATION	INVOICE #124835 DATED 07/17/15 - AUTO SERVICE REPAIR #90	701-9200-600.457.000	309.55	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/24/2015	COOK'S COMMUNICATION	INVOICE #125165 DATED 08/14/15 - AUTO SERVICE REPAIR #89	701-9200-600.457.000	877.92	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/25/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #168	701-9200-600.457.000	1036.54	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/25/2015	LES SCHWAB	AUTO PARTS - # 803	701-9200-600.256.000	629.43	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/26/2015	NELSON'S ACE HARDWARE	AUTO PARTS	701-9200-600.256.000	38.75	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/26/2015	LES SCHWAB	AUTO SERVICE REPAIR - #222	701-9200-600.457.000	818.25	
PUBLIC WORKS	STEVE GIBBS	EQUIPMENT MECHANIC III	8/27/2015	HI-TECH EVS INC.	AUTO SERVICE REPAIR - #8653	701-9200-600.457.000	5376.33	43,267.72
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/27/2015	BECK CHRYSLER DODGE JEEP	AUTO PARTS - #3601	701-9200-600.256.000	611.58	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/28/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #222	701-9200-600.457.000	31.67	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/31/2015	NAPA AUTO PARTS	AUTO PARTS - SHOP	701-9200-600.256.000	61.86	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/31/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #211	701-9200-600.457.000	31.67	
	STEVE GIBBS	EQUIPMENT MECHANIC III	8/31/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #159	701-9200-600.457.000	376.05	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/1/2015	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES - SHOP	701-9200-600.250.000	84.58	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/1/2015	NAPA AUTO PARTS	AUTO PARTS	701-9200-600.256.000	188.96	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/2/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #716	701-9200-600.457.000	131.49	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/2/2015	LES SCHWAB	AUTO SERVICE REPAIR - #720	701-9200-600.457.000	326.21	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/3/2015	NELSON'S ACE HARDWARE	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	65.22	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/4/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #163	701-9200-600.457.000	564.23	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/8/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #173	701-9200-600.457.000	832.89	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/8/2015	HERWALDT MOTORSPORTS - BMW	AUTO SERVICE REPAIR -	701-9200-600.457.000	2541.81	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/9/2015	NAPA AUTO PARTS	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	51.63	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/10/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #161	701-9200-600.457.000	262.82	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/10/2015	BATTERY SYSTEMS	AUTO PARTS	701-9200-600.256.000	321.83	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/10/2015	ZEE MEDICAL SERVICE CO.	FIRST AID KIT SUPPLIES	210-5400-600.250.000	58.29	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/10/2015	ZEE MEDICAL SERVICE CO.	FIRST AID KIT SUPPLIES	100-5300-600.250.000	58.29	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/10/2015	ZEE MEDICAL SERVICE CO.	FIRST AID KIT SUPPLIES	701-9200-600.250.000	58.30	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/10/2015	ZEE MEDICAL SERVICE CO.	AUTO PARTS - STOCK	701-9200-600.256.000	353.08	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/10/2015	ALTEC INDUSTRIES	AUTO SERVICE REPAIR - #2600	701-9200-600.457.000	11257.07	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/11/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #178	701-9200-600.457.000	32.18	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/11/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #714	701-9200-600.457.000	912.22	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/11/2015	ASBURY ENVIRONMENTAL SERVICES	USED OIL DISPOSAL	701-9200-600.455.000	35.00	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/14/2015	NAPA AUTO PARTS	AUTO PARTS - #2116	701-9200-600.256.000	7.06	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/14/2015	NAPA AUTO PARTS	AUTO PARTS - #1313	701-9200-600.256.000	9.34	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/14/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #726	701-9200-600.457.000	559.00	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/14/2015	O'REILLY AUTO SUPPLY	AUTO PARTS - STOCK	701-9200-600.256.000	156.13	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/14/2015	LES SCHWAB	AUTO SERVICE REPAIR - #169	701-9200-600.457.000	447.31	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/14/2015	SIGN RANCH	AUTO SERVICE REPAIR - #502	701-9200-600.457.000	354.71	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/15/2015	NAPA AUTO PARTS	AUTO PARTS - #1313	701-9200-600.256.000	29.55	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/15/2015	SWANSON FAHRNEY FORD	AUTO PARTS - #723	701-9200-600.256.000	64.27	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/15/2015	FAHRNEY BUICK GMC	AUTO SERVICE REPAIR - #224	701-9200-600.457.000	237.12	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/15/2015	TIFCO	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	1104.18	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/15/2015	GOODYEAR TIRE & RUBBER COMPANY	AUTO PARTS - STOCK	701-9200-600.256.000	1902.77	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/16/2015	NELSON'S ACE HARDWARE	AUTO PARTS	701-9200-600.256.000	231.49	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/16/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #175	701-9200-600.457.000	1138.11	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/16/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #172	701-9200-600.457.000	1912.91	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/17/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #723	701-9200-600.457.000	34.03	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/17/2015	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #169	701-9200-600.457.000	536.04	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/17/2015	TIFCO	SMALL TOOLS & MINOR EQUIPMENT	701-9200-600.305.000	22.97	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/17/2015	TIFCO	SMALL TOOLS & MINOR EQUIPMENT	701-9200-600.305.000	32.41	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/18/2015	QUINN COMPANY	AUTO SERVICE REPAIR - #3408	701-9200-600.457.000	2779.34	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/18/2015	BATTERY SYSTEMS	AUTO PARTS	701-9200-600.256.000	160.91	
	STEVE GIBBS	EQUIPMENT MECHANIC III	9/21/2015	GOODYEAR TIRE & RUBBER COMPANY	AUTO PARTS	701-9200-600.256.000	1794.35	



## CITY MANAGER'S REPORT

CITY COUNCIL MEETING DATE:

NOVEMBER 2, 2015

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ITEM NO:

2.

SUBJECT:

Consideration and Necessary Action on (1) Resolution Approving the Amberwood Specific Plan and Pre-Zoning the Specific Plan Area; and, (2) Certifying the Environmental Impact Report and a Statement of Overriding Considerations on the Project.

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DISCUSSION:

The Amberwood Project filed under submittal No. 2005-0065 is a proposed Master Planned Community Specific Plan which would include a mixture of residential, commercial, and civic land uses for approximately 7,700 residents in the City of Selma ( the "Project" ). The Project consists of the development of approximately 2,558 residential units with approximately 131,200 sq. ft. of commercial space along with approximately 100 high density residential mixed-use units on the second floor of the commercial space. The Project would include a community park, elementary school, and a linear park running the length of the Project replacing DelRey Avenue. The Project will be built out in approximately 20 phases which will require the submission and approval of one or more tentative tract maps. The Project will be located in the Northeast portion of the City of Selma's approved 2035 General Plan study area located near Dockery Avenue-Orange Avenue on the west, East Dinuba on the north, South Amber Avenue on the west, and Floral Avenue on the south.

Before the Council is consideration of two Resolutions: (1), Certifying the Environmental Impact Report (Schedule No. 2007051003) for the Project and adopting a Statement of Overriding Considerations; and, (2), Approving the Specific Plan and pre-zone of the parcels located outside the City limits of the City of Selma. The Resolution certifying the EIR is lengthy and includes voluminous attachments, including the Final EIR (FEIR) and Specific Plan and a detailed Statement of Overriding Considerations. This is necessary only because to certify an EIR each of the members of the Council must have "considered" the information in all three documents. This does not mean that it is necessary to conduct a word by word review of both the Specific Plan and FEIR. Instead, the FEIR and Specific Plan are provided to enable each Council person to verify, as he or she chooses, the accuracy of information or conclusions that are stated in the Resolution certifying the EIR and Statement of Overriding Considerations.

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The Amberwood Specific Plan was originally proposed in 2005, long before the current drought. Further, at the time the project was proposed, the City was lead to believe (by SKF) that there was no capacity at the Plant to handle sewage from this territory (a condition that was subsequently corrected) and the existing collection lines do not have the capacity to accept that flow (a condition that has not been corrected). Accordingly, at the time the project was initially proposed until on or about 2013, the City's belief was that the only way in which sewer service could be provided to this territory would be by "package plants" or self-contained sewer treatment facilities that would require some place to store or, allow to percolate, the tertiary effluent coming from those package plants. Because of that, the original plan was to develop a series of lakes, which would be kept full by the effluent emitted from the package plants.

When the Planning Commission considered the project on September 28, 2015, the primary comment in opposition to approval of the Specific Plan was the existence of the planned lakes or other water features. At this point in time, it is clear that the territory can and will, if developed, be served by SKF. The City is planning installation of a lateral trunk line along Dinuba Avenue that development in this territory could connect to which, in turn, will flow to an interceptor line in Golden State Avenue leading to the SKF Waste Water Treatment Plant.

The Planning Commission, considering the comments made at their hearing opposing the establishment of any man-made lakes or water feature, approved a resolution recommending approval of the Specific Plan and certification of the accompanying EIR, but only if the territory is developed under what is referred to in the EIR as "Option A", which does not allow for the development or creation of any lake, lakes or water features and requires sewer service to be provided by SKF. Only in the unlikely event that a package plant would be necessary to provide sewer service to this territory would the development include any lake, lakes, or water features. After receiving substantial comment from the public, and considering the proposed Specific Plan and EIR, the Planning Commission recommended approval of the Specific Plan, approval of a resolution pre-zoning the property within the Specific Plan area, and a resolution certifying the FEIR with a Statement of Overriding Considerations.

The Planning Commission determined, for the reasons set out below, that the proposed Specific Plan is consistent with the General Plan, that the EIR adequately and appropriately addresses the environmental impacts of the project through mitigation or by adoption of a Statement of Overriding Considerations and adopted

its resolution recommending to this Council that the Specific Plan, pre-zoning and EIR all be approved or certified, as appropriate.

Consistency with General Plan.

The City of Selma 2035 General Plan specifically refers to the Project in relation to land use and circulation, parks/open space and recreational facilities. The Amberwood Specific Plan is also incorporated into the 2035 General Plan Land Use and Circulation Map within the 2035 General Plan Planning Area.

Certification of the EIR.

The FEIR identifies significant environmental impacts which cannot be mitigated to a less than significant impact on the environment. A Proposed Statement of Overriding Considerations is included in the proposed Resolution certifying the FEIR. The Statement of Overriding Considerations sets forth the reasons why the benefits of the Project outweigh the significant and unavoidable environmental impacts of the Project identified in the Final EIR.

These significant and unavoidable impacts include effects on traffic and transportation. These impacts are proposed to be mitigated by requiring that a traffic study be performed with each phase of the Project and that identified mitigation measure(s) be conditions of approval of any vesting tentative tract map. Certain other unavoidable significant impacts are primarily a function of the traffic impacts, such as the impact to air quality, and are proposed to be addressed in the same manner, by requiring CEQA review of actual development as it is proposed. The overriding considerations identify most of the environmental concerns required to be addressed in an EIR as unavoidable, simply because it is not possible to mitigate impacts of development until more precise information becomes available when actual development is proposed. In other words, the FEIR is a “program” EIR identifying impacts most likely to be caused by the development that is probable, while deferring to a later “project” level EIR that will be required as actual development is proposed.

Approval of the Specific Plan and Pre-Zone of Specific Plan Area.

The Amberwood Specific Plan, as mentioned above, is a Master Planned Community that integrates residential, commercial, high density residential above the commercial uses, and civic uses that features a large variety of parks and open spaces including a linear park. The Specific Plan designation S-PA is already in Selma Municipal Code §11-15.2-2(A). The Project is included in the City of Selma’s 2035 General Plan Update and specifically the land use designations within the Project were included in the Land Use Element of the General Plan and appear on the General Plan Land

Use and Circulation Map. As a result, the pre-zoning of land within the Project which is currently outside city limits of the City of Selma are necessarily consistent with the 2035 General Plan.


The Specific Plan and the pre-zoning of the land within the Specific Plan area will provide the framework for new development in this Specific Plan area in accordance with SMC Section 11-15.2-7.

<b><u>COST</u></b>		<b><u>BUDGET IMPACT</u></b>
None.		None.
<b><u>FUNDING</u></b>		<b><u>ON-GOING COST</u></b>
Not applicable.		Not applicable.

**RECOMMENDATION:** Approve Resolution certifying the Amberwood Specific Plan Project FEIR and adopt Statement of Overriding Considerations and Resolution Approving the Amberwood Specific Plan and Pre-Zone of the land within the Specific Plan area with the land use designations as set forth in the Amberwood Specific Plan Map.

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Date: September 21, 2015

  
Neal E. Costanzo  
City Attorney for City of Selma

Date: September 21, 2015

  
Ken Grey, City Manager/  
Community Development Director/  
Secretary of the Planning Commission

**ATTACHMENTS:** due to the size of the attachments, they are separate documents, and not included in this packet.

Multiple documents, including the FEIR and Specific Plan incorporated by reference into Resolution Certifying the EIR.

{00013775.DOCX;1}

**CITY MANAGER'S/STAFF'S REPORT  
REGULAR CITY COUNCIL MEETING DATE:**

November 2, 2015

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**ITEM NO:** 3.

**SUBJECT:** Consideration and necessary action on Ordinance amending  
2035 General Plan Land Use Designation, Zoning, on 1541  
Evergreen Street, APN:389-229-08 & 389-229-09

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**DISCUSSION:** During the public portion of the Planning Commission meeting on July 27, 2015, Ms. Joyce Proper, the owner of 1541 Evergreen Street came forward to request that the Commission rezone her property back to R2. The property is zoned R-1-7 (Medium Low Density Residential 7,000 minimum lot) and has two existing homes. The rezoning is sought to allow addition of a third structure to the parcel.

This item was brought back to the Planning Commission on September 27, 2015, where staff provided the Commission with additional information as to when and how the zone change to this property occurred. Below is a brief history on the property.

On August 5, 1991 a public hearing notice was sent to all property owner's notifying them of an August 26, 1991 Planning Commission meeting to discuss the proposed rezoning. This meeting was being held to rezone three areas in Selma from Medium High Density R-2 to Low Density R-1-7. Ms. Proper received notice of the meeting and responded with an opposition letter on August 16, 1991.

On August 26, 1991 the Planning Commission recommended the comprehensive zoning and General Plan Amendment No. 91-90, (proposal 2), to the City Council.

On September 16, 1991 the Selma City Council adopted General Plan Amendment No. 91-90 (Proposal 2) which rezoned area 3 (which includes 1451 Evergreen Street), as recommended by the Planning Commission.

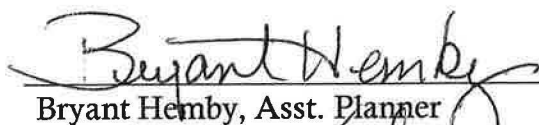
Because of time constraints, the Planning Commission at their September 27<sup>th</sup> meeting unanimously recommended this item move forward to the City Council for consideration and possible approval. Because the change in zoning appears to have occurred either as a result of the property owner's inadvertent failure to appear at the Planning Commission and/or City Council meeting to advance her written objection to the zone change, the Planning Commission recommended that this application be processed based on a waiver of fees. Fees associated with the rezoning are approximately \$8,700.00. The fee is that high because the typical zone changes application involves a change in use which requires staff to conduct an environmental analysis and evaluate the effect of the change in use on surrounding property. This is simply a change in the density and does not involve a change in use so staff is not required to undertake any such analysis or evaluation.

<b><u>COST:</u></b> (Enter cost of item to be purchased in box below)		<b><u>BUDGET IMPACT:</u></b> (Enter amount this non-budgeted item will impact this years' budget in box below – if budgeted, enter NONE).
None		None
<b><u>FUNDING:</u></b> (Enter the funding source for this item in box below – if fund exists, enter the balance in the fund).		<b><u>ON-GOING COST:</u></b> (Enter the amount that will need to be budgeted each year in box below – if one-time cost, enter NONE).
Funding Source: N/A  Fund Balance: N/A		None

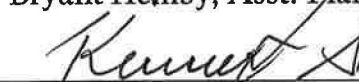
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**RECOMMENDATION:** Waive First Reading and Introduction of Ordinance amending General Plan Land Use Designation, Zoning on 1541 Evergreen Street.

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Bryant Hemby, Asst. Planner

10/28/2015  
Date

  
Ken Grey, City Manager

10/28/2015  
Date

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ORDINANCE NO. 2015 - \_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SELMA AMENDING THE  
GENERAL PLAN 2035 LAND USE DESIGNATION, AND ZONING, ON  
1541 EVERGREEN STREET, SELMA, CA. (APN NOS. 389-229-08 & 389-229-09)

WHEREAS, the City of Selma adopted its General Plan 2035 which designates land use within the planning area of the City of Selma; and

WHEREAS, Title XI of the City Code of the City of Selma titled "Zoning" serves as a guide for the orderly growth and development of the City of Selma to promote and protect the public health, safety, comfort and general welfare, and to implement the General Plan; and

WHEREAS, Chapter 2 of Title XI of the City Code requires that the City maintain a map of the zoning boundaries; and

WHEREAS, on September 27, 2015, the Planning Commission of the City of Selma, recommend that the applicant go before the City Council to request approval of Selma General Plan 2035 Land Use Designation Map to change the Land Use Designation for 1541 Evergreen Street, (APN No's 389-229-08 & 389-229-09) from Medium Low Density Residential to Medium High Density Residential; and

WHEREAS, on September 27, 2015, the Planning Commission of the City of Selma, recommend that the applicant go before the City Council to request approval of a Zone Change changing the zoning of Assessor Parcel Nos. 389-229-08, 389-229-09 from Medium Low Density Residential (R-I-7) to Medium High Density Residential (R-2); and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SELMA DOES  
HEREBY ORDAIN AS FOLLOWS:

Section 1. Based upon the testimony and information presented at the public hearing on November 2, 2015, and upon review and consideration of the environmental documentation provided, the City Council of the City of Selma finds, in accordance with its own independent judgment finds there is no substantial evidence in the record that:

(A) The amendment of the City of Selma General Plan 2035 Land Use Designation Map by re-designating Assessment Parcel Nos. 389-229-08, 389-229-09, located at 1541 Evergreen Street, from Medium Low Density Residential to Medium High Density Residential; an amended General Plan 2035 Land Use Map is attached hereto and incorporated herein by this reference as Attachment A; and

(B) Amending the City's Zoning Map by rezoning Assessor Parcel Nos. 389-229-08, 389-229-09, located at 1541 Evergreen Street, from Medium Low Density Residential (R-1-7) to Medium High Density Residential (R-2);

None of the above stated amendments have any significant effects on the environment not identified in the City of Selma General Plan Update 2035 and that said amendments to the General Plan 2035 Land Use Designation Map, and Zoning Map (Submittal No. 20150063) are consistent with the CEQA Guidelines for a categorically exempt (Sec. 15061(b)(3)) Project.

Section 2. The City Council of the City of Selma hereby amends the City of Selma General Plan 2035 Land Use Designation as follows: Assessment Parcel Nos. 389-229-08, 389-229-09, located at 1541 Evergreen Street from Medium-Low Density Residential to Medium High Density Residential; and

Section 3. The City Council of the City of Selma hereby amends the City's Zoning Map as follows: Rezoning Assessment Parcel Nos. 389-229-08, 389-229-09, located at 1541 Evergreen Street from Medium Low Density Residential (R-1-7) to Medium High Density Residential (R-2; and

Section 4. This Ordinance shall become effective and in full force 30 days after its passage.

Section 5. Severability: If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, the decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that anyone or more sections, subsections, sentences, clauses or phrases have been declared invalid or unconstitutional.

\*\*\*\*\*

I, Reyna Rivera, City Clerk of the City of Selma, do hereby certify that the foregoing Ordinance was introduced on \_\_\_\_\_ and duly adopted on \_\_\_\_\_, at a regular Selma City Council meeting by the following vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

\_\_\_\_\_  
Scott Robertson,  
Mayor of the City of Selma

ATTEST:

\_\_\_\_\_  
Reyna Rivera, City Clerk of the City of Selma

APPROVED AS TO FORM:

\_\_\_\_\_  
Neal E. Costanzo, City Attorney

**CITY MANAGER'S/STAFF'S REPORT  
CITY COUNCIL MEETING:**

November 2, 2015

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**ITEM NO:** 4.

**SUBJECT:** Consideration and necessary action on Proposed Issuance of 2015  
City of Selma Lease Obligation Refunding Bonds

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**CITY  
RESOLUTION:**

A RESOLUTION OF CITY COUNCIL OF THE CITY OF SELMA APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE REFINANCING OF ALL OUTSTANDING SELMA PUBLIC FINANCING AUTHORITY, SERIES 2010 LEASE REVENUE REFUNDING BONDS, APPOINTING THE NECESSARY CONSULTANTS IN CONNECTION THEREWITH, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

**AUTHORITY  
RESOLUTION:**

A RESOLUTION OF BOARD OF DIRECTORS OF THE SELMA PUBLIC FINANCING AUTHORITY APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH THE REFINANCING OF THE AUTHORITY'S OUTSTANDING SERIES 2010 LEASE REVENUE REFUNDING BONDS, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

**BACKGROUND:**

On August 12, 2010, at the City's request, the Authority issued its \$4,125,000 original principal amount of Series 2010 Lease Revenue Refunding Bonds (the "Prior Obligations") for the purpose of (i) refunding the Selma Public Financing Authority, 2001 Series A (Tax Exempt), Variable Rate Demand Refunding Revenue Bonds (City of Selma - Street Improvement and Redevelopment Project), and (ii) refunding the Selma Public Financing Authority, Series 2004 (Tax Exempt) Refunding Revenue Bonds.

As required prerequisite to the issuance of the Prior Obligations, the Authority and City entered into certain lease agreements, whereby the City agreed to make lease payments sufficient to pay the principle and interest of the Prior Obligations and other expenses related thereto (the "Prior Obligation Documents"). The City and Authority used City Hall, Fire Station #1, Police Station and East Corporate Yard as collateral for the Prior Obligations (collectively, the "Property").

## **DISCUSSION:**

Due to the historically low interest rate environment presently prevailing in the municipal bond market, the City and Authority have a window of opportunity to refinance the Prior Obligations (the "Refinancing"), and thereby save ratepayers money as a result of reduced debt service payments resulting from such Refinancing.

In order to procure the funds necessary to execute the Refinancing, the City and Authority must collaborate to issue new Series 2015 Refunding Lease Obligations (the "2015 Obligations") in place of the Prior Obligations, the proceeds of which will be earmarked to prepay and fully eliminate the Prior Obligations. The term of 2015 Obligation is being structured to be significantly less (by about 7 years) than the term of the respective Prior Obligations.

Based upon present market conditions (and similar transactions that have recently priced) it appears that the Prior Obligations may be refunded at lower interest rates (approximately 3.00%) and that the Refinancing will result in a present value savings (after all costs are factored in and accounted for) of approximately \$1.69 million. Significantly, the repayment period for the debt is being reduced by about 7 years, from FY 2041 to FY 2034. Attached is a draft preliminary savings analysis for estimated details as to the Refinancing calculations.

The transaction is being structured as a fixed rate obligation to be sold as a direct placement (described below), as opposed to a public offering. Staff has worked with NHA Advisors (the "Financial Advisor"), The Weist Law Firm (the "Bond Counsel") and Hilltop Securities Inc (the "Placement Agent") to structure the Refinancing and the corresponding Financing Documents. Upon adoption of the subject resolutions, staff and the financing team will solicit indications of interest (i.e., "proposals") from several banking institutions, with goal of achieving best rates and terms for the Refinancing.

The Prior Obligations were sold through a public offering (the "Public Offering"), meaning a bond underwriter sold them to individuals and institutions pursuant to an official statement. In the past couple of years, the municipal bond market has changed significantly as a result of community and regional banks making direct purchases of municipal obligations as long term investments. Such financings entail the sale of an entire bond issue (in this case, the 2015 Obligations) as a single "loan" or bond obligation to one financial institution that commits to the purchase at a fixed rate (the "Direct Placement"). This Direct Placement of the Refunding Obligations will result in

November 2, 2015 Council Packet

**DISCUSSION  
(CONTINUED):**

lower overall costs of issuance as compared to a Public Offering due to the fact that the Direct Placement will not require: (i) an official statement, (ii) a rating, (iii) bond insurance, or (iv) a fully funded debt service reserve fund. Therefore, the City and Authority will save money from the elimination underwriter discount fees and legal costs for the preparation and dissemination of the official statement, as well as rating agency fees and/or bond insurance fees. Furthermore, there is no requirement for a fully funded debt service reserve fund, which in the case of the Prior Obligations is approximately \$339,437.

Financial details of the savings are set forth in an attachment hereto. In practical effect, the 2015 Obligations merely replace the Prior Obligations, but at lower interest rates, resulting in lower payments required by the City.

The resolutions being recommended for adoption appoint the financing team and authorize and approve the form of all the foundational legal documents (i.e., the Financing Documents) necessary to provide for the successful consummation of the transaction. Each Financing Document is briefly described as follows:

1. Site and Facility Lease: This is an agreement between the City and the Bank, providing the mechanism of leasing the Property to Bank in exchange for the “loan” of sufficient moneys to accomplish the Refinancing.
2. Lease Agreement: This agreement provides for the lease of Property back to the City in exchange for semi-annual lease payments commensurate with the debt service on the “loan” from the Bank. As is presently the case with the Prior Obligations, the City continues to pledge its general fund to repay the lease payments over the term of the Lease Agreement.
3. Escrow Agreement: This document sets forth the City’s instructions as to the specific amounts, terms, and conditions of the Refinancing proceeds and the corresponding prepayment of the Prior Obligations.
4. Termination Agreement: This agreement public notification of the termination of the Prior Obligation Documents as a result of the prepayment of Prior Obligations with the proceeds of the 2015 Obligations.

Please note that the Financing Documents are being presented to the appropriate City Council / PFA Board as form documents, as they cannot be fully completed at this time because certain critical components such as interest rates, call features and annual debt service payments will depend on the November 2, 2015 Council Packet

**DISCUSSION  
(CONTINUED):**

state of the market at the time the transaction is actually priced (i.e., sold to the Bank), which is expected to occur sometime in early December. This method of approval is the normal method of approving a municipal refunding transaction.

In addition to approving the form of the Financing Documents, the subject resolution also authorizes the City Manager and Financial Consultant to work with the financing team to select the appropriate assets for collateralization (although it is presently expected that the Property will serve as the collateral for the 2015 Obligations), select the bank offering best rate and terms, and ultimately provide for the execution and consummation of the Refinancing transaction.

**RECOMMENDATION:** That each respective City Council and PFA Board approve and adopt its respective Resolution and direct staff to work with Bond Counsel, Financial Advisor, and Placement Agent to proceed with the refinancing of the Selma Public Financing Authority, Series 2010 Lease Revenue Refunding Bonds pursuant to certain lease financing documents in the form presented at this meeting (the "Financing Documents").

**ATTACHMENTS:**

- A. City Resolution No. \_\_\_\_
- B. Authority Resolution No. \_\_\_\_
- C. Site Lease
- D. Lease Agreement
- E. Escrow Agreement
- F. Termination Agreement
- G. Draft Preliminary Savings Analysis
- H. Bond Counsel, Financial Advisor and Placement Agent Contracts

<b><u>COST:</u></b> (Enter cost of item to be purchased in box below)		<b><u>BUDGET IMPACT:</u></b> (Enter amount this non-budgeted item will impact this years' budget in box below – if budgeted, enter NONE).
None		None
<b><u>FUNDING:</u></b> (Enter the funding source for this item in box below – if fund exists, enter the balance in the fund).		<b><u>ON-GOING COST:</u></b> (Enter the amount that will need to be budgeted each year in box below – if one-time cost, enter NONE).
Funding Source: None  Fund Balance:		None

Steve Yribarren by RR  
Steve Yribarren, Financial Consultant

10-28-15  
Date

Ken Grey  
Ken Grey, City Manager

10/28/2015  
Date

We \_\_\_\_\_ and \_\_\_\_\_  
Ken Grey, City Manager Steve Yribarren, Financial Consultant

do hereby agree that the funding for the above is correct and that enough funds exist to cover the expenditure.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF CITY COUNCIL OF THE CITY OF SELMA  
APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND  
DELIVERY OF CERTAIN LEASE FINANCING DOCUMENTS IN  
CONNECTION WITH THE REFINANCING OF ALL OUTSTANDING  
SELMA PUBLIC FINANCING AUTHORITY, SERIES 2010 LEASE  
REVENUE REFUNDING BONDS, APPOINTING THE NECESSARY  
CONSULTANTS IN CONNECTION THEREWITH, AND PROVIDING  
FOR OTHER MATTERS PROPERLY RELATING THERETO**

**WHEREAS**, the Selma Public Financing Authority (the “Authority”) is joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated as of February 18 1992, between the City of Selma (the “City”) and the Selma Redevelopment Agency (the “Agency”), and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title of the Government Code of the State of California (the “Act”), and is authorized pursuant to Articles 10 and 11, Division 2, Title 5 (commencing with Section 53570) of the California Government Code, as amended (the “Refunding Law”) to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of the City or the Agency to provide financing and refinancing for public capital improvements of the City or the Agency; and

**WHEREAS**, pursuant to (i) a certain Indenture of Trust (the “Prior Indenture”), dated as of August 1, 2010, by and between the Authority and U.S. Bank National Association (the “Prior Trustee”), and (ii) a certain facilities lease agreement, dated as August 1, 2010, by and between the City and the Authority (the “Prior Lease Agreement,” and together with the Prior Indenture, the “Prior Obligation Documents”), the City and Authority caused to be executed and delivered the “Selma Public Financing Authority, Lease Revenue Refunding Bonds, Series 2010,” issued on August 12, 2010 in the aggregate, original principal amount of \$4,125,000 pursuant to the provisions of the Prior Obligations Documents (the “Prior Obligations”); and

**WHEREAS**, the City Council, after due investigation and deliberation, has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, that it is in the public interests of the City to provide for the refinancing of Prior Obligations (the “Refinancing”), and thereby save the City and its ratepayers money as a result of reduced debt service payments resulting from such Refinancing; and

**WHEREAS**, in order to provide for the Refinancing, the City proposes to lease its certain of its real property and improvements (the “Property”) to a financial institution to be determined at a later date (the “Bank”) pursuant to a Site and Facility Lease (the “Site Lease”), dated as of December 1, 2015, by and between the Bank and the City, pursuant to which the Bank agrees to make an upfront lump sum payment in the amount necessary to successfully accomplish the Refinancing (the “Lease Proceeds”); and

**WHEREAS**, pursuant to a Lease Agreement (the “Lease Agreement”), dated as of December 1, 2015, by and between the Bank and the City, the Bank will sublease the Property

back to the City, and will correspondingly make semi-annual lease payments from its general fund, sufficient in amount to pay back the debt service on the Lease Proceeds advanced by the Bank under the Site Lease; and

**WHEREAS**, to properly account for the Refinancing, and cause the legal defeasance of all Prior Obligations, it is now appropriate and necessary for the City to approve the form of Escrow Agreement (the “Escrow Agreement”), dated as of December 1, 2015 (the “Escrow Agreement”), pursuant to which U.S. Bank National Association, as escrow agent thereunder (the “Escrow Agent”) will irrevocably hold and invest all Lease Proceeds for a period of approximately thirty (30) days, and then deploy such invested funds to prepay all outstanding Prior Obligations in accordance with the specific terms of the Escrow Agreement; and

**WHEREAS**, in order to provide for the legal efficacy of the Refinancing, it is now appropriate and necessary for the City to approve the form of a Termination Agreement (the “Termination Agreement”), dated as of December 1, 2015, by and among the City, the Authority and the U.S. Bank National Association, as prior trustee under the Prior Indenture (the “Prior Trustee”), providing for the termination of all previously recorded financing documents associated with the Prior Obligations; and

**WHEREAS**, the City Council, with the aid of its staff, has reviewed the form of the Site Lease, Lease Agreement, Escrow Agreement and Termination Agreement, the forms of which are on file with the City Clerk, and the Council wishes at this time to approve the foregoing documents (collectively, the “Financing Documents”) as being within the public interests of the City; and

**WHEREAS**, in order to efficiently accomplish the Refinancing, the City desires to appoint NHA Advisors as Financial Advisor, Hilltop Securities, Inc. as Placement Agent and The Weist Law Firm as Bond Counsel to provide the necessary professional services in connection therewith; and

**WHEREAS**, the City Council desires to designate the Lease Agreement for purposes of Paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986 (the “Code”) as a “Qualified Tax-Exempt Obligation;” and

**WHEREAS**, the City Council wishes at this time to authorize all proceedings relating to the Refinancing and the execution and delivery of Financing Documents and all other agreements and documents relating thereto; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

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

**Section 1. Findings and Determinations.** The City Council hereby finds that the above recitals are true and correct. The City Council determines that it is necessary and desirable to provide for the Refinancing and that the actions authorized hereby constitute, and are in furtherance of, authorized public purposes of the City and will result in public benefits to the City and its constituents.

**Section 2. Authorized Representatives.** The Mayor, City Manager, Finance Director, City Clerk and any other person authorized by the Council to act on behalf of the City shall each be an “Authorized Representative” of the City for the purposes of structuring and providing for the execution of the Financing Documents, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the City, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the Refinancing, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions and transactions contemplated by this Resolution and the Financing Documents.

**Section 3. Approval of Site Lease.** The City Council hereby authorizes and approves the lease of the Property to the Bank pursuant to the Site Lease. The City Council hereby approves the Site Lease in substantially the form on file with the City Clerk and consents to such revisions, amendments and completions as shall be approved by an Authorized Representative. Any Authorized Representative of the City is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest and affix the seal of the City to, the final form of the Site Lease for and in the name and on behalf of the City and the execution thereof shall be conclusive evidence of the City Council’s approval of any such additions and changes. The City Council hereby authorizes the delivery and performance of the Site Lease.

**Section 4. Approval of Lease Agreement.** The City Council hereby authorizes and approves the sublease of the Property back from the Bank pursuant to the Lease Agreement. The City Council hereby approves the Lease Agreement in substantially the form on file with the City Clerk and consents to such revisions, amendments and completions as shall be approved by an Authorized Representative. Any Authorized Representative of the City is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest and affix the seal of the City to, the final form of the Lease Agreement for and in the name and on behalf of the City and the execution thereof shall be conclusive evidence of the City Council’s approval of any such additions and changes. The City Council hereby authorizes the delivery and performance of the Lease Agreement.

**Section 5. Approval of Escrow Agreement.** The City Council hereby approves the Escrow Agreement in substantially the form on file with the City Clerk and consents to such revisions, amendments and completions as shall be approved by an Authorized Representative. Any Authorized Representative of the City is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest and affix the seal of the City to, the final

form of the Escrow Agreement for and in the name and on behalf of the City and the execution thereof shall be conclusive evidence of the City Council's approval of any such additions and changes. The City Council hereby authorizes the delivery and performance of the Escrow Agreement.

**Section 6. Approval of Termination Agreement.** The City Council hereby authorizes and approves the termination of certain lease documents related to the Prior Obligations pursuant to the terms and conditions of the Termination Agreement. The City Council hereby approves the Termination Agreement in substantially the form on file with the City Clerk, together with any additions thereto or changes therein deemed necessary or advisable by an Authorized Representative, and any Authorized Representative of the City is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest and affix the seal of the City to, the final form of the Termination Agreement for and in the name and on behalf of the City, and the execution thereof shall be conclusive evidence of the City Council's approval of any such additions and changes. The City Council hereby authorizes the delivery and performance of the Termination Agreement.

**Section 7. Professional Services.** The City Council hereby appoints The Weist Law Firm as Bond Counsel, NHA Advisors as Financial Advisor, and Hilltop Securities, Inc. as Placement Agent in connection with the Refinancing described in this Resolution. An Authorized Representative is authorized and directed to execute an agreement with each of such firms in the respective forms on file with the City Clerk.

**Section 8. Bank Qualification.** The Lease Agreement is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

**Section 9. Confirmation and Direction to Proceed with the Refinancing.** All actions heretofore taken by the officers and agents of the City with respect to the Refinancing are hereby approved, confirmed and ratified. The Mayor, City Manager, Finance Director, City Clerk and all other officers of the City are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they or any of them might deem necessary or appropriate in order to consummate any of the actions and transactions contemplated by this Resolution and the Financing Documents. Whenever any officer of the City is authorized to execute or countersign any document or take any action contemplated by this Resolution and the Financing Documents, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 10. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

The foregoing Resolution was duly approved by the City Council of the City of Selma at regular meeting held on November \_\_, 2015, by the following vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Mayor

ATTEST:

---

City Clerk

**RECORDING REQUESTED BY:** )  
County of Fresno )  
 )  
**WHEN RECORDED MAIL TO:** )  
The Weist Law Firm )  
108 Whispering Pines Drive, Suite 235 )  
Scotts Valley, California 95066 )  
Attn: Cameron A. Weist )  
 )

---

(DO NOT WRITE ABOVE LINE - SPACE FOR RECORDERS USE ONLY)

THIS DOCUMENT IS RECORDED FOR THE BENEFIT OF THE CITY OF SELMA. THIS TRANSACTION IS EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 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**

by and between

**CITY OF SELMA, CALIFORNIA,**  
as Lessor

And

\_\_\_\_\_ **BANK,**  
as Lessee

Dated as of December 1, 2015

## **SITE AND FACILITY LEASE**

**THIS SITE AND FACILITY LEASE** (this “Site and Facility Lease”), dated as of December 1, 2015, is by and between the **CITY OF SELMA**, a municipal corporation and general law city duly organized and validly existing under and by virtue of the Constitution and laws of the State of California (the “City”), as lessor, and the \_\_\_\_\_ **BANK**, a \_\_\_\_\_ (the “Bank”), as lessee;

### **WITNESSETH:**

**WHEREAS**, pursuant to a certain Indenture of Trust (the “Prior Indenture”), dated as of August 1, 2010, by and between the Selma Public Financing Authority (the “Authority”) and U.S. Bank National Association (the “Prior Trustee”), the City and Authority caused to be executed and delivered the “Selma Public Financing Authority, Lease Revenue Refunding Bonds, Series 2010,” issued on August 12, 2010 in the aggregate, original principal amount of \$4,125,000 pursuant to the provisions of the Prior Obligations Documents (the “Prior Obligations”); and

**WHEREAS**, to provide security for the Prior Obligations, the Authority and the City executed and delivered a Site Lease, dated as of August 1, 2010 and a Lease Agreement, dated as of August 1, 2010; and

**WHEREAS**, the City has determined that it is in the best interests of the City to provide for the refinancing and complete legal defeasance of the Prior Obligations currently outstanding under the Prior Indenture; and

**WHEREAS**, to finance the prepayment and refunding of the Prior Obligations, the City proposes to lease those certain parcels of real property situated in the City of Selma, 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 Bank; and

**WHEREAS**, the Bank has agreed to lease the Property back to the City pursuant to that certain Lease Agreement, dated as of December 1, 2015, a memorandum of which is recorded in the Office of the County Recorder of the County of Fresno concurrently herewith (the “Lease Agreement”); and

**WHEREAS**, the City possesses statutory authority to lease the Property and its governing body has duly authorized the execution and delivery of the Lease Agreement and this Site and Facility Lease; and

**WHEREAS**, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Site and Facility Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Site and Facility Lease;

**NOW THEREFORE**, for and in consideration of the premises and covenants and mutual agreements contained herein and for other valuable consideration, the parties hereto do hereby agree 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 Bank and the Bank hereby leases from the City, on the terms and conditions hereinafter set forth, the Property.

**Section 3. Term.** The term of this Site and Facility Lease shall commence December \_\_, 2015, or the date this Site and Facility Lease or a memorandum thereof is recorded, whichever is later, and shall end on \_\_\_\_\_ 1, 20\_\_, unless such term is extended or sooner terminated as hereinafter provided. If, on \_\_\_\_\_ 1, 20\_\_, the aggregate amount of Lease Payments (as defined in and as payable under the Lease Agreement) shall not have been paid by reason of abatement, default or otherwise, or provision shall not have been made for their payment in accordance with the Lease Agreement, then the term of this Site and Facility Lease shall be extended until such Lease Payments shall be fully paid or provision made for such payment, but in no event later than \_\_\_\_\_ 1, 20\_\_. If, prior to \_\_\_\_\_ 1, 20\_\_, all Lease Payments shall be fully paid or provision made for such payment in accordance with the Lease Agreement, the term of this Site and Facility Lease shall end.

**Section 4. Advance Rental Payment.** The City agrees to lease the Property to the Bank in consideration of the payment by the Bank of an advance rental payment of \$\_\_\_\_\_.

**Section 5. Purpose.** The Bank shall use the Property solely for the purpose of leasing the Property 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 Bank and its assigns may exercise the remedies provided in the Lease Agreement.

**Section 6. City's Interest in the Property.** The City covenants that it is the owner in fee of the Property.

**Section 7. Assignments and Subleases.** Unless the City shall be in default under the Lease Agreement, the Bank may not assign its rights under this Site and Facility Lease or sublet the Property, except as provided in the Lease Agreement. If the City is in default under the Lease Agreement, the Bank (including its successors and assigns under the Lease Agreement) may fully and freely assign and sublease the Property or any portion thereof, subject to this Site and Facility Lease.

**Section 8. Right of Entry.** The City reserves the right for any of its duly authorized representatives to enter upon the Property 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 Bank agrees, upon the termination of this Site and Facility Lease, to quit and surrender the Property 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 Bank 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 30 days following notice and demand for correction thereof to the Bank, 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. Notwithstanding the foregoing, so long as the Lease Agreement remains in effect, the City will continue to pay the Lease Payments to the Bank.

In the event of the occurrence of an Event of Default under the Lease Agreement, the Bank may (a) exercise the remedies provided in the Lease Agreement, (b) use the Property for any lawful purpose, subject to any applicable legal limitations or restrictions, and (c) exercise all options provided herein.

**Section 11. Quiet Enjoyment.** The Bank, at all times during the term of this Site and Facility Lease, shall peaceably and quietly have, hold and enjoy all of the Property subject to the provisions of the Lease Agreement.

**Section 12. Waiver of Personal Liability.** All liabilities under this Site and Facility Lease on the part of the Bank are solely liabilities of the Bank and the City hereby releases each and every director, officer, employee and agent of the Bank of and from any personal or individual liability under this Site and Facility Lease. No director, officer, employee or agent of the Bank 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 Bank hereunder.

**Section 13. Taxes.** All assessments of any kind or character and all taxes, including possessory interest taxes, levied or assessed upon the Property or the Bank's interest in the Property created by this Site and Facility Lease (including both land and improvements) will be paid by the City in accordance with the Lease Agreement.

**Section 14. Eminent Domain.** In the event the whole or any part of the Property is taken by eminent domain proceedings, the interest of the Bank shall be recognized and is hereby determined to be the amount of the then unpaid principal component of the Lease Payments, any then unpaid interest component of the Lease Payments and any premium due with respect to the prepayment of Lease Payments to the date such amounts are remitted to the Bank or its assignee, and, subject to the provisions of the Lease Agreement, the balance of the award, if any, shall be paid to the City. The City hereby waives, to the extent permitted by law, any and all rights that it has or may hereafter have to acquire the interest of the Bank in and to the Property through the eminent domain powers of the City. However, the City hereby agrees, to the extent permitted by law, that the compensation to be paid in any condemnation proceedings brought by or on behalf of the City with respect to the Property shall be in an amount not less than the total unpaid principal component of Lease Payments, the interest component of Lease Payments accrued to the date of payment of all Lease Payments and any premium due with respect to the prepayment of Lease Payments under the Lease Agreement.

**Section 15. Use of the Proceeds.** The City and the Bank hereby agree that the lease to the Bank of the City's right and interest in the Property pursuant to Section 2 serves the public purposes of the City.

**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, at the addresses set forth in the Lease Agreement, 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 Bank and their respective successors and assigns.

**Section 19. Amendment.** This Site and Facility Lease may not be amended except as permitted under the Lease 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 applicable to contracts made and performed in California.

**Section 22. No Merger.** Neither this Site and Facility Lease, the Lease Agreement nor any provisions hereof or thereof shall be construed to effect a merger of the title of the City to the Property under this Site and Facility Lease and the City's subleasehold interest therein under the Lease Agreement.

**Section 23. 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 Bank 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 SELMA, CALIFORNIA

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

Attest:

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

\_\_\_\_\_ BANK

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

## ALL CAPACITY ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF FRESNO

On \_\_\_\_\_, before me, \_\_\_\_\_  
(Date) (Name and Title of officer)

personally appeared \_\_\_\_\_,  
(Name of person signing)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of officer

(Seal)

## **EXHIBIT A**

### **DESCRIPTION OF THE SITE**

All that certain real property situated in the City of Selma, County of Fresno, State of California, described as follows:

## **EXHIBIT B**

### **DESCRIPTION OF THE FACILITY**

Means those certain existing facilities and improvements presently existing on the Site, including buildings, parking areas and related facilities, together with any permitted additions, replacements, modifications or other alterations thereto, and together with and including, all riparian rights, water and water rights, easements, rights-of-way, licenses, franchises, rights of service and use, and the construction of all permissible auxiliary work necessary or convenient for the foregoing.

§ \_\_\_\_\_  
**CITY OF SELMA**  
**SERIES 2015 REFUNDING LEASE OBLIGATION**  
**(CITY HALL REFINANCING PROJECT)**  
**BANK QUALIFIED**

**CERTIFICATE OF ACCEPTANCE OF SITE AND FACILITY LEASE**

This is to certify that the interest in real property conveyed by the Site and Facility Lease, dated as of December 1, 2015, from the City of Selma, California, as lessor, to the \_\_\_\_\_ Bank, a \_\_\_\_\_ (the “Bank”), as lessee, is hereby accepted by the undersigned officer on behalf of the Bank, pursuant to authority conferred by resolution of the Board of Directors of the Bank, and the lessee consents to recordation thereof by its duly authorized officer.

Dated: December \_\_, 2015

\_\_\_\_\_ BANK

By \_\_\_\_\_

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**LEASE AGREEMENT**

by and between

\_\_\_\_\_ **BANK,**  
as Sublessor

And

**CITY OF SELMA,**  
as Sublessee

Dated as of December 1, 2015

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## LEASE AGREEMENT

**THIS LEASE AGREEMENT** (this “Lease” or “Lease Agreement”), dated as of December 1, 2015, is by and between the \_\_\_\_\_ **BANK**, a \_\_\_\_\_, as sublessor (the “Bank”), and the **CITY OF SELMA**, a municipal corporation and general law city duly organized and validly existing under and by virtue of the Constitution and laws of the State of California, as sublessee (the “City”);

### WITNESSETH:

**WHEREAS**, pursuant to (i) a certain Indenture of Trust (the “Prior Indenture”), dated as of August 1, 2010, by and between the Selma Public Financing Authority (the “Authority”) and U.S. Bank National Association (the “Prior Trustee”), and (ii) a certain facilities lease agreement, dated as August 1, 2010, by and between the City and the Authority (the “Prior Lease Agreement,” and together with the Prior Indenture, the “Prior Obligation Documents”), the City and Authority caused to be executed and delivered the “Selma Public Financing Authority, Lease Revenue Refunding Bonds, Series 2010,” issued on August 12, 2010 in the aggregate, original principal amount of \$4,125,000 pursuant to the provisions of the Prior Obligations Documents (the “Prior Obligations”); and

**WHEREAS**, pursuant to that certain Site and Facility Lease, dated as of December 1, 2015 (the “Site and Facility Lease”), the City has leased those certain parcels of real property situated in the City of Selma, County of Fresno, 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 Bank, all for the purpose of enabling the City and Authority to refinance the Prior Obligations; and

**WHEREAS**, the Bank proposes to lease the Property back to the City pursuant to this Lease Agreement; and

**WHEREAS**, in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Property during each Rental Period (as hereinafter defined) under this Lease Agreement, the City agrees to make certain Lease Payments (as hereinafter defined); and

**WHEREAS**, the City and the Bank have agreed to enter into this Lease Agreement providing for Lease Payments with an aggregate principal component in the amount of \$\_\_\_\_\_ for the primary purpose of prepaying and defeasing the Prior Obligations in accordance with the irrevocable instructions set forth in the Escrow Agreement (as hereinafter defined); and

**WHEREAS**, the City and the Bank agree to mutually cooperate now and hereafter, to the extent possible, in order to sustain the intent of this Lease Agreement and the bargain of both parties hereto.

## AGREEMENT

**NOW, THEREFORE**, for and in consideration of the premises and the covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

### ARTICLE I

#### DEFINITIONS; RULES OF INTERPRETATION

**Section 1.01. Definitions.** All terms defined in this Section 1.01 have the meanings herein specified for all purposes of this Lease Agreement.

*“Additional Payments”* means the amounts specified as such in Section 4.03(b) of this Lease Agreement.

*“Applicable Environmental Laws”* means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 USC Sections 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC Sections 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sections 1251 et seq.; the Clean Air Act, 42 USC Sections 7401 et seq.; the California Hazardous Waste Control Law (“HWCL”), California Health & Safety Code Sections 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), California Health & Safety Code Sections 25300 et seq.; the Porter- Cologne Water Quality Control Act (the “Porter-Cologne Act”), California Water Code Sections 1300 et seq.; the Air Resources Act, California Health & Safety Code Sections 3900 et seq.; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 et seq.; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

- (a) the existence, cleanup, and/or remedy of contamination on property;
- (b) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;
- (c) the control of hazardous wastes; or
- (d) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

*“Authority”* means the Selma Public Financing Authority, a joint powers authority duly organized and validly existing under and by virtue of the Constitution and laws of the State of California, and its successors and assigns.

*“Authorized Representative”* means the Mayor, the City Manager, Finance Director, and any other person authorized by resolution of the City Council delivered to the Bank to act on behalf of the City under or with respect to the Site and Facility Lease and this Lease Agreement.

*“Bank”* means \_\_\_\_\_ Bank, a \_\_\_\_\_, and any other successor or any other entity to whom the rights of the Bank hereunder are assigned.

*“Bond Counsel”* means (a) The Weist Law Firm, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

*“Business Day”* means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State.

*“City”* means the City of Selma, California, a municipal corporation and general law city duly organized and validly existing under and by virtue of the Constitution and laws of the State of California.

*“City Council”* means the City Council of the City.

*“Closing Date”* means the date that the County receives the Lease Obligation Proceeds from the Bank.

*“Contract”* means any indenture, trust agreement, contract, agreement (other than this Lease Agreement), other contractual restriction, lease, mortgage or instrument.

*“Costs of Issuance”* means all items of expense directly or indirectly payable by or reimbursable to the City relating to the execution and delivery of this Lease Agreement, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Escrow Agent (which shall include any associated legal fees), legal fees and charges, insurance fees and charges, financial and other professional consultant fees, and fees for execution, transportation and safekeeping of this Lease Agreement and charges and fees in connection with the foregoing.

*“Date of Taxability”* means the date from and for which interest on the Lease Obligation is subject to federal income taxation as a result of a Determination of Taxability.

*“Determination of Taxability”* means any determination, decision, or decree made by the Internal Revenue Service, or by any court of competent jurisdiction, that as a result of actions or omissions of the City the interest payable on the Lease Obligation is includable in the gross income for federal income tax purposes of the Bank; provided, however, that no such Determination of Taxability shall be deemed to have occurred if the City is contesting such determination in good faith and is proceeding diligently to prosecute such contest until the earliest of (a) a final determination from which no appeal may be taken with respect to such determination, or (b) abandonment of such appeal by the City.

*“Escrow Agent”* means U.S. Bank National Association, as escrow agent under the Escrow Agreement.

*“Escrow Agreement”* means the Escrow Agreement, dated as of December 1, 2015, by and between the City and the Escrow Agent.

*“Event of Default”* means any of the events of default as defined in Section 8.01.

*“Facility”* means those certain existing facilities more particularly described in Exhibit B to the Site and Facility Lease and in Exhibit B to this Lease Agreement.

*“Fair Market Value”* means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term *“Fair Market Value”* means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security – State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

*“Federal Securities”* means (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; and (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are fully, unconditionally and directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

*“Fiscal Year”* means each twelve-month period during the Term of this Lease Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the City as its fiscal year period.

*“Governmental Authority”* means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

*“Hazardous Substance”* means any substance that shall, at any time, be listed as “hazardous” or “toxic” in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Property, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 et seq.).

*“Interest Component”* means the portion of each Lease Payment designated as Interest Component, as such is set forth on Exhibit C hereto.

*“Lease Agreement”* or *“Lease”* means this Lease Agreement, dated as of December 1, 2015, between the Bank and the City.

*“Lease Obligation”* means the obligation represented by this Lease Agreement.

*“Lease Obligation Proceeds”* means the \$\_\_\_\_\_ amount received by the City from the Bank on the Closing Date.

*“Lease Payment Date”* means August 1 and February 1 in each year, commencing August 1, 2016, and continuing to and including the date on which the Lease Payments are paid in full.

*“Lease Payments”* means all payments required to be paid by the City, as such is set forth on Exhibit C hereto, on each Lease Payment Date pursuant to Section 4.03, including any prepayment thereof under Sections 9.02 or 9.03.

*“Material Adverse Effect”* means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the City, (b) the ability of the City to carry out its business in the manner conducted as of the date of this Lease Agreement or to meet or perform its obligations under this Lease Agreement on a timely basis, (c) the validity or enforceability of this Lease Agreement, or (d) the exclusion of the Interest Components from gross income from federal income tax purposes or the exemption of the Interest Components for State income tax purposes.

*“Material Litigation”* means any action, suit, proceeding, inquiry or investigation against the City in any court or before any arbitrator of any kind or before or by any Governmental Authority, which (i) if determined adversely to the City, may have a Material Adverse Effect, (ii) seeks to restrain or enjoin any of the transactions contemplated by this Lease Agreement, or (iii) may adversely affect the ability of the City to perform its obligations under this Lease Agreement.

*“Net Proceeds”* means any insurance or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

*“Permitted Encumbrances”* means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may permit to remain unpaid under Article VI of this Lease Agreement; (b) the Site and Facility Lease and this Lease Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy issued with respect to the Property as of the Closing Date; and (e) any easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the City certifies in writing will not materially impair the use of the Property for its intended purposes.

*“Permitted Investments”* means any of the following which at the time of investment are determined by the City to be legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) obligations of any of the following federal agencies which obligations represent full

faith and credit of the United States of America, including: Export-Import Bank, Farmers Home Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development, and Federal Housing Administration;

(c) bonds, notes or other evidences of indebtedness rated AAA by S&P and Aaa by Moody's issued by the Fannie Mae or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(d) U.S. dollar denominated deposit accounts, secured or unsecured certificates of deposit, demand deposits, including interest bearing money market accounts, trust deposits, trust accounts, time deposits, overnight bank deposits, interest-bearing deposits, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of A-1 or A-1+ by S&P and P-1 by Moody's, and maturing no more than 360 days after the date of purchase;

(e) commercial paper which is rated at the time of purchase in the single highest classification, A-1+ by S&P and P-1 by Moody's and which matures not more than 270 days after the date of purchase;

(f) investments in a money market mutual fund, rated at the time of purchase AAAM or AAAM-G or better by S&P;

(g) Repurchase and reverse repurchase agreements collateralized with Federal Securities;

(h) any pre-refunded 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 (i) which are rated, at the time of purchase, based on the refunding escrow, in the highest rating category of S&P and Moody's or (ii)(A) which are fully secured as to principal and interest and redemption premium (if any) by a fund consisting only of cash or Federal Securities, which fund may be applied only to the payment of such principal of and interest and redemption premium (if any) in such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates under such irrevocable instructions, as appropriate, and (B) which fund is sufficient, as verified by an Independent Accountant, to pay principal of and interest and redemption premium (if any) on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(i) investment agreements, which are rated, at the time of investment, in the highest rating category of S&P and Moody's;

(j) the Local Agency Investment Fund established under Section 16429.1 of the Government Code of the State of California; and

(k) any other investment permitted under Section 53601 of the California Government Code.

“*Principal Component*” means the portion of each Lease Payment designated as Principal Component, as such is set forth on Exhibit C hereto.

“*Prior Obligations*” means the Selma Public Financing Authority, Lease Revenue Refunding Bonds, Series 2010,” issued on August 12, 2010 in the aggregate, original principal amount of \$4,125,000 pursuant to the provisions of the Prior Obligations Documents.

“*Prior Lease Agreement*” means that certain Facilities Lease Agreement, dated as of August 1, 2010, by and between the City and the Authority, relating to the Prior Obligations.

“*Prior Indenture*” means certain indenture of trust, dated as of August 1, 2010, by and between the Authority and the Prior Trustee.

“*Prior Trustee*” means U.S. Bank National Association, or any successor thereto acting as Prior Trustee pursuant to the Prior Indenture.

“*Property*” means, collectively, the Site and the Facility.

“*Rental Period*” means each period during the Term of the Lease commencing on and including February 2 in each year and extending to and including the next succeeding February 1. The first Rental Period begins on the Closing Date and ends on February 1, 2017.

“*Resolution*” means the Resolution No. \_\_\_\_\_, adopted by the City Council on November \_\_, 2015, authorizing and otherwise providing for the execution and delivery of this Lease Agreement.

“*Site*” means that certain real property more particularly described in Exhibit A to the Site and Facility Lease and in Exhibit A to this Lease Agreement.

“*Site and Facility Lease*” means the Site and Facility Lease, dated as of December 1, 2015, by and between the City, as lessor, and the Bank, as lessee, together with any duly authorized and executed amendments thereto.

“*State*” means the State of California.

“*Taxable Rate*” means an interest rate with respect to the Lease Obligation equal to \_\_\_\_\_ (\_\_\_\_%) per annum.

“*Tax Code*” or “*Code*” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

“*Term of this Lease Agreement*” or “*Term*” means the time during which this Lease Agreement is in effect, as provided in Section 4.02.

“*Written Request*” means a request in writing signed by Authorized Representative, or by any other officer of the City duly authorized for that purpose.

## **Section 1.02. Interpretation.**

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease Agreement; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or subdivision hereof.

## **ARTICLE II**

### **COVENANTS, REPRESENTATIONS AND WARRANTIES**

**Section 2.01. Covenants, Representations and Warranties of the City.** The City makes the following covenants, representations and warranties to the Bank as of the date of the execution and delivery of this Lease Agreement:

(a) ***Due Organization and Existence.*** The City is a municipal corporation and general law city duly organized and validly existing under and by virtue of the Constitution and laws of the State of California, with full legal right, power and authority under the laws of the State to enter into the Site and Facility Lease and this Lease Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby.

(b) ***Due Execution.*** By all necessary official action, the City has duly adopted the Resolution, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, this Lease Agreement, the Site and Facility Lease, and the consummation by it of all other transactions contemplated by this Lease Agreement, the Site and Facility Lease and the Resolution. The Authorized Representative executing the Site and Facility Lease and this Lease Agreement has been fully authorized to execute the same.

(c) ***Valid, Binding and Enforceable Obligations.*** The Site and Facility Lease and this Lease Agreement have been duly authorized, executed and delivered by the City and constitute the legal, valid and binding agreements of the City enforceable against the City in accordance with their respective terms.

(d) ***No Conflicts.*** The execution and delivery of the Site and Facility Lease and this Lease Agreement, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any

indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site and Facility Lease or this Lease Agreement, or the financial condition, assets, properties or operations of the City, or the exclusion or exemption of the Interest Components for income tax purposes.

(e) **Consents and Approvals.** No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of the Site and Facility Lease and this Lease Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) **No Litigation.** There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other Governmental Authority pending and notice of which has been served on the City or, to the knowledge of the City after reasonable investigation, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a Material Adverse Effect, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other Governmental Authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement.

(g) **Sufficient Funds.** The City reasonably believes that sufficient funds can be obtained to make all Lease Payments and all other amounts required to be paid pursuant to this Lease Agreement.

(h) **Fee Title.** The City is the owner in fee of title to the Property. The City has disclosed all liens and encumbrances to the Bank, and no lien or encumbrance on the Property materially impairs the City's use of the Property for the purposes for which it is, or may reasonably be expected to be, held.

(i) **Use of the Property, Essentiality.** During the term of this Lease Agreement, the Property will be used by the City only for the purpose of performing one or more governmental or proprietary functions of the City consistent with the permissible scope of the City's authority. The Property is essential to the City's efficient and economic operations and the lease thereof for use by the City is in the best interest of the City.

(j) **Hazardous Substances.** The Property is free of all Hazardous Substances, and the City is in full compliance with all Applicable Environmental Laws.

(k) **Flooding Risk.** The Property is not located in a flood hazard area and has never been subject to material damage from flooding.

(l) **Value of Property.** The value of the Property (real property replacement cost) is not less than \$\_\_\_\_\_.

(m) **Financial Statements.** The statement of financial position of the City as of June 30, 2014, and the related statement of activities and statement of cash flows and changes in financial position for the year then ended and the auditors' reports with respect thereto, copies of which have heretofore been furnished to the Bank, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the City at such date and for such period, and were prepared in accordance with generally accepted accounting principles. Since the period of such statements, there has been no (i) change which would have a Material Adverse Effect and (ii) no material increase in the indebtedness of the City.

(n) **No Material Adverse Change.** Since the most current date of the information, financial or otherwise, supplied by the City to the Bank:

(i) There has been no change in the assets, liabilities, financial position or results of operations of the City which might reasonably be anticipated to cause a Material Adverse Effect.

(ii) The City has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect.

(iii) The City has not (A) incurred any material indebtedness, other than the Lease Payments, and trade accounts payable arising in the ordinary course of the City's business and not past due, or (B) guaranteed the indebtedness of any other person.

(o) **Compliance with Procurement Laws.** The City has complied with all applicable procurement laws with respect to the execution and delivery of this Lease Agreement;

(p) **Due Authorization and Payment.** All of the Lease Payments and other payments hereunder have been, or shall be, duly authorized and paid when due out of funds then on hand and legally available for such purposes.

(q) **No Default or Non-Appropriation.** The City has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Lease Agreement, or under any of its bonds, notes, certificates of participation, or other debt obligations.

(r) **Foreseeable need for the Property.** There are no circumstances presently affecting the City that could be reasonably expected to alter its foreseeable need for the Property or adversely affect its ability or willingness to budget funds for the payment of the Lease Payments and other payments due hereunder.

(s) **Documents Furnished.** All information, reports and other papers and data furnished by the City to the Bank were, at the time the same were so furnished, complete

and accurate in all material respects and insofar as necessary to give the Bank a true and accurate knowledge of the subject matter and were provided in expectation of the Bank's reliance thereon in entering into the transactions contemplated by this Lease Agreement. No fact is known to the City which has had or, so far as the City can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Bank or in other such information, reports, papers and data or otherwise disclosed in writing to the Bank prior to the Closing Date. Any financial, budget and other projections furnished to the Bank by the City or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the City's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Bank in connection with the negotiation, preparation or execution of this Lease Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

**Section 2.02. Covenants, Representations and Warranties of the Bank.** The Bank makes the following covenants, representations and warranties to the City as of the date of the execution and delivery of this Lease Agreement:

(a) the Bank has been duly organized and is validly existing as a banking corporation under the laws of the State of \_\_\_\_\_ with full corporate power to enter into and undertake its duties and obligations hereunder and has sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax-exempt municipal obligations, to be able to evaluate the economic risks and merits of the investment represented by the Lease Obligation;

(b) the Bank is a "bank" as defined in Section 3(a)(2) of the Securities Act of 1933, as amended;

(c) the execution, delivery and performance of this Lease Agreement and the Site and Facility Lease have been duly authorized by all necessary corporate actions on the part of the Bank and do not require any further approvals or consents;

(d) the execution, delivery and performance of this Lease Agreement and the Site and Facility Lease do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which the Bank is a party by which it or its property is bound;

(e) there is no pending or, to the knowledge of the Bank, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of the Bank to perform its obligations under this Lease Agreement and the Site and Facility Lease;

(f) the Bank will not mortgage or encumber the Property or this Lease

Agreement or assign this Lease Agreement or its rights to receive Lease Payments hereunder, except as expressly permitted herein or in the Site and Facility Lease;

(g) the Bank has made its own inquiry and analysis with respect to this Lease Agreement and the security therefor, and other material factors affecting the security and payment of the Lease Payments;

(h) the Bank is aware that the operations of the City involve certain economic variables and risks that could adversely affect the security for the Lease and the Bank is able and willing to bear such risks;

(i) the Bank has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the Lease Obligation and is able to evaluate the risks and merits of the investment represented by entering into this Lease Agreement;

(j) the Bank is entering into this Lease Agreement for its own account and not with a view to, or for sale in connection with, any distribution thereof. The Bank has not offered to sell, solicited offers to buy, or agreed to sell the Lease Obligation or any part thereof, and has no present intention of reselling or otherwise disposing of the Lease Obligation or any part thereof;

(k) the Bank acknowledges that the Lease Obligation has not been registered with any federal or state securities agency or commission; and

(l) the Bank will deliver to the City a certificate substantially in the form set forth in Exhibit D attached hereto.

### ARTICLE III

#### DEPOSIT AND APPLICATION OF FUNDS

**Section 3.01. Deposit of and Application of Funds.** On the Closing Date, the Bank shall cause the Lease Obligation Proceeds in the amount of \$\_\_\_\_\_ to be transferred, via wire transfer, to the Escrow Agent to be deposited and applied pursuant to the terms of the Escrow Agreement.

**Section 3.02. Termination of Prior Obligations.** As a result of the deposits made to, and in accordance with, the terms and conditions of the Escrow Agreement, the Prior Obligations have been discharged and terminated in accordance with terms of the Prior Obligation Documents. On the Closing Date, the City shall enter into an agreement terminating the Prior Lease Agreement, and shall cause an executed copy of said agreement to be recorded in the office of the Fresno County Recorder.

## ARTICLE IV

### SUBLEASE OF PROPERTY; LEASE PAYMENTS; SUBSTITUTION, ADDITION OR RELEASE

#### Section 4.01. Sublease of Property by the Bank Back to the City.

(a) The Bank hereby subleases the Property to the City, and the City hereby subleases the Property from the Bank, upon the terms and conditions set forth in this Lease Agreement.

(b) The leasing of the Property by the City to the Bank pursuant to the Site and Facility Lease shall not affect or result in a merger of the City's subleasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Site and Facility Lease.

**Section 4.02. Term.** The Term of this Lease Agreement commences on December \_\_, 2015, or the date this Lease Agreement or a memorandum thereof is recorded, whichever is later, and ends on \_\_\_\_\_ 1, 20\_\_, or the date on which all of the Lease Payments have been paid in full. If on \_\_\_\_\_ 1, 20\_\_, the Lease Payments payable hereunder shall have been abated at any time and for any reason and not otherwise paid from rental interruption insurance or other sources, or the City shall have defaulted in its payment of Lease Payments hereunder or any Event of Default has occurred and continues without cure by the City, then the term of this Lease Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, as necessary to accommodate the final payment of all Lease Payments due hereunder, not to exceed 10 years. The provisions of this Section 4.02 are subject to the provisions of Section 6.01 relating to the taking in eminent domain of the Property or any portion thereof.

#### Section 4.03. Lease Payments.

(a) **Obligation to Pay.** Subject to the provisions of Sections 6.01 and 6.03 and the provisions of Article IX, the City hereby agrees to repay the Lease Obligation in the aggregate principal amount of \$\_\_\_\_\_ together with interest (calculated at the rate of \_\_\_\_% on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof, payable in semi-annual Lease Payments in the respective amounts and on the respective Lease Payment Dates specified in Exhibit C hereto, and by this reference made a part hereof. The City understands that the Bank will send an invoice to the City in advance of each Lease Payment Date. Anything to the contrary in this Lease Agreement notwithstanding, from and after the Date of Taxability following a Determination of Taxability, the Lease Obligation shall bear interest at the Taxable Rate.

(b) **Additional Payments.** In addition to the Lease Payments set forth herein, the City agrees to pay as Additional Payments all of the following:

(i) Subject to Section 5.01, all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Property or upon any interest of the Bank therein or in this Lease Agreement;

(ii) insurance premiums, if any, on all insurance required under the provisions of Article V hereof;

(iii) any other reasonable fees, costs or expenses incurred by the Bank in connection with the execution, performance or enforcement of this Lease Agreement or any of the transactions contemplated hereby or related to the Property, including, without limitation, any amounts which may become due; provided, however, the City shall not be responsible for any costs incurred by the Bank associated with any assignment of this Lease Agreement;

(iv) any amounts required to be paid as rebate to the United States; and

(v) such amounts sufficient to indemnify the Bank and to pay all amounts due under Section 7.12.

Amounts constituting Additional Payments payable hereunder shall be paid by the City directly to the person or persons to whom such amounts shall be payable. The City shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 30 days after notice in writing from the Bank to the City stating the amount of Additional Payments then due and payable and the purpose thereof.

(c) ***Effect of Prepayment.*** If the City prepays all Lease Payments in full under Sections 9.02 or 9.03, the City's obligations under this Section will thereupon cease and terminate. If the City prepays the Lease Payments in part but not in whole under Section 9.03, the Principal Components of the remaining Lease Payments will be reduced on a pro rata basis; and the Interest Component of each remaining Lease Payment will be reduced on a pro rata basis.

(d) ***Rate on Overdue Payments.*** If the City fails to make any of the payments required in this Section 4.03, the payment in default will continue as an obligation of the City until the amount in default has been fully paid, and the City agrees to pay the same with interest thereon, from the date of default to the date of payment at the interest rate set forth in Section 4.03(a) plus three percent (3%), or any lesser maximum rate as may be required by law.

(e) ***Fair Rental Value.*** The Lease Payments coming due and payable during each Rental Period constitute the total rental for the Property for such Rental Period, and will be paid by the City in each Rental Period for and in consideration of the right of the use and occupancy of, 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 due during each Rental Period are not in excess of the fair rental value of the Property during such Rental Periods. In making this determination, consideration has been given to the estimated fair market value of the Property, the estimated replacement cost of the Property, 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.

(f) ***Source of Payments; Budget and Appropriation.*** The Lease Payments are

payable an irrevocable pledge of legally available funds of the City, subject to the provisions of Sections 6.01, 6.03 and 9.01. The City covenants to take such action as may be necessary to include all Lease Payments in each of its annual budgets during the Term of this Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The covenants on the part of the City herein contained constitute duties imposed by law and it is 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.

(g) ***Allocation of Lease Payments.*** All Lease Payments received shall be applied first to the Interest Components of the Lease Payments due hereunder, then to the Principal Components of the Lease Payments due hereunder, but no such application of any payments that are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

(h) ***No Offsets.*** Notwithstanding any dispute between the Bank and the City, the City shall make all Lease Payments when due without deduction or offset of any kind and shall not withhold any Lease Payments pending the final resolution of such dispute.

(i) ***Payments under this Lease Agreement.*** The Bank hereby directs the City, and the City hereby agrees, to pay to the Bank (or to its assignees as directed pursuant to Section 7.04 hereof) all payments payable by the City under this Section 4.03 and all amounts payable by the City under Article IX. So long as the Lease Obligation is owned by the Bank, all principal and interest payments with respect to the Lease Obligation shall be made by wire transfer using the following wiring instructions (unless the City shall receive subsequent wiring instructions from the Bank):

\_\_\_\_\_ Bank  
Attn: \_\_\_\_\_  
Account # \_\_\_\_\_  
Routing # \_\_\_\_\_  
Loan # \_\_\_\_\_

**Section 4.04. Quiet Enjoyment.** Throughout the Term of this Lease Agreement, the Bank will provide the City with quiet use and enjoyment of the Property and the City will peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the Bank, except as expressly set forth in this Lease Agreement. The Bank 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 Bank may lawfully do so. Notwithstanding the foregoing, the Bank has the right to inspect the Property as provided in Sections 5.12(c) and 7.02.

**Section 4.05. Title.** At all times during the Term of this Lease Agreement, the City shall hold title to the Property, including all additions which comprise fixtures, repairs, replacements or modifications thereto, subject to Permitted Encumbrances and subject to the provisions of Section 7.02. Upon the termination of this Lease Agreement (other than under Section 8.02(b) hereof), all right, title and interest of the Bank in and to the Property shall be transferred to and vested in the City. Upon the payment in full of all Lease Payments allocable to the Property, or upon the deposit

by the City of security for such Lease Payments as provided in Section 9.01, all right, title and interest of the Bank in and to the Property shall be transferred to and vested in the City. The Bank 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.

**Section 4.06. Reserved.**

**Section 4.07. Substitution, Addition or Release of the Property.** The City shall have the right to substitute alternate real property for any portion of, or add additional real property to the Property or to release a portion of the Property from this Lease Agreement. All costs and expenses incurred in connection with such substitution, addition or release (including all reasonable costs, expenses and attorneys' fees incurred by the Bank) shall be borne by the City. Notwithstanding any substitution, addition or release of Property pursuant to this subsection, there shall be no reduction in or abatement of the Lease Payments due from the City hereunder as a result of such substitution, addition or release. Any such substitution, addition or release of any portion of the Property shall be subject to the following specific conditions, which are hereby made conditions precedent to such substitution, addition or release:

(a) The City shall first receive written authorization and approval from the Bank, which authorization and approval shall not be unreasonably denied by the Bank so long as the balance of conditions set forth below are satisfied;

(b) No Event of Default shall have occurred and be continuing;

(c) An independent certified real estate appraiser selected by the City shall have found (and shall have delivered a certificate to the City and the Bank setting forth its findings) that the Property, as constituted after such substitution, addition or release, (i) has an annual fair rental value greater than or equal to 105% of the maximum Lease Payments payable by the City in any Rental Period, and (ii) has a useful life equal to or greater than the useful life of the Property, as constituted prior to such substitution, addition or release;

(d) The property to be substituted or added must be owned in fee simple by the City and be free of any liens and encumbrances that would impair the use of the property for its intended purpose, and the City shall have obtained or caused to be obtained a CLTA title insurance policy or policies with respect to any substituted or additional property in the amount of the fair market value of such substituted or additional property, of the type described in Section 5.07 hereof;

(e) In the case of substituted or additional property, the City agrees to provide any required surveys, environmental reports, or other diligence items related to such proposed substituted or additional property that are reasonably required by the Bank;

(f) The City shall have provided the Bank with an opinion of Bond Counsel to the effect that such substitution, addition or release will not, in and of itself, cause the Interest Components to be included in gross income for federal income tax purposes;

(g) The City and the Bank shall have executed, and the City shall have caused to be recorded with the Fresno City Recorder, any document necessary to reconvey to the City the portion of the Property being substituted or released and to include any substituted or additional real

property in the description of the Property contained herein and in the Site and Facility Lease; and

(h) The City shall have certified to the Bank that the substituted real property is of approximately the same degree of essentiality to the City as the portion of the Property for which it is being substituted.

## **ARTICLE V**

### **MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS**

**Section 5.01. Maintenance, Utilities, Taxes and Assessments.** Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property are the sole responsibility of the City, and the City will pay for 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 Bank 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, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the City under the terms of this Lease Agreement.

The City will pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Bank 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 is obligated to pay only such installments as are required to be paid during the Term of this 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 Bank shall notify the City that, in the opinion of Bond Counsel, by nonpayment of any such items, the interest of the Bank 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 will promptly pay such taxes, assessments or charges or provide the Bank with full security against any loss which may result from nonpayment, in form satisfactory to the Bank. The City shall promptly notify the Bank of any tax, assessment, utility or other charge it elects to contest.

**Section 5.02. Modification of Property.** The City has the right, at its own expense, to make additions, modifications and improvements to the Property or any portion thereof. All additions, modifications and improvements to the Property will thereafter comprise part of the Property and become subject to the provisions of this Lease Agreement. Such additions, modifications and improvements may not in any way damage the Property, 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 under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

**Section 5.03. Public Liability Insurance.** The City shall maintain or cause to be maintained throughout the Term of this Lease Agreement a standard comprehensive general liability insurance policy or policies in protection of the City, the Bank and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Such policy or policies must provide coverage with limits of at least \$1,000,000 per occurrence, \$3,000,000 in the aggregate, for bodily injury and property damage coverage, and excess liability umbrella coverage of at least \$5,000,000, and in all events in form and amount (including any deductibles) satisfactory to the Bank. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City (including, with Bank's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the City in a joint powers authority or other program providing pooled insurance. The City will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

**Section 5.04. Casualty Insurance.** The City will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, casualty insurance against loss or damage to all buildings situated on the Property and owned by the City, in an amount at least equal to the greater of the replacement value of the insured buildings and the aggregate principal amount of the Lease Payments outstanding, with a lender's loss payable endorsement. Such insurance must, as nearly as practicable, cover loss or damage by all "special form" perils. Such insurance shall be subject to a deductible of not to exceed \$250,000. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City (including, with the Bank's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the City in a joint powers authority or other program providing pooled insurance. The City will apply the Net Proceeds of such insurance as provided in Section 6.02.

**Section 5.05. Rental Interruption Insurance.** The City will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 5.04, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24 month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers authority or other program providing pooled insurance; provided that such rental interruption insurance shall not be self-insured by the City. The City will apply the Net Proceeds of such insurance towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

**Section 5.06. Worker's Compensation Insurance.** If required by applicable California law, the City shall carry worker's compensation insurance covering all employees on, in, near or about the Property and, upon written request, shall furnish to the Bank certificates evidencing such coverage throughout the Term of this Lease Agreement. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City (including a self insurance program), and may be maintained in whole or in part in the form of the participation by

the City in a joint powers authority or other program providing pooled insurance.

**Section 5.07. Recordation Hereof; Title Insurance.** On or before the Closing Date, the City shall, at its expense, (a) cause this Lease Agreement and the Site and Facility Lease, or a memorandum hereof or thereof in form and substance approved by Bond Counsel, to be recorded in the office of the Fresno County Recorder with respect to the Property, and (b) obtain a CLTA title insurance policy insuring the Bank's interests in the leasehold estate established under the Site and Facility Lease and hereunder in the Property, subject only to Permitted Encumbrances, in an amount equal to the original principal components of the Lease Payments. The City will apply the Net Proceeds of such insurance as provided in Section 6.02.

**Section 5.08. Insurance Net Proceeds; Form of Policies.** All insurance policies (or riders) required by this Article V and provided by third party insurance carriers shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten days before the cancellation or revision becomes effective. Each insurance policy or rider required by Sections 5.03, 5.04 and 5.05 and provided by third party insurance carriers shall name the City and the Bank as insured parties and the Bank as loss payee and shall include a lender's loss payable endorsement for the benefit of the Bank. In the case of coverage pursuant to Section 5.03, the Bank shall be added as an additional insured. Prior to the Closing Date, the City will deposit with the Bank policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the City will furnish to the Bank evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V unless such insurance is no longer obtainable, in which event the City shall notify the Bank of such fact.

**Section 5.09. Installation of City's Personal Property.** 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 other items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the City, in which the Bank has no interest, and may be modified or removed by the City at any time. The City must 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 prevents the City from purchasing or leasing items to be installed under this Section 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 may attach to any part of the Property.

**Section 5.10. Liens.** The City will 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 as herein contemplated and except for such encumbrances as the City certifies in writing to the Bank do not materially and adversely affect the subleasehold estate in the Property hereunder and for which the Bank provides its prior written approval, which approval shall be at Bank's sole discretion. Except as expressly provided in this Article V, the City will 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 will reimburse the Bank for any expense incurred by it in order to discharge or

remove any such mortgage, pledge, lien, charge, encumbrance or claim.

**Section 5.11. Advances.** If the City fails to perform any of its obligations under this Article V, the Bank may 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 additional rental hereunder, with interest at the rate set forth in Section 4.03(d).

#### **Section 5.12. Environmental Covenants.**

(a) ***Compliance with Laws; No Hazardous Substances.*** The City will comply with all Applicable Environmental Laws with respect to the Property and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would cause any Hazardous Substance to later flow, migrate, leak, leach, or otherwise come to rest on or in the Property.

(b) ***Notification of Bank.*** The City will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Property and any operations conducted thereon or any conditions existing thereon to the Bank, and the City will notify the Bank in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the Property, or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Bank.

(c) ***Access for Inspection.*** The City will permit the Bank, its agents, or any experts designated by the Bank to have full access to the Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Bank has no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

### **ARTICLE VI**

#### **EMINENT DOMAIN; USE OF NET PROCEEDS**

**Section 6.01. Eminent Domain.** If all of the Property shall be taken permanently under the power of eminent domain or sold to a governmental entity 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, (a) 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 (b) there shall be a partial abatement of Lease Payments in an amount equal to 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 Bank such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

## **Section 6.02. Application of Net Proceeds.**

### **(a) *From Insurance Award.***

(i) 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 deposited by the City promptly upon receipt thereof in a special fund with the Bank designated as the “Insurance and Condemnation Fund.”

(ii) Within 90 days following the date of such deposit, the City shall determine and notify the Bank in writing of its determination either (A) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the City and the Net Proceeds, together with other moneys available therefor, are sufficient to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Section 9.03 hereof, or (B) 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 and the fair rental value of the Property following such repair, restoration, replacement, modification or improvement will at least equal the unpaid principal component of the Lease Payments.

(iii) In the event the City’s determination is as set forth in clause (A) of subparagraph (ii) above, such Net Proceeds shall be promptly applied to the prepayment of Lease Payments and other amounts pursuant to Section 9.03 of this Lease Agreement; provided, however, that in the event of damage or destruction of the Property in full, such Net Proceeds may be so applied only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments, all accrued and unpaid interest, Prepayment Premiums described in Section 9.02, and all other costs related to such prepayments pursuant to Section 9.03 of this Lease Agreement and otherwise such Net Proceeds shall be applied to the prompt 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 applied to the prepayment of Lease Payments only if the resulting Lease Payments following such prepayment from Net Proceeds represent fair consideration for the remaining portions of the Property and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, evidenced by a certificate signed by a Authorized Representative.

(iv) In the event the City’s determination is as set forth in clause (B) of subparagraph (ii) above, such Net Proceeds 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 until the Property has been restored to its prior condition, the City shall not place any lien or encumbrance on the Property that is senior to this Lease Agreement without the prior written consent of the Bank, at its sole discretion.

(b) ***From 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 by the City in the Insurance and Condemnation Fund and shall be applied and disbursed as follows:

(i) If the City has given written notice to the Bank of its determination that (A) 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 this Lease Agreement, and (B) such proceeds are not needed for repair or rehabilitation of the Property, the City shall so certify to the Bank and the Bank, and the City shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.03 of this Lease Agreement.

(ii) If the City has given written notice to the Bank and the Bank of its determination that (A) 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 this Lease Agreement, and (B) such proceeds are needed for repair, rehabilitation or replacement of the Property, the City shall so certify to the Bank, and the City shall apply such amounts for such repair or rehabilitation.

(iii) If (A) 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 Bank 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 (B) all of the Property shall have been taken in such eminent domain proceedings, then the City shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.03 of this Lease Agreement.

(iv) In making any determination under this Section 6.02(b), 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 Bank. Any such determination by the City shall be final.

(c) ***From Title Insurance.*** The Net Proceeds from a title insurance award shall be deposited by the City in the Insurance and Condemnation Fund and credited towards the prepayment of Lease Payments required to be paid pursuant to Section 9.03 of this Lease Agreement.

**Section 6.03. Abatement of Lease Payments.** Lease Payments shall be abated during any period in which by reason of damage, destruction or condemnation there is substantial interference with the use and occupancy of the Property or any portion thereof by the City. 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, based upon an 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 evidenced by a Certificate of a Authorized Representative to the Bank. 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 6.03 to the extent that (a) the proceeds of rental interruption insurance or (b) amounts in the Insurance and Condemnation Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.03, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

## ARTICLE VII

### OTHER COVENANTS OF THE CITY

**Section 7.01. Disclaimer of Warranties.** THE BANK MAKES NO AGREEMENT, 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 PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF. THE CITY ACKNOWLEDGES THAT THE CITY LEASES THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CITY. In no event is the Bank liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement for the existence, furnishing, functioning or use of the Property by the City.

**Section 7.02. Access to the Property; Grant and Conveyance of Right of Entry.** The City agrees that the Bank, and the Bank's successors or assigns, has the right at all reasonable times, following at least 48 hours written notice provided to the City, to enter upon and to examine and inspect (to the extent permitted by law and public policy) the Property or any part thereof. The City further agrees that the Bank, and the Bank's successors or assigns shall have such rights of access to the Property or any component thereof, following at least 48 hours written notice provided to the City, as may be reasonably necessary to cause the proper maintenance of the Property if the City fails to perform its obligations hereunder. Neither the Bank nor any of its assigns has any obligation to cause such proper maintenance.

The City further grants, conveys and confirms to the Bank, for the use, benefit and enjoyment of the Bank, its successors in interest to the Property, including the Bank, and its sublessees, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public visiting the Property, a right of entry which shall be irrevocable for the Term of this Lease Agreement over, across and under the property of the City adjacent to the Property to and from the Property for the purpose of: (a) ingress, egress, passage or access to and from the Property by pedestrian or vehicular traffic; (b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and (c) other purposes and uses necessary or desirable for access to and from and for operation and maintenance of the Property.

**Section 7.03. Release and Indemnification Covenants.** To the extent permitted by law, the City hereby indemnifies the Bank, and its directors, officers, agents, employees, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Property by the City or the City's employees, agents, contractors, invitees or licensees, (b) any breach or default on the part of the City in the performance of any of its obligations under this Lease Agreement, (c) any negligence or willful misconduct of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Property, (d) any intentional misconduct or negligence of any sublessee of the City with respect to the Property, (e) the acquisition, construction, improvement and equipping of the Property, (f) the clean-up of any Hazardous Substances or toxic wastes from the Property, or (g) any claim alleging violation of any Applicable Environmental Laws, or the authorization of payment of the costs thereof. No indemnification is made under this Section 7.03 or elsewhere in this Lease Agreement for willful misconduct or gross negligence under this Lease Agreement by the Bank, or its respective officers, agents, employees, successors or assigns. The indemnification hereunder shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease Agreement or the termination of the Term of this Lease Agreement for any reason. The City and the Bank each agree to promptly give notice to each other and the Bank of any claim or liability hereby indemnified against following learning thereof.

**Section 7.04. Assignment by the Bank.** The Bank may assign its rights, title and interests herein, but no such assignment will be effective as against the City unless and until the Bank has filed with the City at least five Business Days' prior written notice thereof and an executed copy of an investor's letter addressed to the City and the Bank substantially in the form of the letter delivered by the Bank on the Closing Date attached hereto as Exhibit D. The City shall pay all Lease Payments hereunder to the Bank, as provided in Section 4.03(i) hereof, or under the written direction of the assignee named in the most recent assignment or notice of assignment filed with the City. During the Term of this Lease Agreement, the Bank will keep a complete and accurate record of all such notices of assignment.

**Section 7.05. Assignment Agreement and Subleasing by the City.** This Lease Agreement may not be assigned, mortgaged, pledged or transferred by the City. The City may further sublease the Property, or any portion thereof, with the prior written consent of the Bank, which consent shall not be unreasonably withheld, subject 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, and any sublease shall be subject and subordinate to this Lease Agreement.

(b) The City shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Bank a true and complete copy of such sublease.

(c) No such sublease by the City shall cause the interest payable on the Lease Obligation to become includable in the gross income for federal income tax purposes, or cause the Property to be used for a purpose other than as may be authorized under the provisions of the laws of the State.

(d) Any such sublease shall be subject and subordinate in all respects to the Site and Facility Lease and this Lease Agreement.

Notwithstanding the foregoing, in connection with any sublease entered into for financing purposes, the Principal Component of the then remaining Lease Payments plus the principal component of the sublease payments shall not exceed the fair market value of the Property.

**Section 7.06. Amendment of Lease Agreement.** This Lease Agreement may be amended in writing by the parties hereto.

**Section 7.07. Tax Covenants.** The City makes the following tax covenants, representations and warranties as of the date of the execution and delivery of this Lease Agreement:

(a) *No Arbitrage.* The City shall not take, or permit to be taken, any action with respect to the proceeds of the Lease Obligation 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 Lease Obligation to be “arbitrage bonds” within the meaning of section 148 of the Code.

(b) *Compliance with Rebate Requirements.* 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 investments earnings, if any, to the federal government.

(c) *Private Activity Bond Limitation.* The City shall assure that the proceeds of the Lease Obligation are not so used as to cause the Lease Obligation 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.

(d) *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 Lease Obligation to be “federally guaranteed” within the meaning of section 149(b) of the Code.

(e) *Bank Qualification.* The City designates the Lease Obligation as a “qualified tax-exempt obligation” for purposes of section 265(b)(3) of the Code. In that connection, the City, together with all its subordinate entities or entities that issue obligations on its behalf, or on behalf of which it issues obligations, during the current calendar year have not issued and will not issue tax-exempt obligations designated as qualified tax-exempt obligations in an aggregate amount, including this Lease Agreement, exceeding \$10,000,000.

**Section 7.08. Financial Statements; Budgets.** Within 240 days following the end of each Fiscal Year of the City during the Term of this Lease Agreement, the City will provide the Bank with a copy of its Audited Financials for such Fiscal Year. Such Audited Financials shall include such information as is required by applicable Government Accounting Standards Board pronouncements and applicable State law. Within 30 days of the end of each fiscal year, the City will provide the Bank with a copy of its annual budget and any interim updates or modifications to such budget. The City hereby agrees to provide the Bank with such other information as may be reasonably requested by the Bank.

**Section 7.09. Records and Accounts.** The City covenants and agrees that it shall keep proper books of record and accounts of its operations, in which complete and correct entries shall be made of all transactions relating to the City. Said books and records shall at all reasonable times be subject to the inspection of the Bank upon 48 hours' prior notice.

**Section 7.10. Observance of Laws and Regulations.** The City will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it 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 and enjoyed by the City, including the City's right to exist and carry on business as a municipal corporation, 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 7.11. Closing Conditions.** The Bank has entered into this Lease Agreement in reliance upon the representations and warranties of the City contained in this Lease Agreement and to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the City of the obligations of the City pursuant to this Lease Agreement at or prior to the Closing Date. Accordingly, the obligation of Bank to execute this Lease Agreement is subject to the fulfillment to the reasonable satisfaction of the Bank of the following conditions:

(a) The representations and warranties of the City contained in this Lease Agreement shall be true, complete and correct on the Closing Date.

(b) All representations, warranties and covenants made herein, and in certificates or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Bank notwithstanding any investigation heretofore or hereafter made by the Bank or on their behalf.

(c) On the Closing Date, the Resolution and this Lease Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(d) On the Closing Date, the City will have adopted and there will be in full force and effect such resolutions as in the opinion of Bond Counsel shall be necessary in connection with the transactions contemplated by this Lease Agreement, and all necessary action of the City relating to the execution and delivery the Lease Agreement will have been taken, will be in full force and effect and will not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(e) At or prior to the Closing Date, the Bank will have received the following documents:

(i) the approving opinions, dated the Closing Date and addressed to the Bank, of Bond Counsel in form and content satisfactory to the Bank and its counsel, representing (A) the Site and Facility Lease and Lease Agreement have been duly authorized, executed and delivered by the City and each is a legal, valid and binding obligation of the City, enforceable in accordance with its respective terms, subject to customary exceptions for

bankruptcy and judicial discretion, (B) the Prior Obligations have been legally defeased, (C) the Interest Components will not be included in the gross income of the owners thereof for federal tax purposes, and (D) the Lease Obligation has been designated by the City as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code;

(ii) a certificate or certificates, dated the date of the Closing and signed on behalf of the City by an Authorized Representative, to the effect that, among other things, (A) the representations and warranties contained in this Lease Agreement are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the Closing Date; (B) no litigation of any nature is then pending or, to his or her knowledge, threatened, seeking to restrain or enjoin the issuance and delivery of the Lease Agreement or affecting the validity of this Lease Agreement or contesting the existence or boundaries of the City or the titles of the present officers to their respective offices; (C) no authority or proceedings for the issuance of the Lease Obligation has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to execute and deliver this Lease Agreement has been filed with or received by the City; and (D) the City has complied with all the agreements and covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to, and to the extent possible before, the Closing Date;

(iii) a certified copy of the Resolution;

(iv) the items required by the Resolution as conditions for execution and delivery of this Lease Agreement;

(v) the opinion of the City Attorney to the City, dated the Closing Date, addressed to the Bank and Bond Counsel, to the effect that, among other things:

(A) the City is a municipal corporation and general law city duly organized and validly existing under and by virtue of the Constitution and laws of the State of California, and has all requisite power and authority thereunder: (i) to adopt the Resolution, and to enter into, execute, deliver and perform its covenants and agreements under the Site and Facility Lease, the Escrow Agreement and this Lease Agreement; (ii) to provide for the budget and appropriation, as contemplated by this Lease Agreement; and (iii) to carry on its activities as currently conducted;

(B) the City has taken all actions required to be taken by it prior to the Closing Date material to the transactions contemplated by the Site and Facility Lease, the Escrow Agreement and this Lease Agreement, and the City has duly authorized the execution and delivery of, and the due performance of its obligations under, the Site and Facility Lease, the Escrow Agreement and this Lease Agreement;

(C) the adoption of the Resolution, the execution and delivery by the City of the Site and Facility Lease, the Escrow Agreement and this Lease Agreement, and the compliance with the provisions of the Site and Facility Lease, the Escrow Agreement and this Lease Agreement, to the best of such counsel’s knowledge after due inquiry, do not and will not conflict with or violate in any material respect any California constitutional, statutory or regulatory provision, or, to the best of such

counsel's knowledge after due inquiry, conflict with or constitute on the part of the City a material breach of or default under any agreement or instrument to which the City is a party or by which it is bound;

(D) no litigation is pending with service of process completed or, to the best of such counsel's knowledge after due inquiry, threatened against the City in any court in any way affecting the titles of the officials of the City to their respective positions, or seeking to restrain or to enjoin the execution and delivery of the Site and Facility Lease, the Escrow Agreement and this Lease Agreement, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Lease Obligation, or in any way contesting or affecting the validity or enforceability of the Site and Facility Lease, the Escrow Agreement and this Lease Agreement or the Resolution, or contesting the powers of the City or its authority with respect to the Site and Facility Lease, the Escrow Agreement and this Lease Agreement or the Resolution;

(E) to the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the City of the Site and Facility Lease, the Escrow Agreement and this Lease Agreement; and

(F) to the best of such counsel's knowledge after due inquiry, the City is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any lease agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, which breach or default would materially adversely affect the City's ability to enter into or perform its obligations under the Site and Facility Lease, the Escrow Agreement and this Lease Agreement, 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;

(vi) the fully executed Site and Facility Lease and this Lease Agreement in form and substance acceptable to the Bank;

(vii) payment of the fees and expenses of \_\_\_\_\_, counsel to the Bank, in the amount of \$ \_\_\_\_\_;

(viii) evidence of liability and casualty insurance satisfactory to the Bank; and

(ix) such additional legal opinions, certificates, instruments and other documents as the Bank or its counsel may reasonably request to evidence the truth and accuracy, as of the date of this Lease Agreement and as of the Closing Date, of the representations, warranties, agreements and covenants of the City contained herein and the due performance or satisfaction by the City at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the City.

**Section 7.12. Maintenance of Tax Exemption.** In the event a Determination of Taxability

occurs, the City hereby agrees to pay to the Bank on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Bank on the Lease Obligation during the period for which interest on the Lease Obligation is included in the gross income of the Bank if the Lease Obligation had borne interest at the Taxable Rate, beginning on the Date of Taxability (the "Taxable Period"), and (B) the amount of interest actually paid to the Bank during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Bank as a result of interest on the Lease Obligation becoming included in the gross income of the Bank, together with any reasonable attorneys' fees, court costs, or other out of pocket costs incurred by the Bank in connection therewith. This Section 7.12 shall survive the termination of this Agreement.

**Section 7.13. Notices.** During the Term of this Lease Agreement, the City shall provide to the Bank:

- (a) Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which is, or with the passage of time or the giving of notice or both, would constitute an Event of Default under this Lease Agreement, together with a detailed statement by an Authorized Representative of the steps being taken by the City to cure the effect of such default or Event of Default.
- (b) Prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Authority.
- (c) With reasonable promptness, such other information respecting the City, and the operations, affairs and financial condition of the City as the Bank may from time to time reasonably request.
- (d) Prompt notice of any event which could give rise to a Determination of Taxability.
- (e) Immediate notice if any budget for the City does not include an amount sufficient to make all Lease Payments in a Rental Period.

## **ARTICLE VIII**

### **EVENTS OF DEFAULT AND REMEDIES**

**Section 8.01. Events of Default Defined.** Any one or more of the following events constitutes an Event of Default hereunder:

- (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 hereunder, other than as referred to in the preceding clause (a) of this Section, for a period of 30 days after written notice specifying

such failure and requesting that it be remedied has been given to the City by the Bank. However, if in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such 30-day period, the Bank shall not unreasonably withhold their consent to an extension of such time (for a period not to exceed 60 days) if corrective action is instituted by the City within such 30-day 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 Code, as amended, or under any similar federal or State act now existing or which may hereafter be enacted.

(d) Any default by the City to observe any covenant, condition or agreement on its part to be observed or performed under the Site and Facility Lease.

(e) Any court of competent jurisdiction shall find or rule that the Site and Facility Lease or this Lease Agreement is not valid or binding against the City.

(f) Any Material Adverse Effect shall exist.

**Section 8.02. Remedies on Default.** Whenever any Event of Default has happened and is continuing, the Bank may exercise any and all remedies available under law or granted under this Lease Agreement, including without limitation re-leasing of the Property; provided, however, that notwithstanding anything herein to the contrary, there shall be absolutely no right 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 Bank may exercise any and all rights granted hereunder; provided, that no termination of this Lease Agreement shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Bank may exercise any one or more of the following remedies:

(a) ***Enforcement of Payments without Termination.*** If the Bank 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 Bank for any deficiency arising out of the re-leasing of the Property, or, if the Bank is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of this 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 Bank or any suit in unlawful detainer, or otherwise, brought by the Bank for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Bank. The City hereby irrevocably appoints the Bank as the agent and attorney-in-fact of the City to enter upon and re-lease the Property upon the occurrence and continuation of an

Event of Default and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place in the City of Selma for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Bank 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 Bank or its duly authorized agents in accordance with the provisions herein contained. The City agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Bank 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 Bank 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 Bank to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The City agrees to surrender and quit possession of the Property upon demand of the Bank for the purpose of enabling the Property to be re-let under this paragraph. Any rental obtained by the Bank in excess of the sum of Lease Payments plus costs and expenses incurred by the Bank for its services in re-leasing the Property shall be paid to the City.

(b) ***Termination of Lease.*** If an Event of Default occurs and is continuing hereunder, the Bank at its option may either terminate this Lease Agreement and re-lease all or any portion of the Property, subject to the Site and Facility Lease. If the Bank terminates this Lease Agreement at its option and in the manner hereinafter provided due to a default by the City (and notwithstanding any re-entry upon the Property by the Bank in any manner whatsoever or the re-leasing of the Property), the City nevertheless agrees to pay to the Bank 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 and Additional Payments. Any surplus received by the Bank from such re-leasing shall be applied by the Bank to Lease Payments due under this Lease Agreement. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Bank 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 Bank shall have given written notice to the City of the election on the part of the Bank to terminate this Lease Agreement. The City covenants and agrees that no surrender of the Property, or of the remainder of the Term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Bank by such written notice.

(c) ***Proceedings at Law or In Equity.*** If an Event of Default occurs and continues hereunder, the Bank may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

(d) ***Remedies under the Site and Facility Lease.*** If an Event of Default occurs and continues hereunder, the Bank may exercise its rights under the Site and Facility Lease.

**Section 8.03. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the

Bank 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 or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of 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 Bank to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

**Section 8.04. Agreement to Pay Attorneys' Fees and Expenses.** If either party to this Lease Agreement defaults under any of the provisions hereof and the nondefaulting party should employ attorneys (including in-house legal counsel) 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 (including allocable costs and expenses of in-house legal counsel, if any) and such other expenses so incurred by the nondefaulting party.

**Section 8.05. No Additional Waiver Implied by One Waiver.** If any agreement contained in this Lease Agreement is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

**Section 8.06. Judicial Reference.**

(a) *Judicial Reference.* The Bank and the City hereby agree: (i) each proceeding or hearing based upon or arising out of, directly or indirectly, this Lease Agreement, the Site and Facility Lease, the Property or any document related thereto, any dealings between the City and the Bank related to the subject matter of this Lease Agreement, the Site and Facility Lease or any related transactions, and/or the relationship that is being established hereunder between the City and the Bank (hereinafter, a "Claim") shall be determined by a consensual general judicial reference (the "Reference") pursuant to the provisions of Section 638 et seq. of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time; (ii) upon a written request, or upon an appropriate motion by either the Bank or the City, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The Bank and the City agree that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee; (iii) the Bank and the City shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 8.06; (iv) either the Bank or the City, as applicable, may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it; (v) the Authority and the County, as

applicable, will each have such rights to assert such objections as are set forth in Section 638 et seq. of the California Code of Civil Procedure; and (vi) all proceedings shall be closed to the public and confidential, and all records relating to the Reference shall be permanently sealed when the order thereon becomes final.

(b) *Selection of Referee; Powers.* The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State of California, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed in accordance with Section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Fresno County Superior Court, or of the U.S. District Court for the Eastern District of California. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 8.06.

(c) *Provisional Remedies and Self Help.* No provision of this Section 8.06 shall limit the right of either the Bank or the City, as the case may be, to (i) exercise such self-help remedies as might otherwise be available under applicable law, or (ii) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the Bank or the City to the Reference pursuant to this Section 8.06(c).

(d) *Costs and Fees.* Promptly following the selection of the Referee, the parties to such Reference proceeding shall each advance equal portions of the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

## ARTICLE IX

### PREPAYMENT OF LEASE PAYMENTS

**Section 9.01. Security Deposit.** Notwithstanding any other provision of this Lease Agreement, the City may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Bank or a fiduciary reasonably satisfactory to the Bank, in trust, an amount of cash, which shall be held in a segregated trust or escrow fund under a trust or escrow agreement that is in form and content acceptable to the Bank, which cash so held is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit C, or (b) invested in whole in non-callable Federal Securities maturing not later than the dates such funds will be required to make Lease Payments or any prepayment in an amount which is sufficient, in the opinion of an independent certified public

accountant (which opinion must be in form and substance, and with such an accountant, acceptable to the Bank and addressed and delivered to the Bank), together with interest to accrue thereon and without reinvestment and together with any cash which is so deposited, to pay such Lease Payments when due under Section 4.03(a) or when due on any optional prepayment date under Section 9.02, as the City instructs at the time of said deposit; provided, however, that at or prior to the date on which any such security deposit is established, the City shall deliver to the Bank an opinion of Bond Counsel (in form and substance acceptable to the Bank) to the effect that any such security deposit will not adversely affect the excludability of the Interest Component of Lease Payments from gross income of the Bank for federal income tax purposes.

In the event of a security deposit under this Section with respect to all unpaid Lease Payments, (i) the Term of this Lease Agreement shall continue, (ii) all obligations of the City under this Lease Agreement, and all security provided by this Lease Agreement for said obligations, shall thereupon cease and terminate, excepting only (A) the obligation of the City to make, or cause to be made, all of the Lease Payments from such security deposit and, to the extent of any deficiency, as rent payable from other legally available funds of the City, (B) the release and indemnification obligations of the City under subparagraphs (f) and (g) of Section 7.03, and (C) the City's obligation to pay all unpaid Additional Payments, including amounts due under Section 7.12, and (iii) under Section 4.05, the Bank's leasehold interest in the Property will vest in the City on the date of said deposit automatically and without further action by the City or the Bank. The City hereby grants a first priority security interest in and the lien on said security deposit and all proceeds thereof in favor of the Bank. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement and, notwithstanding anything to the contrary herein, Lease Payments therefrom shall not be subject to abatement under Section 6.03 hereof to the extent payable from the funds held by the Bank or the fiduciary as described in the first sentence of this Section 9.01.

**Section 9.02. Optional Prepayment.** Upon two Business Days' prior written notice to the Bank, the City may prepay all or a portion of the Lease Payments at any time and from time to time. Such prepayment notice shall specify the amount of the prepayment which is to be applied. In the event of prepayment, the City may be required to pay the Bank an additional fee, determined in the manner provided below, to compensate the Bank for all losses, costs and expenses incurred in connection with such prepayment (the "Prepayment Premium").

Prior to \_\_\_\_ 1, 20\_\_ the Prepayment Premium shall be equal to (1) the present value of the difference between (a) the amount that would have been realized by the Bank on the prepaid amount for the remaining Term of this Lease Agreement at the interest rate then in effect on the proposed prepayment date and (b) the amount that would be realized by the Bank by reinvesting such prepaid funds for the remaining Term of this Lease Agreement at the (i) then-current market swap rate plus (ii) a spread of [Rate set at Closing], in effect at the time of prepayment as determined by the Bank; both (a) and (b) discounted at the then-current market swap rate excluding the spread; plus (2) interest accrued from the beginning of the last Lease Payment Date to the date of prepayment. Should the present value have no value or a negative value, the City may prepay the Lease Payments with no additional fee. On or after \_\_\_\_ 1, 20\_\_ there is no Prepayment Premium.

Partial prepayments may be made subject to a prepayment penalty based upon the same calculation methodology described above. Any partial prepayment shall be applied to Principal

Components in the inverse order of maturity in an amount no less than \$5,000 and shall not postpone the due dates of, or relieve the amounts of, any scheduled Lease Payments due hereunder. Any amounts repaid hereunder may not be re-borrowed.

**Section 9.03. Mandatory Prepayment from Net Proceeds of Insurance or Eminent Domain.** The City shall be obligated to prepay the unpaid principal components of the Lease Payments in whole or in part in such order of prepayment as shall be selected by the City on any date, together with any accrued and unpaid interest, from and to the extent of any proceeds of insurance award or condemnation award with respect to the Property to be used for such purpose under Section 6.02. The City and the Bank hereby agree that such proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the City's obligations under this Section 9.03.

## ARTICLE X

### MISCELLANEOUS

**Section 10.01. Notices.** Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The City and the Bank may, by written notice to the other party, from time to time modify the address or number to which communications are to be given hereunder.

If to the City:                      City of Selma  
   1710 Tucker Street  
   Selma, CA 93662  
   Attention: City Manager  
   Phone: (559) 891-2250  
   Facsimile: (559) \_\_\_\_ - \_\_\_\_

If to the Bank:                      \_\_\_\_\_ Bank  
   \_\_\_\_\_, Suite \_\_\_\_\_  
   \_\_\_\_\_, \_\_\_\_\_  
   Attention: \_\_\_\_\_  
   Phone: (\_\_\_\_) \_\_\_\_ - \_\_\_\_  
   Facsimile: (\_\_\_\_) \_\_\_\_ - \_\_\_\_

**Section 10.02. Binding Effect.** This Lease Agreement inures to the benefit of and is binding upon the Bank, the City and their respective successors and assigns.

**Section 10.03. Severability.** If any provision of this Lease Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

**Section 10.04. Net-net-net Lease.** This Lease Agreement is a “net-net-net lease” and the City hereby agrees that the Lease Payments are an absolute net return to the Bank, free and clear of any expenses, charges or set-offs whatsoever.

**Section 10.05. Further Assurances and Corrective Instruments.** The Bank 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 intention of this Lease Agreement.

**Section 10.06. Applicable Law.** This Lease Agreement is governed by and construed in accordance with the laws of the State

**Section 10.07. Partial Invalidity.** If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof; but the Bank shall retain all the rights and benefits accorded to it under any applicable provisions of law. The City hereby declares that it would have adopted this Lease Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

**Section 10.08. 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.

**Section 10.09. Execution in Counterparts.** This Lease Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

\* \* \* \* \*

IN WITNESS WHEREOF, the Bank and the City have caused this Lease Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

\_\_\_\_\_ BANK

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

CITY OF SELMA, CALIFORNIA

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

Attest:

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

## **EXHIBIT A**

### **DESCRIPTION OF THE SITE**

All that certain real property situated in the City of Selma, County of Fresno, State of California, described as follows:

## **EXHIBIT B**

### **DESCRIPTION OF THE FACILITY**

Means those certain existing facilities and improvements presently existing on the Site, including any buildings, parking areas and related facilities, together with any permitted additions, replacements, modifications or other alterations thereto, and together with and including, all riparian rights, water and water rights, easements, rights-of-way, licenses, franchises, rights of service and use, and the construction of all permissible auxiliary work necessary or convenient for the foregoing.

## EXHIBIT C

### SCHEDULE OF LEASE PAYMENTS

<u>Lease Payment Date</u>	<u>Principal Component</u>	<u>Interest Rate</u>	<u>Interest Component<sup>(1)</sup></u>	<u>Total Lease Payment</u>
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Totals

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(1) The interest component due under the Lease Agreement may vary from the amount indicated on this schedule based on the date the Lease Payment is received by the Bank, and upon the Interest Rate established at that time pursuant to Section 4.03 hereof.

## EXHIBIT D

### CERTIFICATE OF BANK

The undersigned hereby states and certifies, for and on behalf of, \_\_\_\_\_ Bank, a \_\_\_\_\_ (the "Bank"), with respect to the \$ \_\_\_\_\_ aggregate principal amount of the City of Selma, Series 2015 Lease Obligations (2015 Refunding Improvement Project), Bank Qualified (the "2015 Lease Obligation"), approved pursuant to Resolution No. \_\_\_\_\_ (the "Resolution"), adopted by the City Council of the City of Selma (the "City") on November \_\_, 2015, and secured and consummated pursuant to a Site and Facilities Lease, dated as of December 1, 2015 (the "Site Lease"), by and between the City and the Bank, and pursuant to a Lease Agreement, dated as of December 1, 2015 (the "Lease Agreement," and together with the Site Lease, the "Lease Documents"), and as such, in connection with said 2015 Lease Obligation, the undersigned hereby acknowledges and represents that:

(i) the Bank is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and has the full legal right, power and authority to enter into the Lease Documents;

(ii) the Bank has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other taxable obligations similar to the 2015 Lease Obligation, to be able to evaluate the risks and merits of the investment represented by the 2015 Lease Obligation and is able to bear the economic risks of such investment;

(iii) the Bank understands that neither the 2015 Lease Obligation nor Lease Documents have been registered with any federal or state securities agency or commission; and further understands that the 2015 Lease Obligation and Lease Documents (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (b) will not be listed in any stock or other securities exchange; and (c) will not carry a rating from any rating service;

(iv) the Bank acknowledges that it has either been supplied with or has been given access to information to which a reasonable investor or lender would attach significance in making investment and lending decisions, and the Bank has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the legal, physical and fiscal condition of the City, and the City's financial statements and fund balances, as well as the insurance, security and prepayment arrangements set forth in the Lease Documents, so that, as a reasonable investor, the Bank has been able to make an informed decision to enter into the Lease Documents for the consummation of the 2015 Lease Obligation;

(v) the Bank understands and acknowledges that no official statement, offering memorandum or any disclosure document has been prepared, nor is any contemplated to be prepared;

(vi) the Bank acknowledges that there is no reserve fund required for the 2015 Lease Obligation;

(vii) the Bank understands and acknowledges that it is purchasing the 2015 Lease Obligation on a private placement basis, and it is not intended that the transaction be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), and therefore the City has not undertaken, other than as provided in the Lease Documents, to provide to or for the benefit of owners of the 2015 Lease Obligation financial or operating data or any other information with respect to the City or the 2015 Lease Obligation on an ongoing basis;

(viii) the Bank has made its own inquiry and analysis with respect to the 2015 Lease Obligation and the security therefore, and other material factors affecting the security and payment of the 2015 Lease Obligation;

(ix) the Bank is either:

(a) an “accredited investor” as such term is defined in Rule 501(a) promulgated under the Securities Act of 1933, as amended (the “Securities Act”);

(b) a “qualified institutional buyer” as such term is defined in Rule 144A promulgated under the Securities Act; or

(c) a bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any qualified institutional buyer or on its own behalf);

(x) the Bank is purchasing the 2015 Lease Obligation for its own account as evidence of a financing transaction or for the account of institutions that meet the representations set forth herein, and not with a view to, and with no intention of, selling, pledging, transferring, conveying, hypothecating, mortgaging, disposing, reoffering, distributing, or reselling the 2015 Lease Obligation, or any part or interest thereof;

(xi) the Bank recognizes that an investment in the 2015 Lease Obligation involves significant risks, there is no established market for the 2015 Lease Obligation and that none is likely to develop and, accordingly, the Bank must bear the economic risk of an investment in the 2015 Lease Obligation for an indefinite period of time;

(xii) the Bank agrees that its right, title and interest in and to the Lease Documents and the 2015 Lease Obligation, with notice to the City, may be assigned and reassigned in whole (but not in part) to one or more assignees or subassignees by Bank, without the necessity of obtaining the consent of City, pursuant to the requirements of the Lease Agreement;

(xiii) the Bank further acknowledges that it is responsible for consulting with its advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws it may have with respect to subsequent assignments or assignees of the 2015 Lease Obligation if and when any such future disposition of the 2015 Lease Obligation may occur; and

(xiv) the Bank acknowledges that The Weist Law Firm (“Bond Counsel”) is acting as

bond counsel to the City, that Bond Counsel has no attorney-client relationship with the Bank, and that the Bank has sought legal advice from its own counsel to the extent it concluded legal advice was necessary.

Capitalized terms shall have the meaning set forth in the Lease Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the \_\_ day of December, 2015.

\_\_\_\_\_ BANK

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

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**ESCROW AGREEMENT**

**by and between the**

**CITY OF SELMA, CALIFORNIA**

**and**

**U.S. BANK NATIONAL ASSOCIATION**

**Dated as of December 1, 2015**

**Relating to the Defeasance of:**

**\$4,125,000 (Original Principal Amount)  
SELMA PUBLIC FINANCING AUTHORITY  
LEASE REVENUE REFUNDING BONDS, SERIES 2010  
Bank Qualified**

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## ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement"), made and entered into as of this 1<sup>st</sup> day of December, 2015 by and between the CITY OF SELMA, a municipal corporation and general law city duly organized and validly existing under and by virtue of the Constitution and laws of the State of California (the "City") and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, acting as Prior Trustee (the "Prior Trustee") for the Prior Obligations (as hereafter defined), hereinafter referred to and acting as escrow agent hereunder (the "Escrow Agent");

### W I T N E S S E T H :

**WHEREAS**, pursuant to (i) a certain Indenture of Trust, dated as of August 1, 2010, by and between the Selma Public Financing Authority (the "Authority") and U.S. Bank National Association, as trustee thereunder (the "Prior Trustee") (the "Prior Indenture"), and (ii) a certain Lease Agreement, dated as August 1, 2010, by and between the City and the Authority (the "Prior Lease Agreement," and together with the Prior Indenture, the "Prior Obligation Documents"), caused to be executed and delivered the "Selma Public Financing Authority, Lease Revenue Refunding Bonds, Series 2010," issued on August 12, 2010 in the aggregate, original principal amount of \$4,125,000 pursuant to the provisions of the Prior Obligations Documents (the "Prior Obligations"); and

**WHEREAS**, the proceeds of the Prior Obligations were used to (i) refinance certain long-term obligations of the City, the proceeds of which were used for the acquisition and construction of certain additions, betterments, extensions and improvements to certain City capital facilities, (ii) finance a reserve fund for the Prior Obligations (the "Prior Reserve Fund"), and (iii) pay the costs of issuance related thereto; and

**WHEREAS**, the City desires to refinance Prior Obligations and has correspondingly taken all necessary action to prepay such Prior Obligations in full pursuant to the terms and conditions of the Prior Obligations Documents; and

**WHEREAS**, in order to realize interest savings from the refunding of the Prior Obligations, the City proposes to execute and deliver its "City of Selma, Series 2015 Lease Obligations (Bank Qualified)" (the "Lease Obligation"), all pursuant to and secured by a Lease Agreement, dated as of December 1, 2015 (the "Lease Agreement"), in the manner provided therein, for the purpose of providing funds to refund the entire issue of outstanding Prior Obligations in advance of their scheduled maturities, on February 1, 2016 (the "Redemption Date"); and

**WHEREAS**, the Lease Obligation is to be secured by a pledge of and first lien on the Lease Payments (as defined in the Lease Agreement) to be made by the City pursuant to the Lease Agreement, which Lease Payments are designed to be sufficient in time and amount to pay the principal of and interest on the Lease Obligation as it becomes due and payable; and

**WHEREAS**, in order to provide for the execution and delivery of the Lease Obligation, to establish and declare the terms and conditions upon which the Lease Obligation is to be made and to secure the payment of the principal thereof and premium (if any) and interest thereon, the City has authorized the execution and delivery of the Lease Agreement and this Escrow Agreement (the "Refunding Documents"); and

**WHEREAS**, the City and the Escrow Agent wish to enter into this Agreement for the purpose of providing the terms and conditions relating to the deposit and application of cash to provide for the prepayment and redemption of the Prior Obligations in full, pursuant to and in accordance with the provisions of the Prior Obligations Documents; and

**WHEREAS**, the Escrow Agent has full power 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 agreement; and

**NOW, THEREFORE**, in consideration of the above premises and of the mutual promises and covenants therein contained and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

**Section 1. Appointment of Escrow Agent.**

The City hereby appoints U.S. Bank National Association as Escrow Agent for all purposes of this Agreement and in accordance with the terms and provisions of this Agreement, and the Escrow Agent hereby accepts such appointment.

**Section 2. Creation, Deposit and Application of the Escrow Fund.**

(a) The Escrow Agent hereby agrees to establish a separate irrevocable trust fund designated the “City of Selma, Prior Obligations Escrow Fund” (the “Escrow Fund”) to be maintained by the Escrow Agent, and disbursed in the amounts and for the purposes stated herein.

(b) Concurrently with delivery of the Lease Obligation, the City shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund on the date hereof, the amount of \$\_\_\_\_\_, which is comprised of (a) \$\_\_\_\_\_ from the proceeds of sale of the Lease Obligation, and (b) \$\_\_\_\_\_ from the funds and accounts pertaining to the Prior Obligations (including, but not limited to, the Reserve Fund and the Project Fund established pursuant to the Prior Indenture), to be held uninvested in cash, and disbursed in the amounts and for the purposes set forth herein.

(c) The Prior Trustee is hereby irrevocably instructed to liquidate all moneys presently held in funds and accounts under the Prior Indenture, which totals at least \$\_\_\_\_\_ (the “Transmitted Proceeds”), and to transfer such Transmitted Proceeds to the Escrow Agent for deposit into the Escrow Fund.

(d) Upon completion of the transfers and deposits set forth above in Section 2(a) through (c) the Prior Trustee is hereby instructed to transfer all remaining balances, if any, of all funds and accounts held by it pertaining to the Prior Obligations to the City.

**Section 3. Creation, Deposit and Application of the Escrow Account.**

(a) Within the Escrow Fund, on the date hereof, the Escrow Agent shall establish a separate irrevocable trust fund designated the “Escrow Account” (the “Escrow Account”) to be maintained by the Escrow Agent, and disbursed in the amounts and for the purposes stated herein.

(b) Concurrently with delivery of the Lease Obligation and the corresponding funding of the Escrow Fund, the Escrow Agent shall transfer from the Escrow Fund and deposit into the Escrow Account the sum of \$ \_\_\_\_\_ (the "Defeasance Amount"), which is hereby deemed to be comprised of \$ \_\_\_\_\_ in Transmitted Proceeds and \$ \_\_\_\_\_ from the proceeds of sale of the Lease Obligation.

(c) All moneys in the Escrow Account are hereby irrevocably pledged as a special trust fund for the payment of the principal of and interest and premium, if any, on the Prior Obligations in accordance with the provisions of this Agreement and the Prior Obligations Documents.

(d) The City hereby requests and irrevocably instructs the Escrow Agent to apply the total amount deposited in the Escrow Account hereunder for the sole purpose of paying the principal of and interest and premium, if any, on the Prior Obligations in accordance with the schedule set forth in Exhibit A attached hereto and by this reference incorporated herein.

(e) The City hereby requests and irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, to transfer any money remaining in the Escrow Account (after the payment of the Defeasance Amount on Redemption Date) to the City.

(f) The City hereby waives any rights that it may have under the Prior Obligations Documents, or any other document or agreement relating to the Prior Obligations, to give instructions as to the investment of the amounts deposited in the Escrow Account, except as provided in herein.

(g) The City acknowledges that it has no right, title or interest in or to any money, or other property held in the Escrow Account, notwithstanding any provision of the Prior Obligations Documents or any other document or agreement relating to the Prior Obligations to the contrary. Under no circumstances shall any such money, securities, or other property be paid or delivered to or for the order of the City, except as set forth herein.

#### **Section 4. Deposit and Application of the Costs of Issuance Account.**

(a) Within the Escrow Fund, on the date hereof, the Escrow Agent agrees to establish a separate fund designated the "Selma Costs of Issuance Account" (the "Costs of Issuance Account") to be maintained by the Escrow Agent, and disbursed in the amounts and for the purposes stated herein.

(b) Concurrently with delivery of the Lease Obligation, and the corresponding funding of the Escrow Fund, the Escrow Agent shall transfer from the Escrow Fund and deposit the sum of \$ \_\_\_\_\_ into the Costs of Issuance Account, which moneys shall be disbursed to the payees and in the amounts and for the purposes set forth in Requisition No. 1 signed by an Authorized Representative of the City, dated December \_\_, 2015 and delivered to the Escrow Agent.

(c) The Costs of Issuance Account shall be closed upon the final distribution of amounts in the Costs of Issuance Account, and any money remaining in the Costs of Issuance Account (after the payment of the amounts set forth above) shall be transferred to the City not later than the one month anniversary of the Closing date.

#### **Section 5. Termination; Unclaimed Money.**

This Agreement shall terminate when all moneys are transferred from the Escrow Fund, the Escrow Account and the Costs of Issuance Account, as provided Sections 2 through 4 hereof. The Escrow Agent shall thereupon be released and discharged with respect thereto and hereto.

#### **Section 6. Additional Instructions as to Escrow Agent.**

If at any time the Escrow Agent shall receive actual knowledge that the cash in the Escrow Fund will not be sufficient to make any payment required by Section 3 hereof, the Escrow Agent shall notify the City of such fact and the City shall immediately cure such deficiency from any source of legally available funds. The Escrow Agent shall have no obligation whatsoever to use its own funds to cure any such deficiency.

#### **Section 7. Application of Certain Terms of Prior Obligations Documents.**

All of the terms of the Prior Obligations Documents relating to the making of payments of the principal of and interest and premium on the Prior Obligations are incorporated in this Agreement as if set forth in full herein.

#### **Section 8. Redemption Notice.**

The Prior Trustee is hereby instructed by the City that at least 30 days (but not more than forty-five 45 days) prior to February 1, 2016, it is to provide the owners of the Prior Obligations with notice of redemption, meeting the requirements of the Prior Indenture, a form copy of which is attached hereto as Exhibit B. Said notice shall be transmitted in the manner required by the Prior Indenture.

#### **Section 9. Compensation to Escrow Agent.**

The City shall pay the Escrow Agent full compensation for its duties under this Agreement, including out-of-pocket costs such as publication costs, redemption expenses, legal fees (including fees of outside counsel and the allocated costs of internal attorneys) and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in and credited to the Escrow Fund or the Escrow Account, be deemed to be available for said purposes. The obligation of the City under this Section 9 to pay compensation already earned by the Escrow Agent and to pay costs and expenses already incurred shall survive termination of this Agreement and shall survive the resignation or removal of the Escrow Agent.

#### **Section 10. Liabilities and Obligations of Escrow Agent.**

No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of exercise of any of its duties hereunder, or in the exercise of its rights or powers. The Escrow Agent shall have no obligation to make any payment or disbursement of any type or incur any financial liability of any kind in the performance of its duties under this Agreement unless the City shall have deposited sufficient funds therefore with the Escrow Agent. The Escrow Agent may rely and shall be fully protected in acting upon the written instructions of the City or its agents relating to any matter or action as Escrow Agent under this Agreement.

The City, to the extent permitted by law, covenants to indemnify, defend and hold harmless the Escrow Agent and its officers, employees, directors, and agents, against any loss, liability or expense, including legal fees (including fees of outside counsel and the allocated costs of internal attorneys), incurred in connection with the performance of any of the duties of Escrow Agent hereunder, except the Escrow Agent shall not be indemnified against any loss, liability or expense resulting from its negligence or willful misconduct. Such indemnity shall survive the termination of this Agreement and shall survive the resignation or removal of the Escrow Agent.

The Escrow Agent shall have such duties as are expressly set forth herein and no implied duties shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not be liable for any act or omission of the City under this Agreement, the Prior Obligations Documents or the Refunding Documents. The Escrow Agent shall not be liable for the accuracy of any calculations as to the sufficiency of moneys deposited with it to pay the principal, interest or premiums, if any, on the Prior Obligations.

The Escrow Agent shall incur no liability for losses arising from any investment or other disposition made pursuant to and in accordance with this Agreement. Any bank, federal savings association or trust company into which the Escrow Agent may be merged or with which it may be consolidated shall become the Escrow Agent without any action of the City.

The Escrow Agent shall have no liability or obligation to the owners of the Prior Obligations, or the Lease Obligation with respect to the payment of debt service by the City or with respect to the observance or performance by the City of the other conditions, covenants and terms contained in the Refunding Documents, or with respect to the investment of any moneys in any fund or account established, held or maintained by the City pursuant to the Refunding Documents.

The Escrow Agent may conclusively rely, as to the trust of the statements and correctness of the opinions expressed therein, on any certificate or opinion furnished to it in accordance with this Agreement or the Prior Obligations Documents. The Escrow Agent may consult with counsel, whose opinion shall be full and complete authorization and protection to the Escrow Agent if it acting without negligence or willful misconduct and in accordance with such opinion.

Any corporation succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder, without the execution or filing of any paper or any further act on the part of the any of the parties hereto.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Escrow Agreement and delivered using Electronic Means ("Electronic Means" shall 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 Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Escrow Agent an incumbency certificate listing the authorized representatives of the City with the authority to provide such Instructions ("Authorized Representatives") and containing specimen signatures of such Authorized Representatives, 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 Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Representative listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Representative. The City shall be responsible for ensuring that only Authorized Representatives transmit such Instructions to the Escrow Agent and that the City and all Authorized Representatives 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 Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's good faith 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 Agent, including without limitation the risk of the Escrow Agent 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 Agent 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 Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of Securities that is to be submitted pursuant to this Escrow Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the City with respect to escrowed funds which were to be invested in securities. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold 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 Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent 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 11. Resignation of Escrow Agent.**

The Escrow Agent may at any time resign by giving written notice to the City, which notice shall indicate the date on which the resignation is to be effective (the "resignation date"). Resignation of the Escrow Agent will be effective upon acceptance of appointment by a successor Escrow Agent. If the City does not appoint a successor Escrow Agent by the resignation date, the Escrow Agent may, at the expense of the City, petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent.

**Section 12. Amendment.**

This Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of (i) the holders of one hundred percent (100%) in principal amount of the unpaid Prior Obligations at the time such consent is requested, and (ii) the Escrow Agent; provided, however, that the City and the Escrow Agent may, without the consent of or notice to the holders of the Prior Obligations, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and shall not be inconsistent with the terms and provisions of this Agreement: (1) to cure ambiguity or formal defect or omission in this Agreement; (2) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Prior Obligations any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent; and (3) to provide for the deposit of additional moneys or Federal Securities to the credit of the Escrow Fund. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of a nationally recognized firm of municipal bond attorneys with respect to compliance with this Section 12, including the extent, if any, to which any change, modification, addition elimination affects the rights of such holders of the Prior Obligations or that any instrument executed hereunder complies with the conditions or provisions of this Section 12.

**Section 13. Unclaimed Moneys.**

Anything contained herein to the contrary notwithstanding, any moneys held by the Escrow Agent for the payment and discharge of the principal of, and the interest and any premium on, the Prior Obligations which remain unclaimed for two (2) years after the date when the payment of such principal, interest and premium have become payable, if such moneys were held by the Escrow Agent at such date, shall be repaid by the Escrow Agent shall thereupon be released and discharged with respect thereto and the owners of such Prior Obligations shall look only to the City for the payment of the principal of, and interest and any premium on, such Prior Obligations. Any right of any owner of any Prior Obligation to look to the City for such payment shall survive only so long as required under applicable law.

**Section 14. Applicable Law.**

This Agreement shall be governed by and constructed in accordance with the laws of the State of California.

**Section 15. Execution in Counterparts.**

This 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 City and the Escrow Agent have each caused this Agreement to be executed by their duly authorized officers all as of the date first above written.

**CITY OF SELMA, CALIFORNIA**

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

**U.S. BANK NATIONAL ASSOCIATION,**  
As Escrow Agent

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

Title: \_\_\_\_\_

**EXHIBIT A**

**SCHEDULE OF PAYMENTS OF PRIOR OBLIGATIONS**

<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u> <u>Redeemed</u>	<u>Redemption</u> <u>Premium</u>	<u>Total</u>
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**EXHIBIT B**  
**NOTICE OF REDEMPTION**

**RECORDING REQUESTED BY:** )  
County of Fresno )  
 )  
**WHEN RECORDED MAIL TO:** )  
The Weist Law Firm )  
108 Whispering Pines Drive, Suite 235 )  
Scotts Valley, California 95066 )  
Attn: Cameron A. Weist, Esq. )  
 )

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(DO NOT WRITE ABOVE LINE - SPACE FOR RECORDERS USE ONLY)

THIS DOCUMENT IS RECORDED FOR THE BENEFIT OF THE CITY OF SELMA. THIS TRANSACTION IS EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

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## **TERMINATION AGREEMENT**

**Dated as of December 1, 2015**

**by and among the**

**SELMA PUBLIC FINANCING AUTHORITY**

**the**

**CITY OF SELMA**

**and**

**U.S. BANK NATIONAL ASSOCIATION**

## **TERMINATION AGREEMENT**

THIS TERMINATION AGREEMENT, dated as of December 1, 2015 is made by and among the SELMA PUBLIC FINANCING AUTHORITY, a joint powers agency duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), the CITY OF SELMA, a municipal corporation and general law city duly organized and validly existing under and by virtue of the Constitution and laws of the State of California (the "City"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee under the Prior Indenture (defined below) (the "Trustee").

### **W I T N E S S E T H:**

WHEREAS, during the calendar year 2010, the City and the Authority provided for the leasing of certain City facilities (the "Project"), whereby the City leased the Project to the Authority pursuant a Site Lease upon the terms and conditions contained therein, dated as of August 1, 2010, by and between the City, as lessor, and the Authority, as lessee, which was recorded August 11, 2010 as document number 2010-0102489 of Official Records of Fresno County (the "2010 Site Lease"); and

WHEREAS, in connection therewith the Authority leased the Project to the City pursuant to a Lease Agreement upon the terms and conditions contained therein, dated as of August 1, 2010, by and between the Authority, as sublessor, and the City, as sublessee, a memorandum of which was recorded August 11, 2010 as document number 2010-0102490 of Official Records of Fresno County (the "2010 Lease"); and

WHEREAS, in connection therewith, the Trustee and the Authority entered into a Memorandum of Assignment, dated as of August 1, 2010, by and between the Authority and the Trustee, recorded August 11, 2010 as document number 2010-0102491 of Official Records of Fresno County (the "2010 Assignment"); and

WHEREAS, pursuant to a certain Indenture of Trust (the "2010 Indenture"), dated as of August 1, 2010, by and between the Authority and U.S. Bank National Association, as trustee thereunder (the "Prior Trustee"), the City and Authority caused to be executed and delivered the "Selma Public Financing Authority, Lease Revenue Refunding Bonds, Series 2010," issued on August 12, 2010 in the aggregate, original principal amount of \$4,125,000 (the "2010 Obligations"); and

WHEREAS, because the City and Authority are providing for payment and prepayment of the 2010 Obligations pursuant to the proper provisions of the 2010 Lease and the 2010 Indenture, the City and Authority now desires to provide for the termination of the documents as provided herein and requests the Trustee to join in the execution hereof;

NOW, THEREFORE, in consideration of the foregoing and for other consideration of receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

Section 1. Termination.

By virtue of the deposit of funds with the Trustee for payment and prepayment of the 2010 Obligations, all obligations under the 2010 Lease shall thereupon cease and terminate. Said deposit and interest earnings thereon shall be deemed to be and shall constitute a special fund for the payment of the 2010 Lease.

In accordance with the foregoing, the undersigned parties hereby release and quit claim to the other all of their individual and collective interests, obligations, and benefits in the following agreements, which are hereby terminated and are of no further force or effect:

- (1) 2010 Site Lease, recorded August 11, 2010, as Document number 2010-0102489, Official Records of Fresno County;
- (2) 2010 Lease, recorded August 11, 2010, as Document number 2010-0102490, Official Records of Fresno County; and
- (3) 2010 Assignment, recorded August 11, 2010, as Document number 2010-0102491, Official Records of Fresno County.

From and after the date hereof, none of the parties shall have any further rights or obligations thereunder, other than any such obligations that are expressly stated to continue after the termination of such documents.

Section 2. Recordation Hereof. The City shall, at its expense, cause a copy of this Termination Agreement to be recorded in the Fresno County Recorder's Office.

Section 3. 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,  
all as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_  
Authorized Officer

CITY OF SELMA, CALIFORNIA

By \_\_\_\_\_

SELMA PUBLIC FINANCING AUTHORITY

By \_\_\_\_\_

## ALL CAPACITY ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF FRESNO

On \_\_\_\_\_, before me, \_\_\_\_\_  
(Date) (Name and Title of officer)

personally appeared \_\_\_\_\_,  
(Name of person signing)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of officer

(Seal)

**\$3,790,248**

Selma Public Financing Authority  
2015 Lease Revenue Refunding Bonds  
(2010A LRBs)

**DRAFT / ESTIMATED**

## Debt Service Comparison

Date	Total P+I	PP-2033 @ 3.00%	Old Net D/S	Savings
02/01/2016	18,951.24	18,951.24	110,185.42	91,234.18
02/01/2017	288,207.72	288,207.72	337,375.00	49,167.28
02/01/2018	289,182.71	289,182.71	338,350.00	49,167.29
02/01/2019	289,870.21	289,870.21	339,037.50	49,167.29
02/01/2020	290,270.21	290,270.21	339,437.50	49,167.29
02/01/2021	285,382.71	285,382.71	334,550.00	49,167.29
02/01/2022	289,432.73	289,432.73	338,600.00	49,167.27
02/01/2023	287,782.72	287,782.72	336,950.00	49,167.28
02/01/2024	285,782.72	285,782.72	334,950.00	49,167.28
02/01/2025	288,432.71	288,432.71	337,600.00	49,167.29
02/01/2026	285,382.72	285,382.72	334,550.00	49,167.28
02/01/2027	286,982.72	286,982.72	336,150.00	49,167.28
02/01/2028	287,882.71	287,882.71	337,050.00	49,167.29
02/01/2029	288,082.70	288,082.70	337,250.00	49,167.30
02/01/2030	287,582.71	287,582.71	336,750.00	49,167.29
02/01/2031	286,382.72	286,382.72	335,550.00	49,167.28
02/01/2032	289,482.72	289,482.72	338,650.00	49,167.28
02/01/2033	286,532.72	286,532.72	335,700.00	49,167.28
02/01/2034	-	-	337,050.00	337,050.00
02/01/2035	-	-	337,350.00	337,350.00
02/01/2036	-	-	336,600.00	336,600.00
02/01/2037	-	-	334,800.00	334,800.00
02/01/2038	-	-	336,950.00	336,950.00
02/01/2039	-	-	337,700.00	337,700.00
02/01/2040	-	-	(2,387.50)	(2,387.50)
<b>Total</b>	<b>\$4,911,607.40</b>	<b>\$4,911,607.40</b>	<b>\$7,856,747.92</b>	<b>\$2,945,140.52</b>

### PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	1,838,281.29
Effects of changes in DSR investments	(144,010.23)
Net PV Cashflow Savings @ 3.580%(AIC)	1,694,271.06
Net Present Value Benefit	\$1,694,271.06
Net PV Benefit / - Refunded Principal	-
Net PV Benefit / \$3,790,248 Refunding Principal	44.701%

### Refunding Bond Information

Refunding Dated Date	12/01/2015
Refunding Delivery Date	12/01/2015

## **AGREEMENT FOR BOND COUNSEL SERVICES**

**THIS AGREEMENT** is made and entered into as of the \_\_th day of November, 2015 by and between the City of Selma (the “City”), whose address is 1710 Tucker Street, Selma, CA 93662, and The Weist Law Firm (the “Bond Counsel”), whose address is 108 Whispering Pines Drive, Suite 235, Scotts Valley, CA 95066.

### **WITNESSETH:**

**WHEREAS**, the City desires to arrange for the procurement of approximately \$4 Million tax-exempt private placement debt financing obligation (the “Private Placement Financing”) in connection with the proposed refinancing of all outstanding Selma Public Financing Authority, Lease Revenue Refunding Bonds, Series 2010, issued by the Selma Public Financing Authority on August 12, 2010 in the aggregate, original principal amount of \$4,125,000 (the “Refinancing”); and

**WHEREAS**, the City desires to retain Bond Counsel to do the necessary consulting, legal and analytical work hereinafter outlined, upon the terms and conditions hereinafter set forth, to structure, issue and deliver said Private Placement Financing (the “2015 Debt Obligation”) as necessary to successfully accomplish the financing for the Refinancing; and

**WHEREAS**, Bond Counsel is specifically trained and experienced in the conduct of Private Placement Financing proceedings for accomplishing the issuance of the 2015 Debt Obligation, and hereby represents that it is ready, willing and able to perform said work; and

**NOW, THEREFORE**, in consideration of the covenants and premises herein contained and other good and valuable consideration, the parties hereto agree as follows:

#### **Section 1. Scope of Services.**

**Bond Counsel Services:** Bond Counsel shall provide the following legal services in connection with the preparation of the resolutions, documents and certifications necessary for the execution and delivery of the 2015 Debt Obligation. Such services shall include the following:

1. Consulting with representatives of the City, including the City Manager, Finance Director, City Attorney, as well as all pertinent consultants, and others, with respect to the timing, terms and legal structure of the proposed 2015 Debt Obligation.
2. Preparing all resolutions, ordinances, notices, affidavits, indentures, installment sale agreements, lease or loan agreements, and other legal documents customarily prepared by Bond Counsel, as required for the issuance of 2015 Debt Obligation (the “Principle Documents”).
3. Reviewing documents prepared by City staff, advisors, and/or consultants, including audit reports and budgets, project descriptions, related purchase contract(s), and other such documents that might have a bearing on the Private Placement Financing.

4. Preparing documentation with respect to any bond provisions, parity debt provisions and reserve fund policy provided or required in connection with the 2015 Debt Obligation, if any.
5. Reviewing and commenting on the financing plan, as necessary, for the Private Placement Financing and the issuance of 2015 Debt Obligation.
6. Attending such meetings or hearings of the City Council, and working group meetings or conference calls as the City may request, and as Bond Counsel deems prudent and necessary.
7. Advising as to the prudence of seeking a rating and/or bond insurance, if applicable.
8. Preparing all final closing papers required to achieve delivery of the 2015 Debt Obligation, and coordinating the closing of the 2015 Debt Obligation.
9. Rendering Bond Counsel's customary final legal opinion as to the validity of the 2015 Debt Obligation and the exemption of an allocable portion of interest from gross income for federal income tax purposes and from California personal income tax of interest thereon.
10. Preparing the required reports to the California Debt and Investment Advisory Commission (pursuant to section 8855 et seq. of the Government Code) respecting the sale of the 2015 Debt Obligation and Form 8038-G to the Internal Revenue Service (pursuant to Section 149 of the Internal Revenue Code of 1986).
11. Preparing five (5) complete transcripts of the proceedings, containing signed copies of all resolutions, ordinances, legal agreements, disclosure statements, certificates and notices. Two copies shall be provided to the City.

**Excluded Services** Bond Counsel's services are limited to those specifically set forth above. Bond Counsel's services do not include representation of the City or any other party to the transaction in any litigation or other legal or administrative proceeding involving any of the 2015 Debt Obligation, the Private Placement Financing or any other matter. Bond Counsel's services also do not include compliance with the California Environmental Quality Act, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Hazardous Material Transportation Act, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the Porter-Cologne Water Quality Control Act, the Safe Drinking Water and Toxic Enforcement Act of 1986, the Hazardous Substance Account Act, the Hazardous Waste Control Act, or any determinations pertaining to completion and readiness for acceptance.

Bond Counsel's services also do not include any responsibility for compliance with state blue sky, environmental, land use, real estate or similar laws or for title to or perfection of security interests in real or personal property, including the acquisition of interests in real property, whether through gift, negotiation or the exercise of the power of eminent domain.

Bond Counsel's services also do not include any responsibility the negotiation or preparation of joint powers agreements with other agencies. Bond Counsel will not be responsible for the services performed or acts or omissions of any other participant. Also, Bond Counsel's services will not extend past the date of issuance of the 2015 Debt Obligation and will not, for example, include services related to on-going

administration, annexation, rebate compliance or continuing disclosure or otherwise related to the 2015 Debt Obligation, proceeds of the 2015 Debt Obligation or the Private Placement Financing after issuance of the 2015 Debt Obligation.

Bond Counsel may be willing to perform such excluded services on such terms as might be mutually agreed to at the time of need. The performance by Bond Counsel of services excluded by the above paragraphs, if required by the City, shall be under separate written agreement.

## **Section 2. Compensation.**

For all bond counsel services rendered in connection with the Private Placement Financing of the 2015 Debt Obligation our fee shall be a contingent flat fee of \$38,500, plus all out-of-pocket expenses, including travel (which includes an out of office fee of \$550 for each day of travel) expenses and customary mileage rates; parking charges and bridge tolls as incurred, court related fees, photocopies at forty-five cents per page, transcript preparation and distribution; telephone and facsimile charges as incurred, and postage and express delivery charges as incurred, with a cap of \$2,750.

## **Section 3. Termination of Agreement and Legal Services.**

This Agreement and all legal services to be rendered under it may be terminated at any time by written notice from either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by the City, shall, at the option of the City, become its property and shall be delivered to it or to any party it may designate; provided that Bond Counsel shall have no liability whatsoever for any subsequent use of such documents. In the event of termination by the City without cause, Bond Counsel shall nevertheless be entitled to receive full compensation in the exact manner set forth in Section 2 hereof (which shall remain similarly contingent) if the City concludes a Private Placement Financing of the 2015 Debt Obligation within five years from the date of this Agreement, regardless of the amount of work or length of time invested by Bond Counsel in the Private Placement Financing up to the point of termination. This continuing, but contingent, right to receive full compensation shall survive the term of this Agreement. If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate upon final issuance of the 2015 Debt Obligation. Upon termination, Bond Counsel shall have no future duty of any kind to or with respect to the 2015 Debt Obligation or the City.

## **Section 4. Insurance.**

Bond Counsel specifically represents that it maintains errors and omissions insurance applicable to the Bond Counsel services to be rendered under this Agreement.

## **Section 5. Nature of Engagement.**

The City acknowledges that Bond Counsel regularly performs legal services for many private and public entities in connection with a wide variety of matters. Bond Counsel has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, contractors, suppliers, financial and other consultants/advisors, accountants, investment providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the Private Placement Financing or that may be involved with or adverse to the City in this or some other matter.

Bond Counsel agrees not to represent any such entity in connection with the 2015 Debt Obligation Financing, during the term of this Agreement, without the consent of the City. Given the special, limited role of Bond Counsel described above, the City acknowledges that no conflict of interest exists or would exist, and waives any conflict of interest that might appear actually or potentially to exist, now or in the future, by virtue of this Agreement or any such other attorney-client relationship that Bond Counsel may have had, have or enter into, and the City specifically consents to any and all such relationships.

#### **Section 6. Standards of Professional Conduct.**

Bond Counsel and every employee thereof shall provide their services, advice and any reports in full compliance with all applicable law and professional standards. Bond Counsel represents that it is specially trained, experienced, expert and competent to perform the services required under this Agreement, and that each individual providing legal services is a member in good standing of the State Bar and is licensed to practice in California. Bond Counsel certifies that it will not accept representation in any matters, including litigation, under this Agreement if it or any employee thereof has any personal or financial interest therein.

Bond Counsel certifies that it accepts this retention because it has the time, energy, skills and ability necessary to perform the duties required in an efficient, trustworthy, professional and businesslike manner. It is understood that the services under this Agreement must be provided immediately, and that they are time-critical. Bond Counsel is engaged by City for its unique qualifications and skills.

Bond Counsel agrees that it will comply with all ethical duties, will maintain the integrity of the Bond Counsel-client relationship, and will take all steps available to preserve all applicable legal privileges, confidences, and records from disclosure; however, it is hereby understood and agreed that 2015 Debt Obligation Private Placement Financing is public in nature, and the City hereby waives its right to confidential communications, and protecting of records from disclosure.

#### **Section 7. Independent Contractor.**

Bond Counsel and City understand and agree that Bond Counsel is an independent contractor and that the City shall not be liable for Workers' Compensation, retirement or unemployment benefits for Bond Counsel or Bond Counsel's agents, partners or employees.

#### **Section 8. No Guarantee of Outcome.**

City hereby acknowledges and agrees that this is a best efforts undertaking, and that no guarantee of success or outcome has been, or can be, made by Bond Counsel.

#### **Section 9. Arbitration.**

Any controversy, claim or dispute arising out of or relating to this Agreement, shall be settled solely and exclusively by binding arbitration in San Francisco, California. Such arbitration shall be conducted in accordance with the then prevailing commercial arbitration rules of JAMS/Endispute ("JAMS"), with the following exceptions if in conflict: (a) one arbitrator shall be chosen by JAMS; (b) each party to the arbitration will pay its pro rata share of the expenses and fees of the arbitrator, together with other expenses of the

arbitration incurred or approved by the arbitrator; and (c) arbitration may proceed in the absence of any party if written notice (pursuant to the JAMS' rules and regulations) of the proceedings has been given to such party. Each party shall bear its own attorneys fees and expenses. The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; provided however, that nothing in this Section shall be construed as precluding the bringing an action for injunctive relief or other equitable relief. The arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power to amend this Agreement. The arbitrator shall be required to follow applicable law. IF FOR ANY REASON THIS ARBITRATION CLAUSE BECOMES NOT APPLICABLE, THEN EACH PARTY submits to the ongoing jurisdiction of the state of California and/or the United States City Court for THE ENFORCEMENT HEREOF.

#### **Section 10. Entire Agreement.**

This Agreement contains the entire understanding between Bond Counsel and City. All previous proposals, offers and communications relative to the Private Placement Financing and this Agreement, whether oral or written, are hereby superseded except to the extent that they have been incorporated into this Agreement.

No future waiver of or exception to any of the terms, conditions, and provisions of this Agreement shall be considered valid unless specifically agreed to in writing by both Bond Counsel and City. No oral agreement or implied covenant shall be held to vary the provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties to this Agreement and any subsequent successors or assigns as may be permitted pursuant to the provisions of this Agreement.

#### **Section 11. Modification.**

Both City and Bond Counsel understand that it may be desirable or necessary during the execution of this Agreement for Bond Counsel or City to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with City and all changes and their cost shall be memorialized in a written amendment to this original Agreement prior to the performance of the additional work. Until a written change order is so executed, City shall not be responsible to pay any charges Bond Counsel may incur in performing such additional services, and correspondingly Bond Counsel shall not be required to perform any such additional services.

#### **Section 12. Severability.**

All sections and subsections of this Agreement are severable, and the unenforceability or invalidity of any of the sections or subsections of this Agreement shall not affect the validity or enforceability of the remaining sections or subsections of this Agreement, but such remaining sections or subsections shall be interpreted and construed in such a manner as to carry out fully the intention of the parties. Therefore, if any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portions or provisions shall not be effected by such holding and shall nevertheless continue in full force without being impaired or invalidated in any way.

**Section 13. Waiver.**

The waiver by either party of a default or breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent default or breach of the same or of a different provision of that party. No waiver or modification of this Agreement or of any covenant condition, or limitation contained in this Agreement shall be valid unless in writing and duly executed by the party or parties to be charged therewith.

**Section 14. Counterparts.**

This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their respective officers and representatives thereto duly authorized, all as of the day and year first above written.

**CITY OF SELMA**

**THE WEIST LAW FIRM**

\_\_\_\_\_  
Ken Grey, City Manager

\_\_\_\_\_  
Cameron A. Weist, Esq.

**Exhibit D**  
**CITY OF SELMA (“CITY”)**  
**2015 LEASE OBLIGATION FINANCING PROJECT**  
**(2010A SELMA PUBLIC FINANCING AUTHORITY REFINANCING PROJECT)**  
  
**OBJECTIVE, SCOPE OF SERVICES AND COMPENSATION SCHEDULE FOR**  
**FINANCIAL ADVISORY SERVICES**

**Objective**

City seeks to refinance the Selma Public Financing Authority Lease Revenue Refunding Bonds, Series 2010A (2010A Bonds) to secure annual and overall debt payment savings.

**Scope of Service – Task 1 – Pre-Issuance Financial Consulting Services**

NHA Advisors (Consultant) will work with City staff and other parties to analyze, coordinate, facilitate and manage a process that creates a thorough understanding by City Council and staff of the existing conditions, provides options and considerations for potential methods to meet City’s Objective.

**Tasks**

- Work with City staff and consultants to develop information and presentation material that describes 2010A Bond repayment current conditions and options for meeting City Objectives
- Develop financing plan to address repayment option selected
- Assist with the education process of City Council or advisory members
- Develop policy questions related to the implementation of financing plan
- Analyze budgetary impacts of potential refinancing debt service
- Work with City staff to develop cash flow model and financial feasibility
- Assist in the drafting of any reports or presentations to City council
- Attend City staff meetings or participate in conference calls as requested by staff
- Make presentations to City Council, as requested

**Scope of Service – Task 2 – Bond Issuance / Loan Placement (if applicable)**

Consultant will also provide services that will implement the City’s selected option, if any.

**Tasks**

- Provide and manage a detailed “master schedule” of tasks including bond structuring, documentation, approval, pricing, closing and post-closing phases.

- Work with the City staff to solicit and select financing partner/funding source (e.g. bank, underwriter etc.)
- If appropriate, work with the City staff to solicit and select trustee service provider and negotiate of preferred terms and pricing
- Recommend options with respect to other consultants, as applicable, that may be required as part of financing process
- Analyze the rating criteria, if appropriate, and its application to the financing's underlying security characteristics to gauge credit quality
- Attend all organizational, document review, and special meetings/conference calls related to the financing
- Evaluate, advise, and consult with the City and bond counsel regarding financial and non-financial bond covenants of the financing
- Work with City and bond counsel to develop the necessary financing documents
- Prepare and lead efforts in furnishing materials and data to rating agencies, bond insurers, and letter of credit providers (if required)
  - If private placement to financial institution, work with placement agent to prepare appropriate credit package for inclusion within bidding documents
- Work with disclosure counsel to prepare the preliminary official statement (POS or "disclosure document"), if required, as well as review all appropriate financing documents
  - If private placement, work with placement agent to develop bid documentation
- Lead team discussions in conjunction with bond and disclosure counsel on form, content, and sufficiency of information in the POS and continuing disclosure agreement, if applicable
- Work with selected financing partner/source to determine optimal bond structure, including serial / term bonds, premium / discount bonds, and redemption provisions
- Pricing of Bond Issue
  - Work with selected financing partner/source to recommend timing of bond pricing
  - Monitor municipal markets, review proposed interest rates, and advise the City during negotiations with financing partner / source
  - Provide independent numerical analysis of proposed bond issue pricing proposals
  - Provide detailed schedule of actions and timing during critical bond marketing and sale (pricing) time-frame
  - If private placement, assist placement agent with investor bidding process and lead final negotiations as required
- Recommendations to the City
  - Prepare an oral and/or written recommendation to the City for bond issue outlining financial feasibility, bond covenants, and pricing
- Closing the financing

- Work with bond counsel to prepare a closing memorandum to outline the role of each party and to direct each party's actions at closing
- Special Meetings of the City
  - Attend all City governing board meetings and any special meetings with staff, bond counsel, disclosure counsel, credit enhancement firms, and rating agencies as the City deems necessary
- Post Issuance Assistance
  - Provide follow-up to financing team participants on any issues that need attention
  - Conduct post issuance reviews as requested by the City
  - Provide written report to City summarizing salient financial and credit features and financing results (e.g. "Post-Closing Report")

**Compensation Schedule.** For work described within this EXHIBIT as Task 1 and 2 Scope of Services, Consultant will be compensated \$50,000 and be payable contingent upon a successful closing of the financing. All direct out-of-pocket expenses will be included within this fee unless said expenses exceed \$1,000. California travel related expenses will not be included.

CONSULTANT

NHA Advisors



Eric J. Scriven, Principal  
Date: November 2, 2015

CITY

City of Selma

By: Ken Grey, City Manager  
Date:

\$ \_\_\_\_\_  
**2015 LEASE REVENUE FINANCING  
OF THE CITY OF SELMA  
FRESNO COUNTY, CALIFORNIA**

**PLACEMENT AGENT AGREEMENT**

City of Selma  
1710 Tucker Street  
Selma, CA 93662

The undersigned, Hilltop Securities Inc. (the “Placement Agent”), offers to enter into the following agreement (this “Agreement”) with the City of Selma (the “City”), which, upon acceptance by the City, will be binding upon the City and the Placement Agent.

The City acknowledges and agrees that (i) the placement of the Lease (as defined below) pursuant to this Agreement is an arm’s-length commercial transaction between the City and the Placement Agent; (ii) in connection therewith and with the discussion, undertakings, and procedures leading up to the consummation of such transaction, the Placement Agent is not acting as a fiduciary of or a financial advisor to the City; (iii) the Placement Agent has not assumed (individually or collectively) an advisory or fiduciary responsibility in favor of the City with respect to (a) the offering of the Lease or the process leading thereto (whether or not the Placement Agent has advised or is currently advising the City on other matters); or (b) any other obligation to the Lease except the obligations expressly set forth in this Placement Agent Agreement; and (iv) the City has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Lease.

Upon the terms and conditions and upon the basis of the representations, warranties, and agreements set forth herein, the Placement Agent and City hereby agree as follows:

**1. Appointment of Placement Agent; Placement of Lease.**

(A) The City hereby appoints the Placement Agent to act, and the Placement Agent hereby agrees to act, as the exclusive placement agent for the City in connection with the private sale and issuance of its 2015 Lease Revenue Financing of the City of Selma (the “Lease”) and the Placement Agent hereby accepts such appointment. As compensation for its services hereunder, the Placement Agent shall charge a fee equal to \$20,000.00. At the closing of any such sale, the City shall pay or cause to be paid such fee to the Placement Agent by wire transfer or immediately available funds. The above fee does not include any services the Placement Agent may render in the future to the City with respect to any offering or placement of municipal securities other than the Lease.

(B) The City understands that the Placement Agent will be acting as the agent of the City in the offering and sale of the Lease, and agrees that, in connection therewith, the Placement

Agent will use its “best efforts” to place the Lease. This Agreement shall not give rise to any expressed or implied commitment by the Placement Agent to purchase or place any of the Lease.

**2. Covenants, Representations and Warranties of the City.** The City represents, warrants, and agrees as follows:

(A) the City is, and will be at the Closing Date, a duly organized, validly existing and operating pursuant to the laws of the State of California (the “State”) with full power and authority to observe and perform the covenants and agreements set forth in this Agreement;

(B) by official action of the City, prior to or concurrently with the acceptance hereof, the City (i) has duly adopted a resolution authorizing and approving the execution and delivery of this Agreement, and the performance of its obligations contained herein; and (ii) such resolution is in full force and effect and has not been amended or supplemented as of the date hereof, except as such resolution may be amended pursuant to the purchase contract for the Lease;

(C) the execution and delivery of this Agreement and compliance with the provisions on the City’s part contained herein do not and will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, statute, indenture, mortgage, deed of trust, bond, note, resolution, agreement, or other instrument to which the City is a party or by which the City is bound;

(D) any certificate signed by an authorized officer of the City and delivered to the Placement Agent shall be deemed a representation and warranty by the City in connection with this Agreement to the Placement Agent as to the statements made therein for the purposes for which such statements are made;

(E) The City represents that the Lease is exempt from registration pursuant to Section 3(a)(2) of the United States Bond Act of 1933, as amended (the “Act”); and

(F) The City agrees promptly from time to time to take such action as the Placement Agent may reasonably request to qualify, if such qualification is necessary, the Lease for offering and sale as a private placement under the securities laws of such States as the Placement Agent may reasonably request, and the City further agrees to comply with such laws so as to permit such offers and sales. Any applicable filings will be prepared by the City’s counsel, whose fees and disbursements in connection therewith shall be for the account of the City.

**3. Reliance.** The City recognizes that, in providing services under this Agreement, the Placement Agent will rely upon and assume the accuracy and completeness of the financial, accounting, tax, and other information discussed with or reviewed by the Placement Agent for such purpose, and the Placement Agent does not assume responsibility for the accuracy and completeness thereof. The Placement Agent will have no obligation to conduct any independent evaluation or appraisal of the assets or the liabilities of the City or any other party or to advise or opine on related solvency issues. Nothing in this Agreement is intended to confer upon any other person (including creditors, employees, or other constituencies of the City) any rights or remedies hereunder or by reason hereof.

**4. Termination.** The Placement Agent’s authorization to carry out its duties hereunder may be terminated by the City or the Placement Agent at any time with or without cause, effective upon receipt of written notice to that effect by the other party.

5. **Notices.** Any notice or other communication to be given to any of the parties to this Agreement may be given by delivering the same in writing, addressed as follows:

If to the City:

City of Selma  
1710 Tucker Street  
Selma, CA 93662  
Attention: Finance Director

If to the Placement Agent:

Hilltop Securities Inc.  
2535 South Coast Highway 101, Suite 250  
Cardiff by the Sea, CA 92007  
Attention: Todd Smith

6. **Survival of Representations, Warranties, and Agreements.** This Agreement is made solely for the benefit of the City and the Placement Agent, and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties, and agreements of the City contained in this Agreement shall remain operative and in full force and effect regardless of delivery of any payment for the Lease.

7. **Counterparts.** The 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.

8. **Effectiveness.** This Agreement shall become effective upon the execution of the acceptance hereof by a duly authorized signatory of the City, which acceptance hereof shall be indicated on the signature page hereof, and shall be valid and enforceable as of the time of such acceptance. This Agreement may be executed by facsimile transmission and in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

*[Signature Page Follows]*

**9. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

**HILLTOP SECURITIES INC.,**  
as Placement Agent

By: \_\_\_\_\_  
Todd Smith, Senior Vice President

Agreed and accepted this \_\_\_\_ day of  
\_\_\_\_\_, 2015.

**CITY OF SELMA**

By: \_\_\_\_\_  
[NAME/TITLE]

**CITY MANAGER'S/STAFF'S REPORT  
CITY COUNCIL MEETING:**

November 2, 2015

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**ITEM NO:** 5.

**SUBJECT:** Discussion and necessary action on proposed contracts for Retail Recruitment.

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**DISCUSSION:** This item was continued from the October 19, 2015 Council meeting.

During the October 5, 2015 Council Workshop, Mr. Joseph Fackel, Retail Strategies, LLC Senior Vice President provided a PowerPoint presentation regarding retail recruitment services for the City of Selma.

A presentation is scheduled for the November 2, 2015 Council Workshop in order to allow Mr. Larry Kosmont, President and CEO of Kosmont Companies, a similar vendor to address Council during the workshop. Kosmont Companies is recommended to the City by Mr. Cliff Tutelian as a preferred resource for retail development, marketing, and public/private financing mechanisms. Mr. Tutelian would like to discuss the possibility of sharing the costs for this work with the City of Selma at the time of Mr. Kosmont's presentation.

Both proposals are attached for Council to review.





RETAIL STRATEGIES PROPOSAL TO:

# City of Selma, CA

RETAIL RECRUITMENT

Presented On: October 5, 2015

Pricing Valid Until: December 1, 2015

PREPARED BY:  
JOSEPH FACKEL  
SENIOR VICE PRESIDENT  
RETAIL STRATEGIES, LLC  
FORT WORTH, TX

November 2, 2015 Council Packet

STRICTLY PRIVATE  
AND CONFIDENTIAL



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# Executive Summary

Retail attraction and retention is a primary goal for most communities across the country. In the past cities have spent valuable time and public funds to hire consultants for retail analysis, only to be left with research reports, a list of retailers, and limited guidance on the actual process of recruiting prospects to their community.

Robert Jolly and Mead Silsbee, retail brokers and developers in Birmingham, AL, saw the opportunity to take their knowledge of research and commercial real estate to develop a holistic approach to retail recruitment. Their vision is to provide a turnkey solution allowing communities' access to retail real estate professionals who develop and execute a tailored strategic plan on behalf of their community.

To meet that goal, Retail Strategies has grown to a team of 30+ highly motivated and skilled retail real estate professionals from a variety of backgrounds including marketing, research, analytics, sales, communication and commercial real estate. Retail Strategies has offices in Birmingham, AL and Fort Worth, TX Retail Strategies is working with more than 115 communities in 23 States.

This model is both strategic and comprehensive. By combining research, analysis, a Strategic Retail Recruitment Plan, marketing materials, conference representation, and pro-active retail recruitment, our firm has helped these communities define and execute against specific opportunities.

The World of Retail is a dynamic and evolving market. Due to the nature of our business, Retail Strategies plans are fluid and evolve as needed for success. The Strategic Retail Recruitment Plan is a dynamic document and provides the baseline for the partnership. The plan identifies the state of retail in the community today and our partnership goals in the short and long term.

Following the presentation of the Strategic Plan the Retail Strategies team goes to work on your behalf recruiting both the retailers, and developers, who will be interested, and more importantly, successful in your community, creating tangible results for your residents.

The following pages of this document further define and explain our processes.

# Team Description

## Our Difference

Our team of 30+ professionals is unrivalled within the industry. We are unique in that we assign dedicated professionals to execute against the opportunities within your markets. The team skillsets, along with their roles and responsibilities, complement each other to create the desired results within your markets. Team roles include a Vice President of Retail Recruitment, Account Executive, Client Manager, Senior Retail Recruitment Coordinator, Junior Retail Recruitment Coordinator, Marketing Assistants, and a Data and Research Analysis Professional.

## Our Commitment

We commit to our clients to:

- 1) Provide Progress Updates
  - ✓ Every call, email, face-to-face meeting, or trade show meeting is logged and recorded to the Retail Prospect list and uploaded to Basecamp each month for your review.
  - ✓ Interaction with the Client Manager, Retail Recruiters, and other members of your team will be ongoing and regular.
- 2) Perform Dynamically
  - ✓ Our team will react to the rapidly changing retail environment throughout the course of the engagement
  - ✓ Our focus is to daily identify newly announced expansions, closures, and relocations to position our clients appropriately.
  - ✓ On-Demand Reporting
- 3) Provide Answers
  - ✓ Provide feedback and direction on barriers to entry when retailers turn down a site
  - ✓ Provide feedback and direction for entrepreneurial opportunities
- 4) Your Success is Our Goal

## Selma Core Team

### Built for You

The Core Team consists of marketing, research, and real estate professionals who will work hand in hand with you to identify and achieve results. Our firm has carefully devised a structure that can be implemented in your community to provide tailored solutions to this unique engagement.

The Selma Core team consists of our three Principals, Executive VP of Retail Recruitment, Client Manager, Senior Retail Recruitment Coordinator, Account Executive, Marketing Assistants, and Research and Analytics Specialists. The responsibilities of your Core Team encompass all aspects of retail recruitment and the individuals working with Selma will each utilize their unique skill set to execute on behalf of the community.

## Retail Strategies Team

### Leverage

In addition to your Core Team, Retail Strategies puts connections made from a National perspective to work for your community. Investors, developers, and retailers are looking for the right sites Nationwide. We will get your market opportunities in front of the proper decision makers and make retail happen.

**“We Make Retail Happen”**



# Our Process

## **Research:**

- Identify Selma's Retail Trade Areas using political boundaries, drive times and radii and custom boundary geographies
- Perform Market & Retail GAP Analysis for each trade area (Leakage and Surplus)
- Provide Consumer Attitude and Behavior Analysis
- Conduct Retail Peer Market Analysis
- Competition analysis between the Selma market trade area(s) and surrounding competitive communities
- Cannibalization Analysis (Distance Tolerance) for all recommended retail prospects between nearest existing locations and Selma
- Tapestry Lifestyles – Psychographic Profile of Trade Area / Market Segmentation Analysis
- Thematic Mapping and Aerial Imagery by trade area
- Retail Competitor Mapping/Analysis
- Market Maximization Summary and Strategic Leasing Plan
- Analysis of future retail space requirements in relation to the retail market analysis, the market's growth potential and trends in the retail industry
- Identification of Retail Prospects to be targeted for recruitment
- Retailer Recruitment and Execution of the Retail Strategic Plan
- Updates on Retail Industry Trends
- Custom On-Demand Demographic Research – Historical, Current, and Projected Demographics – to include market trade areas by radius/drive-time, and custom trade areas associated with Selma

## **Boots on the Ground Analysis:**

- Identify/Evaluate/Catalog Priority Commercial Properties for Development, Re-development and higher and best use opportunities
- Identification of Priority Business Categories for Recruitment and/or Local Expansion
- Perform Competitive Analysis of Existing Shopping Centers and retail corridors

## **Retail Recruitment**

- Pro-Active Retail Recruitment
- ICSC Representation
- Monthly Updates

**Further Explanation and Examples to Follow.**

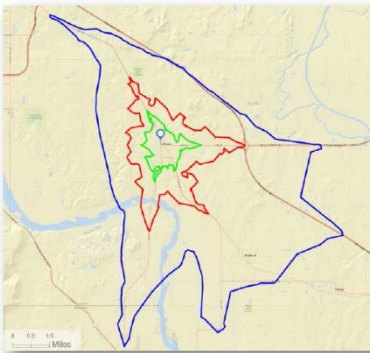
## Quantitative Research

## We Speak Retail

Our research solutions are not “one size fits all”. Each community, neighborhood, or retail trade area requires unique analysis based on numerous factors including natural boundary areas, retail tenant mix, travel times, radius areas, and existing sites/buildings. Our research focuses on identifying the data points that are most likely to influence the site location decisions of retailers. Speaking their language to provide realistic expansion opportunities. In addition, we provide thematic maps, aerial photos, asset maps, and customized reports by retail concept.

### market analysis: coweta

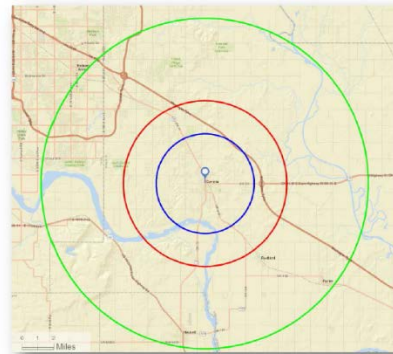
| Retail Strategies



Category	3 Minute Drive Time	5 Minute Drive Time	10 Minute Drive Time
Population 2014	4,339	7,219	14,710
Population 2019	4,463	7,414	15,403
Median Household Income 2014	\$42,313	\$45,169	\$52,907
Median Household Income 2019	\$48,920	\$51,233	\$57,834
Median Disposable Income 2014	\$36,422	\$37,836	\$42,902

### market analysis: coweta

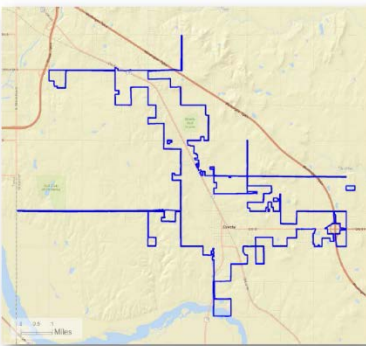
| Retail Strategies



Category	3 Mile Radius	5 Mile Radius	10 Mile Radius
Population 2014	10,102	16,086	70,797
Population 2019	10,450	16,790	74,992
Median Household Income 2014	\$50,689	\$54,034	\$59,543
Median Household Income 2019	\$54,946	\$59,275	\$67,318
Median Disposable Income 2014	\$40,709	\$44,051	\$50,143

### market analysis: coweta

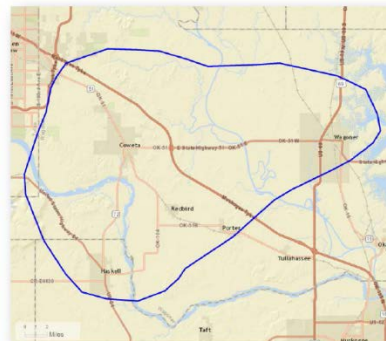
| Retail Strategies



Category	City Boundary
Population 2014	10,272
Population 2019	10,664
Median Household Income 2014	\$51,469
Median Household Income 2019	\$56,075
Median Disposable Income 2014	\$41,496

### market analysis: custom

| Retail Strategies



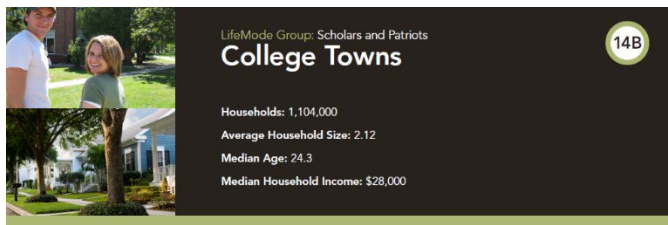
Category	Custom Trade Area (309.53 Square Miles)
Population 2014	39,330
Population 2019	41,134
Median Household Income 2014	\$51,823
Median Household Income 2019	\$57,756
Median Disposable Income 2014	\$41,821



## What is Tapestry?

Tapestry helps you understand your customers' lifestyle choices, what they buy, and how they spend their free time. Tapestry classifies US residential neighborhoods into 67 unique segments based on demographic and socioeconomic characteristics. That's how you get more insights so you can identify your best customers and underserved markets.

## "Identify Where the Desired Consumer is Located"



### WHO ARE WE?

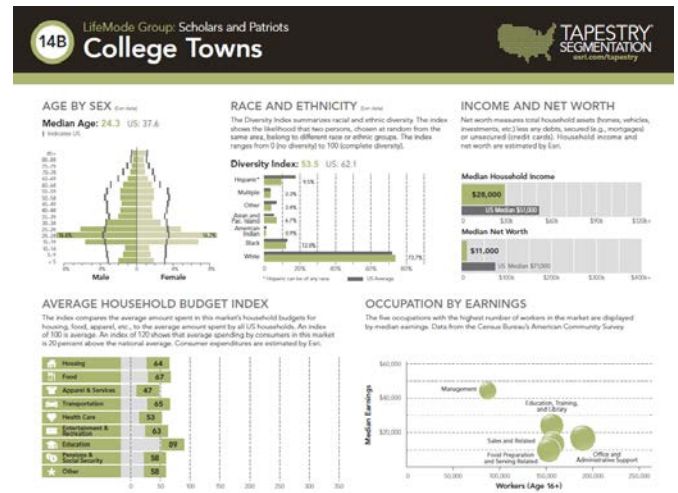
About half the residents of College Towns are enrolled in college, while the rest work for a college or the services that support it. Students have busy schedules, but make time between studying and part-time jobs for socializing and sports. Students that are new to managing their own finances tend to make impulse buys and splurge on the latest fashions. This digitally engaged group uses computers and cell phones for all aspects of life including shopping, school work, news, social media, and entertainment. College Towns are all about new experiences, and residents seek out variety and adventure in their lives.

### OUR NEIGHBORHOOD

- These are nonfamily households with many students living alone or with roommates for the first time.
- This segment is a mix of densely developed student housing and dorms with local residences.
- Off-campus, low rent apartments comprise half of the housing stock.
- Over three-quarters of the households are renter-occupied, with one in ten remaining vacant.
- One-third of homes are single family, mostly occupied by local residents who own their homes.
- This market is bike and pedestrian friendly.

### SOCIOECONOMIC TRAITS

- Their limited incomes result in thrifty purchases.
- They do not eat the healthiest foods, nor do they see a doctor regularly.
- They dress to impress with the latest fashions of the season.
- They prefer environmentally friendly products and vehicles that get good gas mileage.
- They're heavily influenced by celebrity endorsements and trends in magazines.
- They feel anything that can be done online is easier than in person.
- They have liberal political views.



### MARKET PROFILE

- Own a laptop and a portable MP3 player.
- Watch movies and TV programs online; MTV and Comedy Central on TV.
- Use the Internet for social media connections, blogging, paying bills, and downloading music.
- Have cell phones only (no landlines) and enjoy customizing them.
- Popular activities: backpacking, Pilates, and Frisbee.
- Go out to the movies and out for drinks.

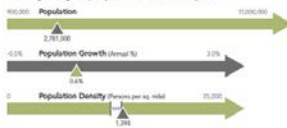
### HOUSING

Median home value is displayed for markets that are primarily owner-occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.



### POPULATION CHARACTERISTICS

Total population, average annual population change since Census 2010, and average density (population per square mile) are displayed for the market relative to the size and change among all Tapestry markets. Data estimated by Esri.



### ESRI INDEXES

Esri developed three indexes to display average household wealth, socioeconomic status, and housing affordability for the market relative to US standards.



### SEGMENT DENSITY

This map illustrates the density and distribution of the College Towns Tapestry Segment by households.



## GAP Analysis

### What is GAP Analysis?

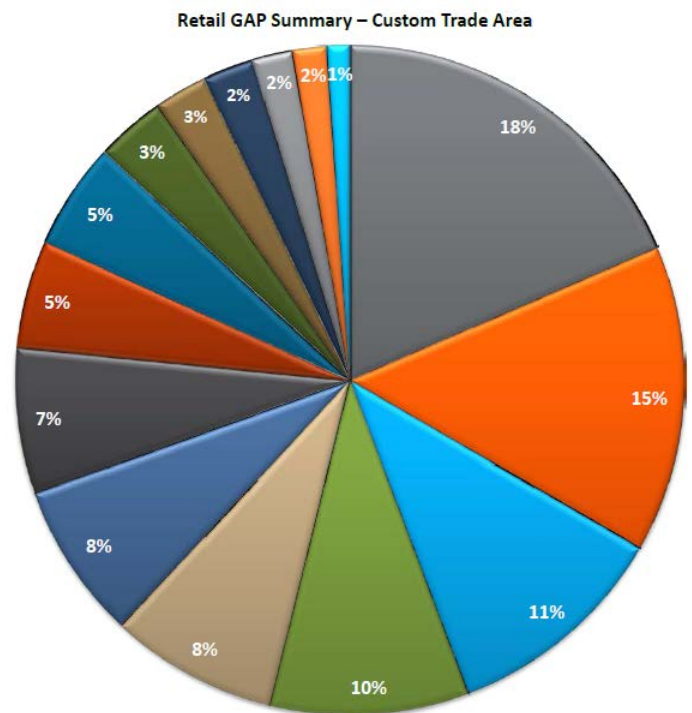
The Retail GAP Analysis examines the quantitative aspect of the community's retail opportunities. It is a guide to understanding retail opportunities but it is not an analysis that indicates unconditional opportunities. The analysis is sometimes called "a leakage report" or "a supply and demand analysis" and can aid in the following:

- Indicating how well the retail needs of local residents are being met
- Uncovering unmet demand and possible opportunities
- Understanding the strengths and weaknesses of the local retail sector
- Measuring the difference between actual and potential retail sales

## gap analysis

**Retail GAP Summary - Coweta OK**  
**Custom Retail Trade Area**

Retail Stores	Opportunity GAP
General Merchandise Stores	\$25,645,757
Supermarkets, Grocery Stores	\$20,515,468
Home Centers/Outdoor Power Equipment Stores	\$15,107,091
Pharmacies & Drug Stores	\$13,370,839
Full-Service Restaurants	\$11,225,960
Limited-Service Restaurants	\$10,440,421
Home Furnishing, Furniture, & Household Appliance Stores	\$9,754,442
Family Clothing Stores	\$7,205,458
Office Supplies, Stationery, Gift Stores	\$7,116,015
Sporting Goods Stores	\$4,650,165
Automotive Parts/Accessories	\$3,535,335
Health & Personal Care Stores	\$3,396,849
Women's Clothing Stores	\$2,720,538
Shoe Stores	\$2,287,086
Cosmetics, Beauty Supplies, Perfume Stores	\$1,537,731
<b>Total</b>	<b>\$138,509,155</b>



## Consumer Expenditure, Attitudes, and Behaviors

### Your Market in Action

Our detailed consumer attitude, expenditures, and behavior data allows us to drill down to the consumer level and understand their preferences and likelihood to purchase products and services. Local retail businesses can use this data to better understand the product and service mix needed to grow their company and capture spending that may be leaving the immediate trade area.

### Over 1,000 Variables that Cover 95% of Household Spending



#### Health and Beauty Market Potential

City of Bixby, OK 3-5-10 Minute Drive Time  
Bixby, Oklahoma, United States  
Drive Time: 3 minute

Latitude: 35.94204  
Longitude: -95.88332

Demographic Summary		2014	2019
Population		2,523	2,848
Population 18+		1,862	2,124
Households		987	1,118
Median Household Income		\$38,090	\$44,900
		Expected Number of	
Product/Consumer Behavior	Adults	Percent	MPI
Typically spend 6+ hours exercising per week	363	19.5%	86
Typically spend 3-5 hours exercising per week	384	20.6%	95
Typically spend 1-2 hours exercising per week	371	19.9%	99
Exercise at home 2+ times per week	435	23.4%	82
Exercise at club 2+ times per week	185	9.9%	77
Exercise at other facility (not club) 2+ times/wk	134	7.2%	93
Own elliptical	57	3.1%	77
Own stationary bicycle	95	5.1%	91



#### Pets and Products Market Potential

City of Bixby, OK 3-5-10 Minute Drive Time  
Bixby, Oklahoma, United States  
Drive Time: 3 minute

Latitude: 35.94204  
Longitude: -95.88332

Demographic Summary		2014	2019	
Population		2,523	2,848	
Population 18+		1,862	2,124	
Households		987	1,118	
Median Household Income		\$38,090	\$44,900	
Product/Consumer Behavior		Expected Number of Households	Percent	MPI
HH owns any pet		567	57.4%	108
HH owns any bird		28	2.8%	101
HH owns any cat		282	28.6%	126
HH owns any dog		403	40.8%	103
HH owns 1 cat		153	15.5%	125
HH owns 2+ cats		129	13.1%	124

\*Additional Example Reports are Available Upon Request

## Peer Analysis

### What is Peer Analysis?

Retailers seek known variables and as a result tend to locate in similar communities and/or trade areas. By identifying these similar communities from a demographic and business scope, we can analyze those retailers who have shown a propensity to locate in these peer areas giving our team the ability to demonstrate why your market is a fit.

## peer analysis

| Retail Strategies

City	State	Population (2010)	Population (2014)	Population (2019)	Households (2014)	Average Household Income (2014)	Total Retail Expenditures (2014)
Spearfish	SD	10,526	10,814	11,155	4,884	\$59,518	\$102,724,537
Carroll	IA	10,103	10,203	10,487	4,413	\$58,514	\$91,244,335
Brownfield	TX	9,657	9,821	10,240	3,250	\$60,818	\$67,663,700
<b>Coweta</b>	<b>OK</b>	<b>9,384</b>	<b>9,573</b>	<b>10,049</b>	<b>3,636</b>	<b>\$59,049</b>	<b>\$75,468,198</b>
Grinnell	IA	9,378	9,415	9,491	3,677	\$60,129	\$77,263,404
Augusta	KS	9,274	9,326	9,596	3,790	\$58,142	\$78,123,801
Bacliff	TX	8,619	9,304	10,179	3,294	\$58,389	\$67,712,156
Perryton	TX	8,841	8,987	9,198	3,149	\$58,258	\$64,806,042
Fort Stockton	TX	8,368	8,439	8,668	3,049	\$60,209	\$64,195,628
Bernalillo	NM	8,320	8,372	8,778	3,088	\$59,480	\$64,209,649
Bloomfield	NM	8,112	8,078	8,283	2,930	\$58,458	\$60,536,935
Webster City	IA	8,070	8,064	8,089	3,485	\$58,363	\$72,025,610

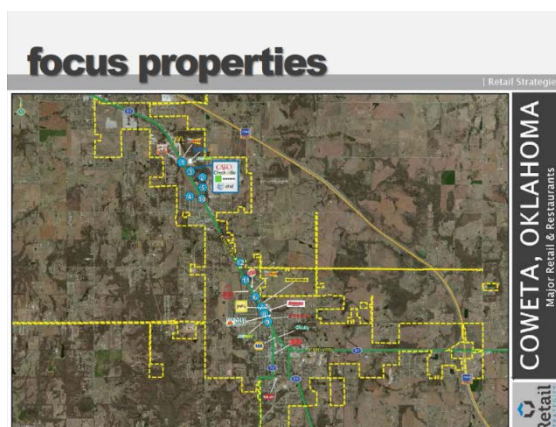


## Boots on the Ground Analysis ("BOG")

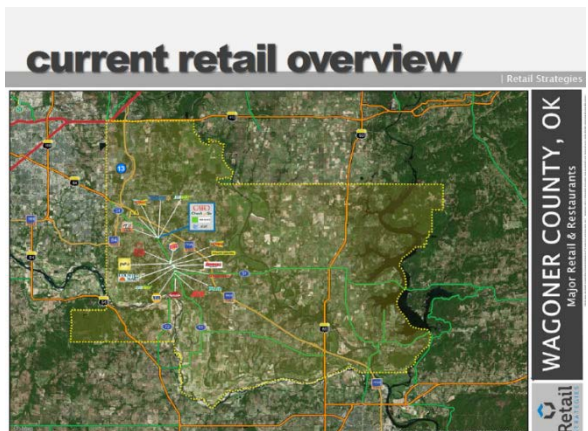
### What Does a Retailer See?

Purpose of this analysis is to:

- Identify/Evaluate/Catalog Priority Commercial Properties for Development, Re-development and higher and best use opportunities
- Identification of Priority Business Categories for Recruitment and/or Local Expansion
- Perform Competitive Analysis of Existing Shopping Centers and retail corridors



Number on Aerial	Name	Address	City	State
1	Land: North of Walmart	11091 S Highway 51	Coweta	OK
2	Land: Between Walmart and Shadow Center	11300 S Highway 51	Coweta	OK
3	Meadow Brook Center	11319 S Highway 51	Coweta	OK
4	Coweta Crossing	11359 S Highway 51	Coweta	OK
5	Land: North of Burger King	13449 S Highway 51	Coweta	OK
6	Land: North of Dollar General	13637 S Highway 51	Coweta	OK
7	Oak Grove Shopping Center	13765 S Highway 51	Coweta	OK
8	Country Mart	13937 S Highway 51	Coweta	OK
9	Vacant Building: South of Walgreens	14041 S Highway 51	Coweta	OK
10	Land: Next to Phillips 66	30453 S Highway 51	Coweta	OK
11	FTD Motors Building	13533 S Highway 51	Coweta	OK
12	Land	13399 S Highway 51	Coweta	OK
13	Land	S Highway 51 & N 23rd Street	Wagoner County	OK



## Basecamp

# What is Basecamp?

Basecamp is a document and project management solution to provide access to all project deliverables and real time updates to the appropriate community contacts. Basecamp is a two way project management solution allowing our clients the ability to upload information to the Retail Strategies team, set alerts, create to do lists, and much more.

The Client Manager for the Selma engagement will also upload any on demand research requests and updates of conversations with local property owners, commercial realtors and developers. All users designated by the City of Selma will receive Basecamp training from Retail Strategies staff through a web meeting.

## Communication is the Key to a Great Partnership

Back to Dashboard | Switch to a different project

Project Settings | My Info | Sign out | HELP

### Choctaw Nation Oklahoma

Overview | Messages | To-Dos | Calendar | Writeboards | Time | Files | People & Permissions | Search

#### Project overview & activity

[New message](#) | [New to-do list](#) | [New event](#) | [New file](#)

MONDAY, 9 FEBRUARY 2015

- File [City of Poteau, OK \(City Boundary\) - Traffic Count Map.pdf](#) Uploaded by Ford F.
- File [City of Atoka, OK \(City Boundary\) - Traffic Count Map.pdf](#) Uploaded by Ford F.

MONDAY, 26 JANUARY 2015

- File [City of Atoka, OK 10-15-20 Minute Drive Time - \(Claritas GAPS\).xls](#) Uploaded by Ford F.
- File [City of Atoka, OK 5-10-15 Mile Radius - \(Claritas GAPS\).xls](#) Uploaded by Ford F.
- File [City of Poteau, OK 10-15-20 Minute Drive Time - \(Claritas GAP\).xls](#) Uploaded by Ford F.
- File [City of Poteau, OK 5-10-15 Mile Radius - \(Claritas GAP\).xls](#) Uploaded by Ford F.

TUESDAY, 9 SEPTEMBER 2014

- File [Poteau OK Major Retail\\_Sept14.pdf](#) Uploaded by Ford F.
- File [Atoka OK Major Retail\\_Sept14.pdf](#) Uploaded by Ford F.

MONDAY, 8 SEPTEMBER 2014

- File [City of Poteau, OK \(10, 15, 20 Minute Drive Time\) - Tapestry Segmentati...le.pdf](#) Uploaded by Ford F.
- File [City of Poteau, OK \(5, 10, 15 Mile Radius\) - Tapestry Segmentati...le.pdf](#) Uploaded by Ford F.
- File [City of Atoka, OK \(10-15-20\) Minute Drive Time\) - Tapestry Segmentati...le.pdf](#) Uploaded by Ford F.
- File [City of Atoka, OK \(5, 10, 15 Mile Radius\) - Tapestry Segmentati...le.pdf](#) Uploaded by Ford F.
- File [City of Atoka \(OK\) - 15 Mile Radius - \(Restaurant GAP\).xls](#) Uploaded by Ford F.
- File [Atoka, OK Research 360 - Restaurant Attitudes & Behaviors.docx](#) Uploaded by Ford F.

#### Stay up to date on this project

☐ Turn on email updates to receive a daily digest notifying you of any to-do items or milestones that were added or completed in the last day.

☐ Project RSS feed (What's RSS?)

#### People on this project

##### Retail Strategies

**Matt Petro**  
You are currently signed in

**Jackie Bell**  
Latest activity 28 days ago

**Ford Fitts**  
Hasn't signed in recently

**Lauren Turriglio**  
Hasn't signed in recently

**Amanda Beshears**  
Hasn't signed in recently

**Chuck Branch**  
Hasn't signed in recently

## Development of the Strategic Retail Recruitment Plan

### Explanation of Opportunities. Action Plan Moving Forward.

#### Recruitment Strategy

Upon completing data analysis, the real estate analysis (BOG), and reviewing input from the client, the Retail Strategies team develops a Recruitment Strategy for the community. The Recruitment Strategy will identify both short-term and long-term recruitment objectives and goals.

#### Retail Prospects

The Retail Prospect List, includes targeted retail prospects for recruitment to Selma, and is based on the initial research and analysis (both quantitative and in-market). The Retail Prospect List is a dynamic document which is continuously updated based on real time conversations with both retailers and developers. As we represent Selma nationally, present opportunities within Selma to retailers and developers, and learn of newly announced retail expansion plans and concepts, the prospect list will be updated accordingly.

#### Recommendations for Site Locations for Retail/Restaurant Companies

Retail Strategies will work with the City to prioritize commercial properties that may be suitable sites to present to prospective new retailers. This will include maps, marked aerials, and all pertinent contact and site specific information relative to each site.

#### Monthly Update

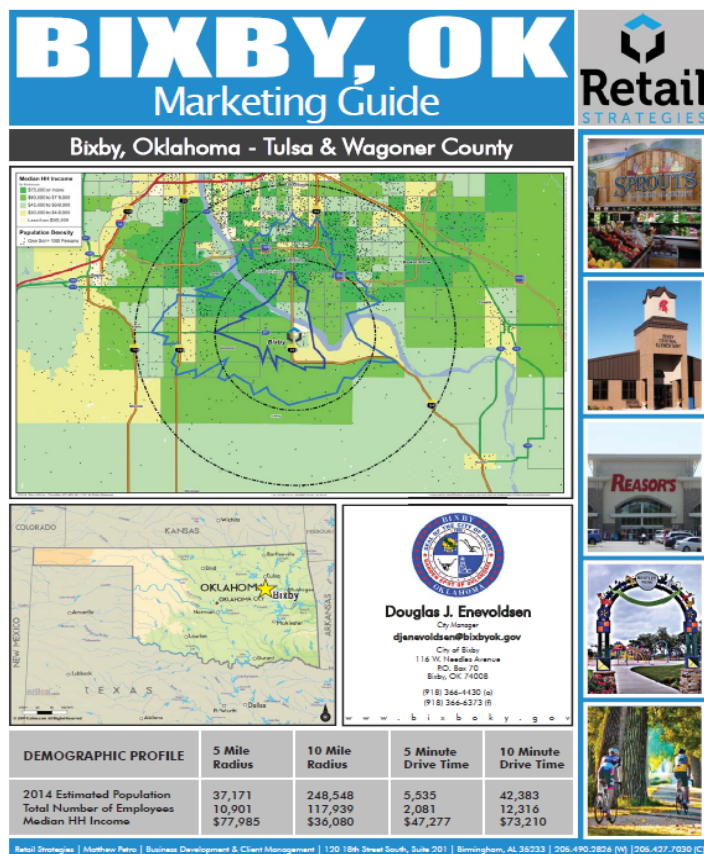
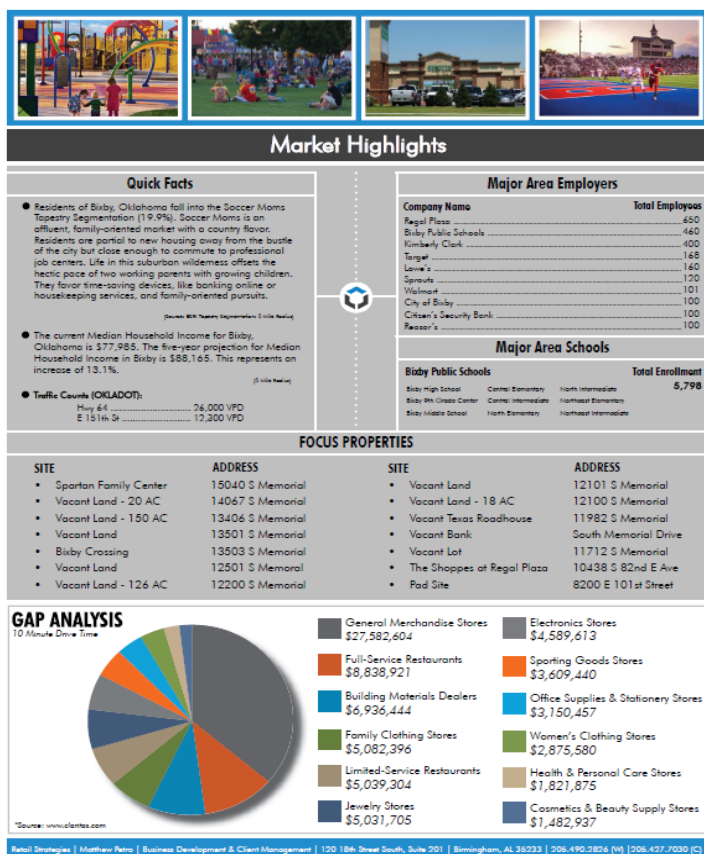
Through Basecamp, emails, and phone calls our team will keep the identified contacts updated relative to recruitment efforts and specific interaction with prospective retailers and developers interested in the Selma retail trade area.



## Marketing Materials

# Give Them What They Want

Marketing materials are an essential tool to recruiting retailers. Our team will build custom materials to attract retail to your community. We carefully craft the information within each Marketing piece to best represent the opportunities in the community, and show the decision makers the information the desire when looking at an expansion opportunity.



\*Other Example Marketing Guides Available Upon Request

## Execution of the Strategic Retail Recruitment Plan

# People and Connections Make the Difference

### Implementation

Upon completion and adaptation of the Strategic Retail Recruitment Plan, Retail Strategies puts its years of retail real estate experience – and a national network of retail, restaurant and developer contacts – to work on your behalf. Retail recruitment is a commercial real estate activity and, as such, requires all of the aforementioned elements in order to yield results. Retail Strategies will embark upon a sustained, aggressive recruitment campaign on behalf of Selma. We become an extension of the staff providing the focus, expertise, and relationships necessary to develop and execute a successful recruitment process.

### Portfolio Review

Due to the number of engaged cities we work with, we have retailers and developers who are aggressively expanding their market presence regionally and nationally and want to sit down with our team to discuss our portfolio. Our firm has a roster of developers who are looking to replicate previous developments in similar communities across appropriate geographic regions. Retail Strategies meets with these retailers and developers in a variety of settings – corporately, regionally, at ICSC functions or in their offices – to position opportunities across our engaged City portfolio down to the specific sites meeting their criteria. Extensive analysis and preparation prior to the Portfolio Review allow meetings to focus on deal making in addition to exchanging information. Retailers and developers have told us that this is the most productive use of their time and their preferred way to discuss opportunities and negotiate deals.



\*Full Team Bios Located in Addendum B and online at [www.retailstrategies.com](http://www.retailstrategies.com)

## National Representation

### How Do We Represent Clients?

In 2015 Retail Strategies will attend more than thirty (30) Retail Real Estate Conferences to represent our clients to developers and expanding retailers. After thorough preparation for each convention, our team sits down with decision makers with data, sites, and other creative tools to position your community to attract the right retailer.

### What is ICSC?

The International Council of Shopping Centers (ICSC) is the global trade association for the retail industry. ICSC helps both the public and private sector understand the market through educational programs, monthly publications, certification programs, and (most popular) Deal Making Conventions. The most well known and most attended is ICSC RECON which takes place annually in May in Las Vegas, NV. This year there are over 35,000 attendees and is the largest year on record. RECON is one of the largest opportunities for Retail Strategies to represent your community each year to expanding retail concepts. In addition, Regional Deal Making Shows are another great opportunity to meet with retail decision makers.

### Deal Making Space

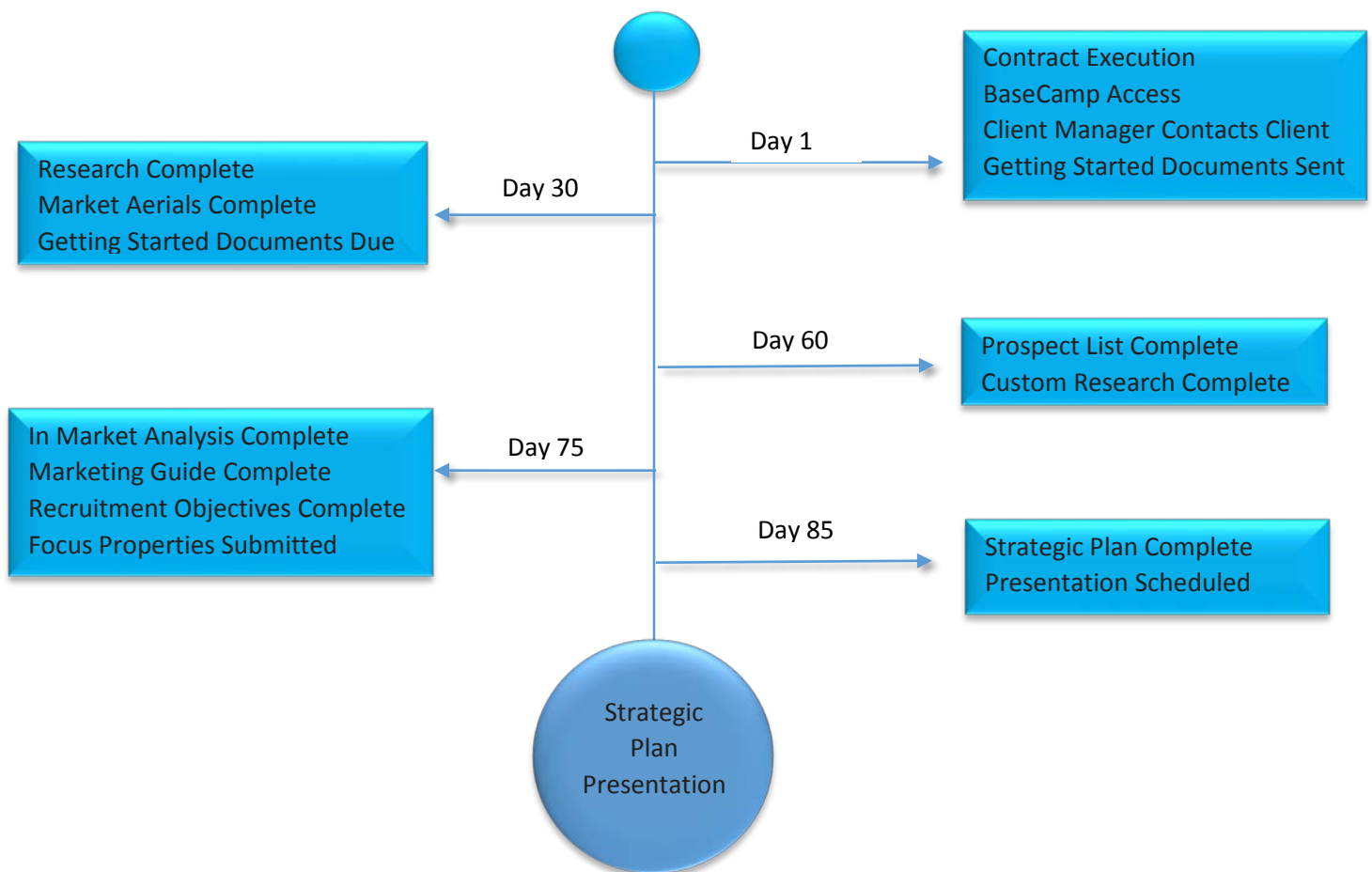
Retail Strategies invests heavily each year to provide a leading platform for our Clients at retail conferences nationally. By having this platform, retailers, brokers, developers, and investors take notice and will connect with our team to discuss your community. In 2015 Retail Strategies will have over 5,000 sf of deal making space for our team to represent and our clients to utilize across the country at more than a dozen retail conferences.



## Timeline

### On-Boarding Process

Following the execution of our agreement Retail Strategies begins immediately working to better understand and identify opportunities within the Selma market. The following diagram gives you a brief perspective on the completion dates for the materials that go in to the Strategic Retail Recruitment Plan.



# Investment

## Year 1

\$50,000

- Research – Quantitative and In-Market Assessment of Real Estate Assets
- Access to BaseCamp
- Development of the Strategic Retail Recruitment Plan
  - Recruitment Strategy for New Retail and Restaurant Companies
  - Provide Identification and Recommendation of Retail Prospects
  - Recommendation of Site Locations for Retail/Restaurant Concepts
  - Development of Marketing Materials
  - Call List and Recruitment Updates
- Execution of Strategic Recruitment Plan
  - Working with local property owners, developers and real estate professionals in order to facilitate retail growth, including On Demand Research/Analysis
  - Outreach to retail prospects with continuous updating of Retail Prospect List
  - Representation at national and regional retail real estate conferences

## Year 2 & 3

\$30,000/\$25,000

Retail Strategies, for year two and three of the engagement, will provide updated research and continue on-demand research reports/analysis.

- Updated quantitative research and on-demand research reports/analysis
- Updating of Strategic Retail Recruitment Plan
- Updating of Retail Prospect List
- Representation at national and regional retail real estate conferences
- Representation at national and regional retail real estate conferences

# Addendum A: Data Approach and Analysis

## DATA ANALYSIS METHODOLOGY AND APPROACH

Our research solutions are not a “one size fits all” or pre-formatted by an industry standard radius or drive-time area. Each City, neighborhood or retail trade area requires unique analysis based on numerous factors including natural boundary areas, current retail tenant mix, travel times, radius areas and existing sites/buildings. Our research focuses on identifying the data points that are most likely to influence the site location decisions of retailers. Once these data points are determined – we provide thematic maps, aerial photos, asset maps, and customized research reports by retail concept.

## PRIMARY DATA RESOURCES

**Census, AGS, and ESRI Demographics:** By incorporating demographic data from multiple sources, DDR is able to better understand the population, income and retail spending shifts taking place in the current economic environment.

**Business Location Data:** This location data is ideal for competitive analysis, understanding market opportunities and evaluating market dynamics. Sourced to D&B®, the world's most trusted source of sales and marketing solutions, all D&B information is powered by DUNSRight™, D&B's Quality Process which gives you the insight you need to identify and target prospects.

**Consumer Expenditures:** This data includes 18 reports and close to 1,000 variables that collectively cover almost 95% of household spending. Based on extensive modeling of the BLS Consumer Expenditure Survey, CEX provides reliable estimates of market demand and average household expenditures.

**Retail Potential:** This new tabulation utilizes the Census of Retail Trade tables which cross-tabulates store type by merchandise line. The Consumer Expenditure data was aggregated to the merchandise line classification and then distributed to each of the major store types.

**Tapestry Psychographic Segmentation:** Tapestry, an ESRI product, classifies US neighborhoods into 65 market segments based on socioeconomic and demographic factors, then consolidates them into LifeMode and Urbanization Groups.

## Additional Information and Sources for our Research:

- Census data from 1980 through 2010 (Census years), current year and 5 year projections. Data and reports are updated annually and across all identified retail trade areas for all client engagements.
- Most of our data providers use similar methodologies for creating estimates and projections – which is then impacted by methodologies for aggregating that data across block groups up to trade area boundaries.
- AGS demographics for current year and 5 year projections.

- ESRI demographics for current year and 5 year projections.
- Claritas demographics for current year and 5 year projections.
- We use the following additional datasets for segmentation analysis:
  - MOSAIC
  - Tapestry
- MRI's Consumer Behavior and Attitude data.
- Additional data from the Bureau of Economic Analysis, Census of Retail/Consumer Spending, and the Department of Labor.
- Multiple sources for our GAP Analysis supplemented by business databases and our boots on the ground market research.
- Crime stats directly from the FBI.
- IPEDS for analysis of 2 year and 4 year education institutions when needed to better understand the demographics of college students in a given market/trade area.
- We create geographies and maps down to areas as small as .5 mile radius or 1 minute travel times.
- We create custom retail trade areas by aggregating geography boundaries or hand drawing polygons.
- Our software solutions allow us to filter a retailer's locations to then match targeted sites within each engaged clients retail trade area(s).
- We use Regus software to create aeriels by City, retail trade area or development/redevelopment zones including locations of all existing retail. Regus also allows us to map identified development, redevelopment and higher and best use locations within targeted retail corridors.

#### Conduct Market Research

- Identify Selma's Retail Trade Areas

Retail Strategies will identify the appropriate radius, drive time and custom trade areas based on feedback from key community contacts, analysis of peer communities and through our onsite market visits

- Perform Market & Retail GAP Analysis

Once the Retail Trade Areas are identified, we begin the process of performing detailed demographic research, GAP/leakage analysis across all retail categories and household level consumer expenditure reviews to use as part of our pro-active outreach to retailers. Our Custom Demographic Research includes Historical, Current, and Projected Demographics from multiple sources

- Conduct Retail Peer Identification and Analysis

Retailers have a tendency to locate in similar communities and/or trade areas. By identifying communities similar to Selma markets from a demographic and business scope, we can analyze those retailers who have shown a propensity to locate in these peer areas.

- Provide Consumer Attitude and Behavior Analysis

Our detailed consumer attitude and behavior data allows us to drill down to the consumer level and understand their preferences and likelihood to purchase products and services. Local retail businesses can use this data to better understand the product and service mix needed to grow their company and capture spending that may be leaving the immediate trade area

- Identify/Evaluate/Catalog Available Commercial Properties and Development Opportunities

Understanding the real estate options within the market for development, redevelopment and higher and best use allows the Retail Strategies team to position specific properties to retail prospects. Our licensed real estate professionals drive the market and retail corridors within Selma to build a database of the available commercial properties

- Tapestry Lifestyles – Psychographic Profile of Trade Area / Market Segmentation Analysis

Retailers today know the psychographic profiles of their target consumer. Through Tapestry Lifestyles we are able to review 65 segmentation groups and match the consumer profile of Selma shoppers to prospective retailers. This data can also be critical to retailers regarding the types of product and service offered once the location decision has been reached

- Thematic Mapping and Aerial Imagery by trade area

Data visualization allows retailers to identify and target areas for expansion/relocation and the consumers that match their customer profile

# Addendum B: Team Bios



**JOSEPH FACKEL**  
**SENIOR VICE PRESIDENT**

Joe has been involved in Retail Consulting across the country for the past 11 years. Joe served as Senior Vice President at Buxton and managed hundreds of client engagements in that time with cities, economic development corporations and chambers of commerce. In his position at Retail Strategies, Joe will manage business development in the Southwest and Midwest, while overseeing the operation of the Retail Strategies Dallas office.

Joe has been a featured presenter at regional, national and international conferences in the retail and municipal space including the National League of Cities, Texas Municipal League, International City/County Management Association, National Brownfields Conference and the International Downtown Association.



**LAUREN TURRIGLIO**  
**CLIENT MANAGER**

Lauren joined Retail Strategies in 2014 with more than a decade of experience in marketing, events, and non-profit business management. She is a client manager for multiple municipalities throughout the country facilitating the recruitment of retail for her clients.

A native of Marietta, Georgia, Lauren now lives in Birmingham. She moved to Alabama in 2004 to begin her career after graduating from the University of Georgia with a bachelor's degree in Consumer Journalism with a concentration in Advertising.



**CLAY CRAFT**  
**RETAIL RECRUITMENT COORDINATOR**

Clay specializes in retail recruitment and focuses on the identification of companies to fill the product and service gaps within each City's trade area.

Clay graduated from Auburn University in 2010 with a Masters of Landscape Architecture. Clay and his wife Rachel moved to Birmingham in 2012. In his free time Clay enjoys scuba diving, mountain biking and being on the lake.



**WADE ROBINETT**  
**EXECUTIVE VICE PRESIDENT**

Wade will lead Retail Strategies execution of our clients' strategic plan and recruitment strategy as he oversees the team of Client Managers and Retail Recruiters engaged in each client City.

Prior to joining Retail Strategies, Wade spent twelve years at Colonial Properties Trust, a publicly traded REIT, where he specialized in new development project leasing. He was involved in all aspects related to new developments including site plan design, tenant strategy and leasing execution. Wade's project leasing experience has resulted in developing working relationships with a network of national brokers, developers and retailers. His experience also included ground up development and mixed used projects that incorporated retail, office and residential.

In addition, Wade managed the leasing team for 20 open air centers totaling over five million square feet in Texas, Tennessee, Florida, North Carolina, Alabama, and Georgia. He handled all communication with the asset managers and was responsible for overseeing all deal making. Wade's first ten years in the commercial real estate industry began at Colliers Keenan in South Carolina where he leased distressed shopping centers throughout the Southeast.



**ROBERT JOLLY**  
**PRINCIPAL**

Robert Jolly co-founded Retail Strategies in 2011 and since then has overseen development of numerous retail projects and has assisted some of the most well-known tenants in the United States with their expansion into new markets throughout the Southeast.

Robert brings years of experience with previous sales and management positions at Eason, Graham, and Sandner, Inc. and Black and Decker Corporation. He was the Birmingham Commercial Rookie of the Year in 1998, named one of the "Top 40 Under 40" in 2004, and "Who's Who of Commercial Real Estate" in 2005 and 2010.

Robert graduated from the University of Alabama majoring in marketing and English. He is a member of ICSC, a life member of the Birmingham Association of Realtors "Million Dollar Sales Club" and in 2008 earned the coveted Certified Commercial Investment Member (CCIM) designation from the Commercial Real Estate Investment Institute. Robert holds a broker's license in Alabama, Mississippi, Georgia, Florida, Tennessee, Louisiana, South Carolina and Oklahoma.



**MEAD SILSBEE, III**  
**PRINCIPAL**

Mead Silsbee co-founded Retail Strategies in 2011 and brings over a decade of real estate experience to the company. Most recently Mead worked on the retail team at Eason, Graham, and Sandner, Inc. in Birmingham, Alabama.

He previously held positions at Hamlet Homes and Intermountain Mortgage Company in Park City, Utah.

Mead graduated from the Randolph-Macon College in Ashland, Virginia where he earned a bachelor's degree in history and economics. In 2008, he earned the coveted Certified Commercial Investment Member (CCIM) designation from the Commercial Real Estate Investment Institute and is a member of the International Council of Shopping Centers (ICSC).



**LACY BEASLEY**  
**VICE PRESIDENT OF BUSINESS DEVELOPMENT**

Lacy serves as Vice President of Business Development. She has been involved in Retail Consulting across the Southeast for the past five years as the Municipality Consultant Director at The Shopping Center Group. Prior to her work with TSCG, Lacy was with the Dickson County Chamber of Commerce.

A graduate of Lipscomb University, she earned her double major in Marketing and Management. Lacy Beasley has served on the ICSC TN/KY Idea Exchange Committee, CCIM Economic Outlook Committee, and Economic Development Association of Alabama [EDAA] Retail Committee. She has spoken on retail trends and best practices in retail recruitment to the Tennessee Valley Authority, Alabama Certified Municipal Officials, Tennessee Economic Development Council, Tennessee League of Municipalities and other organizations.



### **JOE STRAUSS**

#### **RETAIL RECRUITMENT COORDINATOR**

Joe joined Retail Strategies in 2014 with a background in real estate. He specializes in retail recruitment and focuses on the identification of companies to fill the product and service gaps within each City's trade area.

Prior to joining Retail Strategies, Joe has been doing real estate since 2007 in Tuscaloosa, AL. Joe graduated from the University of Alabama with a bachelor's degree in Finance and a concentration in real estate. He was born and raised in Columbia, SC and in his spare time Joe enjoys going to the lake, playing golf, and making it back to Tuscaloosa to watch Alabama football.



### **JORDAN WILLIAMS**

#### **RETAIL RECRUITMENT COORDINATOR**

Jordan specializes in retail recruitment and focuses on the identification of companies to fill the product and service gaps within each City's trade area.

Jordan graduated from the University of Alabama at Birmingham with a bachelor's degree in Economics and a concentration in analysis and policy. In his spare time Jordan enjoys Auburn football, golf, basketball, and visits to the farm with his fiancé.



### **LAURA MARINOS**

#### **RESEARCH COORDINATOR**

As the Research Coordinator at Retail Strategies, Laura is responsible for all research and market analysis. Laura's primary responsibilities are creating marketing materials, maps, aerials and demographic reports. Laura also assists in database management, client communication, advanced research and the organization of all digital media.

Laura graduated from the University of Alabama at Birmingham in 2011 and earned a Bachelor of Science in Marketing. Laura is originally from Tuscaloosa, Alabama but moved to Birmingham in 2007.



### **FORD FITTS**

#### **RESEARCH ANALYST**

Ford is a member of the Retail Strategies team assisting in the research and retail recruitment efforts for municipal clients.

He works with business developers and client managers on creating trade areas and research reports for their clients. He brings research experience from working for a strategic advocacy firm in Washington D.C. that served political campaigns, non-profit organizations and corporate clients.

Ford graduated from the University of Alabama with a bachelor's degree in History.

*For a full list of our team members and their bio please visit: <http://www.retailstrategies.com/about-us/our-team/>*

# Addendum C: Optional Services

## Incentives Consulting

Retail development in today's market, while improving from the downturn which occurred in the 2008–2011 period, requires much cooperation from all parties involved. Many new retail development projects show how this mutual partnership between the retailers, developers and municipalities can result in WIN–WIN scenarios for all involved. Economic development partnerships between cities seeking retail, developers looking for new opportunities and retailers looking to grow in new markets which seemed a stretch in the past, are now happening thru this team effort.

In the past, when development economics didn't seem to make sense, developers and retailers chose to move on to the next opportunity. However, success is now being realized in communities previously overlooked due to the creative and economically feasible alternatives municipalities can bring to the table.

Today, we believe the municipality needs to have a "seat" at the table initially in all new or re-development projects in their community. By making the municipality a "partner" in the development discussion, opportunities for creative assistance to bridge economic gaps can become deal makers versus deal breakers.

Each municipality in each state differs in the capability and method for providing assistance. Many development agreement alternatives exist to "bridge the gap" and deal with funding shortfalls to create successful developments. Some of these include Development Agreements in which the municipality uses funds from reserves or bond issues to assist with site infrastructure or similar improvements (from which sales or property tax increases are used as repayment along with alternatives for developer guaranty obligations), sales tax incentives (typically thru revenue sharing in some fashion with the developer or retailer) or joint developments in which the City develops City-owned property such as parking facilities or other public infrastructure to help mitigate shortfalls in development funds.

Municipalities realize a positive return on investment by providing methods to create development in their communities – plus job growth, higher property taxes, a broader tenant mix and ultimately, additional tax revenues to fund quality of life projects throughout the community. Developers now have a better understanding of what options are available to turn previously economically difficult deals into new development projects. By creating a partnership with the municipality from the outset of a deal, more opportunities exist for new and exciting retail developments to occur.



*Kosmont & Associates, Inc., dba Kosmont Companies*

## PROPOSAL

CITY OF SELMA

Kosmont Retail NOW!® Advisory and Implementation Services



October 26, 2015

*Sent Via Email : keng@cityofselma.com*

Mr. Ken Grey  
City Manager  
City of Selma  
1710 Tucker Street  
Selma, California 93662

**RE: Proposal for Kosmont Retail NOW!® Advisory and Implementation Services**

Dear Mr. Grey:

Kosmont & Associates, Inc. doing business as Kosmont Companies ("Consultant" or "Kosmont") is pleased to present this proposal to the City of Selma ("City" or "Client") for Kosmont Retail NOW!® advisory and implementation services. This proposal serves as an agreement ("Agreement").

**I. BACKGROUND AND OBJECTIVE**

The City is currently seeking assistance with retail-based economic development strategies that would result in a tenant mix increasing fiscal revenues for the City, with particular emphasis on the proposed development of an approximately 72-acre site ("Site") located northwest of the intersection of Highway 99 and Floral Avenue proposed for annexation into the City. Services provided under the Kosmont Retail NOW!® platform encompass economic analysis, formulation of retail-based economic development strategies, and implementation of the preferred economic development strategy.

As a firm focused on both strategy and project implementation, Kosmont is uniquely qualified to assist City in the implementation of targeted retail and economic development strategies. Kosmont Companies has been providing cities with real estate advisory services since 1986, including recent work in the nearby City of Hanford and the Fresno County Friant Corridor, and previous work in the City of Selma. Kosmont staff includes International Council of Shopping Centers (ICSC) Western Division Alliance Chair, Ken K. Hira, and other active industry leaders, which enables the firm to assist City in retail retention and recruitment efforts and related tasks. Kosmont's experience with non-redevelopment economic incentives and financing mechanisms empowers the firm to assist the City in promoting public-private transactions with active private sector constituents.

**II. SCOPE OF SERVICES**

**Task 1: Project Kick-Off & Demographic/Economic Analysis**

Kosmont will conduct a kick-off meeting and tour of the Site and other areas of the City with City Staff to initiate the assignment. The City will provide Kosmont with existing relevant project, property, and/or market data (e.g., ownership, zoning, previous market and projected housing analysis).

Kosmont will prepare an Economic and Demographic Profile, illustrating existing and future projected trends in household and business social and economic characteristics, including population, incomes, race/ethnicity, housing preferences, educational attainment,

unemployment, employment by industry, commute patterns, resident/ employee concentrations, and other metrics within standard geographic boundaries (e.g., City limits, various radii centered at opportunity site locations) as deemed relevant by Consultant. Task 1 analyses will be summarized in PowerPoint Presentation format.

### **Task 2: Market Supply and Demand Analysis**

Kosmont will evaluate market demand within the Site area and City for major retail subcategories (e.g., restaurants, general merchandise, grocery, soft goods, etc.). The evaluation will include an analysis of retail sales leakage/surplus and retailer voids by retail category. Kosmont will evaluate existing commercial supply conditions, such as inventory, vacancy, lease rates, and existing retail offerings. Task 2 analyses will be summarized in PowerPoint Presentation format.

### **Task 3: Retail Strategy and Implementation Plan (“Plan”)**

Based on results of Task 1 and Task 2 analyses, Kosmont will prepare a Retail Strategy and Implementation Plan (“Plan”), which will characterize recommended retail attraction and retention strategies for the City. The Plan will highlight key retail opportunity sites/areas identified within the City, and corresponding strengths, challenges, and opportunities with regard to future retail development / redevelopment. The Plan will identify key retailers which can be targeted and outline strategies and outreach efforts for attraction. Kosmont will consider the ability of potential tenants to generate tax revenue for the city, create jobs, and fill “voids” identified during the evaluation.

As relevant to property revitalization, Kosmont will identify possible funding sources, financing structures, and/or other economic development tools, such as, but not limited to, zoning strategies (e.g. specific plan with development opportunity reserve, or “DOR”), special districts (e.g., Enhanced Infrastructure Financing Districts, or “EIFD”), Property-Assessed Clean Energy (“PACE”) Program, new legislation (e.g. Assembly Bill 2 – Community Revitalization and Investment Authorities), grants (e.g., Affordable Housing and Sustainable Communities Cap and Trade Funds), public (tax-exempt) or public/private (taxable/tax-exempt) bonds or notes, lease or lease/leaseback financing, site-specific tax revenue pledges, and/or EB-5 immigrant investment. The Task 3 Plan will be summarized in PowerPoint Presentation format.

### **Task 4: Economic Development Presentation**

Consultant will present a Summary PowerPoint Presentation characterizing Task 1 through Task 3 findings for discussion in an Economic Development Workshop or similar City Council forum / meeting as deemed appropriate by City and Consultant. Consultant will incorporate staff, Council, and/or other stakeholder feedback into revision of the Summary PowerPoint Presentation.

### **Task 5: Initial Plan Implementation**

Kosmont will work collaboratively with the City and developer/owner of the Site on the initial implementation of the Plan identified and approved by the City pursuant to Task 4. Kosmont will assist in the initial recruitment of targeted retailers by conducting marketing outreach, preparing opportunity site marketing collateral, arranging property tours, attendance and representation at International Council of Shopping Centers (“ICSC”) and/or other retail conferences, and/or other recruiting and project development activities as may be appropriate to solicit interest in the Site and City. Kosmont will perform outreach to other existing property owners, as appropriate.

Initial implementation tasks may include, but not be limited to developer pro forma review,

financial feasibility analysis, fiscal impact and economic benefit analysis, identification and evaluation of funding sources / financing mechanisms to address potential financial gaps based on infrastructure needs and/or required retailer subsidies, and/or assessment of potential relocation of existing adjacent Wal-Mart.

### **Potential Future Services**

Task 5 is not meant to represent comprehensive implementation of the Plan, but rather the initiation of implementation efforts referenced above. Kosmont will be available to assist in the further implementation of the Plan, such as further retail recruitment efforts, additional market and economic analysis, public-private transaction structuring and negotiations, special district formation (e.g., EIFD), and/or other tasks as directed by Client, time and budget for which will be outlined at the appropriate time in a follow-on scope to be approved by Client in advance.

If the City so desires or has a need for financial advisory transaction-based services and/or brokerage services, Consultant would be able to provide those services via one of our integrated firms, either by Kosmont Transactions Services or Kosmont Realty Corporation (see disclaimer).

### **III. SCHEDULE AND REQUIRED DATA**

Consultant is prepared to commence work as soon as authorized by Client. Client will provide Consultant with existing relevant project, property, and/or market data (e.g., ownership, zoning, previous market and housing analysis). Delivery of a draft Summary PowerPoint Presentation is estimated within six (6) to ten (10) weeks from assignment authorization.

Additional time and budget may be necessary for the further implementation of the Plan as directed by Client, which will be outlined at the appropriate time in a follow-on scope to be approved by Client in advance.

### **IV. COMPENSATION**

The compensation for Tasks 1 through 5 is estimated below for professional services (hourly) fees at Consultant's billing rates as shown on Attachment A.

<b><i>Task</i></b>	<b><i>Estimated Budget</i></b>
1. Project Kick-Off & Demographic/Economic Analysis	\$12,500
2. Market Supply and Demand Analysis	\$12,500
3. Retail Strategy and Implementation Plan ("Plan")	\$10,500
4. Economic Development Workshop	\$ 4,500
5. Initial Plan Implementation	\$10,000
<b>Estimated Total Scope</b>	<b>\$50,000</b>

Task budgets may be re-allocated between tasks as deemed appropriate by Consultant in order to adequately provide services to City. Future increases in budget will require approval by Client in advance. Budget may be increased by Client request at any time.

Compensation for services outlined above will be invoiced monthly at Consultant's standard billing rates, as shown on Attachment A.

In addition to professional services (hourly) fees, invoices will include reimbursement for out-of-pocket expenses such as travel and mileage (provided that there shall be no overnight travel without the Client's prior approval and that mileage shall be reimbursed at Kosmont's normal mileage reimbursement rate of 57.5 cents per mile), professional printing, conference calls, and delivery charges for messenger and overnight packages at actual cost. Unless otherwise agreed to in advance, out-of-area travel, if any, requires advance funding of flights and hotel accommodations

Consultant will also include in each invoice an administrative services fee to cover in-house copy, fax, telephone and postage costs equal to four percent (4.0%) of Consultant's monthly professional service fees incurred. Any unpaid invoices after 30 days shall accrue interest at the rate of 10% per annum.

Consultant is prepared to commence work immediately upon receipt of authorization.

**Disclosure: Kosmont Transactions Services ("KTS") and Kosmont Realty Corporation ("KRC"): Compensation for possible future transaction-based services or brokerage services.**

The following is being provided solely as an advance disclosure of possible real estate brokerage and finance services and potential compensation formats for such services. This disclosure is not intended to commit the Client.

When public agency assignments involve real estate/property brokerage or public financing transactions on behalf of the public agency, such transaction based services are typically provided by Kosmont Transactions Services or Kosmont Realty Corporation ("KRC").

KRC is currently registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor; KRC is licensed by the CA Bureau of Real Estate (License #01770428) and is also certified as a Minority Business Enterprise (MBE). KRC is also registered as doing business as KTS.

KTS provides transactional Financial Advisory Services and compensation is typically for financial advisory ("FA")/loan broker services. KRC provides Brokerage Services and compensation is typically for brokerage commissions such as property and lease transactions and/or success/broker fees. KRC also provides Broker Opinions of Value (BOV) services on a fixed fee basis.

## **V. OTHER PROVISIONS**

**A. Termination.** Client or Consultant shall have the right to terminate this Agreement at any time upon written notification to the other party. Payment for fees accrued through the date of termination shall be remitted in full.

**B. Arbitration.** Any controversy or claim arising out of or in relation to this Agreement, or the making, performance, interpretation or breach thereof, shall be settled by arbitration at JAMS in Los Angeles, California. Each of the parties to such arbitration proceeding shall be entitled to take up to five depositions with document requests. The provisions of Section 1283.05 (except subdivision (e) thereof) of the California Code of Civil Procedure are incorporated by reference herein, except to the extent they conflict with this Agreement, in which case this Agreement is controlling. If the matter is heard by only one arbitrator, such arbitrator shall be a member of the State Bar of California or a retired judge. If the matter is heard by an arbitration panel, at least one member of such panel shall be a member of the State Bar of California or a retired judge. The arbitrator or arbitrators shall decide all questions of law, and all mixed questions of law and fact, in accordance with the substantive law of the State of California to the end that all rights and defenses which either party may have asserted in a court of competent jurisdiction shall be fully available to such party in the arbitration proceeding contemplated hereby. The arbitrator and arbitrators shall set forth and deliver their findings of fact and conclusions of law with the delivery of the arbitration award. Judgment upon the award rendered shall be final and non-appealable and may be entered in any court having jurisdiction.

**C. Attorneys' Fees.** In the event of any legal action, arbitration, or proceeding arising out of an alleged breach of this Agreement, the party prevailing in such legal action, arbitration, or proceeding shall be entitled to recover reasonable attorneys' fees, expenses and costs, as well as all actual attorneys' fees, expenses and cost incurred in enforcing any judgment entered.

**D. Authority.** Each of the parties executing this Agreement warrants that persons duly authorized to bind each such party to its terms execute this Agreement.

**E. Further Actions.** The parties agree to execute such additional documents and take such further actions as may be necessary to carry out the provisions and intent of this Agreement.

**F. Assignment.** Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party without the prior written consent of the other party.

**G. Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and there respective successors and assigns.

**H. Entire Agreement; Amendments and Waivers.** This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and any and all prior discussions, negotiations, commitments and understanding, whether written or oral, related hereto are superseded hereby. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing signed by both parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver of such provisions unless otherwise expressly provided. Each party to this Agreement has participated in its drafting and, therefore, ambiguities in this Agreement will not be construed against any party to this Agreement.

**I. Severability.** If any term or provision of this Agreement shall be deemed invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each

remaining term and provision of this Agreement shall be valid and in force to the fullest extent permitted by law.

**J. Notices.** All notices, requests, demands and other communications which may be required under this Agreement shall be in writing and shall be deemed to have been received when transmitted; if personally delivered, if transmitted by telecopier, electronic or digital transmission method, upon transmission; if sent by next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express), the day after it is sent; and if sent by certified or registered mail, return receipt requested, upon receipt. In each case, notice shall be sent to the principal place of business of the respective party. Either party may change its address by giving written notice thereof to the other in accordance with the provisions of this paragraph.

**K. Titles and Captions.** Titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision herein.

**L. Governing Law.** The statutory, administrative and judicial law of the State of California (without reference to choice of law provisions of California law) shall govern the execution and performance of this Agreement.

**M. Confidentiality.** Each of the parties agrees not to disclose this Agreement or any information concerning this Agreement to any persons or entities, other than to their attorneys and accountants, or as otherwise may be required by law.

**N. Counterparts.** This Agreement may be executed in one or more counterparts, each of which constitutes an original, and all of which together constitute one and the same instrument. The signature of any person on a telecopy of this Agreement, or any notice, action or consent taken pursuant to this Agreement shall have the same full force and effect as such person's original signature.

**O. Disclaimer.** Consultant's financial analysis activities and work product, which may include but is not limited to pro forma analysis and tax projections, are projections only. Actual results may differ materially from those expressed in the analysis performed by Consultant due to the integrity of data received, market conditions, economic events and conditions, and a variety of factors that could materially affect the data and conclusions. Client's reliance on Consultant's analysis must consider the foregoing.

Consultant services outlined and described herein are advisory services only. Any decisions or actions taken or not taken by Client and affiliates, are deemed to be based on Client's understanding and by execution of this Agreement, acknowledgement that Consultant's services are advisory only and as such, cannot be relied on as to the results, performance and conclusions of any investment or project that Client may or may not undertake as related to the services provided including any verbal or written communications by and between the Client and Consultant.

Client acknowledges that Consultant's use of work product is limited to the purposes contemplated within this Agreement. Consultant makes no representation of the work product's application to, or suitability for use in, circumstances not contemplated by the scope of work under this Agreement.

**P. Limitation of Damages.** In the event Consultant is found liable for any violation of duty, whether in tort or in contract, damages shall be limited to the amount Consultant has received from Client.

**Q. Expiration of Proposal for Services.** If this Agreement is not fully executed by the parties within thirty (30) days from the date of this letter, this proposal shall expire.

**R. Not an agreement for Legal Services or Legal Advice.** This Agreement does not constitute an agreement for the performance of legal services or the provision of legal advice, or legal opinion. Client should seek independent legal counsel on matters for which Client is seeking legal advice.

## **VI. ACCEPTANCE AND AUTHORIZATION**

If this Agreement is acceptable to Client, please execute two copies of the Agreement and return both originals to Kosmont Companies. Upon receipt of both signed contracts, we will return one fully executed original for your files. Kosmont will commence work upon receipt of executed Agreement and services deposit.

Read, understood, and agreed to this

\_\_\_\_ Day of \_\_\_\_\_ 2015

**City of Selma, California**

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(Print Name)

Its: \_\_\_\_\_  
(Title)

**Kosmont & Associates, Inc.**  
doing business as "Kosmont Companies"

By: \_\_\_\_\_  
(Signature)

Name: Larry J. Kosmont, CRE®

Its: President & CEO

## ATTACHMENT A

### Kosmont Companies 2015-2016 Public Agency Fee Schedule

#### Professional Services

President & CEO	\$295.00/hour
Partner/Senior Vice President/Senior Consultant	\$275.00/hour
Vice President/Associate	\$185.00/hour
Project Analyst	\$150.00/hour
GIS Mapping/Graphics Service/Research	\$ 95.00/hour
Clerical Support	\$ 60.00/hour

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#### · Additional Expenses

In addition to professional services (labor fees):

- 1) An **administrative fee** for in-house copy, fax, phone and postage costs will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; **plus**
- 2) **Out-of-pocket expenditures**, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.
- 3) If Kosmont retains **Third Party Vendor(s)** for Client (with Client's advance approval), fees and cost will be billed to Client at 1.1X (times) fees and costs.

#### · Charges for Court/Deposition/Expert Witness-Related Appearances

Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

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*Rates shall remain in effect until June 30, 2016.*

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## MEET THE TEAM

Our Team brings a well-rounded, seasoned group of professionals with an exemplary skillset and the expertise to deliver the requested services. Our Team's unique and wide-array of experience and qualifications will provide the knowledge, guidance, and execution of those services necessary to assist the City in achieving their desired results.

**The Project Lead for this assignment will be Kosmont's Senior Vice President, Mr. Kenneth K. Hira.** Mr. Hira will be the City's primary contact and will be supported by Project Principal Advisor, Mr. Larry J. Kosmont along with Key Team Members and a combination of various team members providing project support listed below. Duties will be allocated between tasks and personnel categories as deemed appropriate by the Project Lead in order to adequately provide services to the Client.

### KEY TEAM MEMBERS

#### PROJECT LEAD



**Mr. Kenneth K. Hira** serves as Senior Vice President for Kosmont Companies. An expert in retail development and strategies for retail attraction, Mr. Hira has over 25 years of varied experience in virtually every aspect of real estate financing, downtown revitalization, acquisition, entitlement, development, asset management and disposition. Mr. Hira's expertise is in identifying retail tenants and negotiating retail and mixed-use projects that can revitalize communities and assist in economic development/tax generation programs.

A former Executive Vice President of the Irvine-based mixed-use developer, Pacific Century Commercial, Mr. Hira managed a portfolio of over \$100 million of retail sites, while operating the commercial division of the company. Prior to this, as a Managing Director of Acquisitions for Westrust and a Vice President of Development at Lewis Retail Centers, he evaluated and underwrote hundreds of acres of land, successfully captured and negotiated anchor tenant commitments creating \$60 million of value in ground-up development and redevelopment, and was responsible for 800,000 square feet of retail entitlement, design and development. As Vice President of GMS Realty, Mr. Hira entitled one million square feet of retail development projects, as well as led the acquisition of 24 neighborhood and community shopping centers, totaling 3.3 million square feet and valued at \$375 million, and organized a \$287 million recapitalization.

Mr. Hira holds a Bachelor degree in Economics and Business from UCLA, and is an active volunteer leader of the International Council of Shopping Centers. He serves as the ICSC Western Division Alliance Private Sector Chair, advocating public-private partnerships, while previously serving as the ICSC Southern California State Director, Program Committee Chair and Alliance Co-Chair,. Mr. Hira is a registered Municipal Advisor with the U.S. Securities and Exchange Commission (SEC).

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## PROJECT PRINCIPAL ADVISOR

**Mr. Larry J. Kosmont, CRE®**, is the President and CEO of Kosmont Companies, which he founded in 1986. Kosmont Companies is an industry leader in public/private real estate transactions, economic development and public finance. In 2009, he created the Kosmont Muni Horizons Fund™ which sources private financing for public projects, P3 initiatives, infrastructure funding and economic development. Mr. Kosmont is also Managing Partner of Renaissance Community Fund, which invests and develops mixed use, residential and commercial projects throughout California, and a Principal of California Golden Fund, an approved EB-5 Regional Center.

Mr. Kosmont's 38-year career encompasses public/private financial structuring and negotiations, development, and management of real estate and public finance transactions exceeding \$12 billion. He has an extensive track record as a public/private real estate consultant and public finance advisor. Mr. Kosmont has assisted hundreds of local government agencies in public finance and real estate matters ranging from large-scale economic development programs to site-specific real estate strategies and projects. He has guided over 1,000 private sector projects in obtaining public approvals, structuring deal terms, and securing public/private financing.

Mr. Kosmont served as Interim City Administrator for the City of Montebello, CA from May 2011 to March 2012 as part of a financial turnaround assignment awarded to Kosmont Companies. From 1975 to 1986, Mr. Kosmont served in the roles of City Manager, Director of Community Development, and Redevelopment Director in the cities of Santa Monica, Seal Beach, Bell Gardens, and Burbank. Mr. Kosmont is a registered Municipal Advisor with the U.S. Securities and Exchange Commission, a licensed real estate broker in California, a designated Counselor of Real Estate, CRE®, and has served on:

- MWD Board (represented City of Los Angeles)
- State Commissioner - California Economic Development Commission
- USC Lusk Center for Real Estate – Board of Directors
- Los Angeles City Commissioner - Industrial Development Authority
- California Redevelopment Association (CRA) Board
- California Association of Local Economic Development (CALED)
- City of Hawthorne Redevelopment Oversight Board

Mr. Kosmont holds a Masters of Public Administration Degree from the University of Southern California and a B.A. in Political Science from the State University of New York – Binghamton.

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## SENIOR PROJECT ANALYST



**Mr. Joseph Dieguez** is a Vice President with Kosmont Companies serving public and private sector clients primarily through market and economic analyses, strategic planning, and real estate development advisory. Joseph's recent work includes market supply and demand analysis, fiscal impact and economic benefit studies, financial feasibility and development pro forma evaluation, and property reuse strategies for municipalities, real estate investment and development firms, and multiple Fortune 500 clients.

Prior to joining Kosmont Companies, Joseph served as a senior analyst at a real estate investment and development firm and as an analyst at a top management consulting firm, responsible for industry, market, portfolio and property-level analysis, negotiations, and transaction execution support for investment banks, private equity firms, and other financial institution clients. Joseph was previously an assistant project manager at a construction management firm, where he assisted with RFQ/P development and project implementation.

Joseph graduated with a Bachelors of Science degree in Mechanical Engineering from the Massachusetts Institute of Technology and is a Real Estate Salesperson licensed by the State of California Bureau of Real Estate.

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### PROJECT ANALYST



**Mr. Nick Leathers** is a Project Analyst with Kosmont Companies and focuses on redevelopment dissolution, fiscal impact and economic benefit studies, market and financial analyses, and land use. Prior to joining the firm, Mr. Leathers worked in acquisitions and development at CenterCal Properties, responsible for underwriting, market research, and due diligence for retail development projects. Mr. Leathers was previously an intern at the Los Angeles County Metropolitan Transportation Authority and Psomas, where he assisted with planning and entitlements for commercial projects.

Mr. Leathers graduated from the University of Southern California with a Bachelors of Science degree in Policy, Planning, and Development from the Price School of Public Policy, and a minor in Business Administration from the Marshall School of Business.

### PROJECT SUPPORT



**Mr. Thomas Jirovsky** is a Senior Consultant with Kosmont Companies providing asset management and public/private advisory services to public agencies, land owners and developers. He is a former Senior Managing Director of CBRE Consulting's Los Angeles office and prior to joining CBRE in 2000, was CFO and principal with Kotin, Regan & Mouchly, Inc. Through his 30-year career he specialized in the areas of market and financial feasibility analysis, computer-based financial models, fiscal and economic impact, asset management, and public/private joint ventures for small urban infill projects to large master-planned mixed-use projects. He has assisted a wide range of government agencies in evaluating commercial and industrial development proposals and in the negotiation of development agreements and long-term ground leases for airports, harbors and educational institutions on office, retail and mixed-use projects.

Mr. Jirovsky graduated with a B.S. in Architecture from the University of Southern California and a MBA in Finance from the University of Southern California. He is a LEED Accredited Professional and a member of the International Council of Shopping Centers (ICSC) and Urban Land Institute (ULI).



**Mr. Dan Massiello** is a Senior Vice President with Kosmont Companies and heads the Public Finance operations of the firm. Mr. Massiello has 25 years of professional experience as both an investment banker and financial advisor in the public securities industry and has arranged over \$4 billion of financings. A significant portion of this experience has been focused on unrated and challenging credits, garnering Mr. Massiello the ability to comprehensively evaluate the unique circumstances involved in each assignment and understand the needs of both private sector and public agency clients at a granular level. This insight enables him to develop

custom tailored solutions involving Public Private Partnerships (P3s), structured finance, project finance and tax-backed offerings that consistently meet clients' objectives, resulting in successful deals.

Mr. Massiello earned his B.S. in Management/Finance from the State University of New York-Binghamton and previously held Series 24, 7, and 63 FINRA Licenses while employed by a Broker/Dealer.

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**Mr. Jeff Simonetti** currently serves as a Vice President of Kosmont Companies. He brings over 10 years of experience on real estate development and state and local government issues, specifically in the Inland Empire region of Southern California. He focuses on real estate development and advisory services as well as public/private financing and redevelopment strategies for private clients and municipalities.

Prior to joining Kosmont Companies, Mr. Simonetti was the Senior Vice President of Government Affairs at the Building Industry Association (BIA) of Southern California's Baldy View Chapter. During his tenure at the BIA, he helped to manage the annual San Bernardino County Water Conference, an event that gathers around 400 elected officials and business leaders in the region to discuss the pressing water policy issues that affect the community. He also was his chapter's lead government affairs liaison for discussions with the Southern California Association of Governments during the implementation of Senate Bill 375, a bill that aims to reduce carbon emissions through land use planning strategies. His advocacy during the implementation of the bill ensured that homebuilders' concerns were heard while achieving Southern California's emission reduction targets.

Mr. Simonetti received his Bachelor's Degree with honors from Claremont McKenna College where he studied economics and government. He also received his MBA from Boston University.

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## KOSMONT RETAIL NOW!® QUALIFICATIONS

Kosmont Retail NOW!® is the core resource and tool in a public agency's arsenal to attract and expand retail in the community. Proper evaluation of retail opportunities through development or attraction/leasing strategies doesn't require an overpriced study leaving a public agency with a shelf report and a dated list of possible retailers to call on. Shopping is fundamentally different today and the shelf lives of retail concepts are shorter than ever. An adaptable strategy, not a "study" is what is needed to thrive.

Kosmont Retail NOW!® is a "working" strategy that is dynamic, adaptable and comprehensive. It puts forward a proactive retail strategy which identifies existing conditions, sets a path, targets tenants and produces results from analysis to strategy through to implementation. Today's trends in the evolution of retail include value, entertainment, and partnerships, and "place" is then new anchor.

From our many years as public sector real estate advisors and with hands on private sector experience, Kosmont Companies understands the need for successful retail and city sales tax revenues. Our team offers in-depth research, real world expertise, and long term relationships needed to bring viable retail to a community and to make retail part of a greater economic development strategy.

### RETAIL SERVICES:

Kosmont Retail NOW!® projects typically consist of the three steps:

- Step 1 - Analyze:** Market Analysis & Community Assessment
- Step 2 - Strategize:** Vision & Strategy
- Step 3 - Implement:** Plan Implementation

***Market Analysis and Community Assessment:*** Successful retail today requires that both public agencies and private developers have a current snapshot of market forces that define the greater region and the specific trade area in which they intend to develop. Our real estate advisors and project analysts produce an accurate assessment of a project's relevant geography by defining retail trade areas; completing a void analysis; collecting, segmenting and synthesizing demographic data; analyzing trends affecting the region; and gathering market intelligence. Kosmont Companies offers comprehensive market and community assessment informed by more than two decades of responsible public and private sector consulting.

***Vision and Strategy:*** Building on decades of successful advisory service to the public and private sectors, Kosmont Companies is among the most innovative and capable companies in California when it comes to creating a strategy geared towards designing and implementing a retail vision on a district or citywide scale. Kosmont understands that clients do not need an overwrought retail study to stick on the shelf; we believe that the most valuable retail attraction tools are those that are timely, efficient, and reflect cutting edge market knowledge. Kosmont ensures effective retail strategies through the targeting of "best fit" ideal retailers, branding and marketing the project, attracting and approaching retailers, carrying out community, economic and retail development, and creating public-private partnership strategies.

***Plan Implementation:*** Kosmont Companies has assisted hundreds of public agencies in their quest to retain jobs, attract and retain business, structure zoning, draft General Plan elements,

draft Specific Plans and structure tax and incentive plans that target meaningful private retail investment and create places of value within communities. Kosmont strategically executes retail plans using our deep bench of industry experts who have years of experience executing business plans, marketing locally and regionally, utilizing real life relationships to create meaningful change, and meeting with and making deals with retailers.

## RELEVANT PROJECT EXPERIENCE

Kosmont has a broad range of in-depth experience in providing economic development and advisory services to public agencies. The corresponding project descriptions provided below are only highlights and an abbreviated sample of relevant projects with corresponding references that showcase assignments and various services in relation to this proposal.

### CITY OF SOUTH GATE

#### **“AZALEA” RETAIL CENTER – KOSMONT RETAIL NOW!®**



Serving in the capacity of real estate, economic development & financial advisor, Kosmont entities have been retained by the City of South Gate, California, since 2003, working on various projects and initiatives:

**“azalea” Retail Center:** The azalea Project, a 370,000 square foot 32-acre regional retail lifestyle center developed by Primestor, and the winner of CALED’s 2015 Award of Excellence for Economic Development Partnerships, celebrated its formal grand opening in 2014. Kosmont Companies assisted on a variety of financial and economic development services. Kosmont successfully led public-private negotiations of an Infrastructure Financing Agreement

and was the City's financial advisor for a \$34.17 million utility authority financing of offsite improvements. Kosmont provided an urban decay analysis, retail market study, public benefit analysis, project pro forma peer review, and retail gap analyses. Kosmont assisted with the project implementation, advised the City related to property acquisition and disposition matters, created the developer RFQ for developer selection, and negotiated the Development Agreement between the City of South Gate and Primestor.

azalea continues to perform above expectations generating over \$2.6 million per year to the City's general fund. The project is currently over 95% leased and attracted over 35 desirable national retailers, which has significantly reduced retail leakage and expanded the local tax base. Major tenants include Walmart, Forever 21, Skechers, Wet Seal, TJ Maxx, Ross Dress 4 Less, CVS, Marshalls and ULTA. Restaurants include Blaze Pizza, Habit Burger, TGI Fridays, Chipotle, Yogurtland and In-N-Out Burger.

azalea is located in the most dense section of LA County, in the predominantly Latino populated City of South Gate. It was negotiated during a recessionary cycle with a 16% local unemployment rate and a significant general fund deficit. To counteract these conditions azalea deployed a city "negotiated" local hiring job training and apprenticeship program that created over 600 permanent local jobs. Other unique azalea features include a 1.5-acre public plaza, community center with special event programming, complimentary Wi-Fi, sustainable construction, and the largest west coast 'living walls' installation.

## **MACERICH PROPERTY MANAGEMENT COMPANY**

### **MALL OF VICTOR VALLEY AND KOSMONT RETAIL NOW!®**

Kosmont was retained by Macerich to provide real estate advisory services related to its Mall of Victor Valley. The Mall had a vacant Gottschalks department store and a temporarily filled vacant Mervyn's building. The City of Victorville, where the approx. 550,000 square feet Mall is located, was facing declining sales tax revenues as a result of the underperforming retail space.

Kosmont assisted Macerich in the evaluation of a public-private partnership with the City of Victorville and the exploration of government financing solutions for this potentially distressed asset. Kosmont evaluated and negotiated a "win-win" public-private transaction that allowed major retailer attraction/retention for Macerich, sales tax preservation for the City, and job generation for the community. A Site Specific Tax Revenue (SSTR) sharing arrangement was employed as part of a Development Agreement between Macerich and the City. As a result, a new Macy's department store and Dick's Sporting Goods was introduced, an existing JCPenney was relocated into a larger space, exterior mall improvements were implemented, and the regional mall was revitalized as an economic driver for the region.

## CITY OF REDONDO BEACH

### REAL ESTATE & ECONOMIC DEVELOPMENT ADVISORY SERVICES AND KOSMONT RETAIL NOW!®

Kosmont was originally retained by the Harbor Division of the City of Redondo Beach to develop and execute an Asset Management Plan. In 2010 a Business Plan was adopted by the City, and Kosmont's recommendations and strategies are now being implemented to promote and accelerate revitalization of the area. The project involves the acquisition, negotiation, and disposition of multiple leases, financial analysis, development and coordination of RFQ processes for underdeveloped properties and general transactional support as pertaining to hotel, office, retail, restaurant and visitor serving amenities.



After developing the Asset Management Plan, Kosmont implemented a series of policies and transactions for the management and redevelopment of the leaseholds on the 150 acres that comprise the Redondo Beach Pier and surrounding waterfront district, as well as strategies for encouraging business investment and optimum use and tenant mixes to achieve revitalization goals. These transactions included two property acquisitions financed by two lease-leaseback financing structures totaling approximately \$11 million (~105% financing with positive cash flow). In 2012, Kosmont also facilitated an RFQ process to identify a potential master developer for a number of area properties. In 2009 and as a direct result of this work, Kosmont and the City completed negotiations for the Shade Hotel (Zisli Group); this is a proposed luxury boutique hospitality facility on land owned by the City pursuant to a ground lease.

Kosmont continues to work with the City to implement the recommendations of the Asset Management Plan, and in 2012 executed two transactions utilizing lease-leaseback financing structures totaling approximately \$11 million (~105% financing and positive cash flow) and two property acquisitions totaling approximately \$10.5 million (as follows).

**Waterfront Revitalization:** Kosmont also assisted the City in an overall revitalization of the City's downtown waterfront. Aspects of the revitalization program include 1) meetings with retail developers; 2) selection of a developer for key waterfront sites; 3) evaluation and analysis of the City's waterfront retail market; and 4) solicitation of retailers and developers through marketing opportunity sites at events hosted by the International Council of Shopping Centers (ICSC).

**Pier Plaza:** Kosmont served as the City's broker for the acquisition of International Boardwalk as part of Revitalization Plan of Pier and Waterfront area. Acquisition is core to City's economic development strategy of aggregating leaseholds to lead to broad revitalization on the waterfront. Kosmont also structured and closed \$8.3 Million in Lease-Leaseback financing for the City's acquisition of Pier Plaza. Terms provide 105% financing and positive cash flow.

**International Boardwalk:** Kosmont served as the City's broker for the acquisition of International Boardwalk as part of Revitalization Plan of Pier and Waterfront area. Acquisition is core to City's economic development strategy of aggregating leaseholds to

lead to broad revitalization on the waterfront. Kosmont also structured and closed Lease-leaseback 104% financing of \$2.7 Million.

***Marine Avenue Hotels (TOD):*** In 2012, Kosmont worked with the City and Developer to identify funding sources and negotiate a Lease-Leaseback structure to fund the development of two (2) hotels (Hilton Garden Inn and Marriott Courtyard) within the City. Kosmont used a pledge of future city tax revenues to provide the financing to make the 319-room project feasible for the developer and the City. The two hotels are now open for business. In 2013, Kosmont assisted the City in negotiations with the developer to include a third hotel within the structure. The third hotel began construction in 2014. Upon stabilization, this project is expected to generate approximately \$3 million annually in hotel taxes for the City.

## **CITY OF BUELLTON**

### **ECONOMIC DEVELOPMENT SERVICES, MARKET ANALYSIS, AND KOSMONT RETAIL NOW!®**

Kosmont Companies (Kosmont) was retained by the City of Buellton in response to a Request for Proposals (RFP) for the preparation of a Market & Economic Analysis and Economic Development Implementation Plan (Plan). Kosmont was later additionally retained for the initial implementation of the Plan, including recruitment of targeted retailers/developers (e.g. Chipotle) for identified development opportunity sites within the City.

Kosmont collaborated closely with the Buellton Visitors Bureau/Chamber of Commerce (also a client) to identify development opportunity sites, prepare marketing flyers, solicit retailer interest and conduct developer outreach at ICSC conferences in Monterey, San Diego, and Las Vegas between 2013 and 2015.

Kosmont is collaborating with the City on a planning team to implement a Specific Plan and utilize an Economic Development tool known as a Development Opportunity Reserve to induce private investment into the Avenue of the Flags Downtown District.

## **CITY OF JURUPA VALLEY**

### **KOSMONT RETAIL NOW!® BUSINESS EXPANSION AND RECRUITMENT PROGRAM**

The City of Jurupa Valley retained Kosmont Companies for Kosmont Retail NOW!® services, including the preparation of a citywide Business Expansion and Recruitment Program to improve business tenant mix within in the City and bolster employment and fiscal revenue generation for the City. Kosmont collaborated with City staff and councilmembers on the initial implementation of the Plan.

## **CITY OF SCOTTS VALLEY**

### **KOSMONT RETAIL NOW!® MARKET ANALYSIS & HOTEL DEVELOPER NEGOTIATIONS**

The City of Scotts Valley sought a consultant to assist and advise on strategies to revitalize the City's existing Town Center. Kosmont conducted site-specific demographic and retailer void analysis as well as retailer recruitment and developer attraction. Kosmont was separately retained by the City for hotel developer negotiations and transaction structuring, including a potential CDBG grant, fee deferrals, and site-specific TOT financing structures between developer and City.

## **CITY OF RIDGECREST**

### **KOSMONT RETAIL NOW!® MARKET ANALYSIS, DEVELOPER OUTREACH, AND TENANT RECRUITMENT**

Kosmont was retained by the City of Ridgecrest for Kosmont Retail NOW!® services, including the preparation of a Retail Sector Action Plan, developer outreach and solicitation, and tenant recruitment. The Action Plan included an analysis of existing market area economic conditions, retailer demand and voids, retail sales surplus/leakage, and identification of funding sources and potential financing alternatives for project implementation. Kosmont aided in the attraction of several national credit retailers (e.g. Marshall's, a TJX Company) and collaborated with developers on several key opportunity sites.

[ Kosmont Companies testimonial from the City of Ridgecrest shown in the References section ]

## **CITY OF PARAMOUNT**

### **KOSMONT RETAIL NOW!®**

The City of Paramount retained Kosmont Companies to carry out Kosmont Retail NOW!® market assessment and attraction advisory services, including economic and demographic analyses and the preparation and initial implementation of a retail recruitment plan. Following completion of these services, the City requested that Kosmont provide assistance to the City for the continued implementation of the retail plan.

[ Kosmont Companies testimonial from the City of Paramount shown in the References section ]

## **CITY OF YUCAIPA**

### **UPTOWN BUSINESS DISTRICT REVITALIZATION AND KOSMONT RETAIL NOW!®**

The Uptown Business District is an area in which the City of Yucaipa sought assistance on economic development initiatives focused primarily on retail opportunity sites and strategies that would result in an improved tenant mix within uptown and increased revenues for the City. The area is defined by Acacia Ave to the north, Avenue D to the south, 2nd street as the western boundary, and Bryant Street as the eastern boundary. One targeted opportunity site is located at the northwest corner of Yucaipa Boulevard and California Street.

The client sought Kosmont's retail expertise in requesting Kosmont's Retail NOW!® strategies (demographic and economic analyses, formulation of retail-based economic development strategies, and implementation of the preferred economic development strategy) along with a residential and market analysis of the region.

Kosmont prepared a Kosmont Retail NOW!® and Residential Market Analysis for the city of Yucaipa detailing their findings and recommendations. Kosmont's findings demonstrate that Yucaipa is experiencing retail leakage in the community due to relatively low per capita retail sales as well as a relatively small amount of taxable retail sales. Kosmont then identified target sites and provided recommendations for their redevelopment.

## **CITY OF STANTON**

### **REAL ESTATE & RETAIL SERVICES AND KOSMONT RETAIL NOW!®**

Kosmont was selected by the City of Stanton to assist with real estate and economic development strategies and an Implementation Plan. Kosmont evaluated existing conditions in the local economy and provided a retail market survey, identified specific economic development opportunities and marketed to businesses, built community and stakeholder support, identified incentives for business attraction and retention, and developed criteria to assess the future economic development function and fiscal impact.

Kosmont is currently assisting the City on major retailer expansion and post-redevelopment dissolution asset strategy and property disposition.

#### **ADDITIONAL SAMPLES OF KOSMONT RETAIL NOW!® ASSIGNMENTS INCLUDE:**

- **City of Duarte:** Retail market evaluation including recruitment of national credit restaurant retailer; introduction and negotiations with developer for mixed use redevelopment project.
- **City of Eastvale:** Market evaluation and financial feasibility component of Specific Plan including retail demand metrics. Targeted retailer/developer outreach and solicitation at International Council of Shopping Centers Real Estate Convention.
- **Fresno County Friant Corridor:** Preparation of demographic and market study for targeted retail and recreational uses.
- **City of South Pasadena:** Developer negotiations on mixed-use redevelopment project.
- **City of Chino Hills:** Assistance to owner of Shoppes at Chino Hills (private sector client) with future phase development strategy with City.
- **City of Hanford:** Preparation of Downtown East Market Study for incorporation into Downtown East Precise Plan, including demographic and economic analysis, retailer void assessment, retail sales/leakage analysis, future retail development feasibility evaluation, and preparation and initial implementation of retail development strategies. Later separately retained for updated market analysis in connection with City General Plan update.
- **City of Huntington Park:** Developed economic development strategic plan and marketing plan to help maximize the city's future economic potential.
- **City of Laguna Hills:** Evaluation of potential revitalization of Laguna Hills Mall, including evaluation of trade area and existing retail conditions, retailer voids, retail sales surplus/leakage, and future development feasibility.
- **Kilroy Realty:** Updating Retail Market and Urban Decay Analysis and Net Fiscal Impact Analysis for One Santa Fe Project in San Diego.
- **City of Manhattan Beach:** Village Shopping Center redevelopment analysis and exploration of potential public-private transaction with owner/developer.
- **City of Montebello:** Project planning and programming, development agreement negotiation, sales tax sharing agreement and marketing and solicitation of anchor tenant interest in retail component of planned residential community.
- **City of Pico Rivera:** Site-specific demographic and retailer void analysis and retailer recruitment.
- **City of Placentia:** Assistance with downtown retail redevelopment and Sierra Vista retail attraction.
- **City of Redlands:** Retail attraction strategies for potential mall redevelopment.
- **City of La Mirada:** Retail market study/analysis.
- **City of Bellflower:** Retail market study/analysis.
- **City of Walnut:** City, trade area, and opportunity site-specific demographic and economic analysis, retailer void assessment, retail sales/leakage analysis, and preparation and initial implementation of Economic Development Action Plan.

## REFERENCES

TESTIMONIAL: *“Kosmont delivers an array of technical and deal making skills that public agencies cannot develop in-house. Their ability to understand economic development projects from the city, developer and financier perspectives has delivered tremendously successful results for Redondo Beach.”*

Peter Grant, City Manager, City of Cypress (Former Asst. City Manager, City of Redondo Beach)

**City of Redondo Beach:** 415 Diamond Street, Redondo Beach, CA 90277  
Peter Grant, Former Assistant City Manager (Current City Manager of Cypress)  
Cell: (714) 335-1685 | Email: pgrant@ci.cypress.ca.us

**City of South Gate:** 8650 California Avenue, South Gate, CA 90280  
Steve Lefever, Director of Community Development  
Phone: (323) 563-9566 | Cell: (323) 228-9217 | Email: slefever@sogate.org

**City of Buellton:** 107 West Highway 246 (P.O. Box 1819) Buellton, CA 93427  
Marc Bierdzinski, City Manager/Planning Director  
Phone: (805) 686-0137 | Email: marc@cityofbuellton.com

**City of Ridgecrest:** 100 West California Avenue, Ridgecrest, CA 93555  
Gary M. Parsons, Economic Development manager  
Phone: (760) 499-5061 | Email: gparsons@ci.ridgecrest.ca.us

**City of Paramount:** 16400 California Avenue, Paramount, CA 91340  
John Moreno, Assistant City Manager  
Phone: (562) 220-2027 | Email: JMoreno@paramountcity.com

**City of Jurupa Valley:** 8930 Limonite Avenue, Jurupa Valley, CA 92509  
Gary Thompson, City Manager  
Phone: (951) 332-6464 | Email: gthompson@jurupavalley.org

**City of Azusa (formerly City of Placentia):**  
Troy L. Butzlaff, City Manager (Former Placentia City Administrator)  
Phone: (626) 812-5238 | Cell: (714) 745-5615 | tbutzlaff@ci.azusa.ca.us

**City of Stanton:** 7800 Katella Avenue, Stanton, CA 90680  
Omar Dadabhoy, Community Development Director  
Phone: (714) 379-9222 x 213 | Email: odadabhoy@ci.stanton.ca.us

[ See additional Testimonials on the following pages ]

## TESTIMONIAL LETTERS



## **CITY OF RIDGECREST, CALIFORNIA**

100 West California Avenue, Ridgecrest, California 93555-4054  
Phone (760) 499-5061 \* Fax (760) 499-1500

**November 4, 2014**

**SUBJECT: Kosmont Associates**

**To whom it may concern**

I am pleased to be able to recommend Kosmont Associates as the City of Ridgecrest's Retail Economic Development advisors. Kosmont Associates has become a highly valued part of the city's economic development team. This firm has been highly professional in its efforts for the city and has been successful in bringing quality retailers to our community. Their willingness to go beyond the services outlined in their agreement with the city has been outstanding and has allowed the city to move forward in its efforts to bring retail in to our community at a much faster pace. Their reputation has brought the city a way to meet and work with established Retail Developers, bringing them to the table to discuss both the development of new retail centers and the rehabilitation of existing ones. This office and the City of Ridgecrest highly recommend you consider Kosmont associates to become a member of your economic development team. They will be there for you in all phases of your efforts to bring retail to your community.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Gary M. Parsons', written over a horizontal line.

**Gary M. Parsons  
Economic Development Manager  
City of Ridgecrest  
760 499 5061**



Assistant City Manager  
(562) 220-2022

January 7, 2014


To Whom It May Concern:

I am pleased to write this letter of recommendation for Kosmont Companies. The City of Paramount hired Kosmont Companies to provide the City consulting services in connection with performing economic and demographic analyses, developing a retail recruitment plan, assisting with the implementation of the retail recruitment plan and providing other project management assistance. Additionally, the City hired Kosmont Companies to assist with the Successor Agency to the former Redevelopment Agency for the preparation, presentation, and Oversight Board approval of the Long-Range Property Management Plan mandated by Assembly Bill 1484. Kosmont's expertise and guidance has enabled us to navigate the unprecedented and constantly-evolving redevelopment dissolution process.

On a personal note, I have enjoyed working with Ken Hira and Joseph Dieguez and have found both to be exceptionally professional, knowledgeable, and true to their word. They know how local government works and were flexible when producing the agreed upon scope of work.

Should you have further questions regarding my experience in using Kosmont Companies, please do not hesitate to contact me at (562) 220-2022.

CITY OF PARAMOUNT



John Moreno  
Assistant City Manager

H:\ComDev\General\WP\JOHNMORENO\kosmont letter of recommendation.doc

16400 Colorado Avenue • Paramount, CA 90723-5012 • Ph: 562-220-2000 • Fax: 562-630-6731  
[www.paramountcity.com](http://www.paramountcity.com)

GENE DANIELS  
Mayor

DIANE J. MARTINEZ  
Vice Mayor

TOM HANSEN  
Councilmember

DARYL HOFMEYER  
Councilmember

PEGGY LEMONS  
Councilmember



## City of Buellton

October 1, 2014

RE: Letter of Recommendation for Kosmont Companies

To Whom it may Concern,

I am pleased to write this letter of recommendation for Kosmont Companies. The City of Buellton engaged Kosmont Companies as a consultant to provide economic development advisory services including demographic and trade area analyses, retailer and developer outreach/recruitment and planning and financing strategies. The Phase 1 Economic Development Implementation Plan was completed in April 2014 and they are now working on implementation strategies for the City. Several retailers have recently made commitments to open locations in the City of Buellton thanks in part to their expertise and ongoing efforts. We appreciate their hands on approach and in person interaction with staff, City Council, Chamber of Commerce, and members of the business community.

The City and business community have enjoyed working with Ken Hira and Joseph Dieguez. Both are very knowledgeable in their field and give us honest answers and advice. Although we have a small contract compared to their other clients, both Ken and Joseph do not treat us as a smaller client. They always are available via the phone and e-mail, and go above and beyond their contract requirements to support economic development in the City of Buellton.

I would be pleased to recommend Kosmont Companies to any prospective client seeking to use their services. I can be reached at 805-688-5177 or [marcb@cityofbuellton.com](mailto:marcb@cityofbuellton.com)

Sincerely,

A handwritten signature in blue ink, reading 'Marc P. Bierzinski'.

Marc P. Bierzinski  
City Manager

*The People are the City*

**Mayor:**  
JEREMY B. YAMAGUCHI

**Mayor Pro Tem:**  
CHAD P. WANKE

**Councilmembers:**  
JOSEPH V. AGUIRRE  
SCOTT W. NELSON  
CONSTANCE M. UNDERHILL



**City Clerk:**  
PATRICK J. MELIA

**City Treasurer:**  
CRAIG S. GREEN

**City Administrator:**  
TROY L. BUTZLAFF, ICMA-CM

401 East Chapman Avenue – Placentia, California 92870

June 21, 2012

To Whom It May Concern:

**Re: Letter Recommendation for Kosmont Associates**

I am pleased to write this letter of recommendation for **Kosmont Associates**. The City of Placentia retained Kosmont Associates several years ago to provide professional consulting and financial advisory services on a number of projects related to the planned Metrolink Station in the City's downtown area. As part of their engagement, Kosmont has assisted the City in developing an overall downtown strategy, as well as provide a host of services including project management, planning and financial analysis on a multi-level parking structure that is currently being planned to serve the new Metrolink Station and adjacent downtown area.

In addition to their work on the Metrolink Station and parking structure, Kosmont's team has been pursuing potential public-private transactions by developing both a strategy and the necessary financial structures to realize a transit-oriented retail development that will ultimately recast the feel of our downtown. The City hopes to use this strategy to find a development partner willing to work on future development projects with the City.

On a personal note, I have enjoyed my working relationship with Larry Kosmont and Ken Hira and have found both to be exceptionally professional and very ethical in their approach to things. Ken and Larry bring a high-level of knowledge and expertise of the private equity market and real estate to the table that in my view gives the City a competitive edge when dealing with developers. Finally, both Larry and Ken understand their role as consultants and never exceed their authority or go beyond the limits of their engagement with the City.

It is with great pleasure that I wholeheartedly endorse Kosmont Associates to other public agencies in need of professional consulting from project management, financial analysis and real estate advisory services. They know how government works and understand how to achieve your desired results.

Should you have any questions regarding my experience in using Kosmont Associates, please feel free to contact me at (714) 993-8118.

Sincerely,



Troy L. Butzlaff, ICMA-CM  
City Administrator  
714-993-8118  
[tbutzlaff@placentia.org](mailto:tbutzlaff@placentia.org)



## KOSMONT RETAIL NOW!® FLYER

[Attached]



## Kosmont Retail NOW!®

is a tool kit for both public and private sectors to attract retail. It is a comprehensive and **proactive retail attraction initiative** which identifies existing conditions, sets a path, targets tenants and produces results.

From our many years as public sector real estate advisors and hands on private sector experience, Kosmont Companies understands the need for successful **sales tax revenue enhancement and economic incentive programs**. The **Kosmont Companies** team offers the in-depth research, real world expertise, and long-term relationships needed to bring viable retail to projects and communities. Today's trends in the evolution of retail include **value, entertainment, and districts**.

## Here is what you get...

### Market and Community Assessment

- ✓ Retail Trade Area Definition
- ✓ Void and Fiscal Impact Analyses
- ✓ Demographics/Segmentation
- ✓ Trend and Market Analyses
- ✓ Project Evaluation

### Vision and Strategy

- ✓ Back to Basics
- ✓ Retail Targeting
- ✓ Branding/Marketing Attraction and Approach
- ✓ Community, Economic and Retail Development
- ✓ Public Private Partnership Strategies

### Plan Implementation

- ✓ Strategic Alliances with Execution Experts
- ✓ Local and Regional Marketing
- ✓ Utilize Real Life Retail Relationships
- ✓ Meeting and Making Deals with Retailers
- ✓ Transaction Structures and Development Services



*Annual Check Up – revisit strategy and plan annually to stay ahead of the curve!*

**Contact Us Today for a Kosmont Retail NOW!® proposal**



## Here is a sampling of successful assignments:

### *Retail Attraction*

Kosmont Companies was engaged by the **City of Victorville** to solve a **Costco's** space and operational needs that enabled them to expand and stay in their existing location. As a result, Costco's sales for this location grew and the City of Victorville was able to retain and grow an important source of sales tax revenue.

A **Private Shopping Center Owner** lost several major tenants from a large essential regional shopping mall. Kosmont Companies evaluated and negotiated public private options to retain and attract retailers as well as generate jobs and sales tax revenue for the community.

### *Retail Market Study to Identify Opportunities*

The **City of La Puente** and **City of Murrieta** desired to evaluate demand for retail use and identify 'voids' for specific retailers. Kosmont evaluated warehouse and grocery store feasibility and alternative uses for projects. In addition, Kosmont evaluated the market and financial conditions and presented comprehensive recommendations and options for successful shopping centers.

### *Jobs Created through Fiscal Impact Analysis*

Private developer **Watt Companies** evaluated potential uses for a vacant Mervyn's building in Mission Viejo. Kosmont Companies prepared a fiscal impact analysis to convey to the City that L.A. Fitness was a viable alternative tenant to fill the vacancy. Traffic generation, tax revenues, and job creation were key variables in the successful report.

### *Urban Decay Studies to Evaluate Impact on Local Businesses*

The **City of South Gate** needed to evaluate the impact a 30+ acre Regional Retail center would have on local and surrounding retailers. Kosmont Companies performed an Urban Decay Study which helped to ensure retail development was brought in maximizing overall benefit to the community.

### *Public Financing*

In times where capital is scarce, Kosmont can help apply for new government financing programs including grants and bonds for retail projects. We helped **Stanton** and **Placentia** secure over \$15 million in ARRA Recovery Zone Bond allocations.

### *Project Management and Development Services*

Kosmont Companies has advised many cities on the development and project management of retail projects. For the **Cities of South Gate and Placentia**, Kosmont Companies has prepared developer RFQ/RFPs, helped select development teams and manage the development process.

**CITY MANAGER'S/STAFF'S REPORT  
CITY COUNCIL MEETING:**

November 2, 2015

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**ITEM NO:**

6 .

**SUBJECT:**

Consideration and necessary action on addition of a Dog Park in the Nebraska Ponding Basin and provide staff direction in proceeding with project.

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**BACKGROUND:** On January 22, 2008, City Council approved the Recreation Commission recommendation to add a Dog Park in the Nebraska Ponding Basin. Due to funding, this project has remained a concept. The purpose for a Dog Park is "To establish a fenced in, off-leash dog park where well-behaved canine citizens can exercise. To develop a space open to all dog lovers and friends who are willing to uphold the Park's Rules and Restrictions."

Staff was directed back in late 2007 to work with the Recreation Commission on how the Nebraska Ponding Basin could be used recreationally since it had trees and open space. A variety of ideas were discussed such as: grass, volleyball courts, barbeque pits, picnic areas, playground equipment, etc. Due to the layout and potential flooding many of these ideas couldn't be developed (playground equipment). The recommendation was forwarded to City Council to add a Dog Park into the basin with a walking trail on the top of the basin to allow people to walk while their dogs are running around. The concept to develop the basin into a Dog Park was approved by City Council, however due to the downturn of the economy- this never came into fruition.

**DISCUSSION:** At this point, Council consideration relates only to a Dog Park and any possibility of including a walking trail can be further researched if funding was to become available in the future.

Staff is recommending based on research and safety of the dogs, to consider dividing the park into two separate fenced in areas, one for small/medium dogs and the other for large dogs. This could be done by adding a 6 foot chain link fence with a mowing strip down the center of the basin, Attachment A.

Estimate to convert basin into Dog Park that separates for the safety of the dogs into two areas:

Pet Waste Dispenser (2):	\$600.00
Pet Waste Can (2):	\$200.00
Pet Waste Bags (2)	\$350.00
Dog Park Rule Sign (2)	\$200.00
Chain Link Fence/Gate /Mowing Strip	<u>\$6,700.00</u>
<b>Total Estimate:</b>	<b>\$8,050.00</b>

Staff would also consider adding at minimum two park benches:

In-Ground Park Benches (2)	\$1,200.00
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At each entrance gate there would be a sign, “**Small/Medium Dogs Only**” and the other “**Large Dogs Only**,” with a Dog Park Rule Sign centrally located for both areas to read and observe, Attachment B.

The \$6,700.00 fence quote would entail a six-foot chain link fence separating the Small/Medium and Large Dog areas, a 2 foot mow strip along this fence for mowing purposes, a 20 foot gate for maintenance and mower, repair of one gate within the existing basin and two entrance gate enclosures, with a spring closure, at each of the entrance gates. The two entrance gates that exist now exit directly onto the sidewalk and the new section with a spring loaded gate, approximately 6 feet by 6 feet in diameter, would decrease an opportunity for a dog to exit the park as another person is entering with their dog.

The basin presently could be converted into a Dog Park without dividing up the park into two sections at a cost of approximately \$1,400.00. However, the concern of large dogs interacting with small dogs could pose a problem if a small dog is attacked.

Staff will be reviewing the report and the overhead picture of the Nebraska Ponding Basin, Attachment A. Several issues that will need to be discussed with the Dog Park are vandalism, purchasing of dispenser and bags, ADA accessibility, and funding. The placement of the waste dispenser and bags for clean-up will be placed inside the park away from the gate to decrease people from easily grabbing bags and taking them or throwing them throughout the park. The estimated ongoing cost is \$500.00 for bags and a pet waste can. However, this will have to be reevaluated annually, if problems occur. No funding is allocated for this project presently. The TOT Capital Improvement Fund that City Council approved for Parks and Recreation presently has no designated funds allocated to any project, and will need Council approval to designate funding. ADA accessibility will need to be part of the conversation if this project does proceed to move forward.

Staff is seeking direction from City Council regarding this project.

<b><u>COST:</u></b> <i>(Enter cost of item to be purchased)</i>		<b><u>BUDGET IMPACT:</u></b> <i>(Enter amount this non-budgeted item will impact this years' budget – if budgeted, enter NONE).</i>
\$8,050.00 Dog Park \$1,200.00 Park Benches (2)		\$9,250.00
<b><u>FUNDING:</u></b> <i>(Enter the funding source for this item – if fund exists, enter the balance in the fund).</i>		<b><u>ON-GOING COST:</u></b> <i>(Enter the amount that will need to be budgeted each year – if one-time cost, enter NONE).</i>
Funding Source: TOT Capital Improvement.  Fund Balance: \$80,000 (estimate)		\$500.00.

**RECOMMENDATION:** Consider addition of a Dog Park in the Nebraska Pond Basin and provide staff direction in proceeding with project.

  
Mikal Kirchner, Recreation Director

10/21/15  
Date

  
Kenneth Grey, City Manager

10/28/2015  
Date

We \_\_\_\_\_ and \_\_\_\_\_  
Kenneth Grey, City Manager Steve Yribarren, Financial Consultant

do hereby agree that the funding for the above is correct and that enough funds exist to cover the expenditure.

At each entrance gate there would be a sign, "Small/Medium Dogs Only" and the other "Large Dogs Only," with a Dog Park Rule Sign centrally located for both areas to read and observe, Attachment B.

The \$6,700.00 fence quote would entail a six foot chain link fence separating the Small/Medium and Large Dog areas, a 2 foot mow strip along this fence for mowing purposes, a 20 foot gate for maintenance and mower, repair of one gate within the existing basin and two entrance gate enclosures, with a spring closure, at each of the entrance gates. The two entrance gates that exist now exit directly onto the sidewalk and the new section with a spring loaded gate, approximately 6 feet by 6 feet in diameter, would decrease an opportunity for a dog to exit the park as another person is entering with their dog.

The basin presently could be converted into a Dog Park without dividing up the park into two sections at a cost of approximately \$1,400.00. However, the concern of large dogs interacting with small dogs could pose a problem if a small dog is attacked.

Staff will be reviewing the report and the overhead picture of the Nebraska Pond Basin, Attachment A. Several issues to contend with regarding the Dog Park is vandalism with the purchasing of a dispenser and bags, funding and ADA accessibility. The placement of the waste dispenser and bags for clean-up will be placed inside the park away from the gate to attempt to decrease people easily just grabbing bags and taking them or throwing them throughout the park. The estimate is \$360.00 for one year. However, this will have to be evaluated on a year basis if problems occur. No funding is allocated for this project presently. The TOT Capital Improvement Fund that City Council approved for Parks and Recreation presently has no designated funds allocated to any projects. In addition, presently there is no ADA accessibility and this will need to be part of the conversation if this project does proceed to move forward.

Staff is seeking direction from City Council regarding this project.

# Nebraska Pond Basin Dog Park

Attachment A



- ☐ Entrance Gate, with Dog Park Rule Sign at Each Gate. (One Gate Sign Identified, Small/Medium Dogs Only. Other Gate Sign Identified, Large Dogs Only).
- ☐ Spring Loaded Gate with a 6 x 6 ft. section. This area will assist in decreasing the chance for dogs to get out and go directly onto the street. Dog owners will enter from the sidewalk and close that gate and then open the spring loaded gate to get into the park.
- ☐ Pet Waste Dispenser and Trash Receptacle. (The idea of keeping the Waste Dispenser away from entrance gate was being considered to reduce potential vandalism and removal of bags).

## Rules and Regulations

- |                                   |                          |                       |
|-----------------------------------|--------------------------|-----------------------|
| <b>For Emergencies</b>            | <b>Call</b>              | <b>911</b>            |
| <b>Non-Emergency</b>              | <b>Police Department</b> | <b>(559) 896-2525</b> |
| <b>To Report Problems at Park</b> |                          | <b>(559) 891-2237</b> |

**CITY MANAGER'S/STAFF REPORT****COUNCIL MEETING DATE:****November 2, 2015**

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**ITEM NO:** 7.**SUBJECT:** Consideration and Necessary Action on Resolution of the City Council of the City of Selma Proposing a Joint Powers Agreement with the County of Fresno to Form a Community Facilities District for the Financing of Necessary Lateral Sewer Trunk Line Improvements.

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**DISCUSSION:** This Council previously approved, and the City of Selma paid for the engineering of plans for establishment of a new sewer trunk line in and along Dinuba Avenue from McCall Avenue to Goldenstate Avenue and has procured from the City Engineer an estimated cost thereof that exceeds \$3,200,000. The City has approached a majority of the landowners in the territory that would be served by this new sewer line and a majority of them have indicated agreement to the placement of assessments against their properties in an amount necessary to pay, over an extended period of time, the cost of installing the new sewer trunk line.

The new sewer trunk line is needed to serve the property that is generally North of Dinuba Avenue, outside the City limits but within the current City Sphere of Influence. This property cannot be served, and therefore cannot be developed, unless a dedicated sewer line is installed so as to by-pass the sewer collection mains running through the City that are at capacity. The other alternative, previously considered by the City, is the establishment of "package plants" or self-contained waste water treatment plants that emit tertiary treated effluent. Establishment of "package plants" is not a viable alternative. The Regional Water Quality Control Board will not permit package plants when it is possible to direct sewage to a regional treatment facility such as SKF and, SKF has registered objections to the proposal for establishment of package plants based upon the environmental concerns relating to establishment of those package plants. Those objections would likely prevent the use of package plants to provide sewage service to any territory currently within the City boundaries or within the City's Sphere of Influence.

At the direction of Council, Staff has examined ways of financing the more than \$3,000,000 expenditure necessary to establish the dedicated lateral trunk line and has determined that the project can be funded by the issuance of bonds under the Mello-Roos Community Facilities Act of 1982 which allows any county, city, special district or joint powers authority to establish a community facilities district which allows for the financing of public services or

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facilities by allowing the entity to raise funds for improvements to infrastructure by issuing bonds. Establishment of a CFD must be approved by a two-thirds margin of qualified voters of the CFD, but if there are fewer than 12 registered voters within the CFD, a vote may be passed by the current land owners. Here, there are approximately 600 acres that will be benefitted by this project and a majority of the land owners have indicated agreement with the proposal to place a special tax against their parcels under the Mello-Roos Community Facilities District Act to finance the sewer trunk line improvement and thereby allow for development of their property.

The law, however, prohibits a local agency, such as city, from creating a CFD outside of its jurisdictional boundaries (Government Code §53316). All of the property benefitted by this improvement lies outside the City's jurisdictional boundaries. Consequently, the City is prohibited from forming a CFD on its own to finance this improvement. However, a CFD may be created to finance facilities to be owned or operated by a public agency other than the agency that created the CFD, but this can only be done pursuant to a Joint Community Facilities Agreement or a Joint Exercise of Power's Agreement adopted pursuant to the provisions of Government Code §53316.2. That Joint Powers Agreement must be with the local agency having jurisdiction over the territory, and in this case, the only local agency that has jurisdiction over the approximately 600 acres to be benefitted by this improvement is the County of Fresno.

Accordingly, Staff has approached the County to determine the County's willingness to enter into a Joint Powers Agreement substantially in the form of the Joint Powers Agreement that is attached to the proposed resolution for this agenda item. County Staff has requested, as a condition to presenting the City's proposal for a Joint Powers Agreement to the County Board of Supervisors, a resolution of this City Council demonstrating its support for the proposed Joint Powers Agreement and subsequent formation of a CFD which will then issue limited obligation improvement bonds financed by a special tax against the parcels benefitted by the improvement.

The bonds issued by the CFD are, according to law, payable only to the extent of collected special taxes on assessments against identified property benefitted from the improvements and neither the CFD, the City of Selma or the County of Fresno, assuming it agrees to enter into a Joint Powers Agreement, would be directly or indirectly liable or responsible for payment of the bonds issued by the CFD to finance the lateral dedicated line. The proposed resolution simply recites determinations this Council has already

made concerning the need for and method by which this improvement shall be established and demonstrates the Council's support of the proposal made by Staff to the County for adoption of the Joint Powers Agreement, and actually provides for this Council's approval of an agreement in the form of the agreement that is attached to the proposed resolution. The agreement simply provides that the City and County will form a CFD for the purpose of financing this infrastructure improvement in accordance with the provisions of the Mello-Roos Act referred to above.

<b><u>COST</u></b>		<b><u>BUDGET IMPACT</u></b>
None.		None.
<b><u>FUNDING</u></b>		<b><u>ON-GOING COST</u></b>
Not applicable.		Not applicable.

**RECOMMENDATION:** Adopt Resolution of the City Council of the City of Selma Proposing a Joint Powers Agreement with the County of Fresno Forming a Community Facilities District for the Financing of Necessary Lateral Sewer Trunk Line Improvements.

**ATTACHMENTS:**

Date: October 28, 2015 /s/ Neal E. Costanzo  
 Neal E. Costanzo  
 City Attorney for City of Selma

Date: October 28, 2015   
 Ken Grey, City Manager

**RESOLUTION NO. 2015-\_\_\_\_\_**

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**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA  
PROPOSING A JOINT POWERS AGREEMENT WITH THE COUNTY OF  
FRESNO FORMING A COMMUNITY FACILITIES DISTRICT FOR THE  
FINANCING OF NECESSARY LATERAL SEWER TRUNK LINE IMPROVEMENTS.**

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**WHEREAS**, the City of Selma receives sewage disposal services from the Selma-Kingsburg-Fowler (SKF) County Sanitation District, a sanitation district organized and existing pursuant to a Joint Exercise of Powers Agreement between and among the County of Fresno and the cities of Selma, Kingsburg and Fowler, all located within the County of Fresno; and

**WHEREAS**, a number of properties within the North section of the City's existing Sphere of Influence are expected to, or have already been approved for development with residential and commercial uses, but that development cannot proceed because the existing sewage collection lines generally located in McCall Avenue and running through the existing City boundaries are at capacity so that to provide sewer service to property located in the Northern part of the City's existing Sphere of Influence it is necessary to install or construct a new lateral sewer trunk line in and along Dinuba Avenue for connection to an existing sewer trunk line, also located in the northern part of the City's Sphere of Influence, for transport to the Selma Kingsburg Fowler Sanitation District Waste Water Treatment Facility; and

**WHEREAS**, in connection with evaluating how sewer service can be provided to the northern part of the City's existing Sphere of Influence, the City has determined the installation or construction of a new sewer lateral line in and along Dinuba Avenue running from McCall Avenue to Goldenstate Avenue to connect to an existing sewer trunk line in Goldenstate Avenue for transport to the Selma Kingsburg Fowler Sanitation District Waste Water Treatment Facility is the only feasible way of providing that service to this territory, and this Council has authorized and an engineer has provided plans for the installation of this trunk line and has estimated the cost of the improvement at above \$3,200,000, a cost that cannot be financed with existing funds of the City, including but not limited to sewer impact fees collected by the City; and

**WHEREAS**, the territory to be served by the new lateral sewer trunk line and the location of the trunk line itself is outside the existing boundaries of the City of Selma; and

**WHEREAS**, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, consisting of §53311 et seq. of the California Government Code (the "Act") both the City and County of Fresno are local governmental entities that may establish a Community Facilities District in order to finance public facilities and improvements, including but not limited to a sewer trunk line that will serve the Northern part of Selma's existing Sphere of Influence; and

**WHEREAS**, because the property to be served by the proposed sewer trunk line improvements and the sewer trunk line are not located within the City boundaries, a Community Facilities District may only be used to finance this improvement pursuant to a Joint Exercise of Powers Agreement between the City and the only entity that has jurisdiction over this territory, the County of Fresno; and

**WHEREAS**, to allow for the orderly transition of governmental facilities and finances by means of a governmental reorganization of the City of Selma consisting of its annexation of all territory to be benefitted by the proposed sewer trunk line improvements referred to in this resolution, the City Council of the City of Selma has directed Staff to propose and Staff has proposed, to the County of Fresno that it enter into a Joint Exercise of Powers Agreement, forming a Community Facilities District to be used to finance the proposed new sewer line improvements by issuance of limited obligation improvement bonds and allow for the development of the northern part of the City's Sphere of Influence; and

**WHEREAS**, the City, through Staff, has communicated with the property owners to be benefitted by the lateral sewer trunk line improvements proposed in this Resolution who have expressed their willingness to pay a proportionate assessment, or special tax, against their properties, amortized over a period of 30 years, to pay for this improvement and the issuance of bonds is contemplated by the City in order to finance the improvement.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. That the foregoing recitals are all true and correct.
2. That the City Council of the City of Selma requests and proposes to the Fresno County Board of Supervisors that it approve and authorize its Chairman to execute the Joint Exercise of Powers Agreement attached and incorporated herein by reference as Exhibit A, or a substantially similar agreement pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, consisting of §53311 et seq of the Government Code (the "Act"), so as to allow for the formation of a Community Facilities District that may issue limited obligation improvement bonds to fund the construction or installation of a proposed new lateral sewer trunk line running in and along Dinuba Avenue from McCall Avenue to Goldenstate Avenue to be paid for by assessments, or a special tax, against the property benefitted by that improvement. A Joint Powers Agreement is necessary in order to finance construction of the sewer line in the manner proposed because the law prohibits the City of Selma from creating a Community

Facilities District outside its jurisdictional boundaries and the proposed new sewer line and property benefitted by it are outside the City's jurisdictional boundary, but within the jurisdictional boundary of the County.

3. The City has determined that by law neither the CFD itself, the City, the County, or any other participant in any such Joint Powers Agreement, may be held liable for the repayment, in any part, of bonds issued by any Community Facilities District formed pursuant to any Joint Powers Agreement between the City of Selma and the County of Fresno and that such instruments are limited obligation improvement bonds funded solely through assessments or special taxes against property benefitted by the improvement the bonds are issued to fund.

\*\*\*\*\*

The foregoing Resolution was duly approved this \_\_\_\_ day of \_\_\_\_\_, 2015 by the following vote, to wit:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

---

Scott Robertson, Mayor of the City of Selma

ATTEST:

---

Reyna Rivera, City Clerk

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## EXHIBIT A

### SELMA SERVICES PUBLIC FINANCING AUTHORITY (NORTH SELMA SEWER IMPROVEMENTS PROJECT)

#### JOINT EXERCISE OF POWERS AGREEMENT

This JOINT EXERCISE OF POWERS AGREEMENT (this "Agreement") dated as of \_\_\_\_\_, 2015, is between the CITY OF SELMA, a public body, corporate and politic, organized and existing under the laws of the State of California (the "City"), and the COUNTY OF FRESNO, a public body, corporate and politic, organized and existing under the laws of the State of California (the "County");

#### WITNESSETH:

**WHEREAS**, agencies formed under Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (collectively, Articles 1, 2, 3 and 4 of such Chapter, the "Joint Powers Law") are permitted to provide financing for any of their members in connection with the acquisition, construction and improvement of public capital improvements and other programs of such members; and

**WHEREAS**, the City is a general law city, organized and existing under the laws of the State of California; and

**WHEREAS**, the County is a subdivision of the State of California organized and existing under the laws and Constitution of the State of California; and

**WHEREAS**, the City and the County wish to form an agency under the Joint Powers Law for the purpose of providing an entity which can assist in providing financial assistance to the County and the City.

**NOW, THEREFORE**, in consideration of the above premises and of the mutual promises herein contained, the City and the County do hereby agree as follows:

#### ARTICLE I GENERAL PROVISIONS

**Section 1.01. Purpose.** This Agreement is entered into pursuant to the Joint Powers Law. The purpose of this Agreement is to provide assistance to the City and the County (collectively, the "Members") from time to time in connection with their financing programs, or for any other financing purposes authorized under Article 4 of the Joint Powers Law (commencing with Section 6584) (the "Bond Act"). In accordance with Section 6503.5 of the Joint Powers Law, within 30 days after the effective date of this Agreement or any amendment hereto, the Financing Authority will cause a notice of this Agreement or such amendment to be prepared and filed with the office of the Secretary of State of the State of California and shall furnish an additional copy of such notice for forwarding to the Controller of the State of California.

**Section 1.02. Creation of Financing Authority.** Pursuant to the Joint Powers Law, there is hereby created a joint powers agency to be known as the "Selma Services Public Financing Authority" (the "Financing Authority"). The Financing Authority shall be a public entity separate and apart from the Members, and shall administer this Agreement. The debts, liabilities and obligations of the Financing Authority shall not constitute debts, liabilities or obligations of the City or the County. The Financing Authority shall be deemed to be created and to exist as an entity which is authorized to transact business and exercise its powers from and after the date of this Agreement and for the term set forth in Section 4.01. The Financing Authority is authorized, in its own name, to do all acts necessary for the exercise of said powers for said purposes, including but not limited to any or all of the following: to make and enter into contracts; to employ agents and employees; and to sue and be sued in its own name. Notwithstanding the foregoing, the Financing Authority has any additional powers conferred under the Joint Powers Law or other applicable law, insofar as such additional powers may be necessary to accomplish the purpose of this Agreement.

**Section 1.03. Board of Directors.**

(a) Composition of Board. The Financing Authority shall be governed by a Board of Directors (the "Board") consisting of five directors. Each member of the City Council of the City shall be a director on the Board by virtue of being a member of the City Council of the City. The term of office of each director on the Board will terminate when such director ceases to be a member of the City Council of the City, and the successor to such person as a member of the City Council of the City will become a director on the Board upon assuming such City Council office.

(b) Powers and Compensation of the Board. All voting power of the Financing Authority shall reside in the Board. Directors shall not receive any compensation for serving as such, but will be entitled to reimbursement for any expenses actually incurred in connection with serving on the Board, if the Board determines that such expenses will be reimbursed and unencumbered funds are available for that purpose.

(c) Call, Notice and Conduct of Meetings. All meetings of the Board, including without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act of the State of California (constituting Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

(d) Quorum; Voting. A majority of the directors on the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. The affirmative votes of at least a majority of the directors of the Board present at any meeting at which a quorum is present shall be required to take any action by the Board.

(e) Time and Place of Regular Meetings. The Board shall hold regular meetings concurrently with City Council meetings of the City, which are presently held on the first (1st) and third (3rd) Monday of each month, with the first such regular meeting being held \_\_\_\_ \_\_, 2015, in the Council Chambers, City Hall, 1710 Tucker Street, Selma, California 93662. In the event an agenda for a regular meeting of the Financing Authority is not posted timely in accordance with the provisions of Section 54954.2 of the Government Code, such regular meeting is cancelled without any further action of the any Member, the Board or any officer of the Authority. The time, date and place established for regular meetings of the Board may be changed from time to time by resolution of the Board or by action of the Board duly

recorded in the minutes. The Board may hold special meetings at any time and from time to time in accordance with law.

(f) Minutes. The Board will cause minutes of all meetings of the Board to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each director on the Board and to each Member.

#### **Section 1.04. Chief Financial Officer.**

(a) Designation. Pursuant to Section 6505.5 of the Joint Powers Law, the Finance Director of the City is hereby designated as the initial Chief Financial Officer of the Financing Authority and, as such, shall perform the functions of the treasurer of the Financing Authority and the functions of the auditor of the Financing Authority, as such functions are set forth in Section 6505.5 of the Joint Powers Law. The Executive Director of the Financing Authority shall have the right to remove the person who is acting as the Chief Financial Officer and to appoint any other person to serve as such, whether or not such other person is the treasurer of the City. Pursuant to Section 6505.1 of the Joint Powers Law, the Chief Financial Officer shall have charge of, handle and have access to all accounts, funds and money of the Financing Authority and all records of the Financing Authority relating thereto. As treasurer of the Financing Authority, the Chief Financial Officer shall have custody of all of the accounts, funds and money of the Financing Authority from whatever source.

(b) Quarterly Reports. In the event, but only in the event, that the Chief Financial Officer holds moneys for the account of the Financing Authority or the Members, the Chief Financial Officer shall verify and report in writing at least quarterly to the Financing Authority and the Members the amount of money so held, the amount of receipts since the last such report, and the amount paid out since the last such report.

(c) Audits. As auditor of the Financing Authority, the Chief Financial Officer shall draw warrants to pay demands against the Financing Authority when the demands have been approved by the Board and shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of the Financing Authority. So long as required by Section 6505 and Section 6505.5 of the Joint Powers Law, the Chief Financial Officer of the Financing Authority shall prepare or cause to be prepared a special audit as required under Section 6505 of the Joint Powers Law every year during the term of this Agreement.

**Section 1.05. Other Officers of the Financing Authority.** In addition to the Chief Financial Officer, the officers of the Financing Authority shall consist of a Chairperson, Executive Director, Finance Director and Secretary, who shall consist of the Mayor, City Manager, Finance Director and City Clerk of the City, respectively. Said officers shall perform such functions as shall be customary in the exercise of such positions, and as may be more specifically provided by the Board from time to time. The Executive Director shall have charge of the day-to-day administration of the Financing Authority and shall execute the directives of the Board. The Executive Director may sign all contracts on behalf of the Financing Authority. The Finance Director shall have the authority to perform all the functions, acts, duties and responsibilities of the Chief Financial Officer. The Secretary shall have charge of the records of the Financing Authority (to the extent not held by the Chief Financial Officer pursuant to Section 1.04) and shall be responsible for recording the minutes of all meetings of the Board. The Board shall be represented by an attorney to act as the legal advisor of the Financing Authority, who shall be the

individual acting as City Attorney of the City; such attorney shall perform such duties as may be prescribed by the Board.

**Section 1.06. Bonding of Officers.** In accordance with Section 6505.1 of the Joint Powers Law, as the public officer who has charge of, handles, or has access to property of the Financing Authority, the Chief Financial Officer shall file an official bond in the amount of \$25,000; provided, that such bond shall not be required if the Financing Authority does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by a trustee or other fiduciary in connection with any Bonds). In the event that the Chief Financial Officer (or any other officer of the Financing Authority) is required to be bonded pursuant to this Section 1.06 or applicable law, such bond may be maintained as a part of, or in conjunction with, any other bond maintained on such person by any Member, it being the intent of this Section 1.06 not to require duplicate or over-lapping bonding requirements from those bonding requirements which are otherwise applicable to the Members.

**Section 1.07. Agents.** In addition the officers set forth in Section 1.05, the Board shall have the power to appoint such other employees and agents as it deems necessary or appropriate, and to retain outside counsel, consultants and accountants.

## **ARTICLE II POWERS; NON-LIABILITY**

**Section 2.01. General Powers.** The Financing Authority shall exercise the powers granted to it under the Joint Powers Law, including but not limited to the powers set forth in the Bond Act and the powers common to each of the Members, as may be necessary to the accomplishment of the purposes of this Agreement. As provided in the Joint Powers Law, the Financing Authority shall be a public entity separate and apart from the Members.

**Section 2.02. Non-Liability of Members and Others For Obligations of Financing Authority.**

(a) Debts, Liabilities and Obligations of Financing Authority. The debts, liabilities and obligations of the Financing Authority shall not be the debts, liabilities and obligations of any of the Members. In addition, no Member shall assume any liability or responsibility for any debts, liabilities or obligations which may be incurred by the other Member in connection with the issuance of any bonds or other evidence of indebtedness of the Financing Authority authorized and issued under the Bond Act (collectively, "Bonds") or other obligations of the Financing Authority for the benefit of such other Member.

(b) No Personal Liability. No Member, director, officer or employee of the Financing Authority shall be individually or personally liable for any claims, losses, damages, costs, injury and liability of any kind, nature and description arising from the actions of the Financing Authority or the actions undertaken under this Agreement. Without limiting the generality of the foregoing, no Member, director, officer, agent or employee of the Financing Authority shall be individually or personally liable for the payment of the principal of or premium or interest on any Bonds or other obligations of the Financing Authority or be subject to any personal liability or accountability by reason of any Bonds or other obligations of the Financing Authority; but nothing herein contained shall relieve any such

Member, director, officer, agent or employee from the performance of any official duty provided by law or by the instruments authorizing the issuance of any Bonds.

(c) Privileges and Immunities. In accordance with Section 6513 of the Joint Powers Law, all of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activities of officers, agents or employees of the Members when performing their respective functions within the territorial limits of their respective Member, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

(d) Indemnification. To the fullest extent permitted by law, the Board shall provide for indemnification by the Financing Authority of any person who is or was a director, officer, employee or agent of the Financing Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a director, officer, employee or agent of the Financing Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in the course and scope of his or her office, employment or agency.

(e) Employment Status. None of the officers, agents or employees, if any, directly employed by the Financing Authority shall be deemed, by reason of their employment by the Financing Authority, to be employed by any Member or, by reason of their employment by the Financing Authority, to be subject to any of the requirements of any Member.

**Section 2.03. Conflict of Interest Code.** The Board shall adopt a Conflict of Interest Code to the extent required by law.

### **ARTICLE III FINANCIAL MATTERS**

**Section 3.01. Contributions.** The Members may, but are not required to: (a) make contributions from their treasuries for any of the purposes set forth herein, (b) make payments of public funds to defray the cost of such purposes, (c) make advances of public funds for such purposes, such advances to be repaid as provided herein, or (d) use their personnel, equipment or property in lieu of other contributions or advances.

**Section 3.02. Accounts and Reports.** To the extent not covered by the duties assigned to a trustee, fiscal agent or paying agent chosen by the Financing Authority, the Chief Financial Officer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust instrument or similar agreement entered into with respect to the proceeds of any Bonds issued by the Financing Authority. The books and records of the Financing Authority in the hands of a trustee, fiscal agent, paying agent or the Chief Financial Officer shall be open to inspection at all reasonable times by representatives of any of the Members. The trustee, fiscal agent, paying agent appointed under any trust instrument or similar agreement shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of said trust instrument or other agreement. Said person may be given such duties in said trust instrument or agreement as may be desirable to carry out any of the provisions or purposes of this Agreement.

**Section 3.03. Funds.** Subject to the applicable provisions of any instrument or agreement which the Financing Authority may enter into, which may provide for a trustee, fiscal agent or paying agent to receive, have custody of and disburse Financing Authority funds, the Chief Financial Officer shall receive, have the custody of and disburse Financing Authority funds as nearly as possible in accordance with generally accepted accounting practices, shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

**Section 3.04 Fiscal Year.** Unless and until changed by resolution of the Board, the fiscal year of the Financing Authority is the period from July 1 of each year to and including the following June 30, except that the first fiscal year shall be the period from the effective date of this Agreement to June 30, 2016.

#### **ARTICLE IV MISCELLANEOUS PROVISIONS**

**Section 4.01. Term.** This Agreement shall become effective, and the Financing Authority shall come into existence, upon the adoption of resolutions of each of the Members approving this Agreement, and this Agreement and the Financing Authority shall thereafter continue in full force and effect so long as either (a) any Bonds issued by the Financing Authority remain outstanding or any material contracts to which the Financing Authority is a party remain in effect, or (b) the Financing Authority shall own any interest in any real or personal property. The Financing Authority shall cause all records regarding its formation, existence, any Bonds issued by it, obligations incurred by it and proceedings pertaining to its termination to be retained for at least six (6) years following termination of the Financing Authority or final payment of any Bonds, whichever is later.

**Section 4.02. Disposition of Assets.**

(a) Disposition of Financing Fees. In connection with providing financial assistance to any Member or for any other financing purposes authorized under the Bond Act, the Financing Authority may charge a reasonable administrative fee. Any such fees shall, upon receipt by the Financing Authority, be divided equally between the Members and promptly paid to the Members.

(b) Disposition of Assets Upon Termination. Upon termination of this Agreement, any surplus money in possession of the Financing Authority or on deposit in any fund or account of the Financing Authority, and all other property of the Financing Authority, both real and personal, will be returned in proportion to any contributions made as required by Section 6512 of the Joint Powers Law, and otherwise will be divided equally between the Members. The Board is vested with all powers of the Financing Authority for the purpose of concluding and dissolving the affairs of the Financing Authority.

**Section 4.03. Notices.** Notices hereunder shall be in writing and shall be sufficient if delivered to:

City of Selma  
City Hall  
1710 Tucker Street  
Selma, CA 93662  
Attention: City Manager

County of Fresno  
Hall of Records, Room 105  
2281 Tulare Street  
Fresno, California 93721  
Fresno, CA 9\_\_\_\_\_  
Attention: County \_\_\_\_\_

**Section 4.04. Section Headings.** All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

**Section 4.05. Law Governing.** This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

**Section 4.06. Amendments.** This Agreement may be amended at any time, or from time to time, except as limited by contract with the owners of any Bonds issued by the Financing Authority or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by all of the parties to this Agreement either as required in order to carry out any of the provisions of this Agreement or for any other purpose, including without limitation addition of new parties (including any legal entities or taxing areas heretofore or hereafter created) in furtherance of the purposes of this Agreement.

**Section 4.07. Enforcement by Financing Authority.** If either Member defaults in any covenant contained in this Agreement, such default will not excuse such Member from fulfilling its obligations under this Agreement and the Members will continue to be liable for the payment of contributions and the performance of all conditions herein contained. The Members hereby declare that this Agreement is entered into for the benefit of the Financing Authority and the Members hereby grant to the Financing Authority the right to enforce by whatever lawful means the Financing Authority deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Financing Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Financing Authority to any other remedies.

**Section 4.08. Severability.** Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with the Constitution or any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

**Section 4.09. Agreement Not Exclusive.** This Agreement is not exclusive and does not amend or alter the terms of other agreements between or among the Members, except as the terms of this Agreement conflict therewith, in which case the terms of this Agreement will prevail.

**Section 4.10. Form of Approvals.** Whenever an approval is required under this Agreement, unless the context specifies otherwise, it shall be given by resolution duly adopted by the governing body of the affected Member, and, in the case of the Financing Authority, by resolution duly adopted by the Board.

Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

**Section 4.11. Successors; Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the respective Members. No Member may assign any right or obligation hereunder without the written consent of the other Member.

**Section 4.12. Amendment of Agreement.** This Agreement may be amended by supplemental agreement executed by the Members at any time; provided, however, that this Agreement may be terminated only in accordance with Section 4.01 hereof and, provided further, that such supplemental agreement shall be subject to any restrictions contained in any Bonds or documents related to any Bonds to which the Financing Authority is a party.

**Section 4.13. Execution in Counterparts.** This 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.

\* \* \* \* \*

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, effective as of the day and year first above written.

**CITY OF SELMA**

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

Attest:

\_\_\_\_\_  
City Clerk

**COUNTY OF FRESNO**

By \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF BOARD OF DIRECTORS OF THE SELMA PUBLIC  
FINANCING AUTHORITY APPROVING THE FORM AND AUTHORIZING  
THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN  
CONNECTION WITH THE REFINANCING OF THE AUTHORITY'S  
OUTSTANDING SERIES 2010 LEASE REVENUE REFUNDING BONDS, AND  
PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO**

**WHEREAS**, the Selma Public Financing Authority (the "Authority") is joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated as of February 18 1992, between the City of Selma (the "City") and the Selma Redevelopment Agency (the "Agency"), and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title of the Government Code of the State of California (the "Act"), and is authorized pursuant to Articles 10 and 11, Division 2, Title 5 (commencing with Section 53570) of the California Government Code, as amended (the "Refunding Law") to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of the City or the Agency to provide financing and refinancing for public capital improvements of the City or the Agency; and

**WHEREAS**, pursuant to (i) a certain Indenture of Trust (the "Prior Indenture"), dated as of August 1, 2010, by and between the Authority and U.S. Bank National Association (the "Prior Trustee"), and (ii) a certain facilities lease agreement, dated as August 1, 2010, by and between the City and the Authority (the "Prior Lease Agreement," and together with the Prior Indenture, the "Prior Obligation Documents"), the City and Authority caused to be executed and delivered the "Selma Public Financing Authority, Lease Revenue Refunding Bonds, Series 2010," issued on August 12, 2010 in the aggregate, original principal amount of \$4,125,000 pursuant to the provisions of the Prior Obligations Documents (the "Prior Obligations"); and

**WHEREAS**, the City has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, that it is in the public interests of the City to provide for the refinancing of Prior Obligations (the "Refinancing"), and thereby save the City and its ratepayers money as a result of reduced debt service payments resulting from such Refinancing; and

**WHEREAS**, to properly account for the Refinancing, and cause the legal defeasance of all Prior Obligations, it is now appropriate and necessary for the Authority to approve the form of Escrow Agreement (the "Escrow Agreement"), dated as of December 1, 2015 (the "Escrow Agreement"), pursuant to which U.S. Bank National Association, as escrow agent thereunder (the "Escrow Agent") will irrevocably hold and invest all Lease Proceeds for a period of approximately thirty (30) days, and then deploy such invested funds to prepay all outstanding Prior Obligations in accordance with the specific terms of the Escrow Agreement; and

**WHEREAS**, in order to provide for the legal efficacy of the Refinancing, it is now appropriate and necessary for the Authority to approve the form of a Termination Agreement (the "Termination Agreement"), dated as of December 1, 2015, by and among the City, the

Authority and the U.S. Bank National Association, as prior trustee under the Prior Indenture (the “Prior Trustee”), providing for the termination of all previously recorded financing documents associated with the Prior Obligations; and

**WHEREAS**, the Board of Directors of the Authority (the “Board”), with the aid of its staff, has reviewed the form of the Escrow Agreement and Termination Agreement, the forms of which are on file with the Secretary, and the Board wishes at this time to approve the foregoing documents as being within the public interests of the Authority; and

**WHEREAS**, the Board wishes at this time to authorize all proceedings relating to the Refinancing and the execution and delivery of Escrow Agreement and Termination Agreement and all other agreements and documents relating thereto; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to effectuate the actions approved herein for the purpose, in the manner and upon the terms herein provided.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Authority of the Selma Public Financing Authority, as follows:

**Section 1. Findings and Determinations.** The Board hereby finds that the above recitals are true and correct, and that the actions authorized hereby constitute, and are in furtherance of, authorized public purposes of the City and Authority, and will result in public benefits to the City and Authority.

**Section 2. Authorized Representatives.** The Chair, the Executive Director or the Finance Director, and any other person authorized by the Board to act on behalf of the Authority shall each be an “Authorized Representative” of the Authority for the purposes of providing for the execution of the Escrow Agreement and Termination Agreement, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the Authority, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the Refinancing, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions and transactions contemplated by this Resolution and the Escrow Agreement and Termination Agreement.

**Section 3. Approval of Escrow Agreement.** The Board hereby approves the Escrow Agreement in substantially the form on file with the Secretary and consents to such revisions, amendments and completions as shall be approved by an Authorized Representative. Any Authorized Representative of the Authority is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to, the final form of the Escrow Agreement for and in the name and on behalf of the Authority and the execution thereof shall be conclusive evidence of the Board’s approval of any such additions

and changes. The Board hereby authorizes the delivery and performance of the Escrow Agreement.

**Section 4. Approval of Termination Agreement.** The Board hereby authorizes and approves the termination of certain lease documents related to the Prior Obligations pursuant to the terms and conditions of the Termination Agreement. The Board hereby approves the Termination Agreement in substantially the form on file with the Secretary, together with any additions thereto or changes therein deemed necessary or advisable by an Authorized Representative, and any Authorized Representative of the Authority is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to, the final form of the Termination Agreement for and in the name and on behalf of the Authority, and the execution thereof shall be conclusive evidence of the Authority Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Termination Agreement.

**Section 5. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

The foregoing Resolution was duly approved by the Board of Directors of the Selma Public Financing Authority at special meeting held on November \_\_, 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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Chair

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Secretary

**PUBLIC WORKS WEEKLY REPORT FOR 10/11/15 TO 10/17/15**
**DAILY JOBS REPORT**

Act Descrip	All Parks	LLMD #1	LLMD #5	LLMD #6	LLMD #8	Art Center	Downtown	Home	Senior Center	Streets	Brentlinger Pk	Islands	Police Dept	Shafer Park	Signs	Pioneer Village	Signals	St Lights	Pump Stations	Corp Yard	City Hall	Total Of Hours
Cleaning (outside)	16	9.5	7	3	21.5		6			1.5	2.5	2.5		1		1				0.5	1	73
Custodial Work	6.5								6				4							1.5	5	23
Flags/Banners/Decor/etc.																					0.5	0.5
FMLA								13														13
Graffiti															0.5							0.5
Hauling/Loading						5	3.5															8.5
Leave without pay								6														6
Mechanical																			8			8
Mowing/Renovating												3										3
New Construction							27.5															27.5
Painting										50												50
Pruning													1.5									1.5
Repairing			0.5				14					3		3	1	1.5	2	5				30
Sick Leave								33														33
Spraying							1						1									2
Sweeping										33.5												33.5
Vacation Leave								2														2
<b>TOTAL</b>	<b>22.5</b>	<b>9.5</b>	<b>7.5</b>	<b>3</b>	<b>21.5</b>	<b>5</b>	<b>52</b>	<b>54</b>	<b>6</b>	<b>85</b>	<b>2.5</b>	<b>8.5</b>	<b>4</b>	<b>6.5</b>	<b>1.5</b>	<b>2.5</b>	<b>2</b>	<b>5</b>	<b>8</b>	<b>2</b>	<b>6.5</b>	<b>315</b>

**LLMD WEEKLY REPORT**

Job Date	LLMD #1	LLMD #5	LLMD #6	LLMD #8	Total Of Hours
10/13/2015				15	15
10/14/2015		7		6.5	13.5
10/15/2015	8.5		3		11.5
10/16/2015	1	0.5			1.5
<b>TOTAL</b>	<b>9.5</b>	<b>7.5</b>	<b>3</b>	<b>21.5</b>	<b>41.5</b>

**WORK ORDER REQUESTS REPORT**

Request Date	Administration	Business	Citizen	Code Enforcement	Community Service	PD	Public Works	TOTAL
10/12/2015	2					1		3
10/13/2015					1		2	3
10/14/2015				1			1	2
10/15/2015	1		1				1	3
10/16/2015		1					1	2
<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>13</b>

**PUBLIC WORKS WEEKLY REPORT FOR 10/18/15 TO 10/24/15**

DAILY JOBS REPORT																																			
Act Descrip	All Parks	Basin	LLMD #1	LLMD #2	LLMD #3	LLMD #4	LLMD #5	LLMD #7	LLMD #8	LLMD #11	Downtown	Home	Senior Center	Streets	Nebraska Pond	Sidewalks	Mark's Pond	Other	Pocket Park	Islands	Lincoln Pk	Police Dept	Shafer Park	Signs	Salazar	Peter Ringo	Pioneer Village	Berry Pk	Corp Yard	City Hall	Medians	Fire Dept	Brentlinger Pk	Art Center	Total Of Hours
Asphalt Work														0.5																					0.5
Cleaning (outside)	20		19.5	1.5	22.5	7.5	1		1.5	10.5	11								1	2.75	1		5		0.5	0.5		2		0.5	1.75				109.5
Custodial Work	3												6									6							2.5	6					23.5
Electrical work											0.5			1								1.5													3
Flags/Banners/Decor/etc.											1																			0.5					1.5
FMLA												40																							40
Graffiti																		0.5						1.5		0.25		1					0.25		3
Hauling/Loading						4.5					1			1																				2	8.5
Mechanical																														0.5					0.5
Meetings																														2.5					2.5
Mowing/Renovating		1	2	1		1	0.5	0.5	1.5	0.5	1.5				2.5		2	1	1	3.5	3.5		5		2	4		2		1		1	5		42
New Construction											0.5			10.75																					11.25
Painting											1.75			1		8.75																			11.5
Pruning						5.5	1							1.5		1.5																			9.5
Removal																					1														1
Repairing														5.25									1	6			0.5								12.75
Sweeping														35.5																					35.5
Vacation Leave												4																							4
TOTAL	23	1	21.5	2.5	22.5	18.5	2.5	0.5	3	11	17.25	44	6	56.5	2.5	10.25	2	1.5	1	6.25	5.5	7.5	11	7.5	2.5	4.75	0.5	4	2.5	11	1.75	1	5.25	2	320

LLMD WEEKLY REPORT									
Job Date	LLMD #1	LLMD #2	LLMD #3	LLMD #4	LLMD #5	LLMD #7	LLMD #8	LLMD #11	Total Of Hours
10/19/2015	21.5	1.5		2	0.5	0.5	1	0.5	27.5
10/20/2015				5				10.5	15.5
10/21/2015		1	0.5	11.5	2		2		17
10/22/2015			22						22
<b>TOTAL</b>	<b>21.5</b>	<b>2.5</b>	<b>22.5</b>	<b>18.5</b>	<b>2.5</b>	<b>0.5</b>	<b>3</b>	<b>11</b>	<b>82</b>

WORK ORDER REQUESTS REPORT							
Request Date	Administration	Business	Citizen	PD	Public Works	SKF	TOTAL
10/19/2015	2		1			1	4
10/20/2015	1	1			1		3
10/21/2015	1						1
10/22/2015	1	1	2				4
10/23/2015			1	1			2
TOTAL	5	2	4	1	1	1	14



# Selma Police Department

## **POLICE DEPARTMENT** **BI-WEEKLY COUNCIL UPDATE** **(10/4 – 10/27/15)**

### **Crime Trends**

- Current crime data for the last 14-day period indicates an across-the-board drop in every tracked property crime category, including a 58% drop in burglary, a 19% drop in auto theft, and an overall drop in property crimes of 17%. Although violent crime saw a 50% increase over this same time frame, the increase represents only an additional 4 reported crimes over two (2) weeks.

### **Significant Calls for Service**

- 10-17-15. Officers responded to the 2600 block of Rose regarding shots fired, and a male subject down in the middle of the street yelling for help. On scene officers located Hector Preciado Serrano 09-28-1987, in the middle of the roadway with shot gun wounds. He was conscious and alert but was only able to provide minimal info.

Later at Fresno Community he advised detectives he was walking west bound on Rose Ave going home to 2500 Highland when a black vehicle drove by going east bound then turned around and pulled up next to him. He said the driver asked him, "Do you bang", he said no. He then he saw the rear passenger side door open and a subject in the rear passenger seat had a shot gun. He said he turned to run and heard shots and felt that he was hit. His mother was notified and responded to the hospital. Wounds are not life threatening.

- 10-7-15. SHOTS FIRED Intersection of Hillcrest St. and McKenna St. Officer Pearce was dispatched to the location based on two 911 calls reporting 3 – 4 shots fired in the area with one of the callers hearing a vehicle leaving the area at a high rate of speed. On arrival Pearce located five .380 cal. spent shell casings in the intersection. A Safety Check was made of the residences in the area and all reported no problems and no signs of damages from the bullets fired and no eye witnesses located.
- 10-19-15. Officers dispatched to the area of 2577 Oak St. for a residence struck by gun fire. Officers arrived on scene and at first could not locate a victim. Officers contacted the reporting party at 2577 Oak who stated all they heard was a vehicle speeding from the area while at the same time hearing their living room window break. The bullet (22 cal) traveled through the living room window and lodged in a bedroom wall. No injuries sustained.



# Selma Police Department

Officers checked the area and subsequently located the intended target. The subject was contacted in the area of Jasper St. at Oak St. riding a bicycle. He was very uncooperative with police, however did state that he was shot at by two subjects in a dark SUV.

## Personnel

- One (1) officer one (1) sergeant remain off work due to industrial injuries.

## Special Events

- A Community Forum, presented by the Selma Unified School District, and the "Lock it Up" anti-drug use campaign, was held on Monday, October 26<sup>th</sup> at Abraham Lincoln Middle School. Chief Garner and other School District and health practitioners presented to the gathering of parents and children the hazards of drug use, and methods to help reduce addiction in youth. Approximately 100 people were in attendance.



Council report 11-2-2015

El Nino update:

We have the incident Action Plan updated and in place. We will continue to monitor the weather and keep up to date on any changes.

This winter's El Niño could be one of the strongest in the past 50 years, leading to a return of meaningful but not necessarily drought-busting rain in California.

"El Niño has steadily strengthened over the past month and is now approaching strong category strength," stated AccuWeather Senior Meteorologist Brett Anderson.

El Niño occurs when ocean water temperatures rise above normal across the central and eastern Pacific, near the equator.

"Confidence continues to grow that this El Niño will be one of the stronger El Niños over the past 50 years," Anderson said. "El Niño typically reaches its peak during the December through February period."



"Latest long-term climate modeling is very aggressive in strengthening this El Niño to near-record levels," added AccuWeather Meteorologist Ben Noll.

"The strongest El Niño on record since the beginning of the 20th century occurred during 1997-98," continued Anderson.

California was the target of frequent storms during the winter of 1997-98 with February being the wettest month. February rainfall records were set in many locations from San Francisco southward with some communities registering all-time monthly rain records.

February 1998 remains the wettest February on record in downtown Los Angeles with a total of 13.68 inches. That is slightly more rain than Los Angeles has registered since January 2014.

The winter of 1997-98 also unleashed yards of snow in the Sierra Nevada, according to AccuWeather Senior Meteorologist Alex Sosnowski.

An El Niño typically leads to more storms targeting California since the jet stream and resultant storm track dips southward across the state and pulls in tropical moisture. The stronger the El Niño, the farther to the south the jet stream will dip.

As evident with the winter of 1997-98, "A strong El Niño could be good news for the extreme drought in California," Anderson continued. "Unfortunately, a sudden turn to a stormy winter could also result in dangerous mudslides and flash flooding for the state."

Anderson also added, "Not all El Niños are the same and other natural climate phenomenon can also interact with El Niño, resulting in a wide variety of seasonal impacts across the globe."

According to Noll, one such climate phenomenon that could prevent this winter from being a repeat of 1997-98 in California would be a strongly positive Pacific Decadal Oscillation (PDO), which refers to anomalously warm waters off the west coast of the United States.



"We really have yet to see such a strong forecasted El Niño paired with such a strong PDO. The PDO could promote a ridge of high pressure over the West, especially the Northwest, for extended periods of time during the winter," stated Noll.

"While rains in California this winter probably turn out at least normal, the strong PDO may have an influence on the overall pattern and prevent the highly anomalous rains that would typically occur in a super El Niño, such as 1997-98," Noll continued.

Even if El Niño wins out over the strong PDO, AccuWeather Senior Meteorologist Bernie Rayno cautions that it will take more than one strong El Niño winter to bust the California drought.

"Current rain deficits are way too large," stated Rayno. "Even if California receives the rain that fell in 1997-98, it will not come close to ending the long-term drought."

Normal rainfall and snowfall would still be a welcome change for drought-stricken California. About 71 percent of the state remains in the midst of an extreme to exceptional drought, reported the United States Drought Monitor.

On the other hand, Noll is concerned for the droughts in Washington and Oregon to persist through this coming fall and winter.

"A strong El Niño would also favor a milder winter compared to normal across much of the northern United States and southern Canada, especially in the Northwest," Anderson added.

Leading up to the winter, the warm waters associated with El Niño will keep the eastern Pacific active through hurricane season. As this tropical moisture is drawn northward, a [wetter-than-normal monsoon season](#) is expected to unfold.

## **TRAINING**

Selma Fire hosts the Fire inspector one series this week. We have ten students from all over the state. This will be an ongoing class. This certification series is a 6 part class and we will continue to host all 6 classes.

## **FRESNO TRAINING SYMPOSIUM**

**NOVEMBER 16 - 20, 2015**



**The Symposium's mission is to provide leadership for the continued advancement of public safety training and education. Additionally, the Symposium offers excellent networking opportunities in which attendees can exchange problems, ideas, and solutions with others who have similar interests. The Fall Training Symposium emphasizes training excellence, firefighter safety, and the shaping of tomorrow's fire service.**

Selma fire is actively involved in this process and will provide support and instructors to this event. We will also support this training with our engine and equipment with that we can provide our employees with discounted or free training. This year we will have we will have 8 firefighters in class.