City Council Agenda

FEBRUARY 24, 2015
6:00 p.m.
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

Mayor
Gary Soiseth

Council Members
William DeHart, Jr. **Steven Nascimento**
Matthew Jacob **Amy Bublak**
Vice Mayor

City Manager
Roy W. Wasden
City Clerk
Kellie E. Weaver
City Attorney
Phaedra A. Norton

SPEAKER CARDS: To accommodate those wishing to address the Council and allow for staff follow-up, speaker cards are available for any agendized topic or any other topic delivered under Public Comment. Please fill out and provide the Comment Card to the City Clerk or Police Officer.

NOTICE REGARDING NON-ENGLISH SPEAKERS: The Turlock City Council meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

EQUAL ACCESS POLICY: If you have a disability which affects your access to public facilities or services, please contact the City Clerk's Office at (209) 668-5540. The City is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the City to process and respond to your request.

NOTICE: Pursuant to California Government Code Section 54954.3, any member of the public may directly address the City Council on any item appearing on the agenda, including Consent Calendar and Public Hearing items, before or during the City Council's consideration of the item.

AGENDA PACKETS: Prior to the City Council meeting, a complete Agenda Packet is available for review on the City's website at www.cityofturlock.org and in the City Clerk's Office at 156 S. Broadway, Suite 230, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Council after distribution of the Agenda Packet are also available for public inspection in the City Clerk's Office. Such documents may be available on the City's website subject to staff's ability to post the documents before the meeting.

5:00 – 6:00 p.m. – ***Reception welcoming Kellie Jacobs-Hunter, Administrative Services Director***

1. A. CALL TO ORDER

B. SALUTE TO THE FLAG

2. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS

A. *Appointments:* CDBG Grant Selection Committee (Community Members)
B. *Appointment:* CDBG Grant Selection Committee (Council Representative)

3. A. SPECIAL BRIEFINGS: None

B. STAFF UPDATES: None

C. PUBLIC PARTICIPATION

This is the time set aside for members of the public to directly address the City Council on any item of interest to the public, before or during the City Council's consideration of the item, that is within the subject matter jurisdiction of the City Council. You will be allowed three (3) minutes for your comments. If you wish to speak regarding an item on the agenda, you may be asked to defer your remarks until the Council addresses the matter.
No action or discussion may be undertaken on any item not appearing on the posted agenda, except that Council may refer the matter to staff or request it be placed on a future agenda.

4. A. MOTION WAIVING READING OF ALL ORDINANCES ON THE AGENDA, EXCEPT BY TITLE

B. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS

5. CONSENT CALENDAR

Information concerning the consent items listed hereinbelow has been forwarded to each Councilmember prior to this meeting for study. Unless the Mayor, a Councilmember or member of the audience has questions concerning the Consent Calendar, the items are approved at one time by the Council. The action taken by the Council in approving the consent items is set forth in the explanation of the individual items.

A. *Resolution*: Accepting Demands of 1/15/15 in the amount of $1,261,902.53; Demands of 1/22/15 in the amount of $997,479.35; Demands of $1/29/15 in the amount of $316,100.84

B. *Motion*: Accepting Minutes of Special Meeting of February 3, 2015; Minutes of Regular Meeting of February 10, 2015

C. *Motion*: Approving Amendment No. 1 to the agreement with Pires, Lipomi + Navarro Architects and increasing the total compensation in the amount of $14,780 (Fund 426-40-415.51260) for City Project No. 12-60B, "Turlock Regional Transit Center Phase 2 Design and Master Plan"

D. R*esolution*: Authorizing the refund of $1,265 to the State of California Department of Housing and Community Development for program income funds as agreed to in the Neighborhood Stabilization Program and Program Income Reuse Plan and appropriating $1,265 to account number 258-41-496.47312 "Reimbursement to HCD"

E. *Resolution:* Appropriating $27,200 from account number 256-41-486.47225_001 "Affordable Housing Development -Current" to account number 256-41-486.43060_000 "Contract Services" to provide funding for the City of Turlock's obligation with regard to the MOU with the County of Stanislaus for the Development of the 2015-2020 Consolidated Plan and 2015 Annual Action Plan

F. 1. *Motion*: Approving an agreement with CNC Environmental, LLC, for a Granular Activated Adsorption System for the Municipal Services Department for a period of thirty six (36) months, in an amount not to exceed $50,000, from Water Fund 420-52-550-435040 "PCE Monitoring & Remediation"

2. *Resolution*: Appropriating $20,000 to account 420-52-550-43504 "PCE Monitoring and Remediation" to be funded by revenue received in account 420-52-550-35507 "PCE Recovery" from an award of funds from the Cleanup and Abatement Account by the State Water Resources Control Board for the purpose of PCE Remediation System Optimization and Groundwater Monitoring and Reporting in Downtown Turlock

G. *Motion*: Approving an amendment to Contract No. 11-929, regarding a name change from Terra Renewal West, LLC to Denali Water Solutions of Russellville, AR

H. *Motion*: Approving an agreement with Condor Earth Technologies, Inc. to provide Environmental Consulting Services to assist with a three (3) Year Compliance Audit for the California Accidental Release Prevention (CalARP) Program for the Chlorine Facility at the City of Turlock Regional Water Quality Control Facility in an amount not to exceed $6,820 from Fund 410-51-530.43336 "CalARP Compliance Audit"

I. *Motion*: Approving the Memorandum of Understanding between the City of Turlock and Stanislaus Men's Senior Baseball League for the use of Pedretti Park for adult baseball programs within the community

J. *Motion*: Approving the Memorandum of Understanding between the City of Turlock and the Turlock American Little League for the use of Pedretti Park for youth baseball programs within the community

K. *Motion*: Authorizing the City Manager or his designee to execute an agreement between Turlock Police Department and California State University Stanislaus Police Department agreeing to conform to all the California Law Enforcement Telecommunication Systems (CLETS) policies

L. *Motion*: Rejecting Claim for Damages filed by Brandon Lee Wilson

6. FINAL READINGS

A. ***Recommended Action*:**
Ordinance: Amending the Zoning Map of the City of Turlock, California, attached to Title 9 of the Turlock Municipal Code [Rezone 2014-02 (Potter's Landing)] as introduce at the February 10, 2015 meeting

Resolution: Establishing Conditions of Approval for Planned Development District No. 271 (PD 271), Rezone 2014-02 [Potter's Landing]

7. PUBLIC HEARINGS

Challenges in court to any of the items listed below, may be limited to only those issues raised at the public hearing described in this notice, or in written correspondence delivered to the Turlock City Council at, or prior to, the public hearing.

A. Request to authorize the Issuance by the Colorado Health Facilities Authority of its Revenue Refunding Bonds, Series 2015 (Covenant Retirement Communities, Inc.) in one or more series in an aggregate principal amount not to exceed $125,000,000 (the "Series 2015 Bonds"), of which not more than $23,000,000 shall be for the benefit of Covenant Village of Turlock, Covenant Village Care Center, Sequoia Place and Covenant Village of Turlock Care Center; and Related Matters. *(Lorenzi)*

Recommended Action:
Resolution: Authorizing the Issuance by the Colorado Health Facilities Authority of its Revenue Refunding Bonds, Series 2015 (Covenant Retirement Communities, Inc.) in one or more series in an aggregate principal amount not to exceed $125,000,000 (the "Series 2015 Bonds"), of which not more than $23,000,000 shall be for the benefit of Covenant Village of Turlock, Covenant Village Care Center, Sequoia Place and Covenant Village of Turlock Care Center; and Related Matters

8. SCHEDULED MATTERS

A. Request to accept and endorse the City Manager's appointment of Kellie Jacobs-Hunter to the position of Administrative Services Director effective March 2, 2015. *(Eddy)*

Recommended Action:
Resolution: Accepting and endorsing the City Manager's appointment of Kellie Jacobs-Hunter to the position of Administrative Services Director effective March 2, 2015

B. Request to approve an agreement with Stott Outdoor Advertising of Chico, California, to sell and maintain advertising on the exteriors of Turlock's "Blast" and "Dart" urban services and remit a portion of the sales revenue to the City in the form of purchased transit tickets to be distributed to recognized charitable organizations and the Turlock Unified School District. *(Pitcock)*

Recommended Action:
Motion: Approving an agreement with Stott Outdoor Advertising of Chico, California, to sell and maintain advertising on the exteriors of Turlock's "Blast" and "Dart" urban services and remit a portion of the sales revenue to the City in the form of purchased transit tickets to be distributed to recognized charitable organizations and the Turlock Unified School District

C. Request to authorize the City Manager to enter into a sole source professional services agreement with Dyett & Bhatia Urban and Regional Planners without following formal bidding procedures; approve the award of a professional services agreement to Dyett & Bhatia Urban and Regional Planners for the 5th Cycle update to the City of Turlock Housing Element for an amount not to exceed $48,840; and appropriate $48,840 to account number 110-40-400.43753 "Contract Services Housing Element Update" to be funded from Fund 110 "General Fund" reserve balances to prepare the State-mandated update to the City of Turlock Housing Element. *(Whitmore)*

Recommended Action:
Motion: Authorizing the City Manager to enter into a sole source professional services agreement with Dyett & Bhatia Urban and Regional Planners without following formal bidding procedures, having found that the circumstances listed in Turlock Municipal Code, Title 2, Chapter 7, Section 2-7-08(b)(2), (b)(3), and (b)(4) have been satisfied

Motion: Approving the award of a professional services agreement to Dyett & Bhatia Urban and Regional Planners for the 5th Cycle update to the City of Turlock Housing Element for an amount not to exceed $48,840

Resolution: Appropriating $48,840 to account number 110-40-400.43753 "Contract Services Housing Element Update" to be funded from Fund 110 "General Fund" reserve balances to prepare the State-mandated update to the City of Turlock Housing Element

D. Request to accept the Carnegie Arts Foundation Annual Report 2014 and approve a new fee schedule for the Carnegie Arts Center and amendment number 3 to the lease agreement between the City of Turlock and The Carnegie Arts Center Foundation, a California non-profit corporation, for the City owned area and building located at 250 North Broadway, Turlock, California. *(VanGuilder)*

***Recommended Action*:**
Motion: Accepting the Carnegie Arts Foundation Annual Report 2014

Motion: Approving a new fee schedule ("Exhibit A") for the Carnegie Arts Center and amendment number 3 ("Exhibit B") to the lease agreement between the City of Turlock and The Carnegie Arts Center Foundation, a California non-profit corporation, for the City owned area and building located at 250 North Broadway, Turlock, California (Carnegie Arts Center)

E. Request to approve a multifamily rehabilitation loan and any necessary tenant relocation of the property located at 1480 Lambert Way, Turlock, California, in the amount of $270,000 and approve the sale of the property located at 1480 Lambert Way, Turlock, California (APN 061-040-004-000), to be sold to We Care, a non-profit organization, in the amount of $350,000, subject to the terms and conditions. *(Pitt)*

***Recommended Action*:**
Motion: Approving a multifamily rehabilitation loan and any necessary tenant relocation of the property located at 1480 Lambert Way, Turlock, California, in the amount of $270,000 as outlined in Attachment A

Motion: Approving the sale of the property located at 1480 Lambert Way, Turlock, California (APN 061-040-004-000), to be sold to We Care, a non-profit organization, in the amount of $350,000, subject to the terms and conditions as outlined in Attachment B

F. Request to approve a Loan Agreement for Avena Bella Phase II project costs between the Successor Agency to the Turlock Redevelopment Agency and the City of Turlock; approve a Loan Agreement for Public Safety Facility's contracts costs between the Successor Agency to the Turlock Redevelopment Agency and the City of Turlock; and approve a Loan Agreement for City advance for ROPS 14-15A Enforceable Obligations between the Successor Agency to the Turlock Redevelopment Agency and the City of Turlock . *(Lorenzi)*

Recommended Action:
Resolution: Approving a Loan Agreement for Avena Bella Phase II project costs between the Successor Agency to the Turlock Redevelopment Agency and the City of Turlock

Resolution: Approving a Loan Agreement for Public Safety Facility's contracts costs between the Successor Agency to the Turlock Redevelopment Agency and the City of Turlock

Resolution: Approving a Loan Agreement for City advance for ROPS 14-15A Enforceable Obligations between the Successor Agency to the Turlock Redevelopment Agency and the City of Turlock

9. COUNCIL ITEMS FOR FUTURE CONSIDERATION

10. COUNCIL COMMENTS

Councilmembers may provide a brief report on notable topics of interest. The Brown Act does not allow discussion or action by the legislative body.

11. CLOSED SESSION

***Conference with Legal Counsel – Pending Litigation*, Cal. Gov't Code §54956.9(d)(4)**

"*For purposes of this section, litigation shall be considered pending when any of the following circumstances exist… Based on existing facts and circumstances, the legislative body of the local agency has decided to initiate or is deciding whether to initiate litigation."*

Potential Case: (1 case)

12. ADJOURNMENT

2A

CDBG GRANT SELECTION COMMITTEE

Term Expiration:
December 31, 2015

2 applicants: (Select 2)

Anokeen Varani
Abe Rojas

The CDBG Grant Selection Committee screens applications from community groups seeking CDBG grant funds and selects which applicants will receive funding each year. It is estimated the Committee will fund approximately $50,000 in grants this year.

The filing deadline for applications to serve on the CDBG Community Grant Selection Committee is February 6, 2015 at 5:00 p.m.

RECEIVED

JAN 15 2015

Office of the City Clerk

CITY OF TURLOCK INC. 1908

ANOKEEN VARANI

156 S. Broadway, Suite 230 | Turlock, California 95380 | phone 209-668-5540 | fax 209-668-5668

CITIZENS DESIRING TO SERVE THEIR CITY

Please indicate your preference:

_____ Arts Commission
(please include a one page statement of interest and a letter of recommendation)

_____ Parks, Recreation & Community Commission

_____ Planning Commission

_____ Development Collaborative Advisory Committee

_____ Stanislaus County Airport Advisory Committee

_____ Stanislaus County Local Task Force on Solid Waste

_____ Turlock Mosquito Abatement District Board of Trustees

__X__ **Other: CDBG Grant Selection Committee**

CDBG Grant Selection Committee: If you are appointed by Council to the committee, they will meet all day on March 18, 2015 for the grant selection process.

Please provide the following information (use reverse side or additional paper, if needed)

Name: Anokeen Varani

Address: _____ Zip Code:

Telephone: Home: _____ Work:

Do you live within the City limits? Yes Are you registered to vote? No

How long have you lived in Turlock?
10 yrs

Are you, or are you related to, a current City employee? No If yes, please indicate the person's name and relationship, if not yourself.

Occupation:
Business owner, Dental Spa

Business Address: _____ Zip Code:

Education (highest school year complete, degrees, etc.):
BA Early childhood Education

Employment Highlights:
2006 - 2015 Dental Spa, Antaine Varani DDS

Prior Public Service, if any:
Turlock Education Foundation, Executive Board
Economic Development Task Force
Assyrian Scholarship Competition

Present and past community activities and organizations:

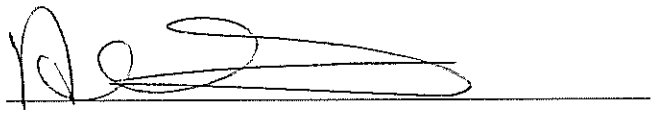
Leadership Turlock Steering Committee
Leadership Turlock Nonprofit Day Chair

What are your most important qualifications for the commission(s) or committees(s) that you indicated above?
I have an understanding of the existing nonprofits in turlock
I have dedicated, time, money and energy in improving the lives of people around me.

You may submit additional or supplemental information along with this form.

Please return to:

Kellie Weaver, City Clerk
City of Turlock
156 S. Broadway, Suite 230
Turlock, CA 95380
(209) 668-5540



1/13/15

Signature Date

The filing deadline for applications to serve on the CDBG Community Grant Selection Committee is **February 6, 2015** at 5:00 p.m.

CITY OF TURLOCK INC. 1908

RECEIVED
FEB - 2 2015
Office of the City Clerk

156 S. BROADWAY, SUITE 230 | TURLOCK, CALIFORNIA 95380 | PHONE 209-668-5540 | FAX 209-668-5668

CITIZENS DESIRING TO SERVE THEIR CITY

Please indicate your preference:

_____ Arts Commission
(please include a one page statement of interest and a letter of recommendation)

_____ Parks, Recreation & Community Commission

_____ Planning Commission

_____ Development Collaborative Advisory Committee

_____ Stanislaus County Airport Advisory Committee

_____ Stanislaus County Local Task Force on Solid Waste

_____ Turlock Mosquito Abatement District Board of Trustees

__X__ **Other: CDBG Grant Selection Committee**

CDBG Grant Selection Committee: If you are appointed by Council to the committee, they will meet all day on March 18, 2015 for the grant selection process.

Please provide the following information (use reverse side or additional paper, if needed)

Name: ABE ROJAS

Address: _____ Zip Code: _____

Telephone: Home: _____ Work: _____

Do you live within the City limits? YES Are you registered to vote? YES

How long have you lived in Turlock? 75 YEARS

Are you, or are you related to, a current City employee? YES If yes, please indicate the person's name and relationship, if not yourself. RAYMOND GARCIA, SON-IN-LAW

Occupation: RETIRED

Business Address: _____ Zip Code: _____

Education (highest school year complete, degrees, etc.): MJC 2½ yrs, Cal Poly, Pomona 1 yr
CSUS, Turlock 2 yrs

Employment Highlights: Director Parks & Recreation 25 yrs

Prior Public Service, if any: Trustee, Turlock Unified School District 12½ yrs.
Trustee, Yosemite Community College District 22 yrs.
Member, Cal. Community College League of Calif, Legislative Advisory Committee

Present and past community activities and organizations: See attached list
Youth, Teens, Adults, Senior Citizens

What are your most important qualifications for the commission(s) or committees(s) that you indicated above? Educational, Government, and Community Advocate.

You may submit additional or supplemental information along with this form.

Please return to:

Kellie Weaver, City Clerk
City of Turlock
156 S. Broadway, Suite 230
Turlock, CA 95380
(209) 668-5540

Signature

1/20/15
Date

PAST AND CURRENT VOLUNTEER EXPERIENCE - ABE ROJAS

1996 + ELECTED TO THE YOSEMITE COMMUNITY COLLEGE DISTRICT BOARD OF TRUSTEES:

1. Represented the Board as a member of the Stanislaus County School Board Association Advisory Committee Chair 98 & 99
2. Represent the Board as a Committee Member of the Valley Insurance Program/Joint Power Agency on District excessive insurance
3. Past member of the Advisory Committee on Legislation for the California Community College League of Cities. Chair '03
4. Served as Chair of the Board
5. Certificate of Recognition MJC Americans With Disabilities
6. City of Turlock RDA Oversite Committee
7. City of Hughson RDA Aversite Committee

Member and Past Chair of the Advisory Committee for the Turlock Salvation Army
Member TUSD Strategic Plan Committee
Steering Committee and Day Chair for Higher Education, Leadership Turlock, Turlock Chamber of Commerce
For 10 years sponsored Scholarship at Turlock High School for Mexican-American Student
Member Ad-Hok Selection Committee, City of Turlock Community Development Block Grants for Charity Organizations (HUD)
Past volunteer Judge for Stanislaus County Office of Education Occupations Olympics
Past member CSUS Athletic Fund Raising Scholarship Committee
Helped organize Turlock High School Advisory Committee on Drug Abuse
Volunteer City of Turlock Play Park Development
Volunteer Coach for Slam & Jam Basketball Program at Modesto Christian School
Leadership Steering Committee Turlock Chamber of Commerce
Past member Hispanic Boarder Leadership Institute
Past member Hispanic Leadership Committee
CPR and First Aid Certificate of Completion
Member of Amateur Softball Association of Umpires
Member of National Softball Association of Umpires
Member of Northern California Officials Association for Basketball and Girls Fast Pitch Softball
Past Member of Sons In Retirement
Volunteer Sober Grad Nite for Turlock & Pitman High Schools
Past Recognition & Honored Contributor THS Annual Election Committee
Distinguished Service as A Member of The Career Presenter Team 5-20-96, Stanislaus County Office of Education
Member of Stanislaus County Senior Softball Association, and Northern California Senior Softball Association
*** My legacy was the coordination and development of Pedretti Softball & Baseball Sports Complex from 1977 to 1982. The site was tumble weeds and puncture vines and through monetary donations, donations of material, three State Recreation State Bonds and, evenings and weekends, a Dream Came True. What once was country is now across the Freeway from the Monte Vista Shopping Center
Softball Field named Abe Rojas at the Turlock Regional Sports Complex
40 years plus Volunteer CSUS Basketball Scoring Table
Hall of Fame Member CSUS for Volunteer Service to Athletic Programs
Member CSUS Presidents Citizens Advisory Committee

5A

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF ACCEPTING DEMANDS OF 1/15/15 IN THE AMOUNT OF $1,261,902.53; DEMANDS OF 1/22/15 IN THE AMOUNT OF $997,479.35; DEMANDS OF 1/29/15 IN THE AMOUNT OF $316,100.84	**RESOLUTION NO. 2015-**

WHEREAS, the City has received demands for ratification and approval.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby accept Demands as follows:

Demands of:	In the Amount of:
1/15/15	$1,261,902.53
1/22/15	$997,479.35
1/29/15	$316,100.84

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 24th day of February, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver, City Clerk
City of Turlock, County of Stanislaus, State of California

Payment Register

From Payment Date: 1/9/2015 - To Payment Date: 1/15/2015

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - Accounts Payable									
Check									
100604	01/12/2015	Open			Accounts Payable	WESTAMERICA BANK	$50,000.00		
	Paying Fund			Cash Account		Amount			
	257 - State HOME Funds			257.11000 (Cash)		$50,000.00			
100605	01/12/2015	Open			Accounts Payable	WESTAMERICA BANK	$50,000.00		
	Paying Fund			Cash Account		Amount			
	257 - State HOME Funds			257.11000 (Cash)		$50,000.00			
100606	01/13/2015	Open			Utility Management Refund	ABST, TERRY	$156.94		
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		$156.94			
100607	01/13/2015	Open			Utility Management Refund	ALCARAZ, CRISTO	$91.57		
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		$91.57			
100608	01/13/2015	Open			Utility Management Refund	ANDRADE-CEDINO, GLADYS	$75.47		
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		$75.47			
100609	01/13/2015	Open			Utility Management Refund	BEZEMER, SHELLEY	$122.55		
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		$122.55			
100610	01/13/2015	Open			Utility Management Refund	CUNHA, MANUEL	$128.01		
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		$128.01			
100611	01/13/2015	Open			Utility Management Refund	DAVIS, SCOTT	$91.50		
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		$91.50			
100612	01/13/2015	Open			Utility Management Refund	EGBERT, BILL	$128.22		
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		$128.22			
100613	01/13/2015	Open			Utility Management Refund	ESTACIO, JOSEPH, COSTA	$242.90		
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		$242.90			
100614	01/13/2015	Open			Utility Management Refund	JIMENEZ, ROBERTO	$181.98		
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		$181.98			
100615	01/13/2015	Open			Utility Management Refund	LOW, LONNIE	$98.42		

Payment Register

From Payment Date: 1/9/2015 - To Payment Date: 1/15/2015

	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$98.42
100616	01/13/2015	Open		Utility Management Refund	LOZA, PATRICIA, CHAPARRO	$196.26
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$196.26
100617	01/13/2015	Open		Utility Management Refund	MACHADO, VERONICA, N	$78.66
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$78.66
100618	01/13/2015	Open		Utility Management Refund	Monte Vista Crossings LLC, c/o Hall Equities Gr	$77.60
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$77.60
100619	01/13/2015	Open		Utility Management Refund	OLSON, MICHAEL	$76.90
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$76.90
100620	01/13/2015	Open		Utility Management Refund	PARAMONT HOMES INC	$38.84
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$38.84
100621	01/13/2015	Open		Utility Management Refund	PARK, SOO	$99.75
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$99.75
100622	01/13/2015	Open		Utility Management Refund	PENNEY, MICHELLE, D	$273.00
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$273.00
100623	01/13/2015	Open		Utility Management Refund	TERESA, RIOS VASQUEZ	$192.40
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$192.40
100624	01/13/2015	Open		Utility Management Refund	TRACEY, AMANDA	$97.57
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$97.57
100625	01/15/2015	Open		Accounts Payable	A-Z BUS SALES INC	$343.65
	Paying Fund		Cash Account			Amount
	425 - Transit - Dial-A-Ride		425.11000 (Cash)			$343.65
100626	01/15/2015	Open		Accounts Payable	AIRGAS NCN	$718.65
	Paying Fund		Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)			$718.65
100627	01/15/2015	Open		Accounts Payable	AMERICAN WATER WORKS ASSOCIATION	$520.00
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$520.00

Payment Register

From Payment Date: 1/9/2015 - To Payment Date: 1/15/2015

100628	01/15/2015	Open	Accounts Payable	APPLIED PEST MANAGEMENT INC	$40.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$40.00
100629	01/15/2015	Open	Accounts Payable	AT&T / CALNET 2	$6,093.62
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$4,927.31
	205 - Sports Facilities		205.11000 (Cash)		$40.48
	255 - CDBG		255.11000 (Cash)		$54.46
	405 - Building		405.11000 (Cash)		$57.14
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)		$459.06
	420 - WATER		420.11000 (Cash)		$268.39
	426 - Transit - Fixed Route		426.11000 (Cash)		$66.88
	501 - Information Technology		501.11000 (Cash)		$88.13
	502 - Engineering		502.11000 (Cash)		$29.16
	505 - Fleet		505.11000 (Cash)		$102.61
100630	01/15/2015	Open	Accounts Payable	AT&T/SBC	$67.40
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$67.40
100631	01/15/2015	Open	Accounts Payable	BADGER METER INC	$10,074.14
	Paying Fund		Cash Account		Amount
	420 - WATER		420.11000 (Cash)		$10,074.14
100632	01/15/2015	Open	Accounts Payable	BENDER ROSENTHAL, INC.	$7,000.00
	Paying Fund		Cash Account		Amount
	305 - Capital Facility Fees		305.11000 (Cash)		$7,000.00
100633	01/15/2015	Open	Accounts Payable	CALIF DEPT OF TRANS	$2,724.22
	Paying Fund		Cash Account		Amount
	216 - Streets - Local Transportation		216.11000 (Cash)		$2,724.22
100634	01/15/2015	Open	Accounts Payable	CAROLLO ENGINEERS	$9,813.56
	Paying Fund		Cash Account		Amount
	415 - Sewer Bond Projects		415.11000 (Cash)		$9,813.56
100635	01/15/2015	Open	Accounts Payable	CHARTER COMMUNICATIONS	$158.91
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$66.44
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)		$18.73
	420 - WATER		420.11000 (Cash)		$18.74
	501 - Information Technology		501.11000 (Cash)		$55.00
100636	01/15/2015	Open	Accounts Payable	CITY OF MODESTO	$44,619.00
	Paying Fund		Cash Account		Amount
	420 - WATER		420.11000 (Cash)		$44,619.00
100637	01/15/2015	Open	Accounts Payable	CITY OF TURLOCK - CASH	$197.44
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$106.82
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)		$28.82
	420 - WATER		420.11000 (Cash)		$28.80

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	426 - Transit - Fixed Route	426.11000 (Cash)			$7.00
	502 - Engineering	502.11000 (Cash)			$26.00
100638	01/15/2015 Open		Accounts Payable	COMBINED BENEFITS ADMIN C	$70,159.37
	Paying Fund	Cash Account			Amount
	511 - Health Care	511.11000 (Cash)			$70,159.37
100639	01/15/2015 Open		Accounts Payable	CWEA	$936.00
	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$936.00
100640	01/15/2015 Open		Accounts Payable	DEL PUERTO WATER DISTRICT	$98,486.59
	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$98,486.59
100641	01/15/2015 Open		Accounts Payable	DEPT INDUSTRIAL RELATIONS	$15,028.91
	Paying Fund	Cash Account			Amount
	510 - Workers Compensation Ins	510.11000 (Cash)			$15,028.91
100642	01/15/2015 Open		Accounts Payable	DF ENGINEERING INC	$12,613.00
	Paying Fund	Cash Account			Amount
	306 - North Turlock Master Plan	306.11000 (Cash)			$7,048.00
	411 - Storm Drainage Construction	411.11000 (Cash)			$5,565.00
100643	01/15/2015 Open		Accounts Payable	DIVISION OF THE STATE ARCHITECT	$46.65
	Paying Fund	Cash Account			Amount
	301 - Capital Improvements	301.11000 (Cash)			$46.65
100644	01/15/2015 Open		Accounts Payable	EQUIFAX	$32.83
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$32.83
100645	01/15/2015 Open		Accounts Payable	FINANCIAL CREDIT NETWORK	$551.45
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$281.67
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$149.49
	420 - WATER	420.11000 (Cash)			$120.29
100646	01/15/2015 Open		Accounts Payable	HARDER'S PRINT SHOP INC	$391.76
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$391.76
100647	01/15/2015 Open		Accounts Payable	HUNTINGTON COURT REPORTER	$4,855.56
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$4,855.56
100648	01/15/2015 Open		Accounts Payable	KID TIME FITNESS COMPANY	$662.40
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$662.40
100649	01/15/2015 Open		Accounts Payable	KYOCERA DOCUMENT SOLUTIONS AMERICA INC	$843.58
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$804.85
	405 - Building	405.11000 (Cash)			$19.36
	505 - Fleet	505.11000 (Cash)			$19.37

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100650	01/15/2015	Open	Accounts Payable	LANGUAGE LINE SERVICES	$16.39

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$16.39

100651	01/15/2015	Open	Accounts Payable	LEXISNEXIS RISK SOLUTIONS FL INC	$50.00

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$50.00

100652	01/15/2015	Open	Accounts Payable	MISSION LINEN SUPPLY INC	$3,387.33

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$732.99
205 - Sports Facilities	205.11000 (Cash)	$102.35
217 - Streets - Gas Tax	217.11000 (Cash)	$122.40
246 - Landscape Assessment	246.11000 (Cash)	$290.70
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$1,463.75
420 - WATER	420.11000 (Cash)	$190.30
505 - Fleet	505.11000 (Cash)	$484.84

100653	01/15/2015	Open	Accounts Payable	NAPA AUTO PARTS	$229.87

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$20.41
420 - WATER	420.11000 (Cash)	$34.00
426 - Transit - Fixed Route	426.11000 (Cash)	$144.55
502 - Engineering	502.11000 (Cash)	$30.91

100654	01/15/2015	Open	Accounts Payable	NEXT LEVEL PARTS INC	$252.74

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$41.91
246 - Landscape Assessment	246.11000 (Cash)	$16.55
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$68.54
420 - WATER	420.11000 (Cash)	$125.74

100655	01/15/2015	Open	Accounts Payable	OVERAA & CO INC, C	$189,681.94

Paying Fund	Cash Account	Amount
415 - Sewer Bond Projects	415.11000 (Cash)	$189,681.94

100656	01/15/2015	Open	Accounts Payable	P G & E	$1,945.55

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$1,347.59
217 - Streets - Gas Tax	217.11000 (Cash)	$8.11
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$529.34
505 - Fleet	505.11000 (Cash)	$60.51

100657	01/15/2015	Open	Accounts Payable	PACE SUPPLY CORPORATION	$966.47

Paying Fund	Cash Account	Amount
420 - WATER	420.11000 (Cash)	$966.47

100658	01/15/2015	Open	Accounts Payable	PIRES, LIPOMI & NAVARRO ARCHITECTS	$17,540.20

Paying Fund	Cash Account	Amount
426 - Transit - Fixed Route	426.11000 (Cash)	$17,540.20

100659	01/15/2015	Open	Accounts Payable	PRIME SHINE INC	$14.00

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	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$14.00	
100660	01/15/2015 Open		Accounts Payable	RAY MORGAN COMPANY		$3,121.87
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$2,364.83	
	205 - Sports Facilities	205.11000 (Cash)			$8.58	
	217 - Streets - Gas Tax	217.11000 (Cash)			$1.69	
	246 - Landscape Assessment	246.11000 (Cash)			$1.69	
	405 - Building	405.11000 (Cash)			$28.60	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$414.32	
	420 - WATER	420.11000 (Cash)			$53.31	
	502 - Engineering	502.11000 (Cash)			$248.85	
100661	01/15/2015 Open		Accounts Payable	ROLAND PHD,JOCELYN E		$1,425.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$1,425.00	
100662	01/15/2015 Open		Accounts Payable	SAFE-T-LITE CO INC		$486.39
	Paying Fund	Cash Account			Amount	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$486.39	
100663	01/15/2015 Open		Accounts Payable	SAN JOAQUIN VALLEY		$4,564.00
	Paying Fund	Cash Account			Amount	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$4,564.00	
100664	01/15/2015 Open		Accounts Payable	SIERRA CHEMICAL CO		$6,144.10
	Paying Fund	Cash Account			Amount	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$6,144.10	
100665	01/15/2015 Open		Accounts Payable	SOUTHWEST SCHOOL &		$223.46
	Paying Fund	Cash Account			Amount	
	270 - Recreation Grants	270.11000 (Cash)			$223.46	
100666	01/15/2015 Open		Accounts Payable	ST BOARD OF EQUALIZATION		$292.32
	Paying Fund	Cash Account			Amount	
	505 - Fleet	505.11000 (Cash)			$292.32	
100667	01/15/2015 Open		Accounts Payable	ST BOARD OF EQUALIZATION		$1,431.08
	Paying Fund	Cash Account			Amount	
	505 - Fleet	505.11000 (Cash)			$1,431.08	
100668	01/15/2015 Open		Accounts Payable	STANISLAUS REGIONAL TRANS		$2,029.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$2,029.00	
100669	01/15/2015 Open		Accounts Payable	STATE OF CALIFORNIA		$1,856.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$1,856.00	
100670	01/15/2015 Open		Accounts Payable	T I D		$164,875.37
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$15,922.26	
	216 - Streets - Local Transportation	216.11000 (Cash)			$3,838.15	
	256 - Stanislaus Housing Consortia	256.11000 (Cash)			$35.01	

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	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)		$125,053.74	
	420 - WATER	420.11000 (Cash)		$20,026.21	
100671	01/15/2015 Open	Accounts Payable	TBA AUTO PARTS		$2,254.34
	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$1,034.02	
	205 - Sports Facilities	205.11000 (Cash)		$20.67	
	217 - Streets - Gas Tax	217.11000 (Cash)		$165.87	
	246 - Landscape Assessment	246.11000 (Cash)		$40.12	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)		$418.56	
	420 - WATER	420.11000 (Cash)		$212.44	
	425 - Transit - Dial-A-Ride	425.11000 (Cash)		$6.49	
	426 - Transit - Fixed Route	426.11000 (Cash)		$343.91	
	502 - Engineering	502.11000 (Cash)		$6.01	
	505 - Fleet	505.11000 (Cash)		$6.25	
100672	01/15/2015 Open	Accounts Payable	THE MECHANICS BANK		$8,315.60
	Paying Fund	Cash Account		Amount	
	415 - Sewer Bond Projects	415.11000 (Cash)		$8,315.60	
100673	01/15/2015 Open	Accounts Payable	THE MECHANICS BANK		$1,667.66
	Paying Fund	Cash Account		Amount	
	415 - Sewer Bond Projects	415.11000 (Cash)		$1,667.66	
100674	01/15/2015 Open	Accounts Payable	THE SHALLECK COLLABORATIVE INC		$4,808.75
	Paying Fund	Cash Account		Amount	
	240 - Small Equipment Replacement	240.11000 (Cash)		$4,808.75	
100675	01/15/2015 Open	Accounts Payable	TOWNSEND PUBLIC AFFAIRS INC		$5,000.00
	Paying Fund	Cash Account		Amount	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)		$2,500.00	
	420 - WATER	420.11000 (Cash)		$2,500.00	
100676	01/15/2015 Open	Accounts Payable	TURLOCK SCAVENGER CO INC		$400,000.00
	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$400,000.00	
100677	01/15/2015 Open	Accounts Payable	UTILITY TELEPHONE, INC.		$522.78
	Paying Fund	Cash Account		Amount	
	501 - Information Technology	501.11000 (Cash)		$522.78	
100678	01/15/2015 Open	Accounts Payable	WALKER ASSOC INC, LARRY		$8,607.46
	Paying Fund	Cash Account		Amount	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)		$8,607.46	
100679	01/15/2015 Open	Accounts Payable	WATER ENVIRONMENT FEDRATION		$218.00
	Paying Fund	Cash Account		Amount	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)		$218.00	
100680	01/15/2015 Open	Accounts Payable	WEST PUBLISHING CORPORATION		$144.32
	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$144.32	
100681	01/15/2015 Open	Accounts Payable	ZALREICH CHEMICAL CO INC		$17,568.55

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	Paying Fund	Cash Account			Amount	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$17,568.55	
100682	01/15/2015 Open		Accounts Payable	CHAMBERLAIN, CYNTHIA		$500.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$500.00	
100683	01/15/2015 Open		Accounts Payable	CT BRAY & SONS INC		$3,383.97
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$6,984.20	
	420 - WATER	420.11000 (Cash)			($3,600.23)	
100684	01/15/2015 Open		Accounts Payable	G HEDGECOCK INC		$636.14
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$700.00	
	420 - WATER	420.11000 (Cash)			($63.86)	
100685	01/15/2015 Open		Accounts Payable	HARRY, BETTE		$150.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$150.00	
100686	01/15/2015 Open		Accounts Payable	HOLEMAN, RUSS		$84.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$84.00	
100687	01/15/2015 Open		Accounts Payable	HOLEMAN, RUSS		$100.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$100.00	
100688	01/15/2015 Open		Accounts Payable	KHAMO, NIM		$100.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$100.00	
100689	01/15/2015 Open		Accounts Payable	LOPEZ, ESMERALDA		$300.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$300.00	
100690	01/15/2015 Open		Accounts Payable	MCROY WILBUR COMMUNITY		$660.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$1,100.00	
	420 - WATER	420.11000 (Cash)			($440.00)	
100691	01/15/2015 Open		Accounts Payable	MCROY WILBUR COMMUNITY		$660.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$1,100.00	
	420 - WATER	420.11000 (Cash)			($440.00)	
100692	01/15/2015 Open		Accounts Payable	MCROY WILBUR COMMUNITY		$660.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$1,100.00	
	420 - WATER	420.11000 (Cash)			($440.00)	
100693	01/15/2015 Open		Accounts Payable	MCROY WILBUR COMMUNITY		$660.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$1,100.00	
	420 - WATER	420.11000 (Cash)			($440.00)	

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100694	01/15/2015	Open	Accounts Payable	MCROY WILBUR COMMUNITY	$660.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,100.00
	420 - WATER		420.11000 (Cash)		($440.00)
100695	01/15/2015	Open	Accounts Payable	MCROY WILBUR COMMUNITY	$660.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,100.00
	420 - WATER		420.11000 (Cash)		($440.00)
100696	01/15/2015	Open	Accounts Payable	MCROY WILBUR COMMUNITY	$660.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,100.00
	420 - WATER		420.11000 (Cash)		($440.00)
100697	01/15/2015	Open	Accounts Payable	MCROY WILBUR COMMUNITY	$660.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,100.00
	420 - WATER		420.11000 (Cash)		($440.00)
100698	01/15/2015	Open	Accounts Payable	MCROY WILBUR COMMUNITY	$660.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,100.00
	420 - WATER		420.11000 (Cash)		($440.00)
100699	01/15/2015	Open	Accounts Payable	MCROY WILBUR COMMUNITY	$660.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,100.00
	420 - WATER		420.11000 (Cash)		($440.00)
100700	01/15/2015	Open	Accounts Payable	MCROY WILBUR COMMUNITY	$660.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,100.00
	420 - WATER		420.11000 (Cash)		($440.00)
100701	01/15/2015	Open	Accounts Payable	MCROY WILBUR COMMUNITY	$660.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,100.00
	420 - WATER		420.11000 (Cash)		($440.00)
100702	01/15/2015	Open	Accounts Payable	MCROY WILBUR COMMUNITY	$660.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,100.00
	420 - WATER		420.11000 (Cash)		($440.00)
100703	01/15/2015	Open	Accounts Payable	MCROY WILBUR COMMUNITY	$660.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,100.00
	420 - WATER		420.11000 (Cash)		($440.00)
100704	01/15/2015	Open	Accounts Payable	NEW HOPE COMMUNITY CHURCH	$300.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$300.00
100705	01/15/2015	Open	Accounts Payable	RODRIGUES, CARLA	$10.00

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	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$10.00	
100706	01/15/2015 Open		Accounts Payable	SCHNEIDER, DEBRA		$10.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$10.00	
100707	01/15/2015 Open		Accounts Payable	SILVEIRA, JAMES		$1,340.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$1,340.00	
100708	01/15/2015 Open		Accounts Payable	TEICHERT CONSTRUCTION		$700.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$700.00	
100709	01/15/2015 Open		Accounts Payable	TOSTA, JASON		$84.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$84.00	
100710	01/15/2015 Open		Accounts Payable	TURLOCK DB LLC		$2,859.65
	Paying Fund	Cash Account			Amount	
	405 - Building	405.11000 (Cash)			$2,859.65	
100711	01/15/2015 Open		Accounts Payable	TURLOCK DB LLC		$887.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$1,512.00	
	420 - WATER	420.11000 (Cash)			($625.00)	
100712	01/15/2015 Open		Accounts Payable	TURLOCK DB LLC		$1,500.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$2,000.00	
	420 - WATER	420.11000 (Cash)			($500.00)	
100713	01/15/2015 Open		Accounts Payable	TURLOCK DB LLC		$500.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$1,000.00	
	420 - WATER	420.11000 (Cash)			($500.00)	
100714	01/15/2015 Open		Accounts Payable	WE AS ONE INC		$150.00
	Paying Fund	Cash Account			Amount	
	110 - General Fund	110.11000 (Cash)			$150.00	
Type Check Totals:			111 Transactions			$1,261,902.53

AP - Accounts Payable Totals

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	111	$1,261,902.53	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	111	$1,261,902.53	$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	111	$1,261,902.53	$0.00

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	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	111	$1,261,902.53	$0.00

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	111	$1,261,902.53	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	111	$1,261,902.53	$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	111	$1,261,902.53	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	111	$1,261,902.53	$0.00

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - Accounts Payable									
Check									
100715	01/21/2015	Open			Utility Management Refund	ABST, TERRY	$237.40		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$237.40		
100716	01/21/2015	Open			Utility Management Refund	BROWN, MILTON, D	$146.15		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$146.15		
100717	01/21/2015	Open			Utility Management Refund	MIGUEL, ENCARNACAO, DA SILVA	$127.63		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$127.63		
100718	01/21/2015	Open			Utility Management Refund	PARKSIDE MANAGEMENT	$49.97		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$49.97		
100719	01/21/2015	Open			Utility Management Refund	PURPURA, BRANDI, JANNELL	$236.84		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$236.84		
100720	01/21/2015	Open			Utility Management Refund	VEGAS, SHEREE	$579.58		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$579.58		
100721	01/21/2015	Open			Utility Management Refund	WOMACK, RUTH	$230.44		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$230.44		
100722	01/22/2015	Open			Accounts Payable	3T EQUIPMENT CO INC	$950.08		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$950.08		
100723	01/22/2015	Open			Accounts Payable	4LEAF INC	$9,535.20		
	Paying Fund			Cash Account			Amount		
	405 - Building			405.11000 (Cash)			$9,535.20		
100724	01/22/2015	Open			Accounts Payable	A & A PORTABLES INC	$79.76		
	Paying Fund			Cash Account			Amount		
	246 - Landscape Assessment			246.11000 (Cash)			$79.76		
100725	01/22/2015	Open			Accounts Payable	AFLAC	$5,500.49		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			$5,500.49		
100726	01/22/2015	Open			Accounts Payable	ANDREWS ELECTRIC MOTORS	$1,981.52		

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	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$1,981.52
100727	01/22/2015 Open		Accounts Payable	APPLIED PEST MANAGEMENT INC	$220.00
	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$220.00
100728	01/22/2015 Open		Accounts Payable	ARMOR FIRE EXTINGUISHER	$105.63
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$105.63
100729	01/22/2015 Open		Accounts Payable	ASCAP	$668.00
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$668.00
100730	01/22/2015 Open		Accounts Payable	AT&T/SBC	$32.20
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$32.20
100731	01/22/2015 Open		Accounts Payable	BALSWICK'S TIRE SHOP INC	$2,408.84
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$2,034.27
	217 - Streets - Gas Tax	217.11000 (Cash)			$374.57
100732	01/22/2015 Open		Accounts Payable	BONANDER TRUCKS	$931.24
	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$592.16
	426 - Transit - Fixed Route	426.11000 (Cash)			$339.08
100733	01/22/2015 Open		Accounts Payable	BUREAU VERITAS NO AMERICA	$35,151.27
	Paying Fund	Cash Account			Amount
	405 - Building	405.11000 (Cash)			$35,151.27
100734	01/22/2015 Open		Accounts Payable	CENTRAL VALLEY CONCRETE	$580.78
	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$231.00
	420 - WATER	420.11000 (Cash)			$349.78
100735	01/22/2015 Open		Accounts Payable	CHARTER COMMUNICATIONS	$558.99
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$49.99
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$110.00
	501 - Information Technology	501.11000 (Cash)			$399.00
100736	01/22/2015 Open		Accounts Payable	CINCINNATI LIFE INS INC	$785.94
	Paying Fund	Cash Account			Amount
	104 - Payroll Clearing Fund	104.11000 (Cash)			$785.94
100737	01/22/2015 Open		Accounts Payable	CLARK PEST CONTROL INC	$3,261.00
	Paying Fund	Cash Account			Amount
	217 - Streets - Gas Tax	217.11000 (Cash)			$469.00
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$2,517.00
	420 - WATER	420.11000 (Cash)			$275.00

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100738	01/22/2015	Open	Accounts Payable	COMBINED BENEFITS ADMIN C	$235,036.39
	Paying Fund		Cash Account	Amount	
	511 - Health Care		511.11000 (Cash)	$235,036.39	
100739	01/22/2015	Open	Accounts Payable	COMBINED BENEFITS ADMIN-	$9,173.61
	Paying Fund		Cash Account	Amount	
	511 - Health Care		511.11000 (Cash)	$9,173.61	
100740	01/22/2015	Open	Accounts Payable	COMBINED BENEFITS ADMIN/	$2,339.24
	Paying Fund		Cash Account	Amount	
	511 - Health Care		511.11000 (Cash)	$2,339.24	
100741	01/22/2015	Open	Accounts Payable	COMBINED BENEFITS ADMIN=	$131,265.92
	Paying Fund		Cash Account	Amount	
	511 - Health Care		511.11000 (Cash)	$131,265.92	
100742	01/22/2015	Open	Accounts Payable	COUNTRY FORD TRUCKS INC	$104.69
	Paying Fund		Cash Account	Amount	
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)	$74.00	
	426 - Transit - Fixed Route		426.11000 (Cash)	$30.69	
100743	01/22/2015	Open	Accounts Payable	CULLIGAN INC	$119.56
	Paying Fund		Cash Account	Amount	
	420 - WATER		420.11000 (Cash)	$119.56	
100744	01/22/2015	Open	Accounts Payable	CUMMINS PACIFIC LLC	$2,019.46
	Paying Fund		Cash Account	Amount	
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)	$101.80	
	426 - Transit - Fixed Route		426.11000 (Cash)	$1,917.66	
100745	01/22/2015	Open	Accounts Payable	DOM'S ELECTRIC MOTOR SHOP	$8,216.63
	Paying Fund		Cash Account	Amount	
	420 - WATER		420.11000 (Cash)	$8,216.63	
100746	01/22/2015	Open	Accounts Payable	DOWNEY BRAND ATTORNEYS	$7,029.51
	Paying Fund		Cash Account	Amount	
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)	$7,029.51	
100747	01/22/2015	Open	Accounts Payable	ENGEO INC.	$2,145.00
	Paying Fund		Cash Account	Amount	
	305 - Capital Facility Fees		305.11000 (Cash)	$2,145.00	
100748	01/22/2015	Open	Accounts Payable	ENVIRONMENTAL WATER SOLUTIONS, INC.	$2,626.99
	Paying Fund		Cash Account	Amount	
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)	$2,626.99	
100749	01/22/2015	Open	Accounts Payable	FARIA, JAMIE	$242.00
	Paying Fund		Cash Account	Amount	
	104 - Payroll Clearing Fund		104.11000 (Cash)	$242.00	
100750	01/22/2015	Open	Accounts Payable	FASTENAL COMPANY INC	$1,641.76
	Paying Fund		Cash Account	Amount	
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)	$1,641.76	

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100751	01/22/2015	Open	Accounts Payable	FEDERAL EXPRESS	$276.72

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$210.04
215 - Streets - Grant Funded Projects	215.11000 (Cash)	$16.07
246 - Landscape Assessment	246.11000 (Cash)	$20.89
420 - WATER	420.11000 (Cash)	$29.72

100752	01/22/2015	Open	Accounts Payable	GARTON TRACTOR INC	$1,272.86

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$1,236.81
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$36.05

100753	01/22/2015	Open	Accounts Payable	GEOANALYTICAL LAB INC	$6,021.04

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$1,607.54
420 - WATER	420.11000 (Cash)	$4,413.50

100754	01/22/2015	Open	Accounts Payable	GOMES & SONS INC, JOE M	$19,027.96

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$9,495.91
205 - Sports Facilities	205.11000 (Cash)	$207.80
217 - Streets - Gas Tax	217.11000 (Cash)	$1,792.40
246 - Landscape Assessment	246.11000 (Cash)	$1,096.92
405 - Building	405.11000 (Cash)	$146.48
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$2,201.95
420 - WATER	420.11000 (Cash)	$2,399.60
425 - Transit - Dial-A-Ride	425.11000 (Cash)	$880.76
426 - Transit - Fixed Route	426.11000 (Cash)	$671.62
501 - Information Technology	501.11000 (Cash)	$45.91
502 - Engineering	502.11000 (Cash)	$88.61

100755	01/22/2015	Open	Accounts Payable	GRAINGER INC, W W	$886.40

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$886.40

100756	01/22/2015	Open	Accounts Payable	HILMAR LUMBER INC	$1,344.37

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$1,344.37

100757	01/22/2015	Open	Accounts Payable	INDEPENDENT ELECTRIC INC	$2,348.65

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$7.30
246 - Landscape Assessment	246.11000 (Cash)	$87.85
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$2,253.50

100758	01/22/2015	Open	Accounts Payable	ING LIFE INSURANCE AND	$26.00

Paying Fund	Cash Account	Amount
104 - Payroll Clearing Fund	104.11000 (Cash)	$26.00

100759	01/22/2015	Open	Accounts Payable	INTERWEST CONSULTING GROUP INC	$405.00

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	Paying Fund	Cash Account			Amount
	405 - Building	405.11000 (Cash)			$405.00
100760	01/22/2015 Open		Accounts Payable	ITRON INC	$2,984.62
	Paying Fund	Cash Account			Amount
	420 - WATER	420.11000 (Cash)			$2,984.62
100761	01/22/2015 Open		Accounts Payable	JUSTUS LAWNMOWER SHOP INC	$14.10
	Paying Fund	Cash Account			Amount
	217 - Streets - Gas Tax	217.11000 (Cash)			$14.10
100762	01/22/2015 Open		Accounts Payable	MC COY TRUCK TIRE SERVICE CENTER INC	$3,542.02
	Paying Fund	Cash Account			Amount
	426 - Transit - Fixed Route	426.11000 (Cash)			$3,542.02
100763	01/22/2015 Open		Accounts Payable	NAPA AUTO PARTS	$40.39
	Paying Fund	Cash Account			Amount
	246 - Landscape Assessment	246.11000 (Cash)			$34.00
	425 - Transit - Dial-A-Ride	425.11000 (Cash)			$6.39
100764	01/22/2015 Open		Accounts Payable	NEW FLYER INDUSTRIES CANADA ULC	$945.90
	Paying Fund	Cash Account			Amount
	426 - Transit - Fixed Route	426.11000 (Cash)			$945.90
100765	01/22/2015 Open		Accounts Payable	NEW WORLD SYSTEM CORP	$262.55
	Paying Fund	Cash Account			Amount
	240 - Small Equipment Replacement	240.11000 (Cash)			$262.55
100766	01/22/2015 Open		Accounts Payable	NEXT LEVEL PARTS INC	$581.24
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$133.88
	246 - Landscape Assessment	246.11000 (Cash)			$165.38
	425 - Transit - Dial-A-Ride	425.11000 (Cash)			$183.20
	426 - Transit - Fixed Route	426.11000 (Cash)			$98.78
100767	01/22/2015 Open		Accounts Payable	NORTHSTATE TRUCK EQUIPMENT INC	$19,921.99
	Paying Fund	Cash Account			Amount
	506 - Vehicle/Equipment Replacement	506.11000 (Cash)			$19,921.99
100768	01/22/2015 Open		Accounts Payable	P G & E	$17,041.59
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$8,178.41
	426 - Transit - Fixed Route	426.11000 (Cash)			$2,316.27
	505 - Fleet	505.11000 (Cash)			$6,546.91
100769	01/22/2015 Open		Accounts Payable	PATCHETT FORD MERCURY INC	$57.50
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$57.50
100770	01/22/2015 Open		Accounts Payable	PAUL'S PAINT COMPANY	$603.27
	Paying Fund	Cash Account			Amount

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	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$603.27
100771	01/22/2015 Open		Accounts Payable	PERFORMANCE TRANSMISSION	$2,000.00
	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$2,000.00
100772	01/22/2015 Open		Accounts Payable	PLATT ELECTRIC SUPPLY	$10,062.73
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$140.45
	246 - Landscape Assessment	246.11000 (Cash)			$975.25
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$8,698.23
	420 - WATER	420.11000 (Cash)			$228.46
	505 - Fleet	505.11000 (Cash)			$20.34
100773	01/22/2015 Open		Accounts Payable	POLYDYNE INC	$8,837.09
	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$8,837.09
100774	01/22/2015 Open		Accounts Payable	RANDIK PAPER CO	$1,060.68
	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$1,060.68
100775	01/22/2015 Open		Accounts Payable	SECURE DELIVERY	$115.00
	Paying Fund	Cash Account			Amount
	420 - WATER	420.11000 (Cash)			$115.00
100776	01/22/2015 Open		Accounts Payable	SHARPENING SHOP	$26.85
	Paying Fund	Cash Account			Amount
	246 - Landscape Assessment	246.11000 (Cash)			$26.85
100777	01/22/2015 Open		Accounts Payable	SHORE CHEMICAL COMPANY	$114.09
	Paying Fund	Cash Account			Amount
	420 - WATER	420.11000 (Cash)			$114.09
100778	01/22/2015 Open		Accounts Payable	SIERRA FOOTHILL LAB INC	$275.00
	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$275.00
100779	01/22/2015 Open		Accounts Payable	SOUTHWEST SCHOOL &	$95.06
	Paying Fund	Cash Account			Amount
	270 - Recreation Grants	270.11000 (Cash)			$95.06
100780	01/22/2015 Open		Accounts Payable	SPRINT	$786.70
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$262.74
	205 - Sports Facilities	205.11000 (Cash)			$53.43
	217 - Streets - Gas Tax	217.11000 (Cash)			$121.13
	246 - Landscape Assessment	246.11000 (Cash)			$22.19
	270 - Recreation Grants	270.11000 (Cash)			$19.79
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$141.51
	420 - WATER	420.11000 (Cash)			$116.27
	505 - Fleet	505.11000 (Cash)			$49.64

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100781	01/22/2015	Open	Accounts Payable	STANISLAUS CTY SHERIFF	$412.28
	Paying Fund		Cash Account		Amount
	104 - Payroll Clearing Fund		104.11000 (Cash)		$412.28
100782	01/22/2015	Open	Accounts Payable	STANISLAUS REGIONAL TRANS	$1,529.50
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,529.50
100783	01/22/2015	Open	Accounts Payable	STEWART TITLE OF CA INC	$50,000.00
	Paying Fund		Cash Account		Amount
	257 - State HOME Funds		257.11000 (Cash)		$50,000.00
100784	01/22/2015	Open	Accounts Payable	SUPPORT PAYMENT CLEARING	$439.13
	Paying Fund		Cash Account		Amount
	104 - Payroll Clearing Fund		104.11000 (Cash)		$439.13
100785	01/22/2015	Open	Accounts Payable	SWRCB ACCOUNTING OFFICE	$21,848.00
	Paying Fund		Cash Account		Amount
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)		$21,848.00
100786	01/22/2015	Open	Accounts Payable	T I D	$44,805.71
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$5,305.03
	216 - Streets - Local Transportation		216.11000 (Cash)		$35,556.36
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)		$1,620.03
	420 - WATER		420.11000 (Cash)		$2,324.29
100787	01/22/2015	Open	Accounts Payable	TANKO STREET LIGHTING SVC	$3,508.58
	Paying Fund		Cash Account		Amount
	246 - Landscape Assessment		246.11000 (Cash)		$3,508.58
100788	01/22/2015	Open	Accounts Payable	TG HYDRAULICS	$701.11
	Paying Fund		Cash Account		Amount
	217 - Streets - Gas Tax		217.11000 (Cash)		$651.00
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)		$7.25
	426 - Transit - Fixed Route		426.11000 (Cash)		$42.86
100789	01/22/2015	Open	Accounts Payable	TIRE DIST SYSTEM INC	$4,020.66
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,563.53
	205 - Sports Facilities		205.11000 (Cash)		$240.51
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)		$1,966.01
	502 - Engineering		502.11000 (Cash)		$250.61
100790	01/22/2015	Open	Accounts Payable	TURF STAR	$520.11
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$520.11
100791	01/22/2015	Open	Accounts Payable	TURLOCK CITY TOW INC	$293.50
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$172.00
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)		$121.50

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100792	01/22/2015	Open	Accounts Payable	TURLOCK SCAVENGER CO INC	$200,000.00

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$200,000.00

100793	01/22/2015	Open	Accounts Payable	TURLOCK SCAVENGER/SWEEPIN	$19,931.50

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$19,931.50

100794	01/22/2015	Open	Accounts Payable	US BANK-VISA	$64,736.76

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$23,398.75
203 - Animal Fee Forfeiture	203.11000 (Cash)	$470.52
204 - AB 939 Integrated Waste Mgmt	204.11000 (Cash)	$828.94
205 - Sports Facilities	205.11000 (Cash)	$2,730.32
215 - Streets - Grant Funded Projects	215.11000 (Cash)	$75.00
216 - Streets - Local Transportation	216.11000 (Cash)	$100.06
217 - Streets - Gas Tax	217.11000 (Cash)	$2,237.10
225 - Transportation Tax	225.11000 (Cash)	$999.69
226 - Traffic Tax	226.11000 (Cash)	$293.55
246 - Landscape Assessment	246.11000 (Cash)	$2,459.20
255 - CDBG	255.11000 (Cash)	$45.95
265 - Fire Department Grants	265.11000 (Cash)	$1,091.09
266 - Police Services Grants	266.11000 (Cash)	$1,494.56
270 - Recreation Grants	270.11000 (Cash)	$836.29
401 - Airport	401.11000 (Cash)	$101.09
405 - Building	405.11000 (Cash)	$512.38
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$18,061.47
420 - WATER	420.11000 (Cash)	$3,398.44
426 - Transit - Fixed Route	426.11000 (Cash)	$10.76
501 - Information Technology	501.11000 (Cash)	$4,477.57
502 - Engineering	502.11000 (Cash)	$982.51
505 - Fleet	505.11000 (Cash)	$131.52

100795	01/22/2015	Open	Accounts Payable	VERIZON WIRELESS	$595.60

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$27.07
405 - Building	405.11000 (Cash)	$91.38
502 - Engineering	502.11000 (Cash)	$477.15

100796	01/22/2015	Open	Accounts Payable	VINE & SONS INC, ER	$788.47

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$120.52
217 - Streets - Gas Tax	217.11000 (Cash)	$306.68
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$73.90
420 - WATER	420.11000 (Cash)	$40.29
425 - Transit - Dial-A-Ride	425.11000 (Cash)	$73.59
426 - Transit - Fixed Route	426.11000 (Cash)	$173.49

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100797	01/22/2015	Open	Accounts Payable	VIRTUAL PROJECT MANAGER LLC	$500.00
	Paying Fund		Cash Account		Amount
	502 - Engineering		502.11000 (Cash)		$500.00
100798	01/22/2015	Open	Accounts Payable	VISION SERVICE PLAN CA	$3,946.64
	Paying Fund		Cash Account		Amount
	511 - Health Care		511.11000 (Cash)		$3,946.64
100799	01/22/2015	Open	Accounts Payable	WM LAMPTRACKER INC	$3,181.98
	Paying Fund		Cash Account		Amount
	204 - AB 939 Integrated Waste Mgmt		204.11000 (Cash)		$3,181.98
100800	01/22/2015	Open	Accounts Payable	ZEE MEDICAL SERVICE CO	$207.03
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$127.81
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)		$47.36
	502 - Engineering		502.11000 (Cash)		$31.86
100801	01/22/2015	Open	Accounts Payable	AYRES INN CORONA EAST	$605.35
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$605.35
100802	01/22/2015	Open	Accounts Payable	BROWN, LINDA	$500.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$500.00
100803	01/22/2015	Open	Accounts Payable	DOUBLETREE BY HILTON HOTEL SAN DIEGO	$703.44
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$703.44
100804	01/22/2015	Open	Accounts Payable	DOUBLETREE BY HILTON HOTEL SAN DIEGO	$703.44
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$703.44
100805	01/22/2015	Open	Accounts Payable	ELLIS, SCOTT	$300.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$300.00
100806	01/22/2015	Open	Accounts Payable	FRISCH, DAN	$58.00
	Paying Fund		Cash Account		Amount
	410 - WATER QUALITY CONTROL (WQC)		410.11000 (Cash)		$58.00
100807	01/22/2015	Open	Accounts Payable	HALL, DAVID	$120.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$120.00
100808	01/22/2015	Open	Accounts Payable	KIWANIS CLUB OF GREATER TURLOCK	$300.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$300.00
100809	01/22/2015	Open	Accounts Payable	LIONS GATE HOTEL & CONFERENCE CENTER	$325.05

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	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$325.05	
100810	01/22/2015	Open		Accounts Payable	LIONS GATE HOTEL & CONFERENCE CENTER		$322.23
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$322.23	
100811	01/22/2015	Open		Accounts Payable	MORGAN, MICHAEL		$120.00
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$120.00	
100812	01/22/2015	Open		Accounts Payable	N.C.R.P.S.T.A		$275.00
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$275.00	
100813	01/22/2015	Open		Accounts Payable	OROZCO, JC REFORESTATION INC		$1,000.00
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$1,000.00	
100814	01/22/2015	Open		Accounts Payable	PAGAN, MYRA		$500.00
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$500.00	
100815	01/22/2015	Open		Accounts Payable	REGALADO, ARACELI		$500.00
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$500.00	
100816	01/22/2015	Open		Accounts Payable	RIVERSIDE COUNTY SHERIFF'S DEPARTMENT		$206.00
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$206.00	
100817	01/22/2015	Open		Accounts Payable	SOISETH, GARY		$351.86
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$351.86	
100818	01/22/2015	Open		Accounts Payable	TONARELLI, STACEY		$57.34
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$57.34	
100819	01/22/2015	Open		Accounts Payable	TRACY, KIRK		$500.00
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$500.00	
100820	01/22/2015	Open		Accounts Payable	WILLIAMS, STEVE		$384.00
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$384.00	
100821	01/22/2015	Open		Accounts Payable	WILLIAMS, STEVE		$384.00
	Paying Fund		Cash Account			Amount	
	110 - General Fund		110.11000 (Cash)			$384.00	
Type Check Totals:				107 Transactions			$997,479.35
AP - Accounts Payable Totals							

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Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	107	$997,479.35	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	107	$997,479.35	$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	107	$997,479.35	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	107	$997,479.35	$0.00

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	107	$997,479.35	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	107	$997,479.35	$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	107	$997,479.35	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	107	$997,479.35	$0.00

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - Accounts Payable									
Check									
100822	01/27/2015	Open			Utility Management Refund	AGRESTI, DEBBI	$55.28		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$55.28		
100823	01/27/2015	Open			Utility Management Refund	BERNARDI & ASSOCIATES	$122.07		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$122.07		
100824	01/27/2015	Open			Utility Management Refund	BIRMINGHAM, THERESA	$240.02		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$240.02		
100825	01/27/2015	Open			Utility Management Refund	BITBADAL, EVELYN, MOOSHOOLOO	$191.08		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$191.08		
100826	01/27/2015	Open			Utility Management Refund	CENTRAL VALLEY PROPERTY MANAGEMENT	$73.75		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$73.75		
100827	01/27/2015	Open			Utility Management Refund	D'MAR SHIMUN, MARY	$25.00		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$25.00		
100828	01/27/2015	Open			Utility Management Refund	DALKE, HARVEY	$88.19		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$88.19		
100829	01/27/2015	Open			Utility Management Refund	DHILLON, AMRIT, K	$66.78		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$66.78		
100830	01/27/2015	Open			Utility Management Refund	DONALDSON, LANCE	$107.84		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$107.84		
100831	01/27/2015	Open			Utility Management Refund	KASKA, NAHRAIN	$181.94		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$181.94		
100832	01/27/2015	Open			Utility Management Refund	KELLY, STEVE	$201.85		
	Paying Fund			Cash Account			Amount		

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	420 - WATER		420.11000 (Cash)			$201.85
100833	01/27/2015	Open		Utility Management Refund	LANDLORD PROPERTY MANAGEMENT	$75.01
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$75.01
100834	01/27/2015	Open		Utility Management Refund	MOITOSO, JOE L	$105.32
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$105.32
100835	01/27/2015	Open		Utility Management Refund	PARAMONT HOMES INC	$29.88
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$29.88
100836	01/27/2015	Open		Utility Management Refund	PARAMONT HOMES INC	$85.00
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$85.00
100837	01/27/2015	Open		Utility Management Refund	PMZ REAL ESTATE	$94.91
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$94.91
100838	01/27/2015	Open		Utility Management Refund	RAMOS, RODRIGO	$204.09
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$204.09
100839	01/27/2015	Open		Utility Management Refund	ROSA, ROBERT, K	$199.73
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$199.73
100840	01/27/2015	Open		Utility Management Refund	RUMBECK, LARRY	$170.79
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$170.79
100841	01/27/2015	Open		Utility Management Refund	SILVA, CHERYL	$210.90
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$210.90
100842	01/27/2015	Open		Utility Management Refund	SIMOES, LINO, EMANUEL	$29.78
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$29.78
100843	01/27/2015	Open		Utility Management Refund	TOALE, LYNDSEY, GREY	$58.73
	Paying Fund		Cash Account			Amount
	420 - WATER		420.11000 (Cash)			$58.73
100844	01/27/2015	Open		Utility Management Refund	WOODBRIDGE, JUSTIN	$14.27

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	Paying Fund	Cash Account			Amount
	420 - WATER	420.11000 (Cash)			$14.27
100845	01/29/2015 Open		Accounts Payable	A & A PORTABLES INC	$172.29
	Paying Fund	Cash Account			Amount
	301 - Capital Improvements	301.11000 (Cash)			$172.29
100846	01/29/2015 Open		Accounts Payable	AIRGAS NCN	$370.26
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$370.26
100847	01/29/2015 Open		Accounts Payable	APPLIED PEST MANAGEMENT INC	$40.00
	Paying Fund	Cash Account			Amount
	425 - Transit - Dial-A-Ride	425.11000 (Cash)			$40.00
100848	01/29/2015 Open		Accounts Payable	AT & T	$1,311.35
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$1,311.35
100849	01/29/2015 Open		Accounts Payable	AT&T / CALNET 2	$6,110.03
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$4,951.96
	205 - Sports Facilities	205.11000 (Cash)			$40.78
	255 - CDBG	255.11000 (Cash)			$56.72
	405 - Building	405.11000 (Cash)			$54.98
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$461.42
	420 - WATER	420.11000 (Cash)			$255.55
	426 - Transit - Fixed Route	426.11000 (Cash)			$67.78
	501 - Information Technology	501.11000 (Cash)			$88.58
	502 - Engineering	502.11000 (Cash)			$28.82
	505 - Fleet	505.11000 (Cash)			$103.44
100850	01/29/2015 Open		Accounts Payable	AT&T INFO SYSTEM	$365.84
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$365.84
100851	01/29/2015 Open		Accounts Payable	AT&T MOBILITY	$846.54
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$846.54
100852	01/29/2015 Open		Accounts Payable	AVAYA INC	$12.07
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$12.07
100853	01/29/2015 Open		Accounts Payable	BERGMAN LANDSCAPE INC	$1,896.95
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$1,896.95
100854	01/29/2015 Open		Accounts Payable	BLX GROUP LLC	$2,250.00
	Paying Fund	Cash Account			Amount
	705 - NW Triangle Mello Roos (CFD #1)	705.11000 (Cash)			$2,250.00
100855	01/29/2015 Open		Accounts Payable	BURTON'S FIRE APPARATUS	$700.46
	Paying Fund	Cash Account			Amount

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	110 - General Fund	110.11000 (Cash)			$700.46
100856	01/29/2015 Open		Accounts Payable	CARROLL INC, ROSS F.	$1,099.99
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$1,099.99
100857	01/29/2015 Open		Accounts Payable	CARROT TOP INDUSTRIES	$607.04
	Paying Fund	Cash Account			Amount
	240 - Small Equipment Replacement	240.11000 (Cash)			$607.04
100858	01/29/2015 Open		Accounts Payable	CENTRAL SANITARY SUPPLY	$507.36
	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$507.36
100859	01/29/2015 Open		Accounts Payable	CHAMPION INDUSTRIAL	$1,010.69
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$1,010.69
100860	01/29/2015 Open		Accounts Payable	CHARTER COMMUNICATIONS	$449.43
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$149.45
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$92.48
	420 - WATER	420.11000 (Cash)			$42.50
	501 - Information Technology	501.11000 (Cash)			$165.00
100861	01/29/2015 Open		Accounts Payable	CITY OF TURLOCK - CASH	$157.04
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$121.16
	217 - Streets - Gas Tax	217.11000 (Cash)			$5.00
	405 - Building	405.11000 (Cash)			$30.88
100862	01/29/2015 Open		Accounts Payable	CODE PUBLISHING COMPANY	$128.70
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$128.70
100863	01/29/2015 Open		Accounts Payable	COMMUNITY VETERINARY CLIN	$688.08
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$298.08
	203 - Animal Fee Forfeiture	203.11000 (Cash)			$70.00
	266 - Police Services Grants	266.11000 (Cash)			$320.00
100864	01/29/2015 Open		Accounts Payable	COPWARE INC	$710.00
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$710.00
100865	01/29/2015 Open		Accounts Payable	CPS HUMAN RESOURCE SVCS	$1,949.20
	Paying Fund	Cash Account			Amount
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$974.60
	420 - WATER	420.11000 (Cash)			$974.60
100866	01/29/2015 Open		Accounts Payable	CRITICAL REACH INC	$685.00
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$685.00
100867	01/29/2015 Open		Accounts Payable	CYCLE SPECIALTIES INC	$204.48

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	Paying Fund	Cash Account			Amount
	266 - Police Services Grants	266.11000 (Cash)			$204.48
100868	01/29/2015 Open		Accounts Payable	DELTA WIRELESS & NETWORK	$4,932.08
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$2,958.28
	112 - GF Reserve for Capital Purchases	112.11000 (Cash)			$1,973.80
100869	01/29/2015 Open		Accounts Payable	DF ENGINEERING INC	$5,300.00
	Paying Fund	Cash Account			Amount
	306 - North Turlock Master Plan	306.11000 (Cash)			$5,300.00
100870	01/29/2015 Open		Accounts Payable	EAST SAN JOAQUIN WATER QUALITY COALITION	$162.50
	Paying Fund	Cash Account			Amount
	420 - WATER	420.11000 (Cash)			$162.50
100871	01/29/2015 Open		Accounts Payable	ELITE PLASTERING INC	$6,400.00
	Paying Fund	Cash Account			Amount
	265 - Fire Department Grants	265.11000 (Cash)			$6,400.00
100872	01/29/2015 Open		Accounts Payable	ENGINEERED FIRE SYST INC	$1,260.00
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$1,260.00
100873	01/29/2015 Open		Accounts Payable	ERB BROTHERS INC	$45.00
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$45.00
100874	01/29/2015 Open		Accounts Payable	FIRST TRANSIT INC	$46,343.03
	Paying Fund	Cash Account			Amount
	425 - Transit - Dial-A-Ride	425.11000 (Cash)			$14,649.37
	426 - Transit - Fixed Route	426.11000 (Cash)			$31,693.66
100875	01/29/2015 Open		Accounts Payable	FIRST TRANSIT INC	$43,087.17
	Paying Fund	Cash Account			Amount
	425 - Transit - Dial-A-Ride	425.11000 (Cash)			$14,001.88
	426 - Transit - Fixed Route	426.11000 (Cash)			$29,085.29
100876	01/29/2015 Open		Accounts Payable	GOMES & SONS INC, JOE M	$10,657.40
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$6,523.21
	205 - Sports Facilities	205.11000 (Cash)			$193.65
	217 - Streets - Gas Tax	217.11000 (Cash)			$747.06
	246 - Landscape Assessment	246.11000 (Cash)			$452.82
	405 - Building	405.11000 (Cash)			$85.60
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$884.60
	420 - WATER	420.11000 (Cash)			$359.12
	425 - Transit - Dial-A-Ride	425.11000 (Cash)			$784.48
	426 - Transit - Fixed Route	426.11000 (Cash)			$626.86
100877	01/29/2015 Open		Accounts Payable	GUY & JOAN GARDNER PARTNERSHIP	$695.00

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	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$695.00
100878	01/29/2015 Open		Accounts Payable	HONDA KAWASAKI OF MODESTO	$499.36
	Paying Fund	Cash Account			Amount
	266 - Police Services Grants	266.11000 (Cash)			$499.36
100879	01/29/2015 Open		Accounts Payable	HOWK SYSTEMS INC	$4,318.50
	Paying Fund	Cash Account			Amount
	420 - WATER	420.11000 (Cash)			$4,318.50
100880	01/29/2015 Open		Accounts Payable	JCS PROPERTIES LLC	$1,414.07
	Paying Fund	Cash Account			Amount
	625 - Successor Agency - LMI	625.11000 (Cash)			$1,414.07
100881	01/29/2015 Open		Accounts Payable	JORGENSEN & CO INC	$360.07
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$360.07
100882	01/29/2015 Open		Accounts Payable	L C ACTION	$78.38
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$78.38
100883	01/29/2015 Open		Accounts Payable	LEAGUE OF CA CITIES	$18,076.00
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$18,076.00
100884	01/29/2015 Open		Accounts Payable	LEHIGH HANSON INC	$664.29
	Paying Fund	Cash Account			Amount
	217 - Streets - Gas Tax	217.11000 (Cash)			$664.29
100885	01/29/2015 Open		Accounts Payable	LITTLER MENDELSON P.C.	$531.00
	Paying Fund	Cash Account			Amount
	512 - Casualty Insurance	512.11000 (Cash)			$531.00
100886	01/29/2015 Open		Accounts Payable	MAGIC SANDS MOBILE HOME PARK	$281.07
	Paying Fund	Cash Account			Amount
	625 - Successor Agency - LMI	625.11000 (Cash)			$281.07
100887	01/29/2015 Open		Accounts Payable	MAZE & ASSOCIATES	$16,080.00
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$16,080.00
100888	01/29/2015 Open		Accounts Payable	MONTE VISTA SMALL ANIMAL HOSPITAL	$2,320.80
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$536.80
	203 - Animal Fee Forfeiture	203.11000 (Cash)			$1,244.00
	266 - Police Services Grants	266.11000 (Cash)			$540.00
100889	01/29/2015 Open		Accounts Payable	MULBERRY MOBILE PARK	$167.73
	Paying Fund	Cash Account			Amount
	625 - Successor Agency - LMI	625.11000 (Cash)			$167.73
100890	01/29/2015 Open		Accounts Payable	MUNICIPAL EMERGENCY SERVICES, INC.	$19,545.12

Payment Register

From Payment Date: 1/23/2015 - To Payment Date: 1/29/2015

	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$19,545.12	
100891	01/29/2015 Open	Accounts Payable	NAPA AUTO PARTS		$260.69
	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$85.15	
	217 - Streets - Gas Tax	217.11000 (Cash)		$29.58	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)		$20.41	
	420 - WATER	420.11000 (Cash)		$74.44	
	425 - Transit - Dial-A-Ride	425.11000 (Cash)		$51.11	
100892	01/29/2015 Open	Accounts Payable	NESTLE WATERS NORTH AMERICA		$331.54
	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$25.81	
	246 - Landscape Assessment	246.11000 (Cash)		$25.81	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)		$279.92	
100893	01/29/2015 Open	Accounts Payable	NEVER BORING DESIGN INC		$32.29
	Paying Fund	Cash Account		Amount	
	266 - Police Services Grants	266.11000 (Cash)		$32.29	
100894	01/29/2015 Open	Accounts Payable	NEXT LEVEL PARTS INC		$117.05
	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$75.81	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)		$41.24	
100895	01/29/2015 Open	Accounts Payable	P G & E		$161.74
	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$161.74	
100896	01/29/2015 Open	Accounts Payable	PARK MD, VERNON G		$150.00
	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$150.00	
100897	01/29/2015 Open	Accounts Payable	POLYDYNE INC		$9,406.43
	Paying Fund	Cash Account		Amount	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)		$9,406.43	
100898	01/29/2015 Open	Accounts Payable	PRESORT CTR STOCKTON INC		$11,166.38
	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$4,800.38	
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)		$3,183.00	
	420 - WATER	420.11000 (Cash)		$3,183.00	
100899	01/29/2015 Open	Accounts Payable	PROTECH SECURITY/ELEC INC		$820.00
	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$820.00	
100900	01/29/2015 Open	Accounts Payable	R & S ERECTION INC		$310.00
	Paying Fund	Cash Account		Amount	
	110 - General Fund	110.11000 (Cash)		$310.00	
100901	01/29/2015 Open	Accounts Payable	RICHARDS WATSON & GERSHON		$839.10

Payment Register

From Payment Date: 1/23/2015 - To Payment Date: 1/29/2015

	Paying Fund	Cash Account			Amount
	621 - Successor Agency - Non LMI	621.11000 (Cash)			$839.10
100902	01/29/2015 Open		Accounts Payable	ROLAND PHD,JOCELYN E	$850.00
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$850.00
100903	01/29/2015 Open		Accounts Payable	SAN JOAQUIN VALLEY	$240.00
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$240.00
100904	01/29/2015 Open		Accounts Payable	SECOND HARVEST FOOD BANK	$4,406.48
	Paying Fund	Cash Account			Amount
	255 - CDBG	255.11000 (Cash)			$4,406.48
100905	01/29/2015 Open		Accounts Payable	SHARPENING SHOP	$91.29
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$91.29
100906	01/29/2015 Open		Accounts Payable	STATE OF CALIFORNIA	$1,876.98
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$1,876.98
100907	01/29/2015 Open		Accounts Payable	STOMMEL, INC.	$627.50
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$627.50
100908	01/29/2015 Open		Accounts Payable	T I D	$33,985.22
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$1,394.95
	205 - Sports Facilities	205.11000 (Cash)			$1,390.49
	216 - Streets - Local Transportation	216.11000 (Cash)			$2,237.57
	410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)			$1,727.12
	420 - WATER	420.11000 (Cash)			$25,480.37
	426 - Transit - Fixed Route	426.11000 (Cash)			$210.33
	505 - Fleet	505.11000 (Cash)			$1,544.39
100909	01/29/2015 Open		Accounts Payable	THORSENS INC	$82.19
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$82.19
100910	01/29/2015 Open		Accounts Payable	TIRE DIST SYSTEM INC	$250.61
	Paying Fund	Cash Account			Amount
	420 - WATER	420.11000 (Cash)			$250.61
100911	01/29/2015 Open		Accounts Payable	TURF STAR	$24,867.82
	Paying Fund	Cash Account			Amount
	506 - Vehicle/Equipment Replacement	506.11000 (Cash)			$24,867.82
100912	01/29/2015 Open		Accounts Payable	TURLOCK SPAY & NEUTER CLINIC	$800.00
	Paying Fund	Cash Account			Amount
	110 - General Fund	110.11000 (Cash)			$25.00
	203 - Animal Fee Forfeiture	203.11000 (Cash)			$355.00
	266 - Police Services Grants	266.11000 (Cash)			$420.00

Payment Register

From Payment Date: 1/23/2015 - To Payment Date: 1/29/2015

100913	01/29/2015	Open	Accounts Payable	VAN DE POL ENTERPRISE INC	$1,881.03
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,881.03
100914	01/29/2015	Open	Accounts Payable	VERIZON WIRELESS	$2,042.07
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$2,042.07
100915	01/29/2015	Open	Accounts Payable	VS VISUAL STATEMENT INC.	$249.50
	Paying Fund		Cash Account		Amount
	266 - Police Services Grants		266.11000 (Cash)		$249.50
100916	01/29/2015	Open	Accounts Payable	WEST PUBLISHING CORPORATION	$144.32
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$144.32
100917	01/29/2015	Open	Accounts Payable	WEST STEEL & PLASTIC	$1,653.12
	Paying Fund		Cash Account		Amount
	305 - Capital Facility Fees		305.11000 (Cash)		$1,653.12
100918	01/29/2015	Open	Accounts Payable	WESTERN VIEW MOBILE RANCH	$3,125.04
	Paying Fund		Cash Account		Amount
	625 - Successor Agency - LMI		625.11000 (Cash)		$3,125.04
100919	01/29/2015	Open	Accounts Payable	WESTFORK ESTATES	$723.70
	Paying Fund		Cash Account		Amount
	625 - Successor Agency - LMI		625.11000 (Cash)		$723.70
100920	01/29/2015	Open	Accounts Payable	WILLEY PRINTING CO	$2,054.57
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$2,054.57
100921	01/29/2015	Open	Accounts Payable	YOSEMITE CHAPTER OF ICC	$225.00
	Paying Fund		Cash Account		Amount
	405 - Building		405.11000 (Cash)		$225.00
100922	01/29/2015	Open	Accounts Payable	APCO INTERNATIONAL	$120.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$120.00
100923	01/29/2015	Open	Accounts Payable	BEHIND THE SKIN	$1,000.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$1,000.00
100924	01/29/2015	Open	Accounts Payable	DEHART, BILL	$116.43
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$116.43
100925	01/29/2015	Open	Accounts Payable	FRESNO CITY COLLEGE - BUS OFFICE	$65.00
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$65.00
100926	01/29/2015	Open	Accounts Payable	HOMEN, MICHELLE	$240.02
	Paying Fund		Cash Account		Amount
	110 - General Fund		110.11000 (Cash)		$240.02

Payment Register

From Payment Date: 1/23/2015 - To Payment Date: 1/29/2015

100927	01/29/2015	Open		Accounts Payable	HYATT REGENCY MISSION BAY SPA & MARINA	$752.34
	Paying Fund		Cash Account		Amount	
	266 - Police Services Grants		266.11000 (Cash)		$752.34	
100928	01/29/2015	Open		Accounts Payable	HYATT REGENCY MISSION BAY SPA & MARINA	$116.00
	Paying Fund		Cash Account		Amount	
	266 - Police Services Grants		266.11000 (Cash)		$116.00	
100929	01/29/2015	Open		Accounts Payable	ICMA-RC	$456.26
	Paying Fund		Cash Account		Amount	
	511 - Health Care		511.11000 (Cash)		$456.26	
100930	01/29/2015	Open		Accounts Payable	KELLER, KATHLEEN	$208.00
	Paying Fund		Cash Account		Amount	
	266 - Police Services Grants		266.11000 (Cash)		$208.00	
100931	01/29/2015	Open		Accounts Payable	L & M INVESTMENTS	$299.55
	Paying Fund		Cash Account		Amount	
	502 - Engineering		502.11000 (Cash)		$299.55	
100932	01/29/2015	Open		Accounts Payable	NENA	$137.00
	Paying Fund		Cash Account		Amount	
	110 - General Fund		110.11000 (Cash)		$137.00	
100933	01/29/2015	Open		Accounts Payable	POLICE EXECUTIVE RESEARCH FORUM	$475.00
	Paying Fund		Cash Account		Amount	
	110 - General Fund		110.11000 (Cash)		$475.00	
100934	01/29/2015	Open		Accounts Payable	STANISLAUS COUNTY ASSOC OF LAW ENFORCEMENT EXECS	$25.00
	Paying Fund		Cash Account		Amount	
	110 - General Fund		110.11000 (Cash)		$25.00	
100935	01/29/2015	Open		Accounts Payable	SUNGARD PUBLIC SECTOR USERS' GROUP MEMBERSHIP	$195.00
	Paying Fund		Cash Account		Amount	
	110 - General Fund		110.11000 (Cash)		$195.00	
Type Check Totals:				114 Transactions		$316,100.84

AP - Accounts Payable Totals

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	114	$316,100.84	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	114	$316,100.84	$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	114	$316,100.84	$0.00
	Reconciled	0	$0.00	$0.00

Payment Register

From Payment Date: 1/23/2015 - To Payment Date: 1/29/2015

	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	114	$316,100.84	$0.00

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	114	$316,100.84	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	114	$316,100.84	$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	114	$316,100.84	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	114	$316,100.84	$0.00

5B

FEBRUARY 3, 2015
6:00 p.m.
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

DRAFT

MINUTES
Special Meeting

1. CALL TO ORDER - Mayor Soiseth called the meeting to order at approximately 6:01 p.m.
   PRESENT: Councilmembers Amy Bublak, Bill DeHart, Matthew Jacob, Steven Nascimento, and Mayor Gary Soiseth.
   ABSENT: None

2. PUBLIC PARTICIPATION:

   Mayor Soiseth announced public participation would be allowed during and after discussion of the Municipal Services discussion

3. MUNICIPAL SERVICES DISCUSSION – Council will receive an update on the future of Turlock's water resources including groundwater, recycled water, and surface water. The update will include discussion on various options to address future water and wastewater needs. Further, the Council will consider and discuss the various long-term options for the disposal of Turlock's solid waste, and any other matter that may fall within the jurisdiction of Municipal Services.

   Municipal Services Director Michael Cooke spoke regarding solid waste, including providing information about collection systems, diversion comparisons between Stanislaus County and Merced County, and the value of a viable solid waste system in Stanislaus County.

   He also provided information about wastewater, including San Joaquin River discharge requirements, UV disinfection costs, and the Harding Drain Bypass Project.

   In addition, Mr. Cooke spoke regarding the North Valley Regional Recycled Water Program, including providing information about state regulations, recycled water being made available for farmland irrigation, anticipated costs, and project status.

   Mr. Cooke spoke regarding drinking water, including providing statistical information on water use and production, groundwater levels and concerns, and Turlock's planned water supply portfolio. He also presented information about plans for the Regional Surface Water Project through the Stanislaus Regional Water Authority, anticipated production, costs/funding, water sales agreement, and policy issues.

   Council and staff discussion included the progress being made between regional entities, well status and treatment, economic impacts related to the ability to supply water, state regulations, future increases in water rates, funding mechanisms for future projects, disparity between coastal and valley use of water, and the importance of regional collaboration to retain important water resources and ensure the needs of the valley are met.

   Citizen participation included questions and comments by John Miles, Tou Her, Ryan Hollister, Pamela Sweeten, Milt Trieweiler, Anthea Hansen, and Jim Theis regarding issues related to the state's right to take water and rainwater storage facility requirements, required water sustainability plans, water resource challenges facing both Turlock Irrigation District and Del Puerto Water District, discharge requirements and alternative water treatment possibilities, aquifer withdrawal and recharge, recycled water use, current and future increases in water rates, the possibility of implementing tiered water rates, and taking responsibility for leaving a sustainable future for our children.

DRAFT

Mayor Soiseth announced that the next workshop will be held on February 17, 2015 at 6:00 p.m. and will focus on local roadways.

4. ADJOURNMENT:

Mayor Soiseth adjourned the meeting at 7:28 p.m.

RESPECTFULLY SUBMITTED

_____

Kellie E. Weaver
City Clerk

DRAFT

5B2

FEBRUARY 10, 2015
6:00 p.m.
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

MINUTES
Regular Meeting
Turlock City Council

1. A. CALL TO ORDER –Mayor Soiseth called the meeting to order at 6:00 p.m.
PRESENT: Councilmembers Amy Bublak, Bill DeHart, Matthew Jacob, Steven Nascimento, and Mayor Soiseth.
ABSENT: None

B. SALUTE TO THE FLAG

2. PROCLAMATIONS, PRESENTATIONS, RECOGNITIONS, ANNOUNCEMENTS & APPOINTMENTS:

A. Mayor Soiseth recommended that he and Councilmember Nascimento be appointed to a Budget Ad Hoc Committee.

Action: Motion by Councilmember Bublak, seconded by Councilmember DeHart, appointing Mayor Soiseth and Councilmember Nascimento to a Budget Ad Hoc Committee. Motion carried 5/0 by the following vote:

Councilmember DeHart	Councilmember Nascimento	Councilmember Bublak	Councilmember Jacob	Mayor Soiseth
Yes	Yes	Yes	Yes	Yes

3. A. SPECIAL BRIEFINGS: None

B. STAFF UPDATES

1. Development Services Director Mike Pitcock provided an update on Capital Projects, Building Activity, including permits issued, Capital Improvements projects including the progress of Dianne Drive alignment and Christoffersen Pkwy traffic light project. He advised Council a traffic count study will begin the week of February 22, 2015.

2. Police Chief Rob Jackson introduced Police Captain Steve Williams who provided an update on panhandling enforcement efforts, including enforceable vs. non enforceable activities, constitution protection, freedom of speech, and an overview of State laws, City Municipal Code Ordinances and recent court cases. Captain Williams indicated a committee of various department staff will be collaborating to prepare a comprehensive plan to address panhandling issues in addition to police patrolling efforts.

   Councilmembers inquired on the various enforceable activities, shopping center owner's rights, and also thanked staff for collaborating amongst each other to bring forward a plan to address the issues.

C. PUBLIC PARTICIPATION

Vernon Price spoke on behalf of the Homeless Challenge Project, panhandling and homeless agency services.

4. A. MOTION WAIVING READING OF ALL ORDINANCES ON THE AGENDA

Action: Motion by Councilmember DeHart, seconded by Councilmember Nascimento, to waive reading of all ordinances on the agenda, except by title. Motion carried unanimously.

Councilmember DeHart	Councilmember Nascimento	Councilmember Bublak	Councilmember Jacob	Mayor Soiseth
Yes	Yes	Yes	Yes	Yes

B. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS: None

5. CONSENT CALENDAR:

Mayor Soiseth requested that Items 5E, 5F and 5Q be removed for future consideration.

Action: Motion by Councilmember DeHart, seconded by Councilmember Bublak, to adopt the amended consent calendar. Motion carried 5/0 by the following vote:

Councilmember DeHart	Councilmember Nascimento	Councilmember Bublak	Councilmember Jacob	Mayor Soiseth
Yes	Yes	Yes	Yes	Yes

A. **Resolution No. 2015-024** Accepting Demands of 12/18/14 in the amount of $1,697,478.65; Demands of 1/8/15 in the amount of $545,485.23

B. *Motion*: Accepting Minutes of Special Meeting of January 17, 2015; Minutes of Regular Meeting of January 27, 2015

C. **Resolution No. 2015-025** Authorizing the City Manager to sign all documents related to the dedication of an Electrical Easement to the Turlock Irrigation District at 801 Walnut Road, "Turlock Regional Water Quality Control Facility" property (APN: 044-010-028)

D. *Motion*: Approving the purchase of four (4) TAPCO rectangular rapid flash beacon solar systems though the US Communities Contract No. 2013-100 from Statewide Traffic Safety and Signs of Fresno, California, for City Project No. 12-53, "Crowell Road Pedestrian Improvements," in the amount of $26,238.30, without compliance to the formal bid procedure, having found that the circumstances listed in Turlock Municipal Code Title 2, Section 2-7-08(b)(5) has been satisfied

E. *Removed for future consideration.*

F. Removed for future consideration

G. *Motion*: Approving the purchase of one (1) Altec Model LR7-56 Articulating Overcenter Aerial Device through the National Joint Powers Alliance, Contract #31014-Alt, from Altec Industries, Inc., for the Parks, Recreation & Public Facilities Department, in an amount not to exceed $151,820, without compliance to the formal bid procedure, having found that the circumstances listed in Turlock Municipal Code Title 2, Chapter 7, Section 08 (b)(5) have been satisfied

H. *Motion*: Approving the purchase of one (1) New Holland 2 WD Tractor, Model #T4-75, through the State of California CMAS, Contract #4-11-23-0033A, from Garton Tractor, Inc., for the Parks, Recreation & Public Facilities Department, in an amount not to exceed $37,138, without compliance to the formal bid procedure, having found that the circumstances listed in Turlock Municipal Code Title 2, Chapter 7, Section 08 (b)(5) have been satisfied

I. *Motion*: Approving the purchase of one (1) 914K Caterpillar Wheel Loader through the State of California CMAS, Contract #4-09-23-0027A, from Holt of California, for the Parks, Recreation & Public Facilities Department, in an amount not to exceed $112,361 without compliance to the formal bid procedure, having found that the circumstances listed in Turlock Municipal Code Title 2, Chapter 7, Section 08 (b)(5) have been satisfied

J. *Motion*: Approving the Contract renewal between the City of Turlock and the Turlock Umpire Group to officiate adult city league softball games

K. **Resolution No. 2015-026** Appropriating $3,000 to account number 266-20-255-353.47095_000 "911 Grant – Training Expenses" and $3,000 to account number 266-20-255-353.35720 "911 Grant – Revenue" for reimbursable training funded by the California 9-1-1 Emergency Communications Branch

L. *Motion*: Authorizing the City Manager to execute the service maintenance agreement with Otis Elevator Company, to provide full preventive maintenance for Turlock Public Safety facility elevators, in an amount not to exceed $7,056 annually and $35,280 for five (5) years

M. *Motion*: Rejecting Claim for Damages filed by Steven Singh

N. *Motion*: Rejecting Claim for Damages filed by Renee Gallegos

O. *Motion*: Rejecting Claim for Damages filed by James R. Dawson

P. *Motion*: Rejecting Claim for Damages filed by Mercury Insurance Company/Claim #2014-0012-023224-21

Q. *Removed for future consideration*

R. *Motion*: Rejecting Claim for Damages filed by Breanna Tiffany Brown (a minor)

S. *Motion*: Rejecting Claim for Damages filed by Steven Singh

6. FINAL READINGS:

A. **Ordinance No. 1205-CS**, Amending Turlock Municipal Code Title 7, Chapter 4, by adding Article 2 regarding Excavations as Introduced on January 27, 2015 was passed and adopted 5/0 by the following vote:

Councilmember DeHart	Councilmember Nascimento	Councilmember Bublak	Councilmember Jacob	Mayor Soiseth
Yes	Yes	Yes	Yes	Yes

Resolution No. 2015-027 Establishing a Trench Restoration Fund and Trench Restoration Fees in accordance with Turlock Municipal Code Title 7, Chapter 4, Article 2 was introduced by Councilmember Nascimento, seconded by Councilmember DeHart, and carried 5/0 by the following vote:

Councilmember DeHart	Councilmember Nascimento	Councilmember Bublak	Councilmember Jacob	Mayor Soiseth
Yes	Yes	Yes	Yes	Yes

7. PUBLIC HEARINGS

A. Assistant Planner Adrienne Werner presented the staff report on the request to adopt a Mitigated Negative Declaration of Environmental Effect pursuant to the California Environmental Quality Act (CEQA); amend the Zoning Map of the City of Turlock, California, attached to Title 9 of the Turlock Municipal Code [Rezone 2014-02 (Potter's Landing)]; and establish conditions of approval for Planned Development District No. 271 (PD 271), Rezone 2014-02 [Potter's Landing].

Council discussion included driveway analysis, Crowell School impact, option to decrease front yard setbacks, and concerns and input from Turlock Scavenger.

Mayor Soiseth opened the public hearing. No one spoke. Mayor Soiseth closed the public hearing.

Action: Motion by Councilmember Nascimento, seconded by Councilmember DeHart, Adopting a Mitigated Negative Declaration of Environmental Effect pursuant to the California Environmental Quality Act (CEQA). Motion carried 5/0 by the following vote:

Councilmember DeHart	Councilmember Nascimento	Councilmember Bublak	Councilmember Jacob	Mayor Soiseth
Yes	Yes	Yes	Yes	Yes

Motion by Councilmember Bublak, seconded by Councilmember Jacob, introducing an Ordinance Amending the Zoning Map of the City of Turlock, California, attached to Title 9 of the Turlock Municipal Code [Rezone 2014-02 (Potter's Landing)] and setting the final reading for February 24, 2015. Motion carried 5/0 by the following vote:

Councilmember DeHart	Councilmember Nascimento	Councilmember Bublak	Councilmember Jacob	Mayor Soiseth
Yes	Yes	Yes	Yes	Yes

Mayor Soiseth advised the Resolution Establishing Conditions of Approval for Planned Development District No. 271 (PD 271), Rezone 2014-02 [Potter's Landing] would be considered at the February 24, 2015 meeting following approval of the Ordinance.

8. SCHEDULED MATTERS:

A. Development Services Director Mike Pitcock presented the staff report on the request to appropriate $175,000 to revenue account 405-40-405.35185_001 "Plan Checking Services non-FBHR" and to expense account 405-40-405.43260 "Plan Check Services" to account for additional plan check services anticipated during Fiscal Year 2014-15.

Mayor Soiseth asked for public comment. No one spoke. Mayor Soiseth closed public comment.

Action: **Resolution No. 2015-028** Appropriating $175,000 to revenue account 405-40-405.35185_001 "Plan Checking Services non-FBHR" and to expense account 405-40-405.43260 "Plan Check Services" to account for additional plan check services anticipated during Fiscal Year 2014-15 was introduced by Councilmember Bublak, seconded by Councilmember DeHart, and carried 5/0 by the following vote:

Councilmember DeHart	Councilmember Nascimento	Councilmember Bublak	Councilmember Jacob	Mayor Soiseth
Yes	Yes	Yes	Yes	Yes

B. Mayor Soiseth reported that prior to the tonight's Council meeting, the Turlock Chamber of Commerce elected to terminate the Agreement for Tourism between the City of Turlock and the Turlock Chamber of Commerce and submitted a formal 90 day notice of termination with an effective date of May 3, 2015. Mayor Soiseth noted that after several phone conversations and a meeting with the Chamber, this was the decision reached. Mayor Soiseth thanked Ms. Silva and the Board for the Chamber's service over the years and encouraged them to consider submitting a bid for the service of Tourism during the RFP process.

Council discussion included comments of thanks to Ms. Silva and the Chamber of Commerce for their services, as well as a general sense of disappointment that the longevity of this partnership has ended.

Ms. Silva spoke on behalf of the Board of Directors of the Chamber of Commerce, expressing the 20 year partnership has been a privilege. She highlighted the many events and projects the CVB has assisted the City with and indicated the Chamber would assist in a smooth transition. She thanked City Manager Roy Wasden, City Attorney Phaedra Norton and City staff that she has worked with over the years.

Mayor Soiseth asked for public comment. No one spoke. Mayor Soiseth closed public comment.

Mayor Soiseth reported the Request for Proposal (RFP) process will be to issue the RFP, outline a clear scope of work or service for multiple components such as social media, event marketing, publications and advertising but not limited to other components.

Council discussion included defining clear direction to staff as to what service to include in the RFP, the likelihood of multiple contracts for different services, the turnaround time for issuing the RFP, and the review process and the final award of bid. Council requested CSUS and the Stanislaus Fairgrounds have an advocate in the input as they bring several large events to the City.

Mayor Soiseth requested Councilmembers review the submitted RFPs for additional input.

Action: Motion by Councilmember Bublak, seconded by Councilmember Nascimento, Directing staff to issue a Request for Proposals (RFP) to manage a Convention and Visitors Bureau and providing direction to staff regarding the services to be sought through the RFP process, which may include, but not be limited to, marketing services, participation in trade shows, publication of brochures, advertisement in newspapers, magazines, and on billboards, and other related services as directed by the Council. Motion carried 5/0 by the following vote:

Councilmember DeHart	Councilmember Nascimento	Councilmember Bublak	Councilmember Jacob	Mayor Soiseth
Yes	Yes	Yes	Yes	Yes

9. COUNCIL ITEMS FOR FUTURE CONSIDERATION

10. COUNCIL COMMENTS:

Councilmember Bublak commented that she attended a CSUS basketball game and was informed that Crivelli and More Shirts are now carrying CSUS athletic attire and encouraged the community to visit their store.

Councilmember Jacob commented that he attended the Open Data Forum in Fresno, and indicated he will bring forward for consideration products useful for website enhancements.

Mayor Soiseth announced he would be giving the State of the City Address on February 12, 2015 at 7 a.m. at the War Memorial, and at 6 p.m. at Covenant Village, February 17, 2015 at the Turlock Noon Rotary and Vice Mayor Bublak will give the State of the Address at the Chamber of Commerce's Annual Membership Breakfast on March 12, 2015 in his absence.

11. CLOSED SESSION:

City Attorney Phaedra Norton introduced the Closed Session Item.

Conference with Real Property Negotiators, Cal. Gov't Code §54956.8
"Notwithstanding any other provisions of this chapter, a legislative body of a local agency may hold a closed session with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the local agency to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease."
Property: 1030 East Avenue, Turlock, CA (APN No. 043-050-016-000)
Agency Negotiator: Roy W. Wasden
Negotiating Parties: Manuel Lima (Turlock Columbian Properties Incorporated)
Under Negotiation: Price and terms of payment

Action: No reportable action.

DRAFT

12. ADJOURNMENT:

Motion by Councilmember Nascimento, seconded by Councilmember Jacob, to adjourn at 6:55 p.m. Motion carried unanimously.

RESPECTFULLY SUBMITTED

_____

Stacey Tonarelli
Deputy City Clerk

DRAFT

5B3

FEBRUARY 12, 2015
7:00 a.m.
War Memorial
247 E. Canal, Turlock, California

DRAFT

MINUTES
Special Meeting

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1. CALL TO ORDER - Mayor Soiseth called the meeting to order at approximately 7:30 a.m.
PRESENT: Councilmembers Bill DeHart, Matthew Jacob, Steven Nascimento, and Mayor Gary Soiseth.
ABSENT: Councilmember Amy Bublak

2. PUBLIC PARTICIPATION: None.

3. PRESENTATION:

Mayor Soiseth presented the State of the City Address.

City of Turlock employee Dan Louis spoke regarding roads and transportation infrastructure in the State of California.

4. ADJOURNMENT:

Mayor Soiseth adjourned the meeting at 8:01a.m.

RESPECTFULLY SUBMITTED

_____
Stacey Tonarelli
Deputy City Clerk

DRAFT

5C

Council Synopsis

February 24, 2015

From: Michael G. Pitcock, P.E.
Director of Development Services /City Engineer

Prepared by: Stephen Fremming, Associate Civil Engineer

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Motion: Approving Amendment No. 1 to the agreement with Pires, Lipomi + Navarro Architects and increasing the total compensation in the amount of $14,780 (Fund 426-40-415.51260) for City Project No. 12-60B, "Turlock Regional Transit Center Phase 2 Design and Master Plan"

2. DISCUSSION OF ISSUE:

Agreement History:

	City Council Approval	Amount
Original Agreement	June 24, 2014	$ 218,540
Amendment No. 1	February 24, 2014	$ 14,780
	TOTAL	$ 233,320

Design plans are currently being developed by the consultant for the master planning of the Turlock Regional Transit Center and the design of the Phase 2 building. Construction is scheduled to begin in the Summer of 2015. The project scope includes the design of a 6,000 square foot single story building and utilities, a shade structure over the center passenger platform area, a parking lot, and landscaping. During the design review process and after visiting other transit centers in the area, the design team and City staff became aware that building access control and surveillance camera systems with recording and future networking capabilities are important considerations in the design of the facility. The Request for Proposals did not sufficiently address these security concerns. City staff desires to provide a secure building and site for the public and transit operator. Building access control and security camera systems vary widely in their complexity, features, customization, and programming capabilities. In order to establish the general requirements and scope of added design elements involving these systems, City staff met with the consultant and the proposed sub-consultant to discuss unique site and building features and to establish a scope of work of this proposed amendment which adds the design work for a building access control system, as well as provides the design for a detailed security camera system which defines the type of cameras to be installed, the areas to be under surveillance, display monitors, recording equipment, and programming.

3. BASIS FOR RECOMMENDATION:

A) Per City Policy, approval of the amendment to the Agreement is required prior to execution of the contract amendment with the consultant.

B) Building access control and surveillance system design was not sufficiently scoped in the Request for Proposals and these systems are desired to be in place when the Phase 2 construction project is complete.

Strategic Plan Initiative D. MUNICIPAL INFRASTRUCTURE

Goal(s): b. Address Growth-Related issues (Current and Future)
vii) Bike paths/routes around town/buses

4. FISCAL IMPACT / BUDGET AMENDMENT:

The subject project is funded with a combination of Proposition 1B funds, Local Transportation Funds (LTF), and Federal Transit Administration (FTA) funds.

Sufficient funding is available in line item number 426-40-415.51260, "Transit Hub" for the proposed amendment.

No General Fund money will be used for this project.

5. CITY MANAGER'S COMMENTS:

Recommend approval.

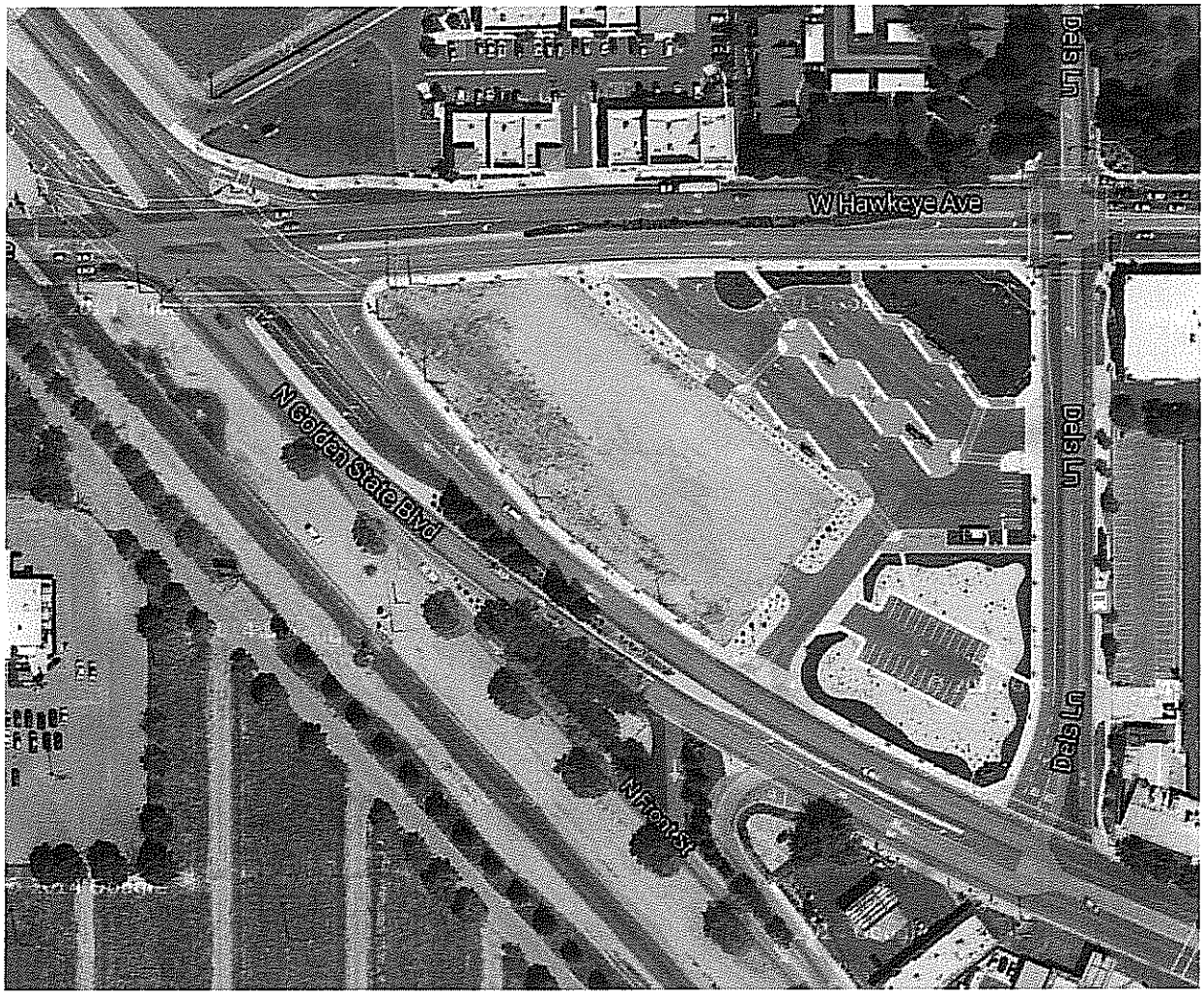
6. ENVIRONMENTAL DETERMINATION:

An environmental determination is not required for the approval of an amendment for professional design services. Environmental permits will be obtained prior to construction of the improvements to be designed under this agreement.

7. ALTERNATIVES:

A). Not approve the amendment. Staff does not recommend this alternative because the building access control and security camera systems were not sufficiently scoped in the Request for Proposals and these systems are desired to be in place when the phase 2 construction project is complete.

City Project No. 12-60B
TURLOCK REGIONAL TRANSIT CENTER PHASE 2 DESIGN AND MASTER PLAN



AMENDMENT NO. 1
to
Agreement
Between
CITY OF TURLOCK
and
Pires, Lipomi + Navarro Architects

THIS AMENDMENT, dated February 24, 2015, is entered into by and between the **CITY OF TURLOCK**, a municipal corporation (hereinafter "CITY") and **Pires, Lipomi + Navarro Architects**, (hereinafter "CONSULTANT").

WHEREAS, the parties hereto previously entered into an agreement dated June 10, 2014, whereby CONSULTANT will perform professional architectural and engineering services for City Project No. 12-60B, "Turlock Regional Transit Center Phase 2" (hereinafter the "Agreement").

NOW, THEREFORE, the parties hereto mutually agree to amend said Agreement as follows:

1. Paragraph 1 of the Agreement is amended to read as follows:

"1. **SCOPE OF WORK:** CONSULTANT shall furnish all labor, equipment, materials and process, implements, tools, and machinery, except as otherwise specified, which are necessary and required to provide a professional architectural and engineering services, and shall perform such services in accordance with the specifications attached hereto as Exhibit A.

In addition to the Scope of Work attached as Exhibit A to the Agreement, CONSULTANT shall furnish all labor, equipment materials and process, implements, tools, and machinery, except as otherwise specified, to complete the original scope of services attached as Exhibit A to the Agreement and the added scope of services attached to this Amendment No. 1 as Exhibit B, which are necessary and required to provide design for building access control and security camera systems, and shall perform such services in accordance with the specifications attached to this Amendment No. 1 as Exhibit B."

OK for Agenda

2. Paragraph 4 of the Agreement is amended to read as follows:

"4. **COMPENSATION:** CITY agrees to pay CONSULTANT additional compensation in the amount of Fourteen Thousand Seven Hundred and Eighty and No/100^{ths} Dollars ($14,780.00) in accordance with Exhibit B attached hereto and made a part hereof. The compensation for completion of all items of work, as set forth in the Agreement and this Amendment No. 1 shall not exceed Two Hundred Thirty Three Thousand Three Hundred Twenty and No/100^{ths} Dollars ($233,320). Such maximum amount shall be compensation for all of CONSULTANT's expenses incurred in the performance of the Agreement and this Amendment No. 1."

3. Paragraph 6 of the Agreement is amended to read as follows:

"6. **LIQUIDATED DAMAGES:** Consultant shall complete milestone tasks in their entirety before or on the dates shown below.

Milestone 1 - Consultant shall submit both the master plans (first draft) and conceptual level bid documents to City for review by **September 29, 2014**

Milestone 2 - Consultant shall complete 100% plans and specifications and obtain a building permit for the phase 2 construction project by **May 20, 2015**.

Milestone 3 - Consultant shall complete the master plans (final version) by **February 29, 2016**."

4. All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by and through their respective officers thereunto duly authorized on the date first written hereinabove.

CITY OF TURLOCK

By: _____
Roy W. Wasden, City Manager

APPROVED AS TO SUFFICIENCY:

BY: _____
Michael G. Pitcock, P.E., Director of
Development Services/City Engineer

APPROVED AS TO FORM:

By: _____
Phaedra A. Norton, City Attorney

ATTEST:

By: _____
Kellie E. Weaver, City Clerk

Pires, Lipomi + Navarro Architects

By: _____

Print Name: _____

Title: _____

Date: _____

January 23, 2015

Via E-Mail
Mr. Barrett Lipomi, AIA
Principal Architect
PIRES, LIPOMI + NAVARRO ARCHITECTS
1720 G Street
Modesto, CA 95354

RE: **Turlock Regional Transit Center**
Security System Design Proposal MSI-010915-01R1

Mr. Lipomi:

Thank you for considering teaming up with Marquis Systems, Inc. on this project. The following proposal is in response to your request to provide Security Consulting Engineering Services for the above referenced project located in Turlock, California.

This project entails a 6,000 square foot transit building, a parking area and adding a shed structure over the existing center island at the bus bays.

Under this proposal, Marquis proposes to help you chose and specify the required security systems for the project. That includes needs analysis and recommendations for device layouts and system architecture.

During the past two decades, Marquis has successfully completed government projects at city, county, state and federal levels. During this time, we have also served vertical market segments such as high tech, pharmaceutical and health for clients such as eBay, Autodesk, Novell, Kaiser Permanente.

Marquis is a registered small business in California and a Kaiser Alliance Partner.

I. SCOPE OF WORK TO BE PERFORMED BY MARQUIS SYSTEMS, INC.:

Marquis Systems Inc. proposes to perform the following tasks:

A. **Security Requirements & Project Scope Definition**: Marquis will collaborate closely with **the Design and Project Management Team** to understand the security needs of the project. Based on this understanding, Marquis will make recommendations for physical and electronic security systems and measures that are compatible with the project needs and common security practices in similar environments, and the project budget.

B. **Drawings & Specifications**: Marquis will prepare Construction Documents for the approved Security System. The proposed Construction Documents for this project will include; Device Location Drawings, Systems Block Wiring Diagram, Typical Mounting Details and Written Specifications.

Marquis System will post progress drawings on the project FTP site in PDF format for coordination and review purposes. Marquis will also submit two sets of signed and stamped hardcopy bid drawing sets and specifications. Additional plots or copies will be invoiced at cost with appropriate expenditure vouchers and/or receipts.

This proposal is based on delivering a single set of security drawings for each of the deliverables stated above. If multiple drawing packages are required, i.e.: phased drawings, demolition, etc., Marquis System will provide to the architect a revised quote covering the fees required to generate the additional drawings packages.

C. **Technical Assistance**: Marquis will provide technical assistance to the installing Contractors. The proposed technical assistance will include responding to Request For Information and attending a limited number of site construction meetings to address security system related questions.

D. **System Testing and Commissioning**: Marquis will test systems, in collaboration with the Security System Contractor and in the presence of the Client, for compliance with Construction Documents and generate a punch list indicating any deficiencies found during the testing and inspection.

E. **Record Drawings & Close-out Documentation:** Marquis will provide Record Drawings and Specifications for the project that will incorporate all interim changes, RFIs and As-built documentation submitted by the Contractor. Marquis will also review O&M manuals required for the project.

II. SPECIFIC SYSTEM DESIGN SCOPE OF WORK WILL INCLUDE THE FOLLOWING:

The project scope may require some or all of the security systems described below:

A. **Access Control System**: Provide design engineering documents and system specifications that will assist in the installation and acceptance of the access control system.

B. **Intrusion Detection & Duress Systems:** Provide design engineering documents and system specifications that will assist in the installation and acceptance of the intrusion detection system.

C. **CCTV System**: Provide design engineering documents and system specifications that will assist in the installation and acceptance of the CCTV and monitoring system.

D. **Security Intercommunication System:** Provide design engineering documents and system specifications that will assist in the installation and acceptance of the Security intercommunication system.

E. **Security Operations Center (SOC)**: Provide design engineering documents and system specifications that will connect the new security systems in this project to an on-site and/or off-site security system or SOC.

F. **Raceways for Low Voltage Systems**: Provide drawings that will assist the installation team in identifying exact mounting "rough-in" configurations and low voltage wiring schemes. Conduits will be designed by the project electrical engineer.

G. **Interfaces**: Coordinate with the Design Team to assist in defining the inter-discipline interfaces such as conduit, 120VAC power, WAN connection, telephone lines, door hardware, automatic door operators and miscellaneous architectural coordination issues.

III. CONSULTING SERVICES, TERMS, AND CONDITIONS:

This proposal is based on the following terms and conditions.

A. **Indemnity**: Marquis Systems Inc. (MSI) makes no warranty, either express or implied, as to our findings, recommendations, specifications, or professional advice; except that these were promulgated after being prepared in accordance with generally accepted professional consulting and engineering practices.

B. **Liability**: MSI does not guarantee the contractor(s) or other third parties completion of performance contracts, nor is it responsible for their acts or omissions, for the safety of a contractor's work, or for the qualifications of a contractor's personnel. If MSI breaches any term, warranty or condition of this Proposal, MSI's liability shall be limited to an amount equal to all sums actually paid MSI under this Proposal.

C. **Proposal Duration**: The fees shown for consulting services are valid for a period of 30 days from the date of this proposal.

D. **Unavoidable Interruption**: It is hereby agreed that MSI shall not be held responsible or liable for any loss, damage, or delay caused by fire, strike, civil or military authority, or by any other cause beyond its control.

E. **Attorney's Fees and Interest**: In the event of any arbitration or other form of litigation resulting from the interpretation of any term or provision of this contract or performance here under, the prevailing party shall be entitled, over and above actual damages and awards, to reasonable attorney fees, cost, and interest as the court may determine.

F. **Cancellation Policy**: After this agreement has been in effect for up to 30 days, either party to this agreement may elect to cancel and terminate it by giving written notice to the other party not less than 30 days prior to the date of termination.

IV. SPECIAL REQUIREMENTS:

Marquis Systems may require the following information at no cost to Marquis Systems:

- Architectural drawings in electronic format, AutoCAD 2010 preferred.
- Access to and consultation with the Architect, other Project related individuals and entities; including timely responses and decisions reasonably requested by Marquis Systems.
- Access to written and graphic architectural, electrical, structural, mechanical and civil engineering plans and design specifications, and as-built plans (where available).
- Copy of any specific security guidelines or regulations applicable to this project.

V. COMPENSATION AND REIMBURSABLE EXPENSES:

Marquis Systems proposes to perform the services under this Proposal for a **NOT TO EXCEED AMOUNT of $11,280.00** plus approved reimbursable expenses. Marquis Systems will submit progress billings, on a monthly basis, including any reimbursable expenses. Please refer to the table below for a breakdown of the hours per activity.

Turlock Regional Transit Center	*Project Consulting / Project Management*	*Senior Engineering*	*Technical / Drafting*		
Rate per Hour	$165.00	$150.00	$100.00		
	Hours	Hours	Hours	Totals	Total / Phase
Scope	16	0	0	16	$2,640.00
Design	0	24	16	40	$5,200.00
Bid / Submittal Review	8	0	0	8	$1,320.00
CA / Punch	8	0	0	8	$1,320.00
Record Drawings	0	0	8	8	$800.00
Total Hours	32	24	24	80	
FEE AMOUNT	$5,280.00	$3,600.00	$2,400.00		$11,280.00

ADDITIONAL WORK

Marquis Systems' services under this proposal are limited to those expressly specified in Sections' I and II of this Proposal.

Marquis Systems is not responsible for obtaining City or State permits or approvals.

Additional services, if performed with Marquis Systems and Client's mutual consent, will be charged at Marquis Systems standard rates or upon such other terms as the Client and Marquis Systems shall agree in writing. Rates will be adjusted by 3% per year during the duration of the project for additional services.

Project Consultant / Project Manager	$165.00 per hour
Senior Engineer	$150.00 per hour
AutoCAD/Designer	$100.00 per hour

Payment from Client to Marquis Systems shall be due within 45 days of receipt of invoice. Marquis Systems will provide detailed monthly progress statements or invoices for Services and disbursements.

All reasonable and necessary business expenses, incurred and disbursements made by Marquis Systems pursuant to this Agreement shall be paid and reimbursed by the Client at cost, provided, however, that Marquis Systems shall submit appropriate expenditure vouchers and/or receipts.

VI. ACCEPTANCE:

Thank you for the opportunity to be of service to you. Marquis Systems, Incorporated will continue to be responsive to your security engineering services' needs. If you have any questions regarding this proposal or any other matter, please feel free to contact the undersigned at (408) 291-0001 or via e-mail at vasken@marquis-sys.com .

FOR: Pires, Lipomi + Navarro Architects

Name: Mr. Barrett Lipomi
Title: Principal Architect
Date: _____

FOR: Marquis Systems, Incorporated

Vasken Arzoumanian
Principal
Date: January 23, 2015

END OF EXHIBIT A

EXHIBIT B

CONTRACTUAL AMENDMENT

Pires Lipomi Navarro ARCHITECTS

Date: 1/26/15

Client Name: City of Turlock, Stephen Fremming
Project Name: Turlock Regional Transit Center Phase 2 Design and Master Plan (City Project No. 12-60B)
Project Number: 14031
Contract Type: Fixed Fee

Amendment #1

Pires, Lipomi & Navarro Architects proposes the contractual amendment outlined below to the Turlock Regional Transit Center Phase 2 Design and Master Plan. This amendment shall be subject to the terms and conditions contained in our contractual agreement dated June 10, 2014.

1. **Contract Information**

Current Contract:	$ 218,540.00
Amendment #1 :	**$ 14,780.00**
New Contract:	$ 233,320.00
Current 'Milestone 2' deadline:	April 29, 2015
Amendment #1 :	**Extend 'Milestone 2' deadline by 21 days**
New 'Milestone 2' deadline:	May 20, 2015

2. **Change in Scope:**

   Provide design, drawings and specifications for building access control and security camera systems for the building, shade structure and canopy.

3. **Project Compensation**
   3.1. Client agrees to compensate Pires, Lipomi & Navarro Architects for all services performed on a Fixed Fee basis for fees as outlined below, plus reimbursable expenses. Project will be billed monthly for services completed to date.

   3.1.1. Architectural and Electrical Engineering and Coordination (PLN): $3,500.00
   3.1.2. Security & Communications Design and Consulting (Marquis): $11,280.00 **See Exhibit A*
   Total Fee: $14,780.00

Please indicate your concurrence/acceptance of the terms stated above by affixing your signature below and returning one original to our office.

Pires, Lipomi & Navarro Architects

_____
Name ***Date***

City of Turlock

_____
Name ***Date***

5D

Council Synopsis

February 24, 2015

From: Maryn Pitt, Assistant to the City Manager for Economic Development/Community Housing

Prepared by: Maria Ramos, Community Housing Program Supervisor

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Resolution: Authorizing the refund of $1,265 to the State of California Department of Housing and Community Development for program income funds as agreed to in the Neighborhood Stabilization Program and Program Income Reuse Plan and appropriating $1,265 to account number 258-41-496.47312 "Reimbursement to HCD"

2. DISCUSSION OF ISSUE:

As authorized under Title II of the Housing and Economic Recovery Act (HERA) of 2008, the U.S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP) provided emergency assistance to acquire and redevelop foreclosed properties to stabilize neighborhoods that otherwise could become a source of blight and abandonment within their communities. As a CDBG Tier 1 entitlement city, the City of Turlock's NSP allocation was determined by the State of California Department of Housing and Community Development (HCD).

During the term of the program, the City of Turlock was permitted to reuse the earned NSP program income (sales proceeds) for eligible activities. Any NSP program income funds that were not shown to be obligated by the July 30, 2013 deadline were required to be returned to HCD. On a quarterly basis, the City is required to return any additional program income funds received. A correction was made for Fiscal Year 2013/2014 accounts. The correction was reported in the July 2014-September 2014 quarter showing program income of $1,265 was received and therefore needed to be returned to the State of California Housing and Community Development (HCD).

3. BASIS FOR RECOMMENDATION:

The Neighborhood Stabilization Program grant program calls for the return of any program income received after the end of the grant term on July 30, 2013 to be returned to the State of California Housing and Community Development on a quarterly basis.

4. FISCAL IMPACT / BUDGET AMENDMENT:

As noted above, during July 2014-September 2014 a total of $1,265.00 in program income was received and therefore needs to be returned to the HCD.

At this time, Staff requests the appropriation of $1,265 to account number 258-41-496.47312 "Reimbursement to HCD" in order to properly account for this reimbursement. This appropriation is requested for Fiscal Year 2013-14 as this is the year the income to be returned was received.

There is no impact to the General Fund from this appropriation.

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

All environmental reviews were completed prior to any activity being undertaken.

7. ALTERNATIVES:

A). City Council chooses not to approve the authorization to return funds as agreed to in the Neighborhood Stabilization Program and Program Income Reuse Plan, the City of Turlock will not be in compliance with the program requirements to HCD and could jeopardize future funding. This alternative is not recommended as the City of Turlock is in the process of building a model housing program and intends to be in compliance with HCD requirements at all times.

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF AUTHORIZING THE REFUND OF $1,265 TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR PROGRAM INCOME FUNDS AS AGREED TO IN THE NEIGHBORHOOD STABILIZATION PROGRAM AND PROGRAM INCOME REUSE PLAN AND APPROPRIATING $1,265 TO ACCOUNT NUMBER 258-41-496.47312 "REIMBURSEMENT TO HCD"	}	**RESOLUTION NO. 2015-**

WHEREAS, under Title II of the Housing and Economic Recovery Act (HERA) of 2008, the US Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP) provided emergency assistance to acquire and redevelop foreclosed properties to stabilize neighborhoods ; and

WHEREAS, as a CDBG Tier 1 entitlement City, the City of Turlock's allocation was determined by the State of California Department of Housing and Community Development (HCD); and

WHEREAS, in December 2009 the City of Turlock was awarded $1,520,483 in NSP funds; and

WHEREAS, the City of Turlock successfully acquired, rehabilitated and sold a total of twenty (20) homes using NSP funds; and

WHEREAS, during the term of the program, the City of Turlock would be permitted to reuse the earned NSP program income for eligible activities and any unused NSP program income not shown to be obligated by July 30, 2013 was returned to HCD; and

WHEREAS, in following the NSP closeout and reuse program income requirements $1,265.00 was required to be returned to HCD for July 2014-September 2014; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby:

1. Authorize the refund of $1,265 to the State of California Department of Housing and Community Development for the program income funds as agreed to in the Neighborhood Stabilization Program and Program Income Reuse Plan.

2. Approve the appropriation of $1,265 to account number 258-41-496.47312 “Reimbursement to HCD”.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 24th day of February, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver, City Clerk
City of Turlock, County of Stanislaus,
State of California

5E

Council Synopsis

February 24, 2015

From: Maryn Pitt, Assistant to the City for Economic Development/Community Housing

Prepared by: Maryn Pitt, Assistant to the City for Economic Development/Community Housing

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Resolution: Appropriating $27,200 from account number 256-41-486.47225_001 "Affordable Housing Development -Current" to account number 256-41-486.43060_000 "Contract Services" to provide funding for the City of Turlock's obligation with regard to the MOU with the County of Stanislaus for the Development of the 2015-2020 Consolidated Plan and 2015 Annual Action Plan

2. DISCUSSION OF ISSUE:

The Consolidated Plan is a planning document required by the U.S. Department of Housing and Urban Development (HUD) to be submitted every three to five years by all jurisdictions that receive Community Development Block Grant (CDBG) program and HOME funds. The Consolidated Plan identifies housing, homeless and community development needs, and determines strategic priorities for the use of CDBG and HOME funds over the ensuing plan period.

The City of Turlock Housing Program and the Stanislaus County Community Development Department are the lead entities responsible for overseeing the development and administration of the *2015-2020 Regional Consolidated Plan*. In using funds in our respective areas, the joint goals of both agencies is to protect and enhance our community's quality of life, sustainability and public safety through comprehensive plans, development regulations and service programs as well as to create and preserve decent affordable housing; end homelessness; and provide capital investments which improve the viability, livability, and economic stability of Stanislaus County communities, particularly low- and moderate-income communities. All of this work is accomplished in partnership with the county's housing and social service providers and in cooperation with all of our member cities.

When the 2014-2015 City budgets were adopted, the final costs associated with this joint planning effort were not yet finalized. The County of Stanislaus is the

contracting agency for the project as the City of Turlock reimburses the County for the City of Turlock and the Turlock/Stanislaus County Home Consortium share of the cost.

For the first time, Stanislaus County and the City of Turlock will be submitting a combined regional plan for CDBG and HOME funding. HUD recognizes the Stanislaus Urban County for CDBG and its member cities of Ceres, Hughson, Newman, Oakdale, Patterson and Waterford who receive CDBG Entitlement Funds directly. HOME funding through the Turlock/ Stanislaus County Home Consortium with the same membership will also be included. In addition, the City of Turlock is also a direct entitlement for CDBG funds. Further, Turlock is recognized as the Participating Jurisdiction and lead agency of the HOME Consortium and has entered into an inter-local agreement with Stanislaus County and the city member jurisdictions as a HOME Consortium, to allow HOME funds to be utilized countywide in all jurisdictions. HUD requires the needs assessment data for regional Consolidated Plans to be presented for the entire county, not segregated by jurisdiction.

Embarking on this nine-month planning process during which the contracted consultant will facilitate all jurisdictions in examining the needs and resources of unincorporated Stanislaus County as well as the cities of Ceres, Hughson, Newman, Oakdale, Patterson and Waterford. During the upcoming process, staff along with the consultants will consult with our community partners and members of the public. The planning process will bring together citizens, social service organizations, businesses, faith communities, and elected officials to review the region's current and future housing and community development needs and develop updated priorities.

The Consolidated Plan is designed to help local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities that align and focus funding from the CPD formula block grant programs: Community Development Block Grant (CDBG) Program, HOME Investment Partnerships (HOME) Program, Emergency Solutions Grant (ESG) Program, and Housing Opportunities for Persons With AIDS (HOPWA) Program. The Consolidated Plan is carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. Both jurisdictions will report in the new E-Con Planning Suite of their accomplishments and progress toward Consolidated Plan goals in the Consolidated Annual Performance and Evaluation Report (CAPER).

The specific deliverables within the scope of work defined by the Memorandum of Understanding include:

A. Five (5) Year Consolidated Plan for FY 2015-FY 2019 (July 1, 2015 – June 30, 2020)

B. One (1) Year Action Plan for the FY 2015-2016 program year (July 1, 2015-June 30, 2016)

C. Analysis of Impediments to Fair Housing Choice (AI) study to be completed concurrently and submitted along with the Consolidated Plan

D. Stanislaus County Housing Element (estimated plan period December 2015 – December 2023) Stanislaus County Only

3. BASIS FOR RECOMMENDATION:

A) The specific Turlock shares of the costs associated with this joint effort were not known at the time of the adoption of the 2014-2015 budget.

B) The Consolidated Five year plan is required by the United States Department of Housing and Urban Development in order to receive funding and similarly to a General Plan update needs the expertise of a consultant in order to produce the Con Plan.

Strategic Plan Initiative: G. POLICY INITIATIVE –SOCIAL INFRASTRUCTURE - HOUSING RESOURCES:

1) GOALS:

b. Address housing concerns:
   i) Older neighborhoods rehabilitation
   ii) Homeless issues
   iii) Year round homeless shelter and day center
   iv) Develop transitional housing
   v) Construction of affordable housing and mixed use developments
   vi) Develop senior housing
   vii) Transit oriented housing
   viii) Seek out new grant and funding opportunities

4. FISCAL IMPACT / BUDGET AMENDMENT:

Fiscal Impact:
During the preparation of the 2014-15 budgets, costs for the Consolidated Plan were not known so staff did not anticipate the need for this contract. Therefore only $4,000 was budgeted for Contract Services. The City's portion of the total

contract is $ 32,200. In order to have sufficient funds appropriated for the City's obligation, Staff is requesting the additional appropriation of $27,200. This appropriation will be funded via a reallocation of funds from account number 256-41-486.47225_001 "Affordable Housing - Current".

There is no cost to the General Fund for this reallocation of funds.

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

A programmatic level NEPA document will be generated once the Consolidated Plan is completed and the first year of the Annual Action Plan has been drafted.

7. ALTERNATIVES:

A). Deny the appropriation. Staff does not recommend this alternative since the work is required by the United States Department of Housing and Urban Development in order to receive further federal funding and the funding is available.

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROPRIATING $27,200 FROM ACCOUNT NUMBER 256-41-486.47225_001 "AFFORDABLE HOUSING DEVELOPMENT-CURRENT" TO ACCOUNT NUMBER 256-41-486.43060_000 "CONTRACT SERVICES" TO PROVIDE FUNDING FOR THE CITY OF TURLOCK'S OBLIGATION WITH REGARD TO THE MOU WITH THE COUNTY OF STANISLAUS FOR THE DEVELOPMENT OF THE 2015-2020 CONSOLIDATED PLAN AND 2015 ANNUAL ACTION PLAN	**RESOLUTION NO. 2015-**

WHEREAS, the Consolidated Plan is a planning document required by the U.S. Department of Housing and Urban Development (HUD) to be submitted every three to five years by all jurisdictions that receive Community Development Block Grant (CDBG) program and HOME funds; and

WHEREAS, the Consolidated Plan identifies housing, homeless and community development needs, and determines strategic priorities for the use of CDBG and HOME funds over the ensuing plan period; and

WHEREAS, at the time the 2014-2015 City budgets were adopted, the final costs associated with this joint planning effort were not yet finalized. The County of Stanislaus is the contracting agency for the project as the City of Turlock reimburses the County for the City of Turlock and the Turlock/Stanislaus County Home Consortium share of the cost; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby appropriate $27,200 from account number 256-41-486.47225_001 "Affordable Housing Development -Current" to account number 256-41-486.43060_000 "Contract Services" to provide funding for the City of Turlock's obligation with regard to the MOU with the County of Stanislaus for the Development of the 2015-2020 Consolidated Plan and 2015 Annual Action Plan

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 24th day of February, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver, City Clerk,
City of Turlock, County of Stanislaus,
State of California

5F

Council Synopsis

February 24, 2015

From: Michael Cooke, Municipal Services Director

Prepared by: Betty Gonzalez / Garner Reynolds

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Motion: Approving an agreement with CNC Environmental, LLC, for a Granular Activated Adsorption System for the Municipal Services Department for a period of thirty six (36) months, in an amount not to exceed $50,000, from Water Fund 420-52-550-435040 "PCE Monitoring & Remediation"

Resolution: Appropriating $20,000 to account 420-52-550-43504 "PCE Monitoring and Remediation" to be funded by revenue received in account 420-52-550-35507 "PCE Recovery" from an award of funds from the Cleanup and Abatement Account by the State Water Resources Control Board for the purpose of PCE Remediation System Optimization and Groundwater Monitoring and Reporting in Downtown Turlock

2. DISCUSSION OF ISSUE:

Perchloroethylene (PCE), a volatile organic compound, is a solvent that is used in the dry cleaning process. Since 1994, the City of Turlock has been addressing a plume of PCE contamination in the groundwater in the Downtown area.

Over the past 15 years, the Regional Board has funded various projects associated with monitoring and attempting to enhance the natural attenuation of the PCE plume. In February 2009, the State Water Resources Control Board appropriated $650,000 to the City of Turlock. A portion of these funds was used to install a "pump and treat" groundwater remediation system. The project pumps contaminated groundwater from approximately 50 feet below ground and treats it before discharging it into the sewer system. In general, the PCE plume appears to be slowly migrating and attenuating over time.

The project has been very successful and the State Water Board has appropriated additional funds to evaluate whether the treatment system can be optimized to increase the rate of PCE removal. On September 10, 2013 City Council approved an agreement with Provost & Pritchard Professional Services for a PCE Remediation System Optimization Study. The study has been

completed and recommended the installation of a Granular Activated Carbon Adsorption System (GACAS) for the removal of perchloroethylene (PCE) from groundwater.

The Purchasing Office issued bids for Granular Activated Carbon Adsorption Systems on Request for Bid (RFB) 14-305. Three (3) vendors were solicited and two vendors submitted bids and the third bidder, Calgon Carbon Corporation submitted a No Bid. Staff is recommending an authorization to award said Contract No. 15-007 to the lowest responsive and responsible bidder meeting all specifications and requirements with CNC Environmental, LLC of Redondo Beach, CA, Pursuant to the Turlock Municipal Code, Title 2, Chapter 7, Section 2-7-09 (c) (5) Award of Contract shall be awarded by the City Council to the lowest responsible bidder.

The Contractor will provide materials and testing of a complete pre-engineered Granular Activated Carbon Adsorption System (GACAS) for the removal of perchloroethylene (PCE) from groundwater. The Contractor will also provide the initial load of 2,000 pounds of virgin granular activated carbon (GAC) and then subsequent loads of virgin GAC in 1,000 pounds increments for a period of 3 years for a not-to-exceed amount of $50,000.00 without our prior authorization.

Purchasing, the Regulatory Affairs Manager, and the Consultant evaluated the bids. Award bid recap is shown below:

	Description	CNC Environmental Redondo Beach, CA	Evoqua Water Tech Inc. Oakland, CA
1)	Cost for Design, Fabrication & Delivery of 2 skid mounted pressure vessels, including initial load of GAC Adsorption Media	$24,971	$35,703
2)	Total Removal & Replacement	$7,400	$11,540
3)	Sales Tax	$2,468	$3,602
4)	Total Bid	$34,839	$50,845

3. BASIS FOR RECOMMENDATION:

City staff's recommendation is to award contract to the lowest responsive bidder meeting all specifications and requirements with CNC Environmental, LLC for Granular Activated Adsorption System for a period of thirty six months, in the amount not to exceed $50,000.

Strategic Plan Initiative: B. FISCAL RESPONSIBILITY

Goal(s): b. Identify smart revenue opportunities including but not limited to grants and outside sources of funding.

4. FISCAL IMPACT / BUDGET AMENDMENT:

Fiscal Impact:
$20,000 to Fund 420-52-550-43504 "PCE Monitoring and Remediation" (non-General Fund 141 Water Enterprise) to be funded by an award of funds from the Cleanup and Abatement Account by the State Water Resources Control Board in the amount of $252,070 (420-52-550-35507 "PCE Recovery"). This will leave a balance of $79,260 from the award of funds that may be used for other City-related costs associated with the project.

There is no impact to the General Fund

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

N/A

7. ALTERNATIVES:

A) Do not approve the contract with CNC Environmental, LLC, and elect not to proceed with the project. This alternative is not recommended because the City's 1994 Settlement Agreement with the Regional Board and California Department of Toxic Substances Control obligates the City to investigate and remove PCE in Downtown Turlock when funds are made available to the City.

AGREEMENT FOR SPECIAL SERVICES
between
CITY OF TURLOCK
and
CNC ENVIRONMENTAL, LLC
for
GRANULAR ACTIVATED ADSORPTION SYSTEM
CITY CONTRACT NO. 15-007

THIS AGREEMENT is made this 24TH day of **February, 2015**, by and between the **CITY OF TURLOCK**, a municipal corporation of the State of California hereinafter referred to as "CITY" and **CNC Environmental, LLC**, a California Limited Liability Corporation, hereinafter referred to as "CONTRACTOR."

W I T N E S S E T H:

WHEREAS, CITY has a need for the design, fabrication, and delivery of two skid-mounted pressure vessels for the removal of perchloroethylene (PCE) from groundwater; and

WHEREAS, CONTRACTOR has represented itself as duly trained, qualified, and experienced to provide such special service, hereinafter referred to as "Services."

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. **SCOPE OF WORK:** CONTRACTOR shall furnish all labor, equipment, materials and process, implements, tools, and machinery, except as otherwise specified which are necessary and required to provide the Services and shall perform such special services in accordance with the standards of its profession and the specifications attached hereto as Section 1. CONTRACTOR shall provide Services that are acceptable to CITY.

2. **PERSONNEL AND EQUIPMENT:** CONTRACTOR shall provide all personnel needed to accomplish the Services hereunder. CONTRACTOR shall additionally acquire, provide, maintain, and repair, at its sole cost and expense, such equipment, materials, and supplies as CONTRACTOR shall reasonably require to accomplish said Services.

3. **SAFETY REQUIREMENT:** All Services and merchandise must comply with California State Division of Industrial Safety orders and O.S.H.A.

4. **COMPENSATION:** CITY agrees to pay CONTRACTOR in accordance with Exhibit A as full remuneration for performing all Services and furnishing all staffing and materials called for in Section 1 and for performance by CONTRACTOR of all of its duties and obligations under this Agreement. In no event shall the sum of this Agreement not to exceed Fifty Thousand and No/100ths Dollars ($50,000.00). CONTRACTOR agrees that compensation shall be paid in the manner and at the times set forth below:

(a) Invoices: CONTRACTOR shall submit dated invoices to CITY specifying the date, location and service rendered, and the charge therefor.

(b) Payment:

(1) All payments by CITY shall be made in arrears, after satisfactory service, as determined and approved by CITY, has been provided. Payment shall be made by CITY no more than thirty (30) days from CITY's receipt of invoice.

(2) CITY shall normally pay by voucher or check within ten (10) working days after each meeting at which payments can be authorized, provided that CITY receives the invoice at least five (5) working days prior to CITY's meeting date.

(3) If CITY disputes any items on an invoice for a reasonable cause, which includes but is not limited to unsatisfactory service, CITY may deduct that disputed item from the payment, but shall not delay payment for the undisputed portions. The amounts and reasons for such deletions shall be documented to CONTRACTOR within fifteen (15) working days after receipt of invoice by CITY. CITY shall assign a sequential reference number to each deletion.

(4) If dispute is settled, payment shall be by voucher or check payable to and mailed to CONTRACTOR within five (5) working days of dispute settlement.

(5) CITY reserves the right to only pay for such services rendered to the satisfaction of CITY.

5. TERM OF AGREEMENT: This Agreement shall become effective upon execution and shall continue in full force and effect for a period of thirty-six months (36) beginning March 1, 2015 and ending February 28, 2018, subject to CITY's availability of funds.

6. EXTENSION OF AGREEMENT: CITY may elect to extend this Agreement for three (3) additional one-year terms, on the same terms and conditions, upon providing written notice to CONTRACTOR thirty (30) days prior to the expiration of this Agreement. On each anniversary date, CONTRACTOR will be allowed to increase prices. Increases may not exceed increases in the San Francisco-Oakland Consumer Price Index for all urban consumers or percentage increases in CONTRACTOR's published prices, whichever is lower. In all cases, CITY may cancel the contract if a requested price increase is not acceptable

7. INSURANCE: CONTRACTOR shall not commence work under this Agreement until CONTRACTOR has obtained CITY's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall CONTRACTOR allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. CONTRACTOR shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONTRACTOR, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of contract.

(a) Minimum Scope of Insurance: Coverage shall be at least as broad as:

(1) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01) with an additional insured endorsement (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed operations), to be approved by the City of Turlock.

(2) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(b) Minimum Limits of Insurance: CONTRACTOR shall maintain limits no less than:

(1) General Liability (including operations, products and completed operations): $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

(2) Workers' Compensation: as statutorily required by the State of California. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

(c) Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY, its elective and appointive boards, officers, agents, employees, and volunteers; or (2) CONTRACTOR shall provide a financial guarantee satisfactory to CITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(d) Other Insurance Provisions: The commercial general liability policy shall contain, or be endorsed to contain, the following provisions:

(1) CITY, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of CONTRACTOR, including materials, parts or equipment furnished in connection with such work or operations, which coverage shall be maintained in effect for at least three (3) years following the completion of the work specified in the contract. General liability coverage can be provided in the form of an endorsement to CONTRACTOR's insurance (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed operations), or as a separate Owners and Contractors Protective Liability policy providing both ongoing operations and completed operations coverage.

(2) For any claims related to this project, CONTRACTOR's insurance coverage shall be primary insurance as respects CITY and any insurance or self-insurance maintained by CITY shall be excess of CONTRACTOR's insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to CITY under this Agreement, the insurer, broker/producer, or CONTRACTOR shall provide CITY with thirty (30) days' prior written notice of such cancellation, non-renewal or material change.

(4) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(5) The automobile liability policy shall be endorsed to delete the Pollution exclusion and add the Motor Carrier Act endorsement (MCS-90), TL 1005, TL 1007 and/or other endorsements required by federal or state authorities.

(6) If pollution liability coverage is written on a claims-made form:

(i) the retroactive date must be shown and must be before the date of the contract or the beginning of contract work.

(ii) insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

(iii) if coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(iv) a copy of the claims reporting requirements must be submitted for City's review.

(v) if the services involve lead-based paint or asbestos identification/remediation, the pollution liability policy shall not contain leas-based paint or asbestos exclusions. If the services involve mold identification/remediation, the pollution liability policy shall not contain mold exclusion and definition of "pollution" shall include microbial matter including mold.

(f) Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

(g) Verification of Coverage: CONTRACTOR shall furnish CITY with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by CITY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive CONTRACTOR'S obligation to provide them. CITY reserves the right, at any time, to require complete, certified copies of all required insurance policies and endorsements.

(h) Waiver of Subrogation: CONTRACTOR hereby agrees to waive subrogation which any insurer of CONTRACTOR may acquire from CONTRACTOR by virtue of the payment of any loss. The commercial general liability policy and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of CITY for all work performed by CONTRACTOR, its agents, employees, independent contractors and subcontractors. CONTRACTOR agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

(i) Subcontractors: CONTRACTOR shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

8. INDEMNIFICATION: CONTRACTOR shall indemnify, defend, and hold harmless CITY and its elective and appointive boards, officers, agents, employees, and volunteers from and against any and all claim, demand, cost, or liability that arises out of, pertains to, or relates to, the negligence, recklessness, or willful misconduct of CONTRACTOR and its employees or agents in the performance of services under this contract, but this indemnity does not apply to liability for damages arising from the sole negligence, active negligence, or willful misconduct of CITY.

9. INDEPENDENT CONTRACTOR RELATIONSHIP: All acts of CONTRACTOR, its agents, officers, and employees and all others acting on behalf of CONTRACTOR relating to the

performance of this Agreement, shall be performed as independent contractors and not as agents, officers, or employees of CITY. CONTRACTOR, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of CITY. CONTRACTOR has no authority or responsibility to exercise any rights or power vested in the CITY. No agent, officer, or employee of the CITY is to be considered an employee of CONTRACTOR. It is understood by both CONTRACTOR and CITY that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

CONTRACTOR, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of CITY.

CONTRACTOR shall determine the method, details and means of performing the work and services to be provided by CONTRACTOR under this Agreement. CONTRACTOR shall be responsible to CITY only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to CITY's control with respect to the physical action or activities of the CONTRACTOR in fulfillment of this Agreement. CONTRACTOR has control over the manner and means of performing the services under this Agreement. CONTRACTOR is permitted to provide a service to others during the same period service is provided to CITY under this Agreement. If necessary, CONTRACTOR has the responsibility for employing other persons or firms to assist CONTRACTOR in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by CONTRACTOR, such persons shall be entirely and exclusively under the direction, supervision, and control of CONTRACTOR. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the CONTRACTOR.

It is understood and agreed that as an independent contractor and not an employee of CITY neither the CONTRACTOR or CONTRACTOR'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of the CITY in any capacity whatsoever as an agent, or to bind the CITY to any obligation whatsoever.

It is further understood and agreed that CONTRACTOR must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of CONTRACTOR'S personnel.

As an independent contractor, CONTRACTOR hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

10. VOLUNTARY TERMINATION: CITY may terminate this Agreement without cause or legal excuse by providing thirty (30) days' written notice to CONTRACTOR.

11. TERMINATION OF STATED EVENT:

(a) Termination on Occurrence of Stated Events. This Agreement shall terminate automatically on the date on which any of the following events occur: (1) bankruptcy or insolvency of CONTRACTOR, (2) legal dissolution of CONTRACTOR, or (3) death of key principal(s) of CONTRACTOR.

(b) Termination by CITY for Default of CONTRACTOR. Should CONTRACTOR default in the performance of this Agreement or materially breach any of its provisions, at its option

CITY may terminate this Agreement by giving written notification to CONTRACTOR. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to perform required services or duties, willful destruction of CITY's property by CONTRACTOR, dishonesty or theft.

(c) Termination by CONTRACTOR for Default of CITY. Should CITY default in the performance of this Agreement or materially breach any of its provisions, at its option CONTRACTOR may terminate this Agreement by giving written notice to CITY. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to cooperate reasonably with CONTRACTOR, willful destruction of CONTRACTOR's property by CITY, dishonesty or theft.

(d) Termination for Failure to Make Agreed-Upon Payments. Should CITY fail to pay CONTRACTOR all or any part of the payments set forth in this Agreement on the date due, at its option CONTRACTOR may terminate this Agreement if the failure is not remedied within thirty (30) days after CONTRACTOR notifies CITY in writing of such failure to pay. The termination date shall be the effective date of the notice.

(e) Termination by CITY for Change of CONTRACTOR'S Tax Status. If CITY determines that CONTRACTOR does not meet the requirements of federal and state tax laws for independent contractor status, CITY may terminate this Agreement by giving written notice to CONTRACTOR. The termination date shall be the effective date of the notice.

(f) In the Event of Termination. If this Agreement is terminated pursuant to this Paragraph, CONTRACTOR shall cease all its work on the project as of the termination date and shall see to it that its employees, subcontractors and agents are notified of such termination and cease their work. If CITY so requests, and at CITY's cost, CONTRACTOR shall provide sufficient oral or written status reports to make CITY reasonably aware of the status of CONTRACTOR'S work on the project. Further, if CITY so requests, and at CITY's cost, CONTRACTOR shall deliver to CITY any work products whether in draft or final form which have been produced to date.

If the Agreement is terminated pursuant to any of the subsections contained in this paragraph, CITY will pay CONTRACTOR an amount based on the percentage of work completed on the termination date, this percentage shall be determined by CITY in its sole discretion. If the Agreement is terminated pursuant to the subparagraph entitled Termination by CITY for Default of CONTRACTOR, CONTRACTOR understands and agrees that CITY may, in CITY's sole discretion, refuse to pay CONTRACTOR for that portion of CONTRACTOR'S services which were performed by CONTRACTOR on the project prior to the termination date and which remain unacceptable and/or not useful to CITY as of the termination date.

12. CONFORMANCE WITH FEDERAL AND STATE LAW: All equipment, supplies and services used by CONTRACTOR in the performance of this Agreement shall conform to the laws of the government of the United States and the State of California.

13. NONDISCRIMINATION: In connection with the execution of this Agreement, CONTRACTOR shall not discriminate against any employee or applicant for employment because of age, race religion, color, sex, or national origin. CONTRACTOR shall take affirmative action to insure that applicants are employed, and the employees are treated during their employment, without regard to their age, race, religion, color, sex or national origin. Such actions shall include, but not be limited to, the following: employment, promotions, demotions or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and

selection for training, including apprenticeship. CONTRACTOR shall also comply with the requirement of Title VII of the Civil Rights Act of 1964 (P.L. 88-352) and with all applicable regulations, statutes, laws, etc., promulgated pursuant to the civil rights acts of the government of the United States and the State of California now in existence or hereafter enacted. Further, CONTRACTOR shall comply with the provisions of Section 1735 of the California Labor Code.

14. TIME: Time is of the essence in this Agreement.

15. ENTIRE AGREEMENT AND MODIFICATION: This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. CONTRACTOR shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. CONTRACTOR specifically acknowledges that in entering into and executing this Agreement, CONTRACTOR relies solely upon the provisions contained in this Agreement and no others.

16. OBLIGATIONS OF CONTRACTOR: Throughout the term of this Agreement, CONTRACTOR shall possess, or secure all licenses, permits, qualifications and approvals legally required to conduct business. CONTRACTOR warrants that it has all of the necessary professional capabilities and experience, as well as all tools, instrumentalities, facilities and other resources necessary to provide the CITY with the services contemplated by this Agreement. CONTRACTOR further represents that it will follow the best current, generally accepted and professional practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding this project.

17. OWNERSHIP OF DOCUMENTS: All reports, data, drawings, plans, designs, specifications, graphics, calculations, working papers, models, flow diagrams, visual aids, and other incidental work or materials furnished hereunder shall become and remain the property of the CITY, and may be used by CITY as it may require without any additional cost to CITY. No reports shall be used by the CONTRACTOR for purposes other than this contract without the express prior written consent of CITY.

18. NEWS AND INFORMATION RELEASE: CONTRACTOR agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from CITY through the City Manager.

19. INTEREST OF CONTRACTOR: CONTRACTOR warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR warrants that, in performance of this Agreement, CONTRACTOR shall not employ any person having any such interest. CONTRACTOR agrees to file a Statement of Economic Interests with the City Clerk at the start and end of this contract if so required at the option of CITY.

20. AMENDMENTS: Both parties to this Agreement understand that it may become desirable or necessary during the execution of this Agreement, for CITY or CONTRACTOR 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 the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work.

Until a change order is so executed, CITY will not be responsible to pay any charges CONTRACTOR may incur in performing such additional services, and CONTRACTOR shall not be required to perform any such additional services.

21. PATENT/COPYRIGHT MATERIALS: Unless otherwise expressly provided in the contract, CONTRACTOR shall be solely responsible for obtaining the right to use any patented or copyrighted materials in the performance of this Agreement. CONTRACTOR shall furnish a warranty of such right to use to CITY at the request of CITY.

22. CERTIFIED PAYROLL REQUIREMENT: For CONTRACTORS performing field work on public works contracts on which prevailing wages are required, CONTRACTOR shall comply with the provisions of Section 1776 of the California Labor Code, regarding payroll records, and shall require its subcontractors and subcontractors to comply with that section as may be required by law.

23. PARTIAL INVALIDITY: If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

24. WAIVER: The waiver by any party to this Agreement of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

25. AUDIT: CITY's duly authorized representative shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify CONTRACTOR'S charges to CITY under this Agreement.

CONTRACTOR agrees to retain reports, records, documents, and files related to charges under this Agreement for a period of four (4) years following the date of final payment for CONTRACTOR services. CITY's representative shall have the right to reproduce any of the aforesaid documents.

26. GOVERNING LAW: This Agreement shall be governed according to the laws of the State of California.

27. HEADINGS NOT CONTROLLING: Headings used in the Agreement are for reference purposes only and shall not be considered in construing this Agreement.

28. COMPLIANCE WITH LAWS: CONTRACTOR shall insure compliance with all safety and hourly requirements for employees, in accordance with federal, state, and county safety and health regulations and laws. CONTRACTOR shall fully comply with all applicable federal, state, and local laws, ordinances, regulations and permits.

29. CITY BUSINESS LICENSE: CONTRACTOR will have a City of Turlock business license.

30. ASSIGNMENT: This Agreement is binding upon CITY and CONTRACTOR and their successors. Except as otherwise provided herein, neither CITY nor CONTRACTOR shall assign, sublet, or transfer interest in this Agreement or any part thereof without the prior written consent of the other.

31. RECORD INSPECTION AND AUDIT: CONTRACTOR shall maintain adequate records to permit inspection and audit of CONTRACTOR's time and material charges under this Agreement. CONTRACTOR shall make such records available to CITY during normal business hours upon reasonable notice. Such records shall be turned over to CITY upon request.

32. EXCLUSIVE USE: Services provided within the scope of this Agreement are for the

exclusive use of CITY and CONTRACTOR agrees that, until final approval by CITY, all data, plans, specifications, reports, and other documents will not be released to third parties by CONTRACTOR without the prior written consent of CITY.

33. EMPLOYMENT OF CITY OFFICIAL OR EMPLOYEE: CONTRACTOR shall employ no CITY official or employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of California Government Code Sections 1090 *et seq.*; nor shall CITY violate any provision of its Conflict of Interest Code adopted pursuant to the provisions of California Government Code Sections 87300 *et seq.*

34. NOTICE: Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail, if delivery is by postage paid, registered, or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time:

for CONTRACTOR: **CNC ENVIRONMENTAL, LLC**
ATTN: C. ADAM CLINE
409 N. PACIFIC COAST HWY 333
REDONDO BEACH, CA 90277
PHONE: (310) 937-6012
FAX: (310) 943-2779
EMAIL: C.N.C@EARTHLINK.NET

for CITY: **CITY OF TURLOCK**
ATTN: GARNER REYNOLDS, REGULARTORY AFFAIRS MANAGER
MUNICIPAL SERVICES DEPARTMENT
156 SOUTH BROADWAY, SUITE 270
TURLOCK, CALIFORNIA 95380-5454
PHONE: (209) 668-5599 Ext. 4407
FAX: (209) 668-5695
EMAIL: GREYNOLDS@TURLOCK.CA.US

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by and through their respective officers thereunto duly authorized.

CITY OF TURLOCK, a municipal corporation

By: _____
Roy W. Wasden, City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
Phaedra A. Norton, City Attorney

ATTEST:

By: _____
Kellie E. Weaver, City Clerk

CNC ENVIRONMENTAL, LLC

By: _____

Title: _____

Print name: _____

Date: _____

SECTION 1
REQUEST FOR PROPOSAL AND SPECIFICATIONS NO. 14-305
GRANULAR ACTIVATED CARBON ADSORPTION SYSTEM

SPECIFICATIONS / SCOPE OR WORK

PART 1 - GENERAL

A. Description

This section describes materials, fabrication, and testing of a complete pre-engineered Granular Activated Carbon Adsorption System (GACAS) described herein for the removal of perchloroethylene (PCE) from groundwater.

B. Work to be Included

1. The Contractor shall be responsible for the design, fabrication, and delivery of two skid-mounted pressure vessels up to the site interface flange connections. The Contractor shall coordinate and assist the on-site construction Contractor with unloading, setup and installation of the GACAS.

2. The Contractor shall provide the initial load (2,000 lbs., total) of virgin granular activated carbon (GAC) and then subsequent loads of virgin GAC in 1,000-lb increments for a period of 3 years.

3. The GACAS as specified herein shall be comprised of:

   a. Downflow adsorber vessels (two) capable of holding 1,000 lbs. of granular activated carbon (GAC) including interior lining and exterior coating.

   b. Pressure relief valve.

   c. Connections to allow unloading spent GAC and loading fresh GAC.

   d. Two-inch threaded influent and effluent ports.

4. The GAC Contractor shall be responsible for the supply, delivery, and hydraulic loading of granular activated carbon at the City of Turlock PCE treatment system.

5. The GAC Contractor or an approved representative shall be responsible for all washing or pretreatment of the GAC prior to system operation.

6. The following work is NOT included and is to be the responsibility of the on-site Contractor (under separate contract):

   a. Concrete foundation.

   b. Leak testing and disinfection of GACAS prior to GAC fill.

   c. Anchor bolts for foundation.

C. Manufacturer's Qualifications

1. The Manufacturer of the GAC vessels shall have the following minimum qualifications:

   a. Have previously furnished GAC water treatment systems within the United States. Systems cited in experience submittals shall have been downflow, pressure type configurations using the same vessel diameter and design, and meeting these specifications.

   b. Have furnished at least five similar GAC systems currently in use and removing PCE, EDB, DBCP, or similar organic contaminant from the influent potable water stream.

   c. Have a minimum of five years' experience in carbon handling aspects pertaining to the loading of virgin carbon and unloading of spent carbon.

D. Submittals

The Contractor shall submit the following information in writing in accordance with the General Provisions:

1. Statement of qualifications showing that the GAC vessel Manufacturer meets the requirements presented in Paragraph C, above.

2. Provide adsorber vessel specifications including design pressure, dimensions, capacity, and underdrain, and upper distributor configuration.

3. Provide pressure drop information across system as designed for this site.

4. Provide descriptions of adsorber vessel GAC loading and removal procedures for system as designed for this site.

5. Shop Drawings

   a. Thirty (30) calendar days after a Notice To Proceed from the Owner, shop drawings including, but not limited to, the following shall be delivered to the Owner or the Owner's Representative (refer to General Provisions for definition and additional requirements regarding shop drawings):

      (1) Bill of materials, catalog cuts, specification, materials of construction, and details for all furnished equipment and products.

      (2) List of any extra materials or supplies provided.

      (3) List of recommended spare parts.

      (4) List of any special tools required.

6. Instructions for removal of spent GAC and replacement with clean GAC, including any auxiliary utilities required and any safety procedures to follow.

7. Test reports on the representative samples of GAC shall contain at a minimum the following information:

- Apparent density
- Mesh size confirmation
- Effective size
- Abrasion number
- Iodine number
- Moisture as packed (percent)
- Water soluble ash (percent)
- Total ash

E. Guarantee

The Contractor shall guarantee all equipment to be free of defects in material and workmanship for a period of 18 months from date of delivery of the equipment or 12 months from the date of installation, whichever is longer.

F. Contractor's Services

1. The Contractor shall inspect all equipment upon delivery to the site and repair or replace damaged equipment. The Contractor shall provide assistance and supervision for the installation of the GACAS. The Contractor shall coordinate all necessary activities with the Site General Contractor, including scheduling, site safety, authorization of construction personnel, and site responsibilities.

2. GAC Contractor shall provide all equipment, material and labor necessary to install and/or remove spent GAC used for removing the contaminant PCE from well water and replace with virgin bituminous GAC. Contractor shall remove and transport the spent GAC from the site to a properly permitted and regulatory compliant reactivation or destruction facility for proper disposal or treatment.

3. GAC Contractor shall be responsible for the timely destruction or reactivation of the spent GAC in accordance with applicable Federal, State and local laws, regulations and standards, and shall deliver documentation of reactivation or destruction of the GAC to the City within thirty calendar days from the date the spent GAC is removed from the treatment facility or well site.

G. Performance Requirements

When adsorber vessels are filled with virgin GAC carbon as defined herein, the system shall be capable of producing treated water containing non-detectable levels of PCE when the concentration of PCE in the raw water is up to 1,000 µg/L.

H. Design Criteria

1. System Capacity - The GACAS shall be designed for a nominal flow rate of 50 gpm, with two adsorber vessels in service and operating in series.

2. GAC - Each adsorber vessel shall have a GAC capacity of not less than 1,000 pounds. Vessel underdrain system shall be capable of retaining GAC with mesh sizes up to 40.

3. Pressure Drop - Pressure drop across the systems shall be limited to 3 psig (including underdrains and GAC) when operated at system capacity with all absorber vessels in service and operating in series.

4. Adsorber Vessels - Adsorber vessel outside diameter shall be between 36 inches and 42 inches. The overall height shall not exceed 84 inches from the bottom of the support structure to the uppermost portion of the vessel.

5. System Design and Operating Pressure - Adsorber vessels, piping, valves, and appurtenances subject to internal pressure during normal operation or GAC filling or removal shall be designed, rated, and constructed for a working pressure of not less than 75 psig at 57°C (135°F) unless otherwise specified. Normal operating pressure on the raw water connection to the system is expected to be approximately 10 psig.

I. Modes of Operation

1. Carbon Adsorption – Downflow operation.

2. GAC Removal and Replacement - Removal shall be accomplished with the vessels in place.

J. Regulatory Requirements

1. The Contractor shall comply with all applicable regulatory requirements including, but not limited to, the following:

   a. Occupational safety and health requirements of OSHA and Cal-OSHA.

   b. U.S. Department of Transportation requirements for transportation of GACAS equipment.

2. The Contractor shall provide evidence of compliance with applicable permits where specifically required in these specifications. Additional evidence (copies of permits, etc.) shall be provided if requested by the Owner. The Contractor shall obtain all necessary permits related to the delivery of the system at his own expense.

K. Field Samples

The Owner reserves the right to obtain samples of any materials provided by the Contractor or Manufacturer at the project site (field samples) to verify compliance with these specifications. Field samples may be obtained in addition to samples provided from the factory by the Contractor. Where the Owner's collection of a sample will result in the need for repair or replacement of a fabricated item, the Owner shall reimburse the Contractor for repair or replacement at a mutually agreeable price.

L. Deliver, Storage, and Handling

The Contractor shall familiarize himself with site constraints and characteristics prior to shipment of system components. The Contractor shall provide the Owner one week's notice and 24-hour confirmation of his intent to deliver the systems.

M. Project/Site Conditions

The Contractor shall familiarize himself with current and proposed site conditions, including improvements for this project by others, before equipment and installation of system.

N. Site Location

The site location is located at Southwest Corner of South Broadway and A Street, the City of Turlock parking lot. (Photos of building are attached as Exhibit H)

PART 2 - MATERIALS

A. Manufacturers

The system shall be manufactured by Evoqua, Calgon Carbon Corporation, CNC Environmental or equal.

B. Granular Activated Carbon

GAC furnished and installed for filling the existing adsorber vessels shall be as specified herein.

1. General

The granular activated carbon shall be virgin material manufactured from select grade of bituminous coal. Activation shall be carefully controlled to produce a material having a high internal surface area with optimum pore size for effective adsorption of the contaminants to be removed.

2. Virgin GAC

The GAC shall be manufactured by one Manufacturer who is experienced in the production and application of GAC for potable water treatment. The GAC shall have the following characteristics:

Base material bituminous coal:

Iodine Number	Minimum	900
Abrasion Number	Minimum	75
Moisture (as packed)	Maximum percent	2%
Water Soluble Ash	Maximum percent	1%
Particle Size	(U.S. sieve size)	12 x 40
Oversize (12 mesh)	Maximum percent	5%
Undersize (40 mesh)	Maximum percent	4%
Apparent Density (backwashed & drained)	lb. /cf	30
Effective Size	Millimeters	0.55-0.75
Uniformity Coefficient	Maximum	2.0

C. Adsorber Vessels

1. Adsorber vessels shall be vertical, cylindrical pressure vessels. Vessel bottoms and appurtenances shall be designed for complete removal of spent GAC and even

distribution of treated water. Vessels shall be designed, constructed, tested, certified, and stamped in accordance with the most recent revision of the ASME Boiler and Pressure Vessel Code, Section VIII. The design pressure rating of the vessels shall be 75 psi at 57°C (135°F). Vessels shall be provided with all necessary supports, baffles, and accessories required to support and contain the GAC.

2. Vessel Access

A minimum of one accessway shall be provided on each vessel. The accessway shall be sized to accommodate the repair and/or removal of the largest single internal component.

3. Vessel Nozzles

Each vessel shall be provided with threaded 2-inch influent and effluent ports.

4. Lining

a. All carbon steel surfaces on the interior of the adsorber vessels shall be prepared and coated in a controlled shop environment by the Manufacturer. The interior of the adsorber vessels shall be coated in order to prevent corrosion that will occur when wet activated carbon is in contact with carbon steel. This coating shall exhibit abrasion-resistant qualities to prevent erosion by movement of the granular media. A coating shall be used which exhibits excellent chemical resistance to a wide range of water solutions.

b. Application of coating shall be performed by persons experienced with applying this type of coating. Shelf life and handling requirements for this coating shall be strictly observed. Manufacturer shall document and report coating formulation and application dates.

D. Painting and Coating

1. Exposed Metal Coating System:

Type: High-build epoxy prime coat having a minimum volume solids of 60%, with a pigmented polyurethane finish coat having a minimum volume solids of 52%.

Surface Preparation: SSPC SP-10.

Prime Coat: High solids epoxy. Tnemec 104, Devoe Devran 224HS or 231, International Interseal 670HS, PPG Amercoat 385, Carboline Carboguard 890, Sherwin-Williams Macropoxy 646 B58-600, PPG PITT-GUARD® Direct-to-Rust Epoxy Mastic Coating 97-145 series, or equal; 5 mils.

Finish Coat: Two-component pigmented acrylic or aliphatic polyurethane recommended by the manufacturer for overcoating a high-build epoxy coating. Apply to a thickness of at least 2 mils. Products: Tnemec Series 1075, Devoe Devthane 379, International Interline 990HS, PPG Amercoat 450HS, Carboline 134HG, Sherwin-Williams Hi-Solids Polyurethane B65-300, PPG PITTHANE® Ultra Gloss Urethane Enamel 95-812 series, or equal.

PART 3 – EXECUTION

A. Installation of GAC

a. Each adsorber vessel shall be filled with a minimum 1,000 lbs. of virgin GAC in accordance with the specifications.

b. GAC Contractor shall deliver GAC in trailers used solely for the transport of GAC. Trailers shall be thoroughly cleaned prior to filling with GAC.

c. The GAC Contractor shall provide compressed air and/or vacuum along with any necessary hoses, site glasses, piping, and appurtenances for loading and unloading the GAC.

d. Any water used in the transfer process shall be discharged to the point on site designated by the Owner; no discharges will be permitted without the Owner's permission.

e. The GAC Contractor will be responsible for cleanup of all GAC spills that may occur during the GAC transfer operation.

CITY OF TURLOCK
BID PROPOSAL FORM

BID NO RFP 14-305
BID DUE DATE: JANUARY 14, 2015

The City of Turlock invites sealed bids and shall be enclosed in an envelope clearly marked:

"GRANULAR ACTIVATED CARBON ADSORPTION SYSTEM"

1) **Return original bid to:**

City of Turlock
Municipal Services Department Purchasing
156 S. Broadway, Ste 270
Turlock, CA 95380-5454

2) **Price shall be F.O.B. Destination or for the service rendered.**

3) **Bidder shall honor bid prices for sixty (60) days or for the stated contract period whichever is longer.**

4) **Bid must be on this bid form and signed by vendors authorized representative.**

BIDDER TO READ

NO BID IS VALID UNLESS SIGNED BY THE PERSON MAKING THE BID AND ALL BLANKS ARE FILLED IN.

Company: CNC Environmental, LLC

Address: 409 N. Pacific Coast Hwy #333 Redondo Beach, CA 90277

Telephone Number 310-937-6011 **Fax Number** 310-943-1279

E-Mail Address C.N.C@earthlink.net

Authorized Representative (print) C Alan Cain

The undersigned, upon acceptance, agrees to furnish the following in accordance with terms and conditions per City of Turlock specifications for Granular Activated Carbon Adsorption System dated January 14, 2015, at the prices indicated herein.

BID SHEET

1) Cost for the design, fabrication and delivery of 2 skid mounted pressure vessels, including initial load of GAC Adsorption Media: $ 24,971.00

2) Type and manufacturer of new GAC Adsorption media:
CNC Environmental LLC ASME 1,000 lb liquid vessels
6-8 week lead time from receipt of order.

3) Cost to remove spend media per absorber vessel:

Cost per vessel:	$ 2,670.00
Total for 2 vessel:	$ 3,460.00
Explain:	Price Includes removal of spent carbon Fill of virgin carbon. Includes all labor, freight, equipment and disposal of Non hazardous carbon.

Name & Physical address of disposal site:
California Carbon
2525 E. Grant St.
Wilmington CA 90744

4) New Media Cost per Pound:

Pounds of Media per vessel:	1,000
Price per pound of new media:	$ 1.97/lb
Price per pound x pounds per vessel x 2 vessels =	$ 3,940.00

Total Media Cost

5) Cost for Proper Off-Site Disposal of Spent Media

Trucking costs per load	$ Included in #3
Number of Load	
Pounds per load	lbs.
Dumping tipping fees per load:	$
Total disposal costs	$

6) Carbon Removal and Replacement Total

	(2) Vessels	(1) Vessel
Item 3 Total	$ 3,460	$ 2,670
Item 4 Total	$ 3,940	$ 1,970
Item 5 Total	$ Inc	$ Inc.
Total Removal and Replacement Cost	$ 7,400.00	$ 4,640.00

7) List any extra charges not described above:
None

The following is required information. Any omission may be cause for rejection of Bid.

Early Pay Discount
A 2 % discount is offered for payment within 10 days.
(Note: Discount period must be fifteen days, or greater, to be considered.)

City of Turlock Tax Certificate
Does your firm hold a City of Turlock Business Tax Certificate? Yes (No)

If yes, number: _____

"Piggyback" Contracting
Will your firm extend the same prices, terms and conditions to other public agencies?
☒ Yes ☐ No

Order Contact
Provide the following contact information for the City's use in scheduling service or placing an order:

Name:	C. Adam Cline
Phone Number:	310-937-6011
Fax Number:	310-943-2779
Cell Number:	
Email Address:	C.N.C@earthlink.net

Delivery (if applicable)
Method of Delivery: Common Carrier Private Company Carrier
(Please circle one choice or describe alternative method)

Compliance
Bidder, have you complied with the specifications, terms and conditions of this bid?
Yes X NO_____

A "NO" answer requires a detailed explanation giving reference to all deviations.

Addendums (if applicable):
Bidder acknowledges receipt of ADDENDUM NO. 1, _____, _____
Bidder acknowledges receipt of ADDENDUM NO. _____, _____, _____

Terms
1) Prices are F.O.B. Turlock.
2) Bids shall be valid for sixty days following the bid opening. Prices for carbon removal and replacement shall be fixed for the 3-year term of the contract.

Nondiscrimination Clause

a) In connection with the execution of this agreement, CONTRACTOR shall not discriminate against any employee for applicant for employment because of age, race, religion, color, and sex or nation origin. CONTRACTOR shall take affirmative action to insure that applicants are employed, and the employees are treated during their employment, without regards to their age, race, religion, color, sex or national origin. Such actions shall

include, but not be limited to, the following: employment, promotions, demotions or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. CONTRACTOR shall also comply with requirement of Title VII of the Civil Rights Act of 1964 (P.L.88-352) and with all applicable regulations, statutes, laws, etc., promulgated pursuant to the civil rights acts of the government of the United States and the State of California now in existence or hereafter enacted. Further, CONTRACTOR shall comply with the provisions of Section 1735 of the California Labor Code.

b) Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have collective bargaining or other agreement.

c) Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.

d) Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the City upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours notice, to such of its books, records, accounts, other sources of information and its facilities as said Department of City shall require to ascertain compliance with this clause.

Non-discrimination of the Handicapped:
Policy Statement
In compliance with Section 51.55, Office of Revenue Sharing, Department of the Treasury, it is the policy of the City of Turlock that it will not aid or perpetuate discrimination against a qualified handicapped individual by funding an agency, organization, or person that discriminates on the basis of handicap in providing an aid, benefit, or service to beneficiaries of the program or activity. The City is committed to provide access to all City services, programs, and meetings open to the public for people with disabilities. In this regard, City and all of its Contractors and Subcontractors will take all reasonable steps in accordance with GRS Section 51.55 to ensure that handicapped individuals have the maximum opportunity for the same level of aid, benefit, or service as any other individual.

Transportation of Hazardous Materials:
In order to comply with the appropriate federal and state requirements applicable to the transportation and dumping of hazardous waste materials/substances, the seller, or any commercial hauling/transporting firm through the subcontractor, which the seller may obtain such services, must be licensed and registered to provide such service. All dumping facilities shall be licensed and certified to accept material being dumped. Seller hereby warrants that it or its subcontractor has obtained all necessary state and federal licenses and registrations applicable to transporters and transportation of toxic and/or hazardous materials/substances. If required to do so by CITY, seller or its subcontractor shall provide proof of said licenses and/or registrations. If required, the CITY may request proof of dumping certificate from an approved dumping facility.

Drug Free Workplace
Bidder/Contractor certifies that he/she is in compliance with Section 8350 - 8355 of Chapter 5.5 of the Government Code, Drug Free Workplace Act. Every person or organization awarded a contract/purchase order or grant for the procurement of any property or service from any state agency (city) shall certify to the contracting or granting agency that it will provide a drug free

workplace.

Offer and Acceptance
Contractor represents his acceptance to provide products and/or services as follows: City's offer to purchase products and/or services is expressly conditioned upon Seller's assent to the terms and conditions set forth in city purchase order documents, specifications, supporting data, and these articles. Contractor agrees that Contractor's order Acknowledgment terms and conditions received prior to, during, or after order placement by City's Purchasing Officer or his designated agent and issued to Contractor constitutes written notification to Contractor of City's rejection of any and all of Contractor order Acknowledgments, counter offers and change to the City's terms and conditions.

(If applicable)
Contractor's License No._____ Expiration Date: _____
Contractor certifies by signature below that the information furnished herein is true and accurate, that applicable certifications have been complied with, and that representations are made under penalty of perjury. Any bid submitted without the above information, or a bid containing information, which is subsequently proven false, shall be considered non-responsive and shall be rejected.

The undersigned recognizes the right of the City of Turlock to reject any or all bids received and to waive any informality or minor defects in bids received.

CNC Environmental, LLC
Company Name

Signature of Authorized Representative

80-0476911
Federal Tax ID Number

Failure to clearly mark the original and provide original signature may result in a proposal being found non-responsive and given no consideration.

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TURLOCK
MUNICIPAL SERVICES PURCHASING DIVISION
156 S. BROADWAY, SUITE 270
TURLOCK, CA 95380-5454
(209) 668-5599 EXT. 4406

REQUEST FOR PROPOSAL NO 14-305
RFP AMENDMENT NO. 1

RFP DUE DATE: JANUARY 14, 2015, AT 3:00 LOCAL CALIFORNIA TIME
RESPONSIBLE CONTRACT OFFICER: BETTY GONZALEZ

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

GRANULAR ACTIVATED CARBON ADSORPTION SYSTEM

All bidders must submit their bid proposal on or before January 14, 2015, at 3:00 p.m. Local California time, due to clarification in the specifications, as follows:

1) Specific specifications are required for the "Pressure Relief Value":

   a) To be ASME rated with relief pressure of 70 psig.

   b) It should be Watts Series 174A or Equal.

All other provisions of the Request for Proposal shall remain in their entirety. Vendor hereby acknowledges receipt and understanding of the above amendment.

C. [signature] 1/12/15
Signature Date

CNC Environmental LLC
Company Name

C. Adam Cline President
Type Name & Title

409 N. Pacific Coast Hwy. #333
Address

c.n.c@earthlink.net
E-mail address

Redondo CA 90277
City State Zip

EXHIBIT 'G'

CITY OF TURLOCK
REQUEST FOR PROPOSAL AND SPECIFICATIONS 14-293
GRANULAR ACTIVATED CARBON ADSORPTION SYSTEM

PARTICIPATION

BIDDER TO COMPLETE THE FOLLOWING:

City of Turlock is requesting that you indicate on this form, Exhibit G, if your company will extend the pricing, terms and conditions of this bid to other government agencies, if the vendor is the successful vendor. If the successful vendor agrees to this provision, to other supported agencies co-op (piggyback) may enter into a contract with the successful vendor for the services described herein based on the terms, conditions, prices, and percentages offered by the successful vendor to the City of Turlock for this bid.

Any agency choosing to avail itself of this opportunity, will make purchases in their own name, make payment directly to the contractor, be liable to the contractor and vice versa, per the term of the original contract, all the while holding he City of Turlock harmless. If awarded this contract, please indicate whether you would extend the same terms and conditions to all tax supported agencies as you are proposing to extend to the City of Turlock.

[X] Yes, we will extend contract terms and conditions to all qualified agencies within the San Joaquin Valley Purchasing Group and other tax-supported agencies.

[ ] No, we will not extend contract terms to any agency other than the City of Turlock.

(Authorized Signature)

President

Title

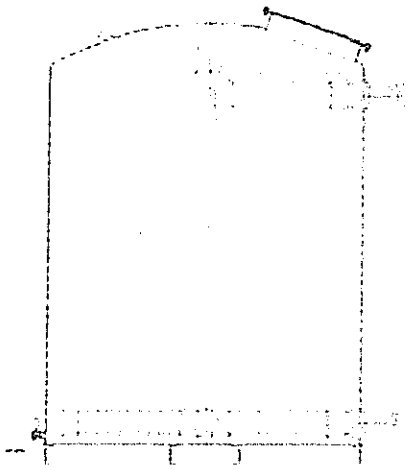
CNC

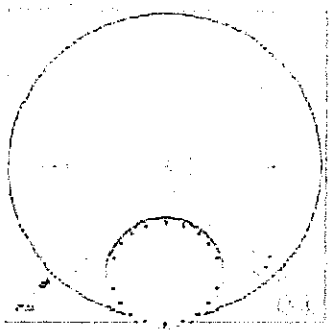
INFORMATION SHEET

CNC Liquid L Series Adsorption Vessels

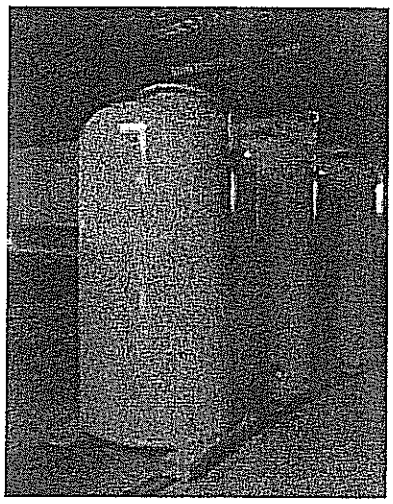
CNC Liquid L series adsorption vessels are designed to treat liquid streams in a wide variety of adsorption applications. The modular design allows the units to easily fit into a wide variety of installations. Vessels are code designed for pressure, up to 75 PSI in operation and temperatures up to 150°F. Standard features include steel construction with epoxy internal coating, efficient internal distributor array, forklift skid, and lifting eyes. NSF Lining also available.

A wide variety of options and contact media are available. Lease pricing is available upon request.





A - Inlet (typical)
B - Outlet (typical)



CSI L - Model	CSI/L 500	CSI/L 1000	CSI/L 2000	CSI/L 3000	CSI/L 5000	CSI/V 10000
Estimate Overall Height	5'3"	6'5"	7'7"	8'1"	9'0"	9'4"
Diameter	36"	36"	48"	60"	72"	96"
Process Connection	4" FNPT	4" FNPT	4" FNPT	4" FNPT	6" FNPT	6" FNPT
Typical GAC Fill	500 lb	1,000 lb	2,000 lb	3,000 lb	5,000 lb	10,000 lb
Shipping Weight (empty)	375 lb	750 lb	1,500 lb	1,900 lb	2,800 lb	4,150 lb
Operational MAX Weight**	1,125 lb	2,000 lb	3,925 lb	5,875 lb	9,800 lb	18,150 lb
Bed Cross Sectional Area	4.9 ft^2	7 ft^2	12.5 ft^2	19.5 ft^2	28 ft^2	50 ft^2
	18 ft^3	36 ft^3	70 ft^3	100 ft^3	175 ft^3	360 ft^3
Minimum Flow Rate*	5 GPM	8 GPM	10 GPM	20 GPM	28 GPM	50 GPM
Maximum Flow*	30 GPM	50 GPM	100 GPM	150 GPM	200 GPM	350 GPM

*Flow rate recommendations may vary with treatment goals.
**Operational weight is estimated only based on 50% loading capacity for granular activated carbon; loading capacities may vary.

CNC Redondo Beach, CA 90277
Telephone +1 310-937-6012 • FAX +1 310-943-2779
www.cncenvironmental.com

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROPRIATING $20,000 TO ACCOUNT 420-52-550-43504 "PCE MONITORING AND REMEDIATION" TO BE FUNDED BY REVENUE RECEIVED IN ACCOUNT 420-52-550-35507 "PCE RECOVERY" FROM AN AWARD OF FUNDS FROM THE CLEANUP AND ABATEMENT ACCOUNT BY THE STATE WATER RESOURCES CONTROL BOARD FOR THE PURPOSE OF PCE REMEDIATION SYSTEM OPTIMIZATION AND GROUNDWATER MONITORING AND REPORTING IN DOWNTOWN TURLOCK	}	**RESOLUTION NO. 2015-**

WHEREAS, Perchloroethylene (PCE), a volatile organic compound, is a solvent that is used in the dry cleaning process; and

WHEREAS, since 1994 the City of Turlock has been addressing a plume of PCE contamination in the groundwater in the Downtown area and entered into a Settlement Agreement with the Regional Water Quality Control Board (RWQCB) to resolve the issue without resort to litigation; and

WHEREAS, the Settlement Agreement stipulated that the City must pursue investigation and remediation of the PCE contamination and in return the RWQCB would obtain funding for the work; and

WHEREAS, in 2011 the City installed a pump and treat system to proactively remediate the PCE-contaminated groundwater; and

WHEREAS, the remediation system has been very successful and the State Water Resources Control Board (SWRCB) has appropriated additional funding to determine whether the remediation system can be optimized to increase the rate of PCE removal; and

WHEREAS, CNC Environmental, LLC will provide materials and testing of a complete pre-engineered Granular Activated Carbon Adsorption System (CACAS) for the removal of perchloroethylene (PCE) from groundwater; and

WHEREAS, CNC Environmental, LLC is a qualified company with years of experience to undertake this specialized project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby appropriate $20,000 to account 420-52-550-43504 “PCE Monitoring and Remediation” to be funded by revenue received in account 420-52-550-35507 “PCE Recovery” from an award of funds from the Cleanup and Abatement Account by the State Water Resources Control Board for the purpose of PCE Remediation System Optimization and Groundwater Monitoring and Reporting in Downtown Turlock.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 24th day of February, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver, City Clerk,
City of Turlock, County of Stanislaus,
State of California

59

Council Synopsis

February 24, 2015

From: Michael Cooke, Municipal Services Director

Prepared by: Betty Gonzalez / Presented by: Michael Cooke

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Motion: Approving an amendment to Contract No. 11-929, regarding a name change from Terra Renewal West, LLC to Denali Water Solutions of Russellville, AR

2. DISCUSSION OF ISSUE:

On July 12, 2011, the City Council approved Contract No. 11-929 with Terra Renewal West LLC of Richardson, TX, for the reuse and disposal of biosolids for the Turlock Regional Water Quality Control Facility, for a period of five (5) years.

The City recently received correspondence from Denali Water Solution advising that Terra Renewal has formally changed their name to Denali Water Solutions and requesting that the contract or business relations be updated to reflect the name change. The company's federal tax ID, DOT number, insurance documents, etc., will remain the same and in effect under the company's former name; however, updated documents can be provided with the new name upon request.

3. BASIS FOR RECOMMENDATION:

A) Staff recommends the amendment to Contract No.11-929, regarding a name change from Terra Renewal West, LLC to Denali Water Solutions of Russellville, AR.

Strategic Plan Initiative:

Not specifically identified within the City Strategic Plan as this item pertains to the ongoing operation and overall maintenance of City facilities, equipment or infrastructure.

4. FISCAL IMPACT / BUDGET AMENDMENT:

This report will have no financial impact beyond what has already been approved in the current year's budget.

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

N/A

7. ALTERNATIVES:

A). Do not approve the amendment to the agreement. This alternative is not recommended, this process is not a change in ownership or structure but merely an attempt to simplify their legal structure for tax and operational purposes.

AMENDMENT NO 1
PROVIDING FOR A NAME CHANGE FOR CONTRACT NO. 11-929
to
Agreement between
CITY OF TURLOCK
and
DENALI WATER SOLUTIONS, LLC

THIS AMENDMENT to Contract No. 11-929 is made this 24TH day of February, 2015 between the **CITY OF TURLOCK**, a municipal corporation of the State of California hereinafter referred to as "**CITY**" and **DENAIL WATER SOLUTIONS, LLC** an Arkansas Limited Liability Company, hereinafter referred to as **"CONTRACTOR."**

WHEREAS, CONTRACTOR initiated a corporate name change from Terra Renewal West, LLC to Denali Water Solutions, LLC; and

WHEREAS, all other corporate identifying information such as address, corporate structure and federal tax identification number remain the same.

NOW, THEREFORE, the parties hereto mutually agree to amend the aforementioned agreement to acknowledge the corporate name change as follows:

1) In accordance with this revision, the parties agree that the agreement shall between the City and Denali Water Solutions, LLC.

2) Notice required by Section 33 shall be as follows:

   For Contractor: Denali Water Solutions, LLC
   PO Box 3036
   Russellville, AR 72811

3) Any terms used in the Amendment shall have the same meanings and definitions as they have in the Agreement.

4) All other provisions of the Agreement not in conflict with this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by and through their respective officers' thereunto duly authorized on the date first written hereinabove.

OK for Agenda

CITY OF TURLOCK, a municipal corporation

By: _____
Roy W. Wasden, City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
Phaedra A. Norton, City Attorney

ATTEST:

By: _____
Kellie E. Weaver, City Clerk

DENALI WATER SOLUTIONS

By: _____

Title: _____

Print name: _____

Date: _____

Denali Water Solutions
201 South Denver Avenue
Russellville, AR 72801

November 25, 2014

Water Quality Division Manager
City of Turlock
156 South Broadway, Suite 270
Turlock, CA 95380

Re: Fleet, Solid Solutions and Terra Renewal are formally changing their name to Denali Water Solutions

Dear Valued Customer:

We have been servicing California and Arizona municipalities providing biosolids and wastewater residual collection, hauling and disposal solutions for many years.

Originally our brand was Fleet or Solid Solutions and later it became Terra Renewal; in 2013. We sold a portion of our business servicing restaurants and this sale included the use of the name Terra Renewal. Since that time we have been doing business as (DBA) Denali Water Solutions under our many different legal entities. These entities have included TRS Enviroganics, Inc., Terra Renewal LLC, Terra Renewal West LLC, Terra Renewal Services, Inc. and Terra Soil Farming. Effective November 3rd we have formally changed the legal entity of Terra Renewal West LLC to Denali Water Solutions and **formally request that our contract or business relations be assigned or administratively changed to Denali Water Solutions.**

Denali Water Solutions
PO Box 3036
Russellville, AR 72811

This process is not a change in ownership or structure but merely our attempt to simplify our legal structure for tax and operational purposes. For context, our federal tax id, DOT number, insurance, etc all remains the same and in place. Our insurance certificates remain in effect under the company's former name, and can be provided under the new name upon request.

For the folks we interact with each day the name change is surely anticipated as we have rarely used the other brand names in over a year. We stand ready to provide you any relevant information necessary. Thank you in advance and we sincerely appreciate your business.

Regards,

Jeff Thurber
General Manager, Western Region
Denali Water Solutions LLC (fka Terra Renewal)
jeff.thurber@denaliwater.com

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Council Synopsis

February 24, 2015

From: Michael Cooke, Municipal Services Director

Prepared by: Wayne Clay, WQC Division Manager

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Motion: Approving an agreement with Condor Earth Technologies, Inc. to provide Environmental Consulting Services to assist with a three (3) Year Compliance Audit for the California Accidental Release Prevention (CalARP) Program for the Chlorine Facility at the City of Turlock Regional Water Quality Control Facility in an amount not to exceed $6,820 from Fund 410-51-530.43336 "CalARP Compliance Audit"

2. DISCUSSION OF ISSUE:

This item came before Council on January 13, 2015. Upon approval, the agreement was mailed to Condor Earth Technologies (Consultant) for signature. At that time, the Consultant requested changes to Section 6(c), Deductibles and Self Insured Retentions and Section 7, Indemnification. The requested changes have been approved by the City Attorney and the Central San Joaquin Valley Risk Management Authority (CSJVRMA) and incorporated into the new agreement brought before Council today.

The Turlock Regional Water Quality Control Facility stores and uses a significant amount of chlorine which is considered a hazardous material. Therefore, both state and federal law require the facility to develop a California Accidental Release Program (CalARP) to include: a Risk Management Plan (RMP), a hazard assessment with worst case release and alternate release scenarios as well as off-site impacts, a five year accident history, a Process Hazard Analysis (PHA), an Emergency Response Plan (ERP), operating procedures, data elements (mitigation recommendations), and a Certification. The Plan must be updated every five (5) years or within six (6) months of a major change.

California Code of Regulations: Title 19, Division 2, Chapter 4.5, Article 6, Section 2760.8, paragraph (a) requires a Compliance Audit at least every three (3) years. The last Compliance Audit was completed August 5, 2011.

An update/revalidation of the plan was submitted in 2013 and a 3-Year Compliance Audit is now required. Condor Earth Technologies has submitted a

proposal for this work (Exhibit A); seeking compensation in the amount of $6,200.00 for this service.

3. BASIS FOR RECOMMENDATION:

A) City Council approval is required for all Professional Services Agreements.

B) The City is required to complete a 3-Year Compliance Audit as mandated by county, state, and federal laws.

C) Condor Earth Technologies Inc. prepared the initial CalARP document for the City of Turlock Regional Water Quality Control Facility in June of 1999, a Plan Update in 2008, a 3-Year Compliance Audit in 2011, and the latest Plan Update in 2013. Condor Earth is duly qualified to perform work.

Strategic Plan Initiative:

Not specifically identified within the City Strategic Plan as this item pertains to the ongoing operation and overall maintenance of City facilities, equipment or infrastructure.

4. FISCAL IMPACT / BUDGET AMENDMENT:

Fiscal Impact:
$6,820.00 from Fund 410-51-530.4333 "CalARP Compliance Audit."
(Includes 10% contingency)

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

N/A

7. ALTERNATIVES:

A). Do not approve the agreement with Condor Earth Technologies, Inc. Staff does not recommend this alternative. The 3-Year Compliance Audit is a county, state, and federal requirement.

AGREEMENT FOR SPECIAL SERVICES
between
CITY OF TURLOCK
and
CONDOR EARTH TECHNOLOGIES, INC
for
Consulting Services to assist with a 3-Year Compliance Audit for the CalARP Program
CITY CONTRACT NO. 15-009

THIS AGREEMENT is made this 24th day of February, 2015, by and between the **CITY OF TURLOCK**, a municipal corporation of the State of California hereinafter referred to as "CITY" and **CONDOR EARTH TECHNOLOGIES, INC**, hereinafter referred to as "CONSULTANT."

W I T N E S S E T H:

WHEREAS, in accordance with California Government Code §37103, CITY has a need for consulting services to assist with a 3-Year Compliance Audit for the California Accidental Release Prevention (CalARP) Program for the Chlorine Facility at the Turlock Regional Water Quality Control Facility; and

WHEREAS, CONSULTANT has represented itself as duly trained, qualified, and experienced to provide such special service, hereinafter referred to as "Services."

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. **SCOPE OF WORK:** CONSULTANT shall furnish all labor, equipment, materials and process, implements, tools, and machinery, except as otherwise specified, which are necessary and required to provide the Services and shall perform such special services in accordance with the standards of its profession and the specifications attached hereto as Exhibit A. CONSULTANT shall provide Services that are acceptable to CITY.

2. **PERSONNEL AND EQUIPMENT:** CONSULTANT shall provide all personnel needed to accomplish the Services hereunder. CONSULTANT shall additionally acquire, provide, maintain, and repair, at its sole cost and expense, such equipment, materials, and supplies as CONSULTANT shall reasonably require to accomplish said Services.

3. **SAFETY REQUIREMENT:** All Services and merchandise must comply with California State Division of Industrial Safety orders and O.S.H.A.

OK for Agenda

4. COMPENSATION: CITY agrees to pay CONSULTANT in accordance with Exhibit A as full remuneration for performing all Services and furnishing all staffing and materials called for in Exhibit A and for performance by CONSULTANT of all of its duties and obligations under this Agreement. In no event shall the sum of this Agreement exceed Six Thousand Eight Hundred Twenty and No/100^{ths} Dollars ($6,820.00). CONSULTANT agrees that compensation shall be paid in the manner and at the times set forth below:

(a) Invoices: CONSULTANT shall submit dated invoices to CITY specifying the date, location and service rendered, and the charge therefor.

(b) Payment:

(1) All payments by CITY shall be made in arrears, after satisfactory service, as determined and approved by CITY, has been provided. Payment shall be made by CITY no more than thirty (30) days from CITY's receipt of invoice.

(2) CITY shall normally pay by voucher or check within ten (10) working days after each meeting at which payments can be authorized, provided that CITY receives the invoice at least five (5) working days prior to CITY's meeting date.

(3) If CITY disputes any items on an invoice for a reasonable cause, which includes but is not limited to unsatisfactory service, CITY may deduct that disputed item from the payment, but shall not delay payment for the undisputed portions. The amounts and reasons for such deletions shall be documented to CONSULTANT within fifteen (15) working days after receipt of invoice by CITY. CITY shall assign a sequential reference number to each deletion.

(4) If dispute is settled, payment shall be by voucher or check payable to and mailed to CONSULTANT within five (5) working days of dispute settlement.

(5) CITY reserves the right to only pay for such services rendered to the satisfaction of CITY.

5. TERM OF AGREEMENT: This Agreement shall become effective upon execution and shall continue in full force and effect for a period of three months (3) beginning March 1, 2015 and ending May 31, 2015, subject to CITY's availability of funds.

6. INSURANCE: CONSULTANT shall not commence work under this Agreement until CONSULTANT has obtained CITY's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall CONSULTANT allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. CONSULTANT shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of contract.

(a) Minimum Scope of Insurance: Coverage shall be at least as broad as:

(1) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01) with an additional insured endorsement (form CG 20 10 for ongoing operations and 20 37 for products/completed operations), to be approved by the City of Turlock.

(2) Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto).

(3) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(4) Errors and Omissions/Professional Liability Insurance.

(b) Minimum Limits of Insurance: CONSULTANT shall maintain limits no less than:

(1) General Liability (including operations, products and completed operations): $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

(2) Automobile Liability: $1,000,000 per occurrence for bodily injury and property damage.

(3) Workers' Compensation: as statutorily required by the State of California. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

(4) Errors and Omissions/Professional Liability: $1,000,000 per claim.

(c) Deductibles and Self-Insured Retentions: Upon request of CITY, any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY, its elective and appointive boards, officers, agents, employees, and volunteers; or (2) CONSULTANT shall provide a financial guarantee satisfactory to CITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(d) Other Insurance Provisions: The commercial general liability policy shall contain, or be endorsed to contain, the following provisions:

(1) CITY, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of CONSULTANT, including materials, parts or equipment furnished in connection with such work or operations, which coverage shall be maintained in effect for at least three (3) years following the completion of the work specified in the contract. General liability coverage can be provided in the form of an endorsement to CONSULTANT's insurance (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed operations), or as a separate Owners and Contractors Protective Liability policy providing both ongoing operations and completed operations coverage.

(2) For any claims related to this project, CONSULTANT's insurance coverage shall be primary insurance as respects CITY and any insurance or self-insurance maintained by CITY shall be excess of CONSULTANT's insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to CITY under this Agreement, the insurer,

broker/producer, or CONSULTANT shall provide CITY with thirty (30) days' prior written notice of such cancellation, non-renewal, or material change.

(4) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(e) Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

(f) Verification of Coverage: CONSULTANT shall furnish CITY with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by CITY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive CONSULTANT'S obligation to provide them. CITY reserves the right, at any time, to require complete, certified copies of all required insurance policies and endorsements.

(g) Waiver of Subrogation: With the exception of professional liability, CONSULTANT hereby agrees to waive subrogation which any insurer of CONSULTANT may acquire from CONSULTANT by virtue of the payment of any loss. The commercial general liability policy and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of CITY for all work performed by CONSULTANT, its agents, employees, independent contractors and subcontractors. CONSULTANT agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

(h) Subcontractors: CONSULTANT shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

7. INDEMNIFICATION: CONSULTANT shall indemnify, defend, and hold harmless CITY and its elective and appointive boards, officers, agents, employees, and volunteers from and against any and all claim, demand, cost, or liability that arises out of, pertains to, or relates to, the negligence, recklessness, or willful misconduct of CONSULTANT and its employees or agents in the performance of services under this contract, but this indemnity does not apply to liability for damages arising from the sole negligence, active negligence, or willful misconduct of CITY.

8. INDEPENDENT CONTRACTOR RELATIONSHIP: All acts of CONSULTANT, its agents, officers, and employees and all others acting on behalf of CONSULTANT relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers, or employees of CITY. CONSULTANT, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of CITY. CONSULTANT has no authority or responsibility to exercise any rights or power vested in the CITY. No agent, officer, or employee of the CITY is to be considered an employee of CONSULTANT. It is understood by both CONSULTANT and CITY that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

CONSULTANT, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of CITY.

CONSULTANT shall determine the method, details and means of performing the work and services to be provided by CONSULTANT under this Agreement. CONSULTANT shall be responsible to CITY only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to CITY's control with respect to the physical action or activities of the CONSULTANT in fulfillment of this Agreement. CONSULTANT has control over the manner and means of performing the services under this Agreement. CONSULTANT is permitted to provide services to others during the same period service is provided to CITY under this Agreement. If necessary, CONSULTANT has the responsibility for employing other persons or firms to assist CONSULTANT in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by CONSULTANT, such persons shall be entirely and exclusively under the direction, supervision, and control of CONSULTANT. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the CONSULTANT.

It is understood and agreed that as an independent contractor and not an employee of CITY neither the CONSULTANT or CONSULTANT'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of the CITY in any capacity whatsoever as an agent, or to bind the CITY to any obligation whatsoever.

It is further understood and agreed that CONSULTANT must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of CONSULTANT'S personnel.

As an independent contractor, CONSULTANT hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

9. VOLUNTARY TERMINATION: CITY may terminate this Agreement without cause or legal excuse by providing thirty (30) days' written notice to CONSULTANT.

10. TERMINATION OF STATED EVENT:

(a) Termination on Occurrence of Stated Events. This Agreement shall terminate automatically on the date on which any of the following events occur: (1) bankruptcy or insolvency of CONSULTANT, (2) legal dissolution of CONSULTANT, or (3) death of key principal(s) of CONSULTANT.

(b) Termination by CITY for Default of CONSULTANT. Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, at its option CITY may terminate this Agreement by giving written notification to CONSULTANT. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to perform required services or duties, willful destruction of CITY's property by CONSULTANT, dishonesty or theft.

(c) Termination by CONSULTANT for Default of CITY. Should CITY default in the performance of this Agreement or materially breach any of its provisions, at its option CONSULTANT may terminate this Agreement by giving written notice to CITY. The termination

date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to cooperate reasonably with CONSULTANT, willful destruction of CONSULTANT's property by CITY, dishonesty or theft.

(d) Termination for Failure to Make Agreed-Upon Payments. Should CITY fail to pay CONSULTANT all or any part of the payments set forth in this Agreement on the date due, at its option CONSULTANT may terminate this Agreement if the failure is not remedied within thirty (30) days after CONSULTANT notifies CITY in writing of such failure to pay. The termination date shall be the effective date of the notice.

(e) Termination by CITY for Change of CONSULTANT'S Tax Status. If CITY determines that CONSULTANT does not meet the requirements of federal and state tax laws for independent contractor status, CITY may terminate this Agreement by giving written notice to CONSULTANT. The termination date shall be the effective date of the notice.

(f) In the Event of Termination. If this Agreement is terminated pursuant to this Paragraph, CONSULTANT shall cease all its work on the project as of the termination date and shall see to it that its employees, subcontractors and agents are notified of such termination and cease their work. If CITY so requests, and at CITY's cost, CONSULTANT shall provide sufficient oral or written status reports to make CITY reasonably aware of the status of CONSULTANT'S work on the project. Further, if CITY so requests, and at CITY's cost, CONSULTANT shall deliver to CITY any work products whether in draft or final form which have been produced to date.

If the Agreement is terminated pursuant to any of the subsections contained in this paragraph, CITY will pay CONSULTANT an amount based on the percentage of work completed on the termination date, this percentage shall be determined by CITY in its sole discretion. If the Agreement is terminated pursuant to the subparagraph entitled Termination by CITY for Default of CONSULTANT, CONSULTANT understands and agrees that CITY may, in CITY's sole discretion, refuse to pay CONSULTANT for that portion of CONSULTANT'S services which were performed by CONSULTANT on the project prior to the termination date and which remain unacceptable and/or not useful to CITY as of the termination date.

11. CONFORMANCE WITH FEDERAL AND STATE LAW: All equipment, supplies and services used by CONSULTANT in the performance of this Agreement shall conform to the laws of the government of the United States and the State of California.

12. NONDISCRIMINATION: In connection with the execution of this Agreement, CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race religion, color, sex, or national origin. CONSULTANT shall take affirmative action to insure that applicants are employed, and the employees are treated during their employment, without regard to their age, race, religion, color, sex or national origin. Such actions shall include, but not be limited to, the following: employment, promotions, demotions or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. CONSULTANT shall also comply with the requirement of Title VII of the Civil Rights Act of 1964 (P.L. 88-352) and with all applicable regulations, statutes, laws, etc., promulgated pursuant to the civil rights acts of the government of the United States and the State of California now in existence or hereafter enacted. Further, CONSULTANT shall comply with the provisions of Section 1735 of the California Labor Code.

13. TIME: Time is of the essence in this Agreement.

14. ENTIRE AGREEMENT AND MODIFICATION: This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. CONSULTANT shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. CONSULTANT specifically acknowledges that in entering into and executing this Agreement, CONSULTANT relies solely upon the provisions contained in this Agreement and no others.

15. OBLIGATIONS OF CONSULTANT: Throughout the term of this Agreement, CONSULTANT shall possess, or secure all licenses, permits, qualifications and approvals legally required to conduct business. CONSULTANT warrants that it has all of the necessary professional capabilities and experience, as well as all tools, instrumentalities, facilities and other resources necessary to provide the CITY with the services contemplated by this Agreement. CONSULTANT further represents that it will follow the best current, generally accepted and professional practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding this project.

16. OWNERSHIP OF DOCUMENTS: All reports, data, drawings, plans, designs, specifications, graphics, calculations, working papers, models, flow diagrams, visual aids, and other incidental work or materials furnished hereunder shall become and remain the property of the CITY, and may be used by CITY as it may require without any additional cost to CITY. No reports shall be used by the CONSULTANT for purposes other than this contract without the express prior written consent of CITY.

17. NEWS AND INFORMATION RELEASE: CONSULTANT agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from CITY through the City Manager.

18. INTEREST OF CONSULTANT: CONSULTANT warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONSULTANT warrants that, in performance of this Agreement, CONSULTANT shall not employ any person having any such interest. CONSULTANT agrees to file a Statement of Economic Interests with the City Clerk at the start and end of this contract if so required at the option of CITY.

19. AMENDMENTS: Both parties to this Agreement understand that it may become desirable or necessary during the execution of this Agreement, for CITY or CONSULTANT 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 the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work.

Until a change order is so executed, CITY will not be responsible to pay any charges CONSULTANT may incur in performing such additional services, and CONSULTANT shall not be required to perform any such additional services.

20. PATENT/COPYRIGHT MATERIALS: Unless otherwise expressly provided in the contract, CONSULTANT shall be solely responsible for obtaining the right to use any patented or copyrighted materials in the performance of this Agreement. CONSULTANT shall furnish a warranty of such right to use to CITY at the request of CITY.

21. CERTIFIED PAYROLL REQUIREMENT: For CONSULTANTS performing field work on public works contracts on which prevailing wages are required, CONSULTANT shall comply with the provisions of Section 1776 of the California Labor Code, regarding payroll records, and shall require its subconsultants and subcontractors to comply with that section as may be required by law.

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

23. WAIVER: The waiver by any party to this Agreement of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

24. AUDIT: CITY's duly authorized representative shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify CONSULTANT'S charges to CITY under this Agreement.

CONSULTANT agrees to retain reports, records, documents, and files related to charges under this Agreement for a period of four (4) years following the date of final payment for CONSULTANT services. CITY's representative shall have the right to reproduce any of the aforesaid documents.

25. GOVERNING LAW: This Agreement shall be governed according to the laws of the State of California.

26. HEADINGS NOT CONTROLLING: Headings used in the Agreement are for reference purposes only and shall not be considered in construing this Agreement.

27. COMPLIANCE WITH LAWS: CONSULTANT shall insure compliance with all safety and hourly requirements for employees, in accordance with federal, state, and county safety and health regulations and laws. CONSULTANT shall fully comply with all applicable federal, state, and local laws, ordinances, regulations and permits.

28. CITY BUSINESS LICENSE: CONSULTANT will have a City of Turlock business license.

29. ASSIGNMENT: This Agreement is binding upon CITY and CONSULTANT and their successors. Except as otherwise provided herein, neither CITY nor CONSULTANT shall assign, sublet, or transfer interest in this Agreement or any part thereof without the prior written consent of the other.

30. RECORD INSPECTION AND AUDIT: CONSULTANT shall maintain adequate records to permit inspection and audit of CONSULTANT's time and material charges under this Agreement. CONSULTANT shall make such records available to CITY during normal business hours upon reasonable notice. Such records shall be turned over to CITY upon request.

31. EXCLUSIVE USE: Services provided within the scope of this Agreement are for the exclusive use of CITY and CONSULTANT agrees that, until final approval by CITY, all data, plans, specifications, reports, and other documents will not be released to third parties by CONSULTANT without the prior written consent of CITY.

32. EMPLOYMENT OF CITY OFFICIAL OR EMPLOYEE: CONSULTANT shall employ no CITY official or employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of California Government Code Sections 1090 *et seq.*; nor shall CITY violate any provision of its Conflict of Interest Code adopted pursuant to the provisions of California Government Code Sections 87300 *et seq.*

33. NOTICE: Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail, if delivery is by postage paid, registered, or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time:

for CONSULTANT: **CONDOR EARTH TECHNOLOGIES, INC**
ATTN: CARTER REDDING
210 ESTATES DR., SUITE 208
ROSEVILLE, CA 95678
PHONE: (916) 783-2060
FAX: (916) 783-2464

for CITY: **CITY OF TURLOCK**
ATTN: MICHAEL COOKE
MUNICIPAL SERVICES DEPT
156 SOUTH BROADWAY, SUITE 270
TURLOCK, CALIFORNIA 95380-5454
PHONE: (209) 668-5599 Ext. 4418
FAX: (209) 668-5695

CITY OF TURLOCK, a municipal corporation

By: _____
Roy W. Wasden, City Manager

Date: _____

APPROVED AS TO SUFFICIENCY:

By: _____
Michael Cooke, Municipal Services Director

APPROVED AS TO FORM:

By: _____
Phaedra A. Norton, City Attorney

ATTEST:

By: _____
Kellie E. Weaver, City Clerk

Condor Earth Technologies, consultant

By: _____

Title: _____

Print name: _____

Date: _____

EXHIBIT A.

CONDOR EARTH TECHNOLOGIES, INC.
210 Estates Drive, Suite 208
Roseville, CA 95678
Phone 916.783.2060
Fax 916.783.2464
www.condorearth.com

November 19, 2014

Mr. Wayne Clay
Water Quality Control Division Manager
City of Turlock
901 South Walnut Road
Turlock, CA 95380-5123

Subject: RMP/PSM/CalARP Compliance Support for Turlock Regional Water Quality Control Facility

Dear Mr. Clay:

Thank you for contacting Condor Earth Technologies, Inc. (Condor) in regard to assistance with responding to an inspection of the City of Turlock Regional Water Quality Control Facility (TRWQCF) California Accidental Release Prevention (CalARP) Risk Management Program (RMP) by the Stanislaus County Department of Environmental Resources (DER) at your facility conducted by Mr. Alvin Lal. In a conversation with Mr. Lal after his inspection, he outlined the following changes he thought needed to be made to the RMP program:

- Changes made to the RMP documentation by Condor
  - Adding Consequences of Deviation to the text of the RMP
  - Correcting typos involving the date of the previous PHA
  - Producing an updated response schedule for the 2013 PHA Revalidation
- Changes made by the facility and previously discussed with you
  - Add Evacuation Map to Emergency Action Plan
  - Add telephone contact numbers to the Plan that Mr. Lal will supply
  - Documenting Daily Walkthrough Inspections
  - Documenting Monthly SCBA Inspections
  - Developing a specific binder for Standard Operating Procedures (SOPs) relating to the chlorine facility (called Attachment 2 in the RMP text)
  - Locating the Attachment 3 (Prevention Programs) binder mentioned in the RMP text

Mr. Lal also stated that he would like Condor participation at a review of the SOP and Prevention Program binders at the facility at a date to be set later. He also noted that the facility was due for a 3-Year Compliance Audit in August of 2014.

Condor recognizes that the first two items requested by Mr. Lal regarding changes to the RMP documentation are the responsibility of Condor and will be handled by Condor at no cost to TRWQCF. The changes have been made and a revised RMP program will be delivered to TRWQCF on or before the SOP and Prevention Program binder review takes place. This proposal covers the other items mentioned by Mr.Lal.

Condor proposes to address the above list of items in three phases:

Phase 1 – SOP and Prevention Program Document Review

Condor will participate in a review of the named documentation at the TRWQCF facility at a date to be determined. The review is estimated to last 3 hours and 3 hours of travel will be needed. The estimated cost for this phase is $1,000.00

Phase 2 – Existing Document Revisions

Condor will assist TRWQCF in revising the documentation reviewed in Phase 1 to meet the requests of Mr. Lal. In addition, the production of the updated PHA Response Table, which has already begun, will be completed in this phase. The estimated cost of this phase is $1,200.00

Phase 3 – 3-Year Compliance Audit

Condor will conduct a 3-Year Compliance Audit of the TRWQCF RMP program using a checklist provided by Stanislaus County DER. The Audit will be conducted by someone with experience in the CalARP regulations. Some of the Audit will take place at the Condor office, but there will be a 4 to 6 hour examination of records at TRWQCF. Short interviews will be held with available employees regarding their knowledge of the RMP program. A report containing a narrative of the audit and recommendations for improvement will be provided approximately 30 days after the audit visit. The estimated cost of this phase is $4,000.00.

If these tasks are acceptable to you, please sign and date both of the attached Work Order and Terms for Environmental Consulting Services and fax or mail one signed copy to Condor. Work will begin within 2 weeks of receipt of the signed Work Order, or at a time mutually agreed upon. If you have questions or comments about this Proposal please call Robert Sherry at 209.532.0361 X 2049.

Sincerely,

CONDOR EARTH TECHNOLOGIES, INC.

Robert Sherry
Process Safety Management Specialist

Carter Redding
Division Manager, Industrial
Compliance Services

Enclosures:

Work Order and Terms for Environmental Consulting Services
Schedule of Fees

X:\Project\6000_prj\6942 TRWQCF Audit assistance\Contracts_Proposals_CE\P 20141119 TRWQCF Audit Assistance.docx

CONDOR

CONDOR EARTH TECHNOLOGIES, INC.
SCHEDULE OF FEES

STAFF MEMBER	RATE PER HOUR ($)
PRINCIPALS/PROJECT MANAGEMENT	
Senior Principal	190.00
Principal Engineer/Geologist	175.00
Project Director	150.00
Project/Senior Manager	140.00
TECHNICAL	
Specialty Consultants	125.00 – 250.00
Senior Tunneling Consultant	190.00
Senior Hazardous Materials Specialist	175.00
Senior Process Safety Management Specialist	165.00
Senior Geotechnical Engineer	160.00
Registered Geotechnical Engineer	150.00
Certified Hydrogeologist/Engineering Geologist	150.00
Senior Geologist/Engineer/Planner/Environmental Specialist	145.00
Process Safety Management Specialist	135.00
Systems Integration Specialist	135.00
Associate Geologist/Engineer/Planner/Environmental Specialist	115.00
Staff Tunnel Engineer	110.00
Health and Safety Specialist	110.00
Staff Geologist/Engineer/Planner/Environmental Specialist	100.00
Engineering Assistant	90.00
Senior Technician	80.00
Technician	70.00
GIS	
Software Specialist	140.00
GIS Administrator	130.00
GIS Programmer/Analyst	110.00
GIS Technician	70.00
MATERIALS TESTING	
MTSI Project/Laboratory Manager	95.00
DSA Certified Inspector	90.00
Certified Welding Inspector	85.00
Welding Inspector	80.00
Senior Special Inspector	80.00
Special Inspector	75.00
Senior Materials Technician	70.00
Materials Technician	55.00
SUPPORT STAFF	
Administrative Specialist	85.00
Project Coordinator	85.00
Senior Draftsperson	80.00
Draftsperson	70.00
Technical Editor	65.00
Administrative Assistant	55.00
MISCELLANEOUS	
Overtime (all Saturday work is overtime) or Prevailing Wage Projects	(1.3 times base rate)
Double-time (all Sundays and Holidays)	(1.7 times base rate)
Litigation Support	250.00 – 350.00

DIRECTLY REIMBURSABLE CHARGES

Vehicle charge:
$50 per day plus 50 cents per mile

Plotter and copier fees:
Condor standard rate available upon request
Mapping equipment..... quoted upon request

OUT-OF-POCKET EXPENSES

Billed at cost plus 15% and includes such items as travel expenses, equipment rental, laboratory fees, subcontractors, postage and freight, printing or reproduction fees, supplies, etc.

5I

Council Synopsis

February 24, 2015

From: Allison Van Guilder, Parks, Recreation and Public Facilities Director

Prepared by: Mark Crivelli, Recreation Sr. Supervisor

Agendized by: Roy Wasden, City Manager

1. ACTION RECOMMENDED:

Motion: Approving the Memorandum of Understanding between the City of Turlock and Stanislaus Men's Senior Baseball League for the use of Pedretti Park for adult baseball programs within the community

2. DISCUSSION OF ISSUE:

The City of Turlock and Stanislaus Men's Senior Baseball League (SMSBL), intend to work together to utilize Pedretti Park for adult baseball games. SMSBL will offer an adult baseball program for community activities. The MOU will assure the use of Pedretti Park and allow SMSBL to continue use of the facility. The City and SMSBL have successfully partnered together for many years. Changes to the affiliate program have prompted the need to establish this MOU.

3. BASIS FOR RECOMMENDATION:

To ensure the City and SMSBL are adequately shielded from risk and liability; staff thoroughly evaluated the impacts of entering into a Memorandum of Understanding with SMSBL. In order to contract with the City of Turlock, SMSBL will be required to adhere to the standards set by the City of Turlock, in regards to operational guidelines, insurance requirements, and financial management, all of which are detailed in the MOU. Staff will work closely with SMSBL to ensure all requirements are maintained for the life of the MOU.

Strategic Plan Initiative H. COMMUNITY PROGRAMS, FACILITIES, AND INFRASTRUCTURE

Goal(s): b-i Promote the usage of Pedretti Sport Complex and Gemperle Fields at Turlock/Stanislaus Regional Sports Complex, California State University Stanislaus, and Joe Debely Field resulting in economic benefits through increases in transient occupancy and sales tax

b-iv Develop ongoing community partnerships, collaborations and sponsorships which will result in enhanced programming and services to the community as well as leveraging City resources

4. FISCAL IMPACT / BUDGET AMENDMENT:

At the conclusion of the program, the City of Turlock will invoice SMSBL, for the use of Pedretti Park. The City of Turlock will bill SMSBL at a rate of Ninety Two ($92) per day for Sunday use of Pedretti Park, specifically field 4. No additional monies are required for this program. All monies collected will be in the Pedretti Park rental account.

5. CITY MANAGER'S COMMENTS:

Recommend approval

6. ENVIRONMENTAL DETERMINATION:

N/A

7. ALTERNATIVES:

Council could choose not to enter into a Memorandum of Understanding with SMSBL for the use of Pedretti Park. With this alternative, there could be a potential loss of revenue and facility rentals, as well as a loss of affordable sports activities.

MEMORANDUM OF UNDERSTANDING
between
THE CITY OF TURLOCK
and
STANISLAUS MEN'S SENIOR BASEBALL LEAGUE
FOR
ADULT BASEBALL PROGRAMS
CONTRACT NO. 15-006

THIS MEMORANDUM OF UNDERSTANDING (hereinafter "MOU") is entered into by and between the City of Turlock (hereinafter "CITY") and Stanislaus Men's Senior Baseball League (hereinafter "SMSBL") as of the 24th day of February, 2015.

WHEREAS, SMSBL provides organized baseball competition for the adult of Turlock and outlining areas of Stanislaus County;

NOW, THEREFORE, the parties agree as follows:

1. For Pedretti Park:
   a. SMSBL shall be entitled to the use of the Pedretti Park Facility and exclusive use of Field #4 for baseball 8:30 A.M. to 10:30 P.M. on Sunday for months March through September beginning on the first Sunday of March of each year of this MOU (hereinafter "Regular Season"), minus a mutually agreed upon weekend in July.

   b. CITY shall be responsible for maintenance of the Pedretti Park Facility, providing trash receptacles, placement of field lines, and placement of bases, sprinkler repair and light replacement.

   c. For the 2015 Regular Season, SMSBL shall pay a non-profit rental rate of Ninety Two ($92) per day, plus an annual cost-of-living adjustment based on increases in the Consumer Price Index (not to exceed 6%) for each subsequent year.

   d. The daily rental for SMSBL tournaments shall be a base rental fee of Ninety Two Dollars ($92) per day use for the 2015 calendar year. In subsequent calendar years, the rental amount shall be adjusted by an annual cost-of-living adjustment as set forth above.

   e. SMSBL will be responsible for reimbursement of light usage at Pedretti Park at a rate of Twelve ($12) per hour during the term of the MOU. The rate may be adjusted during the MOU as warranted by a cost analysis of light usage conducted by Turlock Irrigation District.

O.K. for [illegible]

f. Concessions at Pedretti Park facility are maintained through a contract between the City of Turlock and a private vendor. SMSBL shall not be permitted to provide concessions at Pedretti Park.

2. The term of this MOU shall be three (3) years beginning February 24, 2015 and ending February 24, 2018.

3. Additional equipment or services, such as early access, tables, chairs, portable toilets, and public address systems are available for standard fees.

4. Prior to the start of every season and at the conclusion of each season, a walk through inspection will be conducted with CITY staff and SMSBL representatives to review field/facility conditions.

5. All facility rental fees will be paid within 30 days of being billed by the CITY. Failure to timely pay shall result in cancellation of any scheduled use.

6. **INSURANCE AND INDEMNIFICATION**

INSURANCE: SMSBL shall not commence use of facilities under this Agreement until SMSBL has obtained CITY's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall SMSBL allow any other person to use the facilities until all similar insurance required of the person seeking to use the facilities shall have been so obtained and approved. SMSBL shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the use of facility hereunder by SMSBL, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of contract.

(a) Minimum Scope of Insurance: Coverage shall be at least as broad as:

(1) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01) with an additional insured endorsement (form CG 20 10 11 85 or its equivalent), to be approved by the City of Turlock.

(b) Minimum Limits of Insurance: SMSBL shall maintain limits no less than:

(1) General Liability (including operations, products and completed operations): $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

(c) Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by CITY. At the

option of CITY, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY, its elective and appointive boards, officers, agents, employees, and volunteers; or (b) SMSBL shall provide a financial guarantee satisfactory to CITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(d) Other Insurance Provisions: The commercial general liability and automobile policies are to contain, or be endorsed to contain, the following provisions:

(1) CITY, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insured's with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of SMSBL; and with respect to liability arising out of work or operations performed by or on behalf of SMSBL, including materials, parts or equipment furnished in connection with such work or operations, which coverage shall be maintained in effect for at least three (3) years following the completion of the work specified in the contract. General liability coverage can be provided in the form of an endorsement to SMSBL insurance (CG 20 10 11 85 or its equivalent), or as a separate Owners Protective Liability policy providing both ongoing operations and completed operations.

(2) For any claims related to this project, SMSBL's insurance coverage shall be primary insurance as respects CITY and any insurance or self-insurance maintained by CITY shall be excess of SMSBL's insurance and shall not contribute with it.

(3) Notice of cancellation or coverage change is required. Each policy of insurance required by this Agreement shall be endorsed to provide CITY a minimum of thirty (30) days' written notice of cancellation or nonrenewal.

(4) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(e) Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

(f) Verification of Coverage: SMSBL shall furnish CITY with original certificates and endorsements, including amendatory endorsements, effecting coverage required by this Agreement. All certificates and endorsements are to be received and approved by CITY before work commences. CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

(g) Waiver of Subrogation: With the exception of professional liability, SMSBL hereby agrees to waive subrogation which any insurer of SMSBL may acquire from SMSBL by virtue of the payment of any loss. The commercial general liability policy shall be endorsed to contain a waiver of subrogation in favor of CITY for all work performed by SMSBL, its agents, employees, SMSBLs and subcontractors. SMSBL agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

INDEMNIFICATION: SMSBL shall indemnify, defend, and hold harmless CITY and its elective and appointive boards, officers, agents, employees, and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of SMSBL, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of CITY.

7. **RELATIONSHIP OF PARTIES:** All acts of SMSBL, its agents, officers, and employees and all others acting on behalf of SMSBL relating to the performance of this Agreement, shall be performed as SMSBL and not as agents, officers, or employees of CITY. SMSBL, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of CITY. SMSBL has no authority or responsibility to exercise any rights or power vested in the CITY. No agent, officer, or employee of the CITY is to be considered an employee of SMSBL. No agent, officer, or employee of the SMSBL is to be considered an employee of CITY. It is understood by both SMSBL and CITY that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

SMSBL, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as SMSBL representatives and not as employees of CITY.

SMSBL shall be responsible to CITY only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to CITY's control with respect to the physical action or activities of the SMSBL in fulfillment of this Agreement. If necessary, SMSBL has the responsibility for employing other persons or firms to assist SMSBL in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by SMSBL, such persons shall be entirely and exclusively under the direction, supervision, and control of SMSBL. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the SMSBL.

It is understood and agreed that as a SMSBL and not an employee of CITY neither the SMSBL or SMSBL's assigned personnel shall have any entitlement as a CITY

employee, right to act on behalf of the CITY in any capacity whatsoever as an agent, or to bind the CITY to any obligation whatsoever.

It is further understood and agreed that SMSBL must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of SMSBL's personnel.

8. **VOLUNTARY TERMINATION:** Either party may terminate this Agreement without cause or legal excuse by providing thirty (30) days written notice to the other party.

9. **CONFORMANCE WITH FEDERAL AND STATE LAW:** All equipment, supplies and services used and/or provided by SMSBL in the performance of this Agreement shall conform to the laws of the government of the United States and the State of California.

10. **NONDISCRIMINATION:** In connection with the execution of this Agreement, SMSBL shall not discriminate against any employee or applicant for employment because of age, race religion, color, sex, or national origin. SMSBL shall take affirmative action to insure that applicants are employed, and the employees are treated during their employment, without regard to their age, race, religion, color, sex or national origin. Such actions shall include, but not be limited to, the following: employment, promotions, demotions or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. SMSBL shall also comply with the requirement of Title VII of the Civil Rights Act of 1964 (P.L. 88-352) and with all applicable regulations, statutes, laws, etc., promulgated pursuant to the civil rights acts of the government of the United States and the State of California now in existence or hereafter enacted. Further, SMSBL shall comply with the provisions of Section 1735 of the California Labor Code.

11. **ENTIRE AGREEMENT AND MODIFICATION:** This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. SMSBL shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. SMSBL specifically acknowledges that in entering into and executing this Agreement, SMSBL relies solely upon the provisions contained in this Agreement and no others.

12. **OBLIGATIONS OF SMSBL:** Throughout the term of this Agreement, SMSBL shall possess, or secure all licenses, permits, qualifications and approvals legally required to conduct business. SMSBL will maintain a valid Non-Profit status and Non-profit business license from the City of Turlock during the length of the MOU. SMSBL must be registered with the Secretary of the State and also have a tax exemption certificate issued by the IRS & California Franchise Tax Board. A "Statement of Good Standing" from the Secretary of State must also accompany these documents. SMSBL warrants that it has all of the necessary professional capabilities and experience, as well as all tools, instrumentalities and other resources necessary to provide the CITY with the services contemplated by this Agreement. SMSBL further represents that it will follow the best current, generally accepted and professional practices to make findings, render opinions, prepare factual presentations, and

provide professional advice and recommendations regarding this project.

13. **NEWS AND INFORMATION RELEASE:** SMSBL agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from CITY through the City Manager.

14. **GOVERNING LAW:** This Agreement shall be governed according to the laws of the State of California.

15. **EMPLOYMENT OF CITY OFFICIAL OR EMPLOYEE:** SMSBL shall employ no CITY official or employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of California Government Code Sections 1090 *et seq.*; nor shall CITY violate any provision of its Conflict of Interest Code adopted pursuant to the provisions of California Government Code Sections 87300 *et seq.*

16. **NOTICE:** Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail, if delivery is by postage paid, registered, or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time:

17. SMSBL understands the utilization of the Facilities provided for by this MOU is subject to existing City rules and regulations for use of City parks and facilities, and such other reasonable rules as may be necessary to provide for orderly and enjoyable use by everyone.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed by and through their respective officers thereunto duly authorized on the date first written above.

CITY OF TURLOCK, a municipal corporation

By: _____
Roy R. Wasden, City Manager

APPROVED AS TO FORM AND LEGALITY:

By: _____
Phaedra Norton, City Attorney

ATTEST:

By: _____
Kellie Weaver, City Clerk, CMC

STANISLUAS MEN'S SENIOR BASEBALL LEAGUE

By: _____

Print Name: _____

Title: _____

5J

Council Synopsis

February 24, 2015

From: Allison Van Guilder, Parks, Recreation and Public Facilities Director

Prepared by: Mark Crivelli, Recreation Sr. Supervisor

Agendized by: Roy Wasden, City Manager

1. ACTION RECOMMENDED:

Motion: Approving the Memorandum of Understanding between the City of Turlock and the Turlock American Little League for the use of Pedretti Park for youth baseball programs within the community

2. DISCUSSION OF ISSUE:

The City of Turlock and Turlock American Little League (TALL), intend to work together to utilize Pedretti Park for youth baseball games. TALL will offer affordable youth baseball programs within the community. The MOU will assure the use of Pedretti Park and allow TALL to continue use of the facility. The city and TALL have successfully partnered together for many years.

3. BASIS FOR RECOMMENDATION:

To ensure the city and TALL are adequately shielded from risk and liability; staff thoroughly evaluated the impacts of entering into a Memorandum of Understanding with TALL. In order to contract with the City of Turlock, TALL will be required to adhere to the standards set by the City of Turlock, in regards to operational guidelines, insurance requirements, and financial management, all of which are detailed in the MOU. Staff will work closely with TALL to ensure all requirements are maintained for the life of the MOU.

Strategic Plan Initiative H. COMMUNITY PROGRAMS, FACILITIES, AND INFRASTRUCTURE

Goal(s): b-i Promote the usage of Pedretti Sport Complex and Gemperle Fields at Turlock/Stanislaus Regional Sports Complex, California State University Stanislaus, and Joe Debely Field resulting in economic benefits through increases in transient occupancy and sales tax

b-iv Develop ongoing community partnerships, collaborations and sponsorships which will result in enhanced programming and services to the community as well as leveraging City resources

4. FISCAL IMPACT / BUDGET AMENDMENT:

At the conclusion of the program, the City of Turlock will invoice TALL, for the use of Pedretti Park. The City of Turlock will bill TALL at a rate of Forty Six dollars and Fifty cents ($46.50) per game for Monday through Saturday use of Pedretti Park, specifically field 4. No additional monies are required for this program. All monies collected will be in the Pedretti Park rental account.

5. CITY MANAGER'S COMMENTS:

Recommend approval

6. ENVIRONMENTAL DETERMINATION:

N/A

7. ALTERNATIVES:

A). Council could choose not to enter into a Memorandum of Understanding with TALL for the use of Pedretti Park. With this alternative, there could be a potential loss of revenue and facility rentals, as well as a loss of affordable sports activities.

MEMORANDUM OF UNDERSTANDING
between
THE CITY OF TURLOCK
and
TURLOCK AMERICAN LITTLE LEAGUE
FOR
LITTLE LEAGUE BASEBALL PROGRAMS
CONTRACT NO. 15-004

THIS MEMORANDUM OF UNDERSTANDING (hereinafter "MOU") is entered into by and between the City of Turlock (hereinafter "CITY") and Turlock American Little League (hereinafter "TALL") as of the 24th day of February, 2015.

WHEREAS, TALL provides organized baseball competition for the youth of Turlock and outlining areas of Stanislaus County;

NOW, THEREFORE, the parties agree as follows:

1. **For Pedretti Park:**
   a. TALL shall be entitled to the alternating use of the Pedretti Park Facility with Turlock National Little League and exclusive use of Field #4 for baseball from 5:30 P.M. to 10:30 P.M. for Monday through Friday and 8:30 A.M. to 10:30 P.M. on Saturday for months April through July beginning on the first Saturday of April of each year of this MOU (hereinafter "Regular Season").

   b. CITY shall be responsible for maintenance of the Pedretti Park Facility, providing trash receptacles, placement of field lines, and placement of bases, sprinkler repair and light replacement.

   c. For the 2015 Regular Season, TALL shall pay a non-profit rental rate of Forty Six dollars and Fifty cents ($46.50) per game Monday through Saturday, plus an annual cost-of-living adjustment based on increases in the Consumer Price Index (not to exceed 6%) for each subsequent year.

   d. The daily rental for TALL tournaments shall be a base rental fee of Eighty One Dollars ($81) Monday through Saturday for the year 2015 calendar year. In subsequent calendar years, the rental amount shall be adjusted by an annual cost-of-living adjustment as set forth above.

   e. TALL shall be responsible of providing Little League approved bases for the ball field at Pedretti Park.

O.K. for Agenda

f. TALL will be responsible for reimbursement of light usage at Pedretti Park at a rate of Twelve dollars ($12) per hour during the term of the MOU. The rate may be adjusted during the MOU as warranted by a cost analysis of light usage conducted by Turlock Irrigation District.

g. Concessions at Pedretti Park facility are maintained through a contract between the City of Turlock and a private vendor. TALL shall not be permitted to provide concessions at Pedretti Park.

2. **For Julien baseball field:**

a. TALL shall coordinate with Turlock Unified School District the exclusive use and maintenance schedule of Julien baseball field from the first Saturday in February through July.

b. TALL will reimburse CITY for actual costs associated with the use of lights at Julien baseball field in accordance with invoices provided by Turlock Irrigation District.

c. Concessions will be maintained by TALL and are the sole responsibility of TALL with all proceeds administered by TALL.

3. The term of this MOU shall be three (3) years beginning February 24, 2015 and ending February 24, 2018.

4. Additional equipment or services, such as early access, tables, chairs, portable toilets, and public address systems are available for standard fees.

5. Prior to the start of every season and at the conclusion of each season, a walk through inspection will be conducted with CITY staff and TALL representatives to review field/facility conditions.

6. Any improvements to the facility being requested by TALL must be approved by the Parks, Recreation and Public Facilities Department Director. All upgrades to the facility will be required to obtain a building permit with proper engineering and drawings when needed.

7. All facility rental fees will be paid within 30 days of being billed by the CITY. Failure to timely pay shall result in cancellation of any scheduled use.

8. **INSURANCE AND INDEMNIFICATION**

INSURANCE: TALL shall not commence use of facilities under this Agreement until TALL has obtained CITY's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall TALL allow any other person to use the facilities until all similar insurance required of the person seeking to use the facilities shall have been so obtained and approved. TALL shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the use of facility hereunder by TALL, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of

renewal may constitute a material breach of contract.

(a) Minimum Scope of Insurance: Coverage shall be at least as broad as:

(1) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01) with an additional insured endorsement (form CG 20 10 11 85 or its equivalent), to be approved by the City of Turlock.

(b) Minimum Limits of Insurance: TALL shall maintain limits no less than:

(1) General Liability (including operations, products and completed operations): $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

(c) Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY, its elective and appointive boards, officers, agents, employees, and volunteers; or (b) TALL shall provide a financial guarantee satisfactory to CITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(d) Other Insurance Provisions: The commercial general liability and automobile policies are to contain, or be endorsed to contain, the following provisions:

(1) CITY, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insured's with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of TALL; and with respect to liability arising out of work or operations performed by or on behalf of TALL, including materials, parts or equipment furnished in connection with such work or operations, which coverage shall be maintained in effect for at least three (3) years following the completion of the work specified in the contract. General liability coverage can be provided in the form of an endorsement to TALL insurance (CG 20 10 11 85 or its equivalent), or as a separate Owners Protective Liability policy providing both ongoing operations and completed operations.

(2) For any claims related to this project, TALL's insurance coverage shall be primary insurance as respects CITY and any insurance or self-insurance maintained by CITY shall be excess of TALL's insurance and shall not contribute with it.

(3) Notice of cancellation or coverage change is required. Each policy of insurance required by this Agreement shall be endorsed to provide CITY a minimum of thirty (30) days' written notice of cancellation or nonrenewal.

(4) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(e) Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

(f) Verification of Coverage: TALL shall furnish CITY with original certificates and endorsements, including amendatory endorsements, effecting coverage required by this Agreement. All certificates and endorsements are to be received and approved by CITY before work commences. CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

(g) Waiver of Subrogation: With the exception of professional liability, TALL hereby agrees to waive subrogation which any insurer of TALL may acquire from TALL by virtue of the payment of any loss. The commercial general liability policy shall be endorsed to contain a waiver of subrogation in favor of CITY for all work performed by TALL, its agents, employees, TALLs and subcontractors. TALL agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

INDEMNIFICATION: TALL shall indemnify, defend, and hold harmless CITY and its elective and appointive boards, officers, agents, employees, and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of TALL, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of CITY.

9. **RELATIONSHIP OF PARTIES:** All acts of TALL, its agents, officers, and employees and all others acting on behalf of TALL relating to the performance of this Agreement, shall be performed as TALL and not as agents, officers, or employees of CITY. TALL, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of CITY. TALL has no authority or responsibility to exercise any rights or power vested in the CITY. No agent, officer, or employee of the CITY is to be considered an employee of TALL. No agent, officer, or employee of the TALL is to be considered an employee of CITY. It is understood by both TALL and CITY that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

TALL, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as TALL representatives and not as employees of CITY.

TALL shall be responsible to CITY only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to CITY's control with respect to the physical action or activities of TALL in fulfillment of this Agreement. TALL has control over the manner and means of performing the services under this Agreement. TALL is permitted to provide a service to others during the same period service is provided to CITY under this Agreement. If necessary, TALL has the responsibility for employing other persons or firms to assist TALL in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by TALL, such persons shall be entirely and exclusively under the direction, supervision, and control of TALL. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the TALL.

It is understood and agreed that as a TALL and not an employee of CITY neither the TALL or TALL's assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of the CITY in any capacity whatsoever as an agent, or to bind the CITY to any obligation whatsoever.

It is further understood and agreed that TALL must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of TALL's paid personnel.

10. **VOLUNTARY TERMINATION:** Either party may terminate this Agreement without cause or legal excuse by providing thirty (30) days written notice to the other party.

11. **CONFORMANCE WITH FEDERAL AND STATE LAW:** All equipment, supplies and services used and/or provided by TALL in the performance of this Agreement shall conform to the laws of the government of the United States and the State of California.

12. **NONDISCRIMINATION:** In connection with the execution of this Agreement, TALL shall not discriminate against any employee or applicant for employment because of age, race religion, color, sex, or national origin. TALL shall take affirmative action to insure that applicants are employed, and the employees are treated during their employment, without regard to their age, race, religion, color, sex or national origin. Such actions shall include, but not be limited to, the following: employment, promotions, demotions or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. TALL shall also comply with the requirement of Title VII of the Civil Rights Act of 1964 (P.L. 88-352) and with all applicable regulations, statutes, laws, etc., promulgated pursuant to the civil rights acts of the government of the United States and the State of California now in existence or hereafter enacted. Further, TALL shall comply with the provisions of Section 1735 of the California Labor Code.

13. **ENTIRE AGREEMENT AND MODIFICATION:** This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. TALL shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. TALL specifically acknowledges that in entering into and executing this Agreement, TALL relies solely upon the provisions contained in this Agreement and no others.

14. **OBLIGATIONS OF TALL:** Throughout the term of this Agreement, TALL shall possess, or secure all licenses, permits, qualifications and approvals legally required to conduct business. TALL will maintain a valid Non-Profit status and Non-profit business license from the City of Turlock during the length of the MOU. TALL must be registered with the Secretary of the State and also have a tax exemption certificate issued by the IRS & California Franchise Tax Board. A "Statement of Good Standing" from the Secretary of State must also accompany these documents. TALL warrants that it has all of the necessary professional capabilities and experience, as well as all tools, instrumentalities and other resources necessary to provide the CITY with the services contemplated by this Agreement. TALL further represents that it will follow the best current, generally accepted and professional practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding this project.

15. **NEWS AND INFORMATION RELEASE:** TALL agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from CITY through the City Manager.

16. **GOVERNING LAW:** This Agreement shall be governed according to the laws of the State of California.

17. **EMPLOYMENT OF CITY OFFICIAL OR EMPLOYEE:** TALL shall employ no CITY official or employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of California Government Code Sections 1090 *et seq.*; nor shall CITY violate any provision of its Conflict of Interest Code adopted pursuant to the provisions of California Government Code Sections 87300 *et seq.*

18. **NOTICE:** Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail, if delivery is by postage paid, registered, or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time:

19. TALL understands the utilization of the Facilities provided for by this MOU is subject to existing city rules and regulations for use of city parks and facilities, and such other reasonable rules as may be necessary to provide for orderly and enjoyable use by everyone.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed by and through their respective officers thereunto duly authorized on the date first written above.

CITY OF TURLOCK, a municipal corporation

By: _____
Roy R. Wasden, City Manager

APPROVED AS TO FORM AND LEGALITY:

By: _____
Phaedra Norton, City Attorney

ATTEST:

By: _____
Kellie Weaver, City Clerk, CMC

TURLOCK AMERICAN LITTLE LEAGUE

By: _____

Print Name: _____

Title: _____

5K

Council Synopsis

February 24, 2015

From: Robert Jackson, Police Chief

Prepared by: Amanda Fortado, Public Safety Business Analyst

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Motion: Authorizing the City Manager or his designee to execute an agreement between Turlock Police Department and California State University Stanislaus Police Department agreeing to conform to all the California Law Enforcement Telecommunication Systems (CLETS) policies

2. DISCUSSION OF ISSUE:

Turlock Police Department enters into the CLETS Reciprocity Agreement with the State of California to use the California Law Enforcement Telecommunications Systems Hit Confirmation and Notices of Locate.

3. BASIS FOR RECOMMENDATION:

City Staff recommends the approval of executing an agreement with the State of California.

Strategic Plan Initiative:

Not specifically identified within the City Strategic Plan as this item pertains to the ongoing operation and overall maintenance of City facilities, equipment or infrastructure.

4. FISCAL IMPACT / BUDGET AMENDMENT:

None

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

N/A.

7. ALTERNATIVES:

A). Council may decide to deny renewal of this agreement. This alternative is not recommended due to the necessity of this function for the Police Department.

CLETS RECIPROCITY AGREEMENT

Agreement for:

- ☐ Enter/Update Records
- ☒ Hit Confirmations and Notices of Locate (attach Hit Confirmation Data form)

In entering into this agreement, both agencies agree to conform to all the California Law Enforcement Telecommunications Systems (CLETS) policies. It is understood by all parties that the California Department of Justice reserves the right to overturn approval of this agreement when the CLETS/Federal Bureau of Investigation's (FBI) National Crime Information Center (NCIC) policies, regulations, security, or dissemination requirements are violated.

CSU, Stanislaus University Police Agency Forwarding Messages	CA0501000 ORI
Turlock Police Department Agency Receiving Messages	CA0500700 ORI

I agree to be responsible for entering/updating records and/or responding to locate and request for confirmation messages on behalf of the forwarding agency noted above.

Robert A. Jackson Receiving Agency Head (Type or Print Name)	Chief of Police Title (Type or Print)
 Signature	 Date

I accept that the receiving agency noted above will be acting on our behalf by entering/updating records and/or responding to notices of locate and requests to confirm records by my agency. Also, it is my understanding that copies of all reports for records entered will be delivered to the receiving agency.

Andy Roy Forwarding Agency Head (Type or Print Name)	Interim Chief Title (Type or Print)
 Signature	12/18/14 Date

California Department of Justice
CLETS Administration Section
P.O. Box 903387
Sacramento, CA 94203-3870

Telephone: (916) 227-3677
Fax: (916) 227-0696
E-mail: CAS@doj.ca.gov

OK for Agenda

Department of Justice
CLETS Administration
P.O. Box 903387
Sacramento, CA 94203-3870

HIT CONFIRMATION DATA

Telephone: (916) 227-3677
Fax: (916) 227-0696

All database inquiries that result in a positive response, or a hit, must be confirmed with the agency that entered the record. Confirmations and record validations of entered records must be provided on a 24-hour basis. A substantive response to an urgent request must be sent within a 10-minute time frame; a substantive response to a routine request must be provided within 1 hour.

Please provide for each database the mnemonic and telephone numbers to which confirmation requests should be sent. *When entering a telephone number, enter 10 digits (without dashes) and it will automatically format.*

California State University, Stanislaus Police Department
Agency Name

CA0501000
ORI

Donevon Murrell, ACC
Contact Person

(209) 667-3618
Phone

For DOJ Use Only AGENCY NAME:	AAA	(If different from above) ORI
Select one: ☐ ADD - Add entire new record ☐ DELETE - Delete entire existing record ☐ CHANGE - Add/change/delete to mne(s) phone number(s), database(s)	Submitted: (date & name) Completed: (date & name)	

DAYTIME DATA				ALTERNATE / NIGHT DATA (OPTIONAL)	
CODE	DATABASE	MNEMONIC	TELEPHONE #	MNEMONIC	TELEPHONE #
A	Stolen Vehicle System/ Automated Boat System	SSCO	(209) 667-3911		
W	Wanted Persons System	SSCO	(209) 667-3911		
G	Automated Firearms System	SSCO	(209) 667-3911		
P	Automated Property System	SSCO	(209) 667-3911		
M	Missing/ Unidentified Persons System	SSCO	(209) 667-3911		
WR	Wanted Persons System/ Domestic Violence Restraining Order System	SSCO	(209) 667-3911		
NLETS	National Law Enforcement Telecommunications System	SSCO	(209) 667-3911 (phn) (209) 667-3104 (fax)	N/A	(phn) (fax)
NCIC	National Crime Information Center	N/A	(209) 667-3911	N/A	NA

COMMENTS: Our 911 emergency line rolls to Turlock Police Dept after hours/when no one is on duty at the University Police dispatch center. The on-duty police officer is responsible for checking the mnemonic for hits periodically throughout his shift.

5L

RECEIVED

JAN 05 2015

CITY OF TURLOCK
CITY CLERK

CLAIM FORM

Please type or print and return via personal delivery or U.S. Mail. Electronic copies (fax or e-mail) will not be accepted.

156 S. BROADWAY, SUITE 230 | TURLOCK, CALIFORNIA 95380 | PHONE 209-668-5540 | FAX 209-668-5668

CLAIM AGAINST: Parks & Recreations/City Hall
(Name of Entity)

Claimant's name: Brandon Lee Wilson

SS#: [redacted] **DOB:** 07/28/1984 **Gender:** Male ✓ Female ___

Claimant's address: 1100 Pedras Rd Turlock CA 95382 Apt A221

Claimant's Telephone Number(s): (209) 535-0228

Address where notices about claim are to be sent, if different from above: ___

Date of incident/accident: 12/11/2014

Date injuries, damages, or losses were discovered: 12/12/2014

Location of incident/accident: Golden State Blvd between F st and Minerva.

What did entity or employee do to cause this loss, damage, or injury? Failed to keep gutters clean of debris. Failed to keep street lights lit.
(Please use back of this form or separate sheet, if necessary, to answer this question in detail.)

What are the names of the entity's employees who caused this injury, damage, or loss (if known)? ___

What specific injuries, damages, or losses did claimant receive? A bent piston rod in engine of my Pontiac G6.
(Please use back of this form or separate sheet, if necessary, to answer this question in detail.)

If the amount of your claim does not exceed $10,000, state the total amount claimed : $2252.50

If the amount of your claim exceeds $10,000, indicate whether your claim would be a "limited civil case" (if the amount claimed does not exceed $25,000 it is treated as a limited civil case) please check one box:

☑ **DOES NOT EXCEED $25,000** ☐ **EXCEEDS $25,000** [see Government Code 910(f)]

How was this amount calculated (please itemize)? Parts $440.00 Labor $1662.5 Cab $165.00
(Please use back of this form or separate sheet, if necessary, to answer this question in detail.)

Date Signed: 1/29/2014 **Signature:** Brandon Wilson

If signed by representative:

Print Representative's Name ___ Telephone ___

Address ___

Relationship to Claimant ___

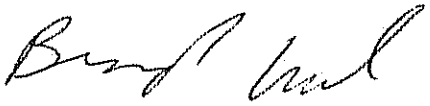
March 2014

Declaration Of Events

1/8/15

On 12/11/2014 I was leaving work which is located at 2224 S Daubenberger Rd Turlock CA 95380 heading south on Golden State Blvd to go home. As I driving it was unapparent to me that the two south bound lanes on Golden State Blvd between F st and mineret were flooded. It was extremely dark on that stretch of road and there were not any sighns posted saying the road was flooded. When my car hit the water it knocked out the inside fender on my Pontiac G6 and water was sucked into my air filter which went right into engine and bent the piston rod. After striking the water my car died. I was able to get it started but after I did it was making a knocking sound. I drove it back to work the following morning where I parked it. I had my companys mechanic Jon Vega take a look at and see if he could figure out what was causing the sound. On 12/15/2014 Jon informed me of what happened when my car hit the water. I called parks and recreations the following day and spoke with Emily who informed me it was there job to keep the streets and gutters free of debris for water to drain properly. Upon speaking with Emily I was informed by her that it was City Halls job to keep the street lights lit as there was one light that was out. I then called City Hall and spoke with Dawn and informed her of what happened so that no one else would have thing happen to them. She also informed me that i would need to get with the city clerks office to file a claim. I have included all documentation for the cost of parts and labor as well as photos of where the incident took place as well as photos of the gutters that are packed with debris and dirt. My car still is not fixed all the way however I am able to commute back and forth to work which is vital to taking care of my family.

Brandon Wilson



DIAGRAMS

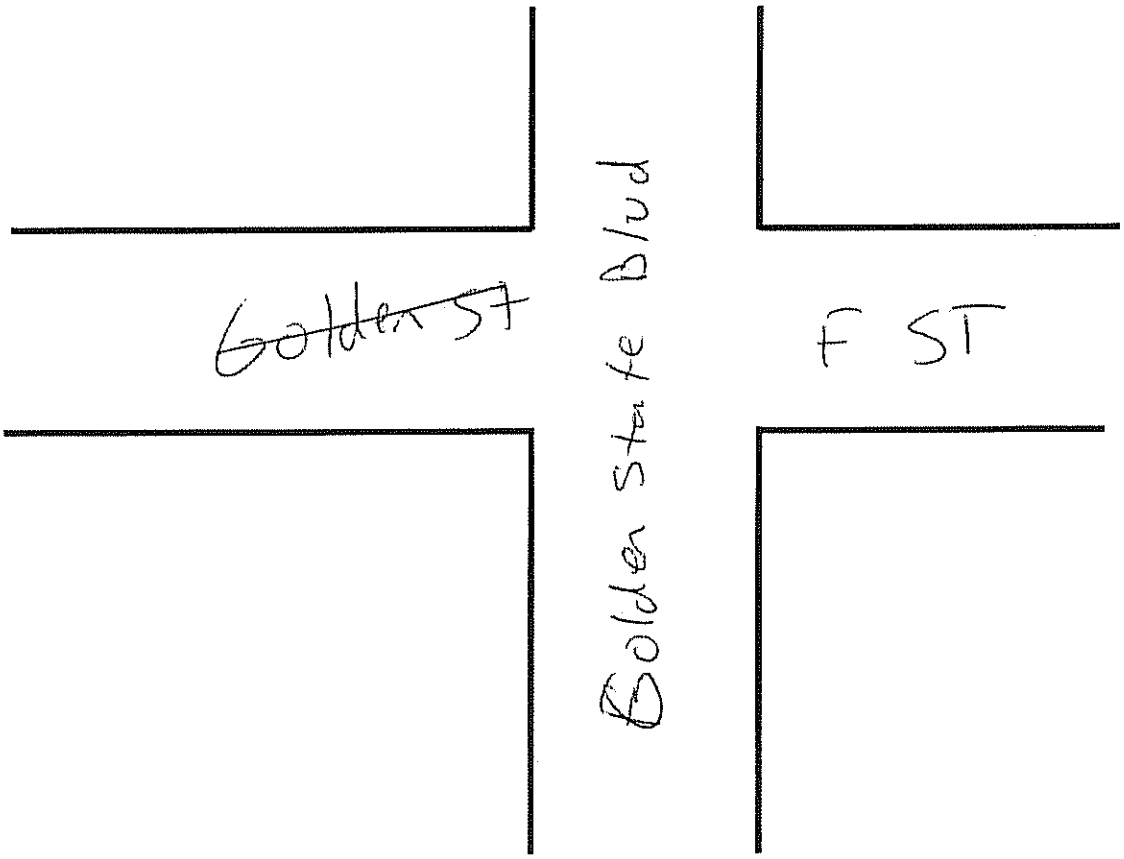
General Diagram

North

Street Incidents

location of incident

North



OFFICE P.O. BOX 1156, SPRINGFIELD, MO. 65801
PHONE (417) 862-3333

BILL TO

SHIP TO

COUNTER NO.	SPECIAL INSTRUCTIONS	SHIP VIA	CUSTOMER ORDER NO.	TIME OF ORDER	FILLED BY

TAX	R C	QTY.	LINE	ITEM NUMBER	UNIT MEAS.	CD.	DESCRIPTION	LIST PRICE	NET PRICE	DISC %	CORE PRICE	EXTEN PRI
							VEHICLE INFORMATION NOT AVAILABLE					
							90 DAY LIMITED WARRANTY					
		1		OIL FILTER			OIL FILTER					
							VEHICLE INFORMATION AVAILABLE					
							MANUFACTURER'S DEFECT WARRANTY					

TOTALS — CUSTOMER COPY — SUB-TOTAL / MISC. / TAX / FEES / TOTAL

CASH TEND. / CHANGE

CUSTOMER SIGNATURE _____

THANK YOU FOR SHOPPING O'REILLY AUTO PARTS

O'Reilly AUTO PARTS

OFFICE P.O. BOX 1156, SPRINGFIELD, MO. 65801
PHONE (417) 862-3333

BILL TO

SHIP TO

COUNTER NO.	SPECIAL INSTRUCTIONS	SHIP VIA	CUSTOMER ORDER NO.	TIME OF ORDER	FILLED BY

TAX	R C	QTY.	LINE	ITEM NUMBER	UNIT MEAS.	CD.	DESCRIPTION	LIST PRICE	NET PRICE	DISC %	CORE PRICE	EXTE PR
							MANUFACTURER'S DEFECT WARRANTY					
							MANUFACTURER'S DEFECT WARRANTY					
							MANUFACTURER'S DEFECT WARRANTY					
		1	FEL	M5557APT	EA		PERF CERT ST	283.27	283.00			283.

TOTALS — CUSTOMER COPY — SUB-TOTAL / MISC. / TAX/FEES / TOTAL

CASH TEND. / CHANGE

CUSTOMER SIGNATURE _____

THANK YOU FOR SHOPPING O'REILLY AUTO PARTS

BRANDON L WILSON
1100 PEDRAS RD APT A221
TURLOCK, CA 95382-2316

4265
90/7162

DATE 12/29/14

PAY TO THE ORDER OF Phoenix Container $ 1662.50

One Thousand Six Hundred Sixty Two 50/00 DOLLARS

CHASE
JPMorgan Chase Bank, N.A.
www.Chase.com

MEMO Loan/car Labor

⑈322271627⑈ 530261523⑈4265

BONANDER BUICK-GMC

Division of Bonander Pontiac Inc.

BUICK GMC

231 South Center Street * Turlock, CA 95380

(209) 632-8871

BONANDER BUICK-GMC WILL ACCEPT PARTS FOR REFUND OR EXCHANGE PROVIDED THE PART IS A NORMALLY STOCKED NON-ELECTRICAL OR CARBURETOR PART PURCHASED WITHIN 10 DAYS AND IS ACCOMPANIED BY THIS INVOICE. ALL PARTS ACCEPTED FOR RETURN MUST MEET THE MANUFACTURER'S CURRENT PACKAGE GUIDELINES AND ARE SUBJECT TO A 30% RESTOCKING CHARGE. SPECIAL ORDERED ITEMS NOT PICKED UP WITHIN 90 DAYS WILL BE RETURNED TO NORMAL STOCK.

SUBJECT TO WARRANTY TERMS AND CONDITIONS LISTED ON REVERSE SIDE.

DATE ENTERED	YOUR ORDER NO.	DATE SHIPPED	INVOICE DATE	INVOICE NUMBER
19 DEC 14		19 DEC 14	19 DEC 14	200016

SOLD TO

ACCOUNT NO. 20

BRANDON WILSON

_____, CA

SHIP TO

PAGE 1 OF 1

SHIP VIA	SLSM.	B/L NO.	TERMS	F.O.B. POINT
	174		CASH	TURLOCK CA

QUANTITY ORD.	QUANTITY SHIP	QUANTITY B.O.	PART NO.	DESCRIPTION	LIST	NET	AMOUNT
1	1	0	12568557	F-(S)ROD	61.86	61.86	61.86

Thank You For Your Business!

PARTS	61.86
SUBLET	
FREIGHT	0.00
SALES TAX	4.72
TOTAL	$66.58

CUSTOMER'S SIGNATURE

_____

2000

CUSTOMER COPY

6A

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF AMENDING THE ZONING MAP OF THE CITY OF TURLOCK, CALIFORNIA, ATTACHED TO TITLE 9 OF THE TURLOCK MUNICIPAL CODE [REZONE 2014-02 (POTTER'S LANDING)]	ORDINANCE NO. -CS

BE IT ORDAINED by the City Council of the City of Turlock as follows:

SECTION 1. ENVIRONMENTAL DETERMINATION. The City Council finds that the report or declaration reflects the independent judgement of the lead agency and that the project will not have a significant effect on the environment and hereby adopts the Mitigated Negative Declaration and the Mitigation Monitoring and Report Program ("Checklist"), and further directs that a Notice of Determination be filed, having made the following findings:

1. Pursuant to CEQA Guidelines Section 15162, the proposed activity is adequately described and is within the scope of the General Plan EIR.
2. All feasible mitigation measures developed in the General Plan EIR have been incorporated into the project.
3. Pursuant to Public Resources Code Sections 21080(c)(2) and 21157.5, the initial study prepared for the proposed project has identified potential new or significant effects that were not adequately analyzed in the General Plan EIR, but feasible mitigation measures have been incorporated to revise the proposed subsequent project to avoid or mitigate the identified effects to a point where clearly no significant effects would occur.
4. There is no substantial evidence before the lead agency that the subsequent project, as revised, may have a significant effect on the environment.
5. The analyses of cumulative impacts, growth inducing impacts, and irreversible significant effects on the environment contained in the General Plan EIR are adequate for this subsequent project.
6. Pursuant to CEQA Guidelines Section 15093, a Statement of Overriding Considerations was adopted for the General Plan EIR by Turlock City Council Resolution 2012-172. As identified in the Turlock General Plan EIR, development in the project area would result in significant, and unavoidable, impacts in the areas of noise, regional air quality, and the eventual loss of agricultural land. The magnitude of these impacts can be reduced, but not eliminated by the mitigation measures referenced in the initial study prepared for this project and General Plan EIR. Therefore, mitigation measures identified in the General Plan EIR, and its respective Statements of Overriding Considerations contained in Turlock City Council Resolution No. 2012-172), are

adequate to mitigate the impacts from the proposed project where feasible, and are hereby incorporated by reference.

7. Pursuant to Public Resources Code Section 21157.6(a), having reviewed the General Plan EIR, the City of Turlock finds and determines that:

    a. no substantial changes have occurred with respect to the circumstances under which the General Plan EIR was certified, and
    b. that there is no new available information which was not and could not have been known at the time the General Plan EIR was certified.

SECTION 2. REZONE AND PLANNED DEVELOPMENT FINDINGS FOR APPROVAL: After considering the public testimony at a properly noticed public hearing held on February 10, 2015, and a second reading on February 24, 2015, the Turlock City Council finds and determines as follows:

1. That the proposed rezoning is consistent with the General Plan.
2. That the proposed site is suitable for the type of potential development.
3. That the site is suitable for the intensity of the proposed use.
4. That the proposed rezoning will not cause substantial environmental damage.
5. That the public necessity, convenience and general welfare require the proposed amendment.

SECTION 3. ZONING MAP. The Zoning Map of the City of Turlock, California, attached to Title 9 of the Turlock Municipal Code is amended to appear as set forth on the map attached hereto (Exhibit A), which is hereby made a part of this ordinance by reference.

SECTION 4. VALIDITY. If any section, subsection, sentence, clause, word, or phrase, of this ordinance is held to be unconstitutional or other wise invalid for any reason, such decision shall not affect the validity of the remainder of this ordinance. The Turlock City Council hereby declares that they would have passed this ordinance, and each section, subsection, sentence, clause, word, or phrase thereof, irrespective of the fact that one or more section, subsection, sentence, clause, word, or phrase be declared invalid or unconstitutional.

SECTION 5. ENACTMENT. This ordinance shall become effective and be in full force on and after thirty (30) days of its passage and adoption. Prior to the expiration of fifteen (15) days from the passage and adoption thereof, this ordinance shall be published in a newspaper of general circulation printed and published in the County of Stanislaus, State of California, together with names of the members of the City Council voting for and against the same.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 10th day of February, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

Signed and approved this 24th day of February, 2015.

_____
Gary Soiseth, Mayor

ATTEST:

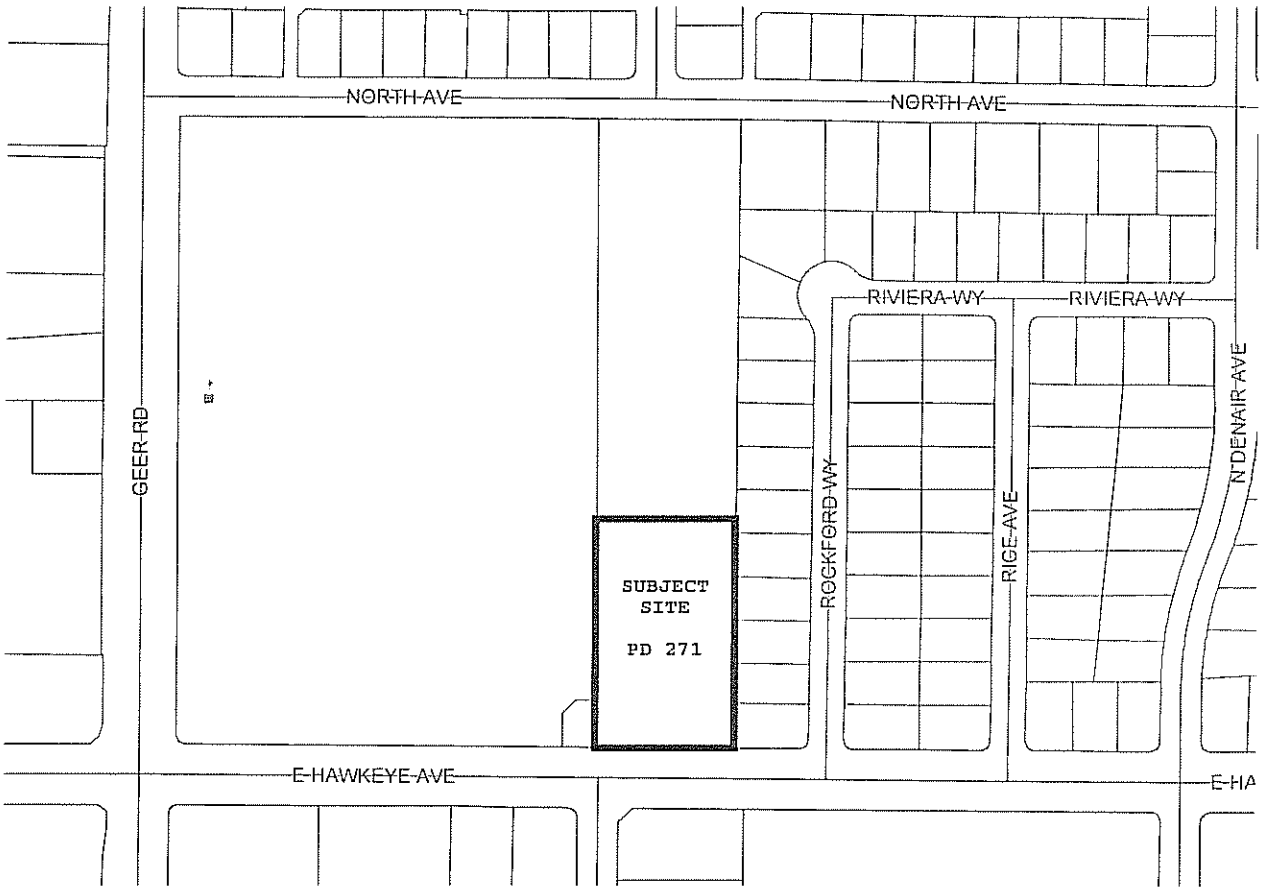
_____
Kellie E. Weaver, City Clerk,
City of Turlock, County of Stanislaus,
State of California

Exhibit A

REZONE 2014-02

SITE MAP

205 E. Hawkeye Avenue (Stanislaus County APN 072-032-005)



BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF ESTABLISHING CONDITIONS OF APPROVAL FOR PLANNED DEVELOPMENT DISTRICT NO. 271 (PD-271), REZONE 2014-02 [POTTER'S LANDING]	RESOLUTION NO. 2015-

WHEREAS, a Rezone application (Rezone 2014-02) has been filed, in the office of the Secretary of the Planning Commission, by Cary Pope, in accordance with the provisions of the Turlock Municipal Code to rezone certain property to Planned Development 271; and

WHEREAS, the rezoning is required to facilitate the development of a single family residential subdivision containing 9 lots on approximately 1.57 acres; and

WHEREAS, the project will be developed generally consistent with the standards of the Low Density Residential (R-L) Zoning District with modifications to the minimum lot dimensions, setbacks, and street width; and

WHEREAS, an exception to the lot frontage requirements for approximately five lots to have a minimum 30' of frontage onto the public right-of-way; and

WHEREAS, the property affected by this Resolution is described as follows: 205 East Hawkeye Avenue, Stanislaus County APN 072-032-005; and

WHEREAS, the Planning Commission considered the request on November 6, 2014, and by unanimous vote recommended the City Council approve the proposed amendment to the official City of Turlock Zoning Map and establishment of Planned Community Development District No. 271 [PD-271 (Rezone 2014-02)]; and

WHEREAS, on February 10, 2015 the City Council considered the request, the Planning Commission recommendation, and the Environmental Review documentation and testimony and found that Rezone No. 2014-02, and Planned Community Development District No. 271 (PD-271) will not have a significant adverse impact upon the environment and directed that a Notice of Determination for a Mitigated Negative Declaration be filed; and

WHEREAS, the City Council held a public hearing on February 10, 2015, and considered the public testimony before introducing the ordinance amending the zoning map of the City of Turlock, attached to Title 9 of the Turlock Municipal Code for Planned Development District No. 271 (PD-271) (Rezone 2014-02, Potter's Landing, Cary Pope); and

WHEREAS, a second reading of the ordinance occurred on February 24, 2015 at a public noticed meeting, the Turlock City Council voted to enact the ordinance amending the zoning map of the City of Turlock, attached to Title 9 of the Turlock Municipal Code pursuant for Planned Development District No. 271 (PD-271) [Rezone 2014-02, Potter's Landing, Cary Pope) by a XXXXXXX vote.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby approve the development of Planned Community Development District No. 271 (PD-271), in accordance with the plan filed as part of the Planning Commission consideration, referred to above, and which is on file in the office of the Turlock Planning Division. The following conditions shall apply, as well as compliance with all applicable codes and ordinances:

CONDITIONS FOR PLANNED COMMUNITY DEVELOPMENT DISTRICT NO. 271 (PD-271)

1. Approval of Vesting Tentative Subdivision Map 2014-02 is contingent upon obtaining City Council approval of Rezone 2014-02 authorizing the zoning change of 205 East Hawkeye Avenue, Stanislaus County APN 072-032-005 from Low Density Residential to Planned Development 271 (PD 271). All conditions of approval of Planned Development No. 271 are hereby made conditions of approval for Vesting Tentative Subdivision Map 2014-02 (Potter's Landing) and are hereby incorporated by reference.
2. All mitigation measures contained in the Initial Study prepared for the proposed project are hereby made conditions of approval for Vesting Tentative Subdivision Map 2014-02 (Potter's Landing), Rezone 2014-02 and Planned Development 271 and are hereby incorporated by reference.
3. This approval authorizes the subdivision of approximately 1.57 acres of land into approximately 9 single-family residential lots. The subdivision shall generally conform to the standards of Low Density Residential (R-L) zoning district, except as amended by the terms of Planned Development 271.
4. The subdivision shall be developed in accordance with the vesting tentative subdivision map dated August 2014, submitted as part of the application for this project, except as may be amended herein.
    1) Lot 1: A minimum three (3) foot side yard setback along the east property line must be maintained. No permanent structures shall be built in the 22-foot public utilities easement (PUE) along the west property line.
    2) Lot 2: A minimum eight (8) foot side yard setback along the west property line must be maintained.
    3) Lot 5: The corner side yard may be reduced to 10-feet.
    4) Lot 7: The driveway and garage must be accessed from the private street.

5) The private street width shall measure a minimum of 29-feet as shown on the vesting tentative subdivision map.

5. "No Parking" signs shall be posted on Lots 1 and 2 as mutually agreed upon by the City of Turlock and Turlock Scavenger.

6. Plans for the development of typical front yard landscaping to be installed by the developer shall be submitted to the Planning Division for review and approval prior to the issuance of any building permit. The subdivision shall comply with the Water Efficient Landscape Ordinance (TMC § 9-2-109).

7. All off-premise subdivision directory / sales signs proposed in conjunction with the project shall obtain a separate City of Turlock sign permit and comply with the sign criteria and standards established in the Turlock Municipal Code. Note: snipe signs (i.e. signs of a temporary nature advertising a specific event or product and which are illegally posted to trees, posts, poles, stakes, fences or similar support structures) are expressly prohibited.

8. The developer must comply with the requirements established in TMC § 9-2-121 (Underground Utilities).

9. The base trim on all houses shall be carried around the side of the house to the minimum fence setback. The base trim on corner lots shall be carried around any area visible to the public right of way.

10. To adequately fund the ongoing provision of public services (including but not limited to police, fire, and public maintenance), the subject property shall be included in a (Mello Roos) Community Facilities District to fund a Services Mitigation Fee. A final subdivision map shall not be recorded until the subject property has been annexed to the Community Facilities District. Pursuant to City Council Resolution 2004-31, annexation to the proposed Communities Facilities District is required to mitigate the project's impacts upon police, fire and public maintenance operations.

11. If there are model homes for the subdivision the developer shall comply with Section 9-2-109(12) of the City of Turlock Municipal Code.

12. In the event the city determines that it is necessary to take legal action to enforce any of the provisions of these conditions, and such legal action is taken, the applicant shall be required to pay any and all costs of such legal action, including reasonable attorney's fees, incurred by the city, even if the matter is not prosecuted to a final judgment or is amicably resolved, unless the city should otherwise agree with applicant to waive said fees or any part thereof. The foregoing shall not apply if the permittee prevails on every issue in the enforcement proceeding.

13. The developer shall pay all City of Turlock city wide and specific plan development impact fees prior to issuance of the building permit.

14. All lighting shall be designed to confine light spread within the site boundaries. Lighting shall not become a source of glare for adjoining residential properties.

15. Lighting shall be oriented to minimize impacts upon nearby residences.
16. Sources of high illumination shall be separated from light-sensitive receptors.
17. The applicant shall comply with all applicable federal, State, and local laws and regulations related to the protection and preservation of endangered and/or threatened species through consultations with appropriate agencies.
18. In accordance with State Law, if any historical resources are found during construction, work is to stop, and the City of Turlock and a qualified professional are to be consulted to determine the importance and appropriate treatment of the find. If it is determined to be historically or culturally significant, appropriate mitigation measures to protect and preserve the resources shall be formulated and implemented.
19. If previously unrecorded archaeological resources, as defined by State Law are discovered, construction activities shall be suspended and a qualified archaeologist shall be called to evaluate the find and to recommend proper action.
20. The project shall comply with the current California Building Code (CBC) requirements for Seismic Zone 3, which stipulates building structural material and reinforcement.
21. The project shall comply with California Health and Safety Code Section 19100 et seq. (Earthquake Protection Law), which requires that buildings be designed to resist stresses produced by natural forces caused earthquakes and wind.
22. The project shall comply with the California Building Code (CBC), Chapter 70, regulating grading activities including drainage and erosion control.
23. The project shall comply with all erosion control measures listed in the Air Quality, and Hydrology and Water quality sections of this document.
24. The project shall comply with the California Building Code (CBC) requirements for specific site development and construction standards for specified soils types.
25. The discharge of oil, gasoline, diesel fuel, or any other petroleum derivative, or any toxic chemical or hazardous waste is prohibited.
26. Materials and equipment shall be stored so as to ensure that spills or leaks cannot enter storm drains, or the drainage ditches or detention basins.
27. A spill prevention and cleanup plan shall be implemented.
28. The builder and/or developer shall utilize cost-effective urban runoff controls, including Best Management Practices (BMP's), to limit urban pollutants from entering the drainage ditches.
29. A General Construction permit shall be obtained from the State Water Resources Control Board, a Storm Water Pollution Prevention Plan (SWPPP) shall be prepared and implemented as part of this permit.

30. All construction equipment used during construction shall be fitted with factory-equipped mufflers.

31. Staging areas for heavy equipment shall be located as far from residences as possible.

32. All unnecessary idling of internal combustion engines shall be prohibited.

33. All adjacent business, residences, and noise-sensitive land uses shall be notified of the construction schedule, in writing, prior to commencing construction activities, including any changes in the construction schedule that would extend the time period during which construction would occur.

34. In the event that multiple final maps are filed, the City of Turlock reserves the right to impose reasonable conditions relating to the filing of multiple final maps.

35. The City of Turlock standard improvements necessary for fire and safety purposes shall be installed and accepted by the Fire Department prior to the issuance of any Building Permit.

36. Construction of the required improvements may be deferred until after recording of the subdivision map provided that a subdivision agreement has been executed, bonds and insurance certificates filed, and all fees paid.

37. Developer shall provide a 10 foot Public Utility Easement (PUE) behind property line along all street frontages, including private streets.

38. Developer shall provide written consent, as provided in Section 54717 of the California Government Code, to the levy of an assessment to finance the operation and maintenance of drainage, flood control, street maintenance, and street lighting service which benefits the area to be developed.

39. Developer shall provide written consent, as provided in Section 22608 of the Streets and Highways Code, to the formation of an assessment district to finance the maintenance of landscaping.

40. The survey for the final map shall be based on the record of survey recorded in book 20 of surveys at page 56, Stanislaus County Records.

41. The developer will be required to pay all City of Turlock development impact fees, adjusted to the current Engineering News Record, prior to issuance of the building permit.

42. Prior to improvement plan approval, a detailed hydrology/drainage study will be required to be submitted to the City Engineer for review and approval. The study shall be prepared by a registered Civil Engineer and shall include existing and proposed conditions.

43. All lots shall be graded to drain towards the public street with no cross lot drainage allowed. If the grade differential between lots or surrounding ground is 1 foot or greater a retaining wall shall be required per City of Turlock standards. If the grade differential between lots or surrounding ground is between 1/2 foot and 1 foot, the developer shall use a wood type retaining wall/fence depending on the individual situation, to be approved by the City Engineer as part of the subdivision improvement plans.

44. All building pads shall be 1/2 foot higher than the nearest flow-line high point. This condition may be waived by the City Engineer if upon review of the hydrology study he deems it is not necessary.

45. Each lot shall have access to a water service prior to the issuance of any Building permits as reasonably approved by the City Engineer and Fire Marshall.

46. A grading permit is required for any on-site work (grading, paving, concrete, etc.). Please submit a cost estimate for all on-site work, as well as six (6) sets of improvement plans including an erosion control plan for review and approval. All parcels disturbing more than one acre of land must apply for a Notice of Intent with the State of California Water Quality Control Board. The W.D.I.D. number, which is provided by the state, must be stated on the plans prior to approval and must be submitted prior to grading permit issuance.

47. An encroachment permit is required for all off-site work Please submit a cost estimate for all off-site work, liability insurance listing the City of Turlock as additionally insured, as well as six (6) sets of improvement plans for review and approval.

48. The City Engineer reserves the right to require full roadway reconstruction or a 2" asphalt overlay from curb to curb on E. Hawkeye Ave. if, in the City Engineer's opinion, the integrity of the roadway has been compromised by utility cuts or construction practices. Asphalt oil shall be PG 70-10.

49. All trenching in existing public pavement must be repaved per City standard T-1 unless approved by the City Engineer.

50. Striping and signing plans shall be included as a part of the final improvement plans. Stop signs shall be installed by the developer. Street name signs will be installed by the City, but paid for by the developer. Developer will prepare a striping plan utilizing thermoplastic and markers for the development.

51. Developer shall be limited to two (2) residential driveways on E. Hawkeye Avenue. The entrance to the private road shall be a City standard commercial driveway, either C-6 or C-7.

52. No on-street parking shall be allowed along Hawkeye Avenue. Developer shall provide painted red curb along the entire Hawkeye Avenue frontage.

53. All fences, walls, etc. shall be located outside of the 30 foot "Clear Vision Triangle" at the intersection of Hawkeye Avenue and the private road.

54. Developer shall remove and replace any curb, gutter, sidewalk, etc., if it is determined to be substantially substandard, does not meet ADA requirements or is in poor condition, as determined by the City Engineer.

55. If there are existing water and sewer services that are not going to be used, they must be properly abandoned in accordance with the requirements of the Municipal Services Department.

56. If there are existing driveway approaches that are not going to be used, they must be removed and replaced with curb, gutter, and sidewalk.

57. Trapper John Lane shall be a private road and will not be maintained by the City of Turlock. Developer shall form a Home Owner's Association (HOA) to cover the cost and administration of a maintenance program for the private road, private road street lighting and on-site landscaping.

58. If the City is to maintain the sewer and water lines in the private road, a utility easement over the private road shall be granted to the City of Turlock.

59. Parking shall not be allowed within the hammer head turnaround. Developer shall install appropriate signage, striping and/or red painted curb to identify the hammer head turnaround as a fire lane.

60. A letter outlining all fees and other requirements for the recording of the Subdivision Map will be forthcoming only after the map and all related documents have been submitted and checked by the Engineering Department.

61. The developer is required to street trees (along Hawkeye) to City specifications, in accordance with City of Turlock standards (TMC §7-7-500 and §9-2-109(8ii)). The approved street tree for this area is Liriodendron tulipifera 'Tulip Tree'. Please contact the department for review of tree layout and inspection prior to installation of street trees

62. The project shall comply with all applicable codes.

63. The project shall comply with the current California Fire Code, National Fire Code (NFPA), California Mechanical Code, and the Turlock Municipal Code in effect at the time of building permit application. THIS IS NOT A PLAN REVIEW. Additional requirements may be applicable upon Fire Dept. review of building plans.

64. Before vertical construction begins: 1) Onsite fire hydrant shall be in service; 2) Blue hydrant markers shall be in street; 3) Asphalt of concrete fire access roadway shall be installed; 4) Temporary address signage shall be clearly visible from the primary roadway.

65. Buildings or structures shall have an approved asphalt or concrete fire access road installed and accepted prior to final inspection.

66. Address numerals shall be a minimum of 4" tall with a ¾" stroke, contrast with background, be clearly visible from the primary roadway, and be illuminated either internally or externally between dusk and dawn daily. (TMC §4-3-204(g))

67. On-site fire hydrant shall be required. Location and number to be determined at civil plan review. Fire hydrant shall be within 75-feet of the FDC.

68. Fire lane requirements shall be met. Fire lanes shall be painted and signed throughout the project.

69. A review of District maps and records indicate that there are no known irrigation facilities located within this subject property. If facilities are found during construction, please contact the District at (209) 883-8367.

70. A 10-foot Public Utility Easement must be dedicated behind back of curb along the private street frontage (Trapper John Lane) to allow for placement of electric service to the interior lots. Questions regarding electric utility requirements, please contact the District at (209) 883-8241.

71. The owner/developer must apply for a facility change for any pole or electrical facility relocation. Facility changes are performed at developer's expense.

72. The project will be required to comply with the Regional Water Control Boards regulations and standards to maintain and improve groundwater and surface water quality.

Construction Storm Water General Permit

Dischargers whose project disturb one or more acres of soil or where projects disturb less than one acre but are part of a larger common plan of development that in total disturbs one or more acres, are required to obtain coverage under the General Permit for Storm Water Discharges Associated with Construction Activities (Construction General Permit), Construction General Permit Order No. 2009-009-DWQ. Construction activity subject to this permit includes clearing, grading, grubbing, disturbances to the ground, such as stockpiling, or excavation, but does not include regular maintenance activities performed to restore the original line, grade, or capacity of the facility The Construction General Permit requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP). For more information on the Construction General Permit, visit the State Water Resources Control Board website at: http://www.waterboards.ca.gov/water_issues/programs/stormwater/constpermits.shtml.

Phase I and II Municipal Separate Storm Sewer System (MS4) Permits

The Phase I and II MS4 permits require the Permittees reduce pollutants and runoff flows from new development and redevelopment using Best Management Practices (BMPs) to the maximum extent practicable (MEP). MS4 Permittees have their own development standards, also known as Low Impact Development (LID) post-construction standards that include a hydromodification component. The MS4 permits also require specific design concepts for LID/post-construction BMPs in the early stages of a project during the entitlement and CEQA process and the development plan review process.

For more information on which Phase I MS4 Permit this project applies to, visit the Central Valley Water Board website at: http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/municipal_permits/.

For more information on the Phase II MS$ permit and who it applies to, visit the State Water Resources Control Board at: http://www.waterboards.ca.gov/water_issues/program/stormwater/phase_ii_municipal.shtml

Industrial Storm Water General Permit

Storm water discharges associated with industrial sites must comply with the regulations contained in the Industrial Storm Water General Permit Order No. 97-03-DWQ.

For more information on the Industrial Storm Water General Permit, visit the Central Valley Water Board website at:

http://waterboards.ca.gov/centralvalley/water_issues/storm_water/industrial_general_permits/index.shtml.

Clean Water Act Section 404 Permit

If the project will involve the discharge of dredged or fill material in navigable waters or wetlands, a permit pursuant to Section 404 of the Clean Water Act may be needed from the United States Army Corps of Engineers (USACOE). If a Section 404 permit is required by the USACOE, the Central Valley Water Board will review the permit application to ensure that discharge will not violate water quality standards. If the project requires surface water drainage realignment, the applicant is advised to contact the Department of Fish and Game for information on Streambed Alteration Permit requirements.

If you have any questions regarding the Clean Water Act Section 404 permits, please contact the Regulatory Division of the Sacramento District of USACOE at (916) 557-5250.

Clean Water Act Section 401 Permit – Water Quality Certification

If an USACOE permit, or any other federal permit, is required for this project due to the disturbance of waters of the United States (such as streams and wetlands), then a Water Quality Certification must be obtained from the Central Valley Water Board prior to initiation of project activities. There are no waivers for 401 Water Quality Certifications.

Waste Discharge Requirements

If USACOE determines that only non-jurisdictional water of the State (i.e. "non-federal" waters of the State) are present in the proposed project area, the proposed project will require a Waste Discharge Requirement (WDR) permit to be issued by Central Valley Water Board. Under the California Porter-Cologne Water Quality Control Act, discharges to all waters of the State, including all

wetlands and other waters of the State including, but not limited to, isolated wetlands, are subject to State regulation.

For more information on the Water Quality Certification and WDR processes, visit the Central Valley Water Board website at:

http://water.waterboards.ca.gov/centralvalley/help/business_help/permit2.shtml.

Low or Limited Threat General NPDES Permit

If the proposed project includes construction dewatering and it is necessary to discharge the groundwater to waters of the United States, the proposed project will require coverage under a National Pollutant Discharge Elimination System (NPDES) permit. Dewatering discharges are typically considered a low or limited threat to water quality and may be covered under the General Order for Dewatering and Other Low Threat Discharges to Surface Waters (Low Threat General Order) or the General Order for Limited Threat Discharges of Treated/Untreated Groundwater from Cleanup Sites, Wastewater from Superchlorination Projects, and Other Limited Threat Wastewaters to Surface Water (Limited Threat General Order). A complete application must be submitted to the Central Valley Water Board to obtain coverage under these General NPDES permits.

For more information regarding the Low Threat General Order and the application process, visit the Central Valley Water Board website at: http://waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/general_orders/r5-2013-0074.pdf

For more information regarding the Limited Threat General Order and the application process, visit the Central Valley Water Board website at: http://waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/general_orders/r5-2013-0073.pdf

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 24th day of February, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver, City Clerk,
City of Turlock, County of Stanislaus,
State of California

7A

Council Synopsis

February 24, 2015

From: Roy W. Wasden, City Manager

Prepared by: Marie Lorenzi, Senior Accountant

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Resolution: Authorizing the Issuance by the Colorado Health Facilities Authority of its Revenue Refunding Bonds, Series 2015 (Covenant Retirement Communities, Inc.) in one or more series in an aggregate principal amount not to exceed $125,000,000 (the "Series 2015 Bonds"), of which not more than $23,000,000 shall be for the benefit of Covenant Village of Turlock, Covenant Village Care Center, Sequoia Place and Covenant Village of Turlock Care Center; and Related Matters

2. DISCUSSION OF ISSUE:

Covenant Retirement Communities, Inc. ("CRC") is the parent company of Covenant Retirement Communities West (d/b/a Covenant Village of Turlock, Covenant Village Care Center, Sequoia Place and Covenant Village of Turlock Care Center) ("CRC West"). CRC has requested that the City of Turlock, California (the "City") facilitate a public hearing related to the bond issuance CRC is undertaking to, among other things, refund the outstanding principal amount of the $148,620,000 Colorado Health Facilities Authority Revenue Bonds, Series 2005 (Covenant Retirement Communities, Inc.) (the "Financing Purposes").

The Series 2015 Bonds will be issued by the Colorado Health Facilities Authority, an independent public body politic and corporate and a public instrumentality of the State of Colorado (the "Colorado Authority"). The proceeds of the Series 2015 Bonds will be used by CRC, CRC West, as well as by certain other CRC subsidiaries at their other facilities in the States of Colorado, Florida, Illinois and Michigan.

The attached copy of the public hearing notice (which was placed in the Turlock Journal) provides additional information on the Financing Purposes.

3. BASIS FOR RECOMMENDATION:

As noted in the Resolution, the Internal Revenue Code of 1986 requires approval of the governmental unit having jurisdiction over the area in which a facility receiving bond proceeds is located. It is for this reason this refinancing is before the Council.

4. FISCAL IMPACT ANALYSIS

There is no financial impact to the City's budget for this transaction. The City has no liability for the repayment of the Series 2015 Bonds. The Series 2015 Bonds will be issued on behalf of CRC, CRC West, and certain other CRC subsidiaries by the Colorado Authority to refinance property located in the City. Section 203 of the related Bond Trust Indenture will provide that the Series 2015 Bonds are special and limited obligations of the Colorado Authority payable solely from amounts payable under the related Loan Agreement between the Colorado Authority and CRC.

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

N/A

7. ALTERNATIVES:

None recommended.

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF AUTHORIZING THE ISSUANCE BY THE COLORADO HEALTH FACILITIES AUTHORITY OF ITS REVENUE REFUNDING BONDS, SERIES 2015 (COVENANT RETIREMENT COMMUNITIES, INC.) IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $125,000,000 (THE "SERIES 2015 BONDS"), OF WHICH NOT MORE THAN $23,000,000 SHALL BE FOR THE BENEFIT OF COVENANT VILLAGE OF TURLOCK, COVENANT VILLAGE CARE CENTER, SEQUOIA PLACE AND COVENANT VILLAGE OF TURLOCK CARE CENTER; AND RELATED MATTERS	RESOLUTION NO. 2015-

WHEREAS, Covenant Retirement Communities, Inc., an Illinois not for profit corporation (the "Corporation"), has requested that the Colorado Health Facilities Authority (the "Authority") issues in one or more series of revenue refunding bonds in an aggregate principal amount not to exceed $125,000,000 (the "Bonds"), up to $23,000,000 of which will be used to (i) refund a portion of the outstanding principal amount of the $148,620,000 Colorado Health Facilities Authority Revenue Bonds, Series 2005 (Covenant Retirement Communities, Inc.) (the "Series 2005 Bonds"), (ii) fund a debt service reserve fund, if deemed necessary or advisable by the Corporation or the Authority, and (iii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2005 Bonds; and

WHEREAS, the proceeds of the Series 2005 Bonds were used, together with certain other moneys, to (i) pay or reimburse the Corporation and certain affiliated corporations, including Covenant Retirement Communities West (d/b/a Covenant Village of Turlock, Covenant Village Care Center, Sequoia Place and Covenant Village of Turlock Care Center) ("CRC West"), for costs related to acquire, construct, renovate, remodel and equip certain of their health facilities located in the City of Turlock, California (the "City") and the States of Colorado, Florida, Illinois and Michigan (collectively, the "2005 Project"), (ii) establish a debt service reserve fund for the Series 2005 Bonds, (iii) provide a portion of the interest payable on the Series 2005 Bonds during the construction of the 2005 Project, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2005 Bonds; and

WHEREAS, all of the improvements refinanced by the Bonds in the City are owned and operated by the Corporation or CRC West, and are located at 2125 North Olive Avenue in Turlock, California 95382; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the issuance of the Bonds by the Authority must be approved by the City because a portion of the 2005 Project to be refinanced with a portion of the proceeds of the Bonds is located within the territorial limits of the City; and

WHEREAS, the City Council of the City of Turlock, California (the "City Council") is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority for the purposes of refinancing the 2005 Project in order to satisfy the public approval requirement of Section 147(f) of the Code; and

WHEREAS, attached hereto as Exhibit A is a copy of the publisher's affidavit evidencing publication of the Notice of Public Hearing; and

WHEREAS, the City Council held a public hearing on February 24, 2015 in accordance with such Notice of Public Hearing as required by the Code and has submitted a copy of all written public comments which it received; and

WHEREAS, the City is a municipal corporation duly organized and existing under and pursuant to the laws of the City; and

WHEREAS, the City Council has determined that by approving the proposed plan of financing, the City will provide for the health and welfare of its residents and further its public purposes by causing to be provided essential health care services and facilities to the residents of the City; and

WHEREAS, the City Council now desires, among other things, to approve the issuance of the Bonds by the Authority for the purposes set forth above.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby determine the following:

1. The City Council hereby approves the issuance of the Bonds by the Authority for the purposes of refinancing the portion of the 2005 Project located in the City. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of Section 147(f) of the Code by the applicable elected representative of the issuer of the Bonds and the governmental unit having jurisdiction over the area in which a portion of the 2005 Project is located, in accordance with said Section 147(f).

2. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 24th day of February, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver, City Clerk,
City of Turlock, County of Stanislaus,
State of California

EXHIBIT A
PUBLICATION AFFIDAVIT

NOTICE OF PUBLIC HEARING

A public hearing will be held on Tuesday, February 24, 2015, at 6:00 P.M. local time, or soon thereafter, in the Yosemite Room, Turlock City Hall, 156 S. Broadway, Turlock, California, on the proposal for the Colorado Health Facilities Authority (the "Authority") to issue bonds in one or more series in an aggregate principal amount not to exceed $125,000,000 (the "Bonds") pursuant to the Colorado Health Facilities Authority Act, Colorado Revised Statutes 25-25-01, et seq., as amended. The proceeds of the Bonds will be loaned to Covenant Retirement Communities, Inc., an Illinois not for profit corporation (the "Corporation"), or certain affiliated corporations, including Covenant Retirement Communities West (d/b/a Covenant Village of Turlock, Covenant Village Care Center, Sequoia Place and Covenant Village of Turlock Care Center) ("CRC West"), a California non-profit corporation, to refinance the 2005 Project (as defined below) located in the City of Turlock, California (the "City") and in the States of Colorado, Florida, Illinois and Michigan. Public approval by the State of Colorado will be obtained following public notice and a public hearing in the State of Colorado regarding the Bonds and the portion of the 2005 Project refinanced in that State. Public approval by the City of Plantation, Florida will be obtained following public notice and a public hearing in the City of Plantation, Florida regarding the Bonds and the portion of the 2005 Project refinanced in that City. Public approval by the State of Illinois will be obtained following public notice and a public hearing in the State of Illinois regarding the Bonds and the portion of the 2005 Project refinanced in that State. Public approval by the City of Grand Rapids, Michigan will be obtained following public notice and a public hearing in the City of Grand Rapids, Michigan regarding the Bonds and the portion of the 2005 Project refinanced in that City.

Up to $23,000,000 of the proceeds of the Bonds will be used to refinance the portion of the 2005 Project located in the City by (i) refunding a portion of the outstanding principal amount of the $148,620,000 Colorado Health Facilities Authority Revenue Bonds, Series 2005 (Covenant Retirement Communities, Inc.) (the "Series 2005 Bonds"), (ii) funding a debt service reserve fund, if deemed necessary or advisable by the Corporation or the Authority, and (iii) paying certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2005 Bonds.

The proceeds of the Series 2005 Bonds were used, together with certain other moneys, to (i) pay or reimburse the Corporation and certain affiliated corporations, including CRC West, for costs related to acquire, construct, renovate, remodel and equip certain of their health facilities located in the City and the States of Colorado, Florida, Illinois and Michigan (collectively, the "2005 Project"), (ii) establish a debt service reserve fund for the Series 2005 Bonds, (iii) provide a portion of the interest payable on the Series 2005 Bonds during the construction of the 2005 Project, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2005 Bonds.

The owner, operator or manager of the facilities being refinanced with the proceeds of the Bonds in the City is the Corporation or CRC West, which facilities are located at 2125 North Olive Avenue, Turlock, California.

Neither the faith and credit nor the taxing power of the City, the State of California (the "State"), or any other political subdivisions or agency of the State is pledged to the payment of the principal, premium, if any, or interest with respect to the Bonds, nor shall the City, the State or any other political subdivision or agency of the State be liable or obligated to pay the principal, premium, if any, or interest with respect to the Bonds.

The supporting documentation which is the subject of the public hearing described in this notice is a matter of public record and is available for public inspection at the Office of the City Clerk, City Hall, 156 S. Broadway, Suite 230, Turlock, California during normal business hours. Information may also be obtained by calling the City Clerk at (209) 668-5540.

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, notice is hereby given that all proceedings before the City Council shall be in English and anyone wishing to address the council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

At the above time and place all interested parties will be given an opportunity to be heard. Anyone may present their views on these matters in person, by writing or by representative. If you challenge any of the above matters in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council of the City of Turlock at, or prior to, the public hearing. Any materials submitted to the City Council for consideration (photographs, slides, petitions, letters, etc.) becomes the property of the City and will be retained as a part of the public record.

The public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended. Interested persons wishing to express their views on the execution and delivery of the Bonds may attend the public hearing or, prior to the time of the public hearing, written comments may be submitted to the City Clerk, City of Turlock, 156 S. Broadway, Suite 230, Turlock, California 95380-5454. Subsequent to the public hearing, the City Council of the City of Turlock will meet to consider approval of the issuance of the Bonds.

By order of the City Council of the City of Turlock, California.

/s/ Kellie E. Weaver
City Clerk City of Turlock, California

NOTICE DATED: February 7, 2015.

PUBLISH: 1/31

8A

Council Synopsis

February 24, 2015

From: Roy W. Wasden, City Manager

Prepared by: Sarah Eddy, Human Resources Manager

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Resolution: Accepting and endorsing the City Manager's appointment of Kellie Jacobs-Hunter to the position of Administrative Services Director effective March 2, 2015

2. DISCUSSION OF ISSUE:

The City Council authorized the City Manager to fill the Administrative Services Director position in the 2014-15 fiscal year budget. This position has been vacant since 2009, due to economic constraints. As noted in the 2014-15 budget message, there was a change in the alignment of personnel in the Finance Division, i.e., the change of an existing position into an Administrative Services Director.

The Administrative Services Director serves as the Finance Officer and is responsible for financial planning, budgeting, accounting and auditing, treasury cash management and billing of other accounts. In addition, the individual oversees the preparation of the annual budget and serves as a consultant with other City Officials in financial accounting practices. The incumbent directs the divisions of finance, payroll and human resources.

A state-wide recruitment was conducted by Human Resources which resulted in a strong candidacy pool for the position. A thorough selection process was administered which included a multi-faceted test process. Our goal was to find a candidate who possessed both strong technical municipal financial experience as well as strong communication skills, with the ability to collaborate and communicate well with both City Council and City Staff. In addition, a comprehensive background and reference review was conducted. Our recruitment concluded with the appointment of an excellent individual who we believe will serve the City of Turlock in an exceptional capacity.

Kellie Jacobs-Hunter has over twenty-three (23) years of municipal finance and accounting experience, currently working the last sixteen (16) years in management with Merced County. Of those sixteen (16) years, Kellie served as Deputy Director of Administrative Services for Public Works. As Administrative Services Director, Kellie was responsible for all finance, budget, auditing, human

resources, and financial reporting functions for ten (10) operating divisions with a total budget responsibility over $50 million. Kellie also worked for City of Patterson as Finance Director, and both the City of Turlock and the City of Riverbank as an Accountant. Kellie's career path has been enriching in that all opportunities have provided a pattern of upward mobility for growth, and now availed her the opportunity to become a Director appointment for the City of Turlock.

3. BASIS FOR RECOMMENDATION:

Kellie Jacobs-Hunter's training, experience, and qualifications meet the requirements of the current Administrative Services Director job description. Kellie is well suited for this position and I am confident she will provide a smooth transition to the City of Turlock into a critical position within our organization, as well as become a valuable member of our Executive Team.

Strategic Plan Initiative:

A) Policy Initiative- Effective Leadership
Goal 1.C. Hire, develop and retain the best most qualified employees
Goal 1.D. Succession planning

Pursuant to the City Strategic Plan, the Department Strategic Plan and the Draft City Succession Policy, this request firmly meets these Plans and Policy initiatives.

4. FISCAL IMPACT / BUDGET AMENDMENT:

Fiscal Impact None. Funds have been budgeted for this position in the 2014-15 fiscal year (110.10.106_41001).

Budget Amendment

None.

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

N/A

7. ALTERNATIVES:

None recommended.

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF ACCEPTING AND ENDORSING THE CITY MANAGER'S APPOINTMENT OF KELLIE JACOBS-HUNTER TO THE POSITION OF ADMINISTRATIVE SERVICES DIRECTOR EFFECTIVE MARCH 2, 2015	**RESOLUTION NO. 2015-**

WHEREAS, in the 2014-15 fiscal year budget, the City Council authorized the City Manager to fill the position of Administrative Services Director, which has been vacant since 2009; and

WHEREAS, a state-wide recruitment was conducted by Human Resources which resulted in a strong candidacy pool for the position; and

WHEREAS, a thorough selection process was administered which included a multi-faceted test process, with the goal to find a candidate who possessed both strong technical municipal financial experience as well as strong communication skills, with the ability to collaborate and communicate well with both City Council and City Staff; and

WHEREAS, in addition to the fact that Kellie Jacobs-Hunter's training, experience, and qualifications meet the requirements of the current Administrative Services Director job description, Kellie is well suited for this position and we are confident she will provide a smooth transition to the City of Turlock into a critical position within our organization.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby accept and endorse the City Manager's appointment of Kellie Jacobs-Hunter to the position of Administrative Services Director effective March 2, 2015.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 24th day of February, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver, City Clerk
City of Turlock, County of Stanislaus,
State of California

8B

Council Synopsis

February 24, 2015

From: Michael G. Pitcock, P.E.
Director of Development Services / City Engineer

Prepared by: Roger K. Fall, Development Services\ Engineering Division

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Motion: Approving an agreement with Stott Outdoor Advertising of Chico, California, to sell and maintain advertising on the exteriors of Turlock's "Blast" and "Dart" urban services and remit a portion of the sales revenue to the City in the form of purchased transit tickets to be distributed to recognized charitable organizations and the Turlock Unified School District

2. DISCUSSION OF ISSUE:

Since 1998, the City has contracted with Alan Seaton Consulting Services to sell and maintain advertising on the exteriors of Turlock's "Blast" and "Dart" urban services and remit a portion of the sales revenue to the City. Last year, City staff was contacted by businesses who expressed interest in providing this type of service and Councilmember Bublak requested a review of this process. On October 24, 2014 the City issued a "Request for Proposals (RFP)" for "Exterior Advertisements on City Transit Buses." The advertising space consists of exterior spaces on the sides and rear of our fixed route and dial-a-ride buses.

On or before the deadline of December 19, 2014, the following two (2) firms submitted detailed proposals.

Consultant	Alan Seaton Consulting Services	Stott Outdoor Advertising
Expected Total Monthly Revenue	$500/mo. Yr. 1 $500/mo. Yr. 2 $500/mo. Yr. 3	$3,000/mo. Yr. 1 $4,200/mo. Yr. 2 $4,200/mo. Yr. 3
Project Timing	3 years	3 years

Analysis:

A three person committee was formed to rank and review the proposals in accordance with standard practices. The committee met on January 6, 2015 to

review the proposals and determine a consultant for recommendation to Council. After much discussion, staff selected the proposal from Stott Outdoor Advertising as best meeting the terms and conditions of the RFP. Stott Outdoor Advertising is an established outdoor advertising firm with significant resources to meet the City's needs from its Modesto and other offices. Stott Outdoor Advertising staff has prepared and administered exterior bus advertising in several cities and counties with both small and large jurisdictions. This firm has strong history with transit bus advertising and is familiar with the Stanislaus County area.

Contract:

This contract will allow City of Turlock to receive revenues that will assist the agency to offset costs associated with the provision of low income public transit services. Stott Outdoor Advertising will market the advertising space only to persons, companies, or businesses who agree to participate in the City's program to provide transit system access to the economically disadvantaged and Turlock Unified School District. Participation in the program will require the Contractor to purchase transit fare tickets in an amount equal 30 percentage of the net advertising revenue each month or the minimum guarantee amount of $3,000 each month the first year, $4,200 each month the second and third year of the contract, whichever is greater, and agree to furnish those tickets to the City of Turlock Administrative Department staff who shall distribute those tickets through a recognized charitable organization and the Turlock Unified School District. Stott Outdoor Advertising will be responsible for the complete management of all necessary and desired components relative to the provision of exterior advertising on the City of Turlock buses.

Once the transit fare tickets are provided to the City; City Administrative Department Staff shall distribute the tickets to the following organizations:

- We Care
- United Samaritan Foundation
- Turlock Gospel Mission
- Children's Crisis Center
- Haven Women's Center
- Salvation Army- Turlock
- Turlock Unified School District

Highlights of the agreement include:

A. The agreement is for a three (3) year period, with the possible extension for additional three (3) years.

B. The proposed contract requires Stott Outdoor Advertising payment to be either the greater of: (1) a minimum fixed amount per month of $3,000.00/month for the first year and $4,200/month for the second and third year of the contract, or (2) 30 percent of the net revenue per month,

to make financial records available for City review to ensure proper payment is being received.

3. BASIS FOR RECOMMENDATION:

A. Advertising on buses assist in bring in revenue that can assist with the expenses of providing transit and additional help with providing economically disadvantaged individuals with a means of transportation around Turlock.

Strategic Plan Initiative:

This item is not specifically identified within the City Strategic Plan.

4. FISCAL IMPACT / BUDGET AMENDMENT:

Fiscal Impact
The City could expect to see revenue of approximately $3,000.00 per month in additional transit fare funds the first year, $4,200.00 per month in the second and third year of the contract.

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

N/A

7. ALTERNATIVES:

A. The City Council could choose not to allow advertising on transit buses or reduce the type, size or number of ads that would be allowed.

B. The City Council could decide not to award the contract to Stott Outdoor Advertising and award the contract to Alan Seaton Consultant Services.

AGREEMENT FOR SPECIAL SERVICES
between
CITY OF TURLOCK
and
STOTT Outdoor Advertising
for
Exterior Advertisements on City Transit Buses
CITY PROJECT NO.14-56

THIS AGREEMENT is made this 24th day of February, 2015, by and between the **CITY OF TURLOCK**, a municipal corporation of the State of California hereinafter referred to as "CITY" and **STOTT OUTDOOR ADVERTISING**, a General Partnership, hereinafter referred to as "CONTRACTOR"

W I T N E S S E T H:

WHEREAS, in accordance with California Government Code §37103, CITY has a need for financial marketing/advertising and

WHEREAS, CONTRACTOR has represented itself as duly trained, qualified, and experienced to provide such special service, hereinafter referred to as "Services."

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. **SCOPE OF WORK:** CONTRACTOR shall furnish all labor, equipment, materials and process, implements, tools, and machinery, except as otherwise specified which are necessary and required to provide the Services and shall perform such special services in accordance with the standards of its profession and the specifications attached hereto as Attachment 1. CONTRACTOR shall provide Services that are acceptable to the CITY.

2. **LIMITATION ON ADVERTISERS**: CONTRACTOR will market the advertising space described herein only to person, companies, or businesses who agree to participate in the City's program to provide transit system access to the economically disadvantaged. Participation in the program will require the CONTRACTOR to purchase fare tickets in an amount equal to the listed amount in Section 5 COMPENSATION and agree to furnish those tickets to the City of Turlock staff who shall distribute those tickets through a recognized charitable organization and the Turlock Unified School District.

3. **PERSONNEL AND EQUIPMENT:** CONTRACTOR shall provide all personnel needed to accomplish the Services hereunder. CONTRACTOR shall additionally acquire, provide, maintain, and repair, at its sole cost and expense, such equipment, materials, and supplies as CONTRACTOR shall reasonably require to accomplish said Services.

4. **SAFETY REQUIREMENT:** All Services and merchandise must comply with California State Division of Industrial Safety orders and O.S.H.A.

OK for Agenda

5. COMPENSATION: For the rights and privileges of placing advertising on the exterior of CITY's buses under this Agreement:

(a) CONTRACTOR shall purchase transit fare tickets in an amount equal to the monthly guarantee amount of thirty percent (30%) of CONTRACTOR's net advertising revenue each month or the minimum guarantee amount of three thousand ($3,000.00) worth of transit fare tickets each month, whichever is greater for the period of April 1, 2015 to March 31, 2016; thirty percent (30%) of CONTRACTOR's net advertising revenue each month or the minimum guarantee amount of four thousand two hundred ($4,200.00) worth of transit fare tickets each month, whichever is greater for the period of April 1, 2016 to March 31, 2018; The minimum guarantee amount in transit fare tickets to be delivered to CITY shall accrue beginning with the first month of this Agreement. The specified percentage of net advertising revenue shall be paid pursuant to the requirements of Paragraph 5(h). Payment for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month.

(b) The term "gross advertising *revenue"* means all monies, remunerations, and considerations of *every* kind received from the sale of advertising space by CONTRACTOR in its operations as permitted under this Agreement plus the *revenue* equivalent from all advertising (whether or not CONTRACTOR received payment for it) appearing on the exterior of a bus.

(c) "Net advertising *revenue"* shall mean "gross advertising *revenue"* less the following:

1. Commissions paid to advertising agencies or sales representatives other than CONTRACTOR staff, if any, at a rate not exceeding fifteen percent (15%) of gross billings; and

2. The amount of any sales, use, gross receipts, occupational and similar taxes (but excluding income and property taxes) directly imposed by any public agency on the sale or display of advertising under the terms of this Agreement and paid by CONTRACTOR.

(d) Gross advertising *revenue* shall be calculated on the accrual basis, (ie. amounts are prorated to the time periods that correlate to the time periods during which the advertising is displayed). Deductions to calculate net advertising revenue (e.g., commissions) shall be amortized over the term of the advertising.

(e) CONTRACTOR may engage in self-promotion of any type, however, the self-promotion ad is limited to one ad on each bus.

(f) In the event that the number of buses *available* for the placement of advertising changes, the minimum guaranteed payment shall be adjusted by a proportionate amount. Any approved reduction in said payment must be directly attributable to a reduction in available advertising space and not due to CONTRACTOR's business practices or its failure to gain sales revenue. CONTRACTOR must provide documentation to CITY that proves to CITY's satisfaction that CONTRACTOR's reduction in revenue is due solely to a reduction in available advertising space before CITY will agree to any reduction in the minimum guaranteed payment. Excluded-from this provision are temporary reductions in available advertising space due to work stoppages, strikes, mechanical failures, accidents, catastrophes, riots, and similar events.

(g) CONTRACTOR shall purchase CITY transit fare tickets and provide them to the CITY in an amount equal to the monthly guarantee amount shown in Paragraph 5(a). by the 15th day of each month, beginning with the second month of the term of the Agreement. Said fare ticket payment shall be made at the following address: Administration Dept. City of Turlock. 156 S. Broadway, Suite 230 Turlock. CA. Said monthly payments in the form of transit tickets shall be accompanied by a statement with names, sizes, quantities and the number of the advertisement which was displayed, the gross revenue earned for the advertisement, and the amount and description of any deductions from gross revenue permitted by this Section.

(h) By the 30th day of the month and every six (6) months thereafter, CONTRACTOR shall submit a statement that compares the total of the six (6) monthly guaranteed transit fare ticket payments to the amount CITY would have received if paid the percentage of the net advertising revenue for the prior six (6) months. Any additional amounts owed in transit tickets to CITY shall accompany a reconciliation schedule.

(i) All transit fare ticket payments, regardless of their nature, shall be submitted in a timely manner. If a payment shall not be received by CITY by the deadline dates required by Paragraphs 5.(g) and 5.(h), then, without any requirement for notice to CONTRACTOR, CONTRACTOR shall pay to CITY a one-time rate charge equal to five percent (5%) of the overdue amount. In addition to incurring late charges, payments due CITY shall bear interest from the date when due at the rate of one and one half percent (1.5%) per month.

(1) If CITY disputes any items on a statement for a reasonable cause, which includes but is not limited to unsatisfactory service, CITY agrees to continue to provide advertisement space on the transit vehicles until the dispute is settled or this agreement is terminated.

(j) Records: CONTRACTOR shall submit dated monthly records to CITY specifying the date, location and service rendered, and the charge therefor.

6. TERM OF AGREEMENT: This Agreement shall become effective upon execution and shall continue in full force and effect for a period of thirty six months (36) beginning April 1, 2015 and ending March 31, 2018.

7. INSURANCE: CONTRACTOR shall not commence work under this Agreement until CONTRACTOR has obtained CITY's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall CONTRACTOR allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. CONTRACTOR shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONTRACTOR, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of contract.

(a) Minimum Scope of Insurance: Coverage shall be at least as broad as:

(1) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01) with an additional insured endorsement (form CG 20 10 for ongoing operations and 20 37 for products/completed operations), to be approved by the City of Turlock.

(2) Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto).

(3) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(b) Minimum Limits of Insurance: CONTRACTOR shall maintain limits no less than:

(1) General Liability (including operations, products and completed operations): $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

(2) Automobile Liability: $1,000,000 per occurrence for bodily injury and property damage.

(3) Workers' Compensation: as statutorily required by the State of California. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

(c) Deductibles and Self-Insured Retentions: Upon Request of CITY, any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either:

(1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY, its elective and appointive boards, officers, agents, employees, and volunteers; or

(2) (2) CONTRACTOR shall provide a financial guarantee satisfactory to CITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(d) Other Insurance Provisions: The commercial general liability policy shall contain, or be endorsed to contain, the following provisions:

(1) CITY, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of CONTRACTOR, including materials, parts or equipment furnished in connection with such work or operations, which coverage shall be maintained in effect for at least three (3) years following the completion of the work specified in the contract. General liability coverage can be provided in the form of an endorsement to CONTRACTOR's insurance (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed operations), or as a separate Owners and Contractors Protective Liability policy providing both ongoing operations and completed operations coverage.

(2) For any claims related to this project, CONTRACTOR's insurance coverage shall be primary insurance as respects CITY and any insurance or self-insurance maintained by CITY shall be excess of CONTRACTOR's insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to CITY under this Agreement, the insurer, broker/producer, or CONTRACTOR shall provide CITY with thirty (30) days' prior written notice of such cancellation, non-renewal, or material change.

(4) Coverage shall not extend to any indemnity coverage for the active

negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(e) Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

(f) Verification of Coverage: CONTRACTOR shall furnish CITY with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by CITY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive CONTRACTOR'S obligation to provide them. CITY reserves the right, at any time, to require complete, certified copies of all required insurance policies and endorsements.

(g) Waiver of Subrogation: With the exception of professional liability, CONTRACTOR hereby agrees to waive subrogation which any insurer of CONTRACTOR may acquire from CONTRACTOR by virtue of the payment of any loss. The commercial general liability policy and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of CITY for all work performed by CONTRACTOR, its agents, employees, independent contractors and subcontractors. CONTRACTOR agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

(h) Subcontractors: CONTRACTOR shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

8. INDEMNIFICATION: CONTRACTOR shall indemnify, defend, and hold harmless CITY and its elective and appointive boards, officers, agents, employees, and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of CONTRACTOR, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of CITY.

9. INDEPENDENT CONTRACTOR RELATIONSHIP: All acts of CONTRACTOR, its agents, officers, and employees and all others acting on behalf of CONTRACTOR relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers, or employees of CITY. CONTRACTOR, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of CITY. CONTRACTOR has no authority or responsibility to exercise any rights or power vested in the CITY. No agent, officer, or employee of the CITY is to be considered an employee of CONTRACTOR. It is understood by both CONTRACTOR and CITY that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

CONTRACTOR, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of CITY.

CONTRACTOR shall determine the method, details and means of performing the work and services to be provided by CONTRACTOR under this Agreement. CONTRACTOR shall be responsible to CITY only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to CITY's control with respect to the physical action or activities of the CONTRACTOR in fulfillment of this Agreement. CONTRACTOR has control over the manner and means of performing the services under this Agreement. CONTRACTOR is permitted to provide services to others during the same period

service is provided to CITY under this Agreement. If necessary, CONTRACTOR has the responsibility for employing other persons or firms to assist CONTRACTOR in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by CONTRACTOR, such persons shall be entirely and exclusively under the direction, supervision, and control of CONTRACTOR. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the CONTRACTOR.

It is understood and agreed that as an independent contractor and not an employee of CITY neither the CONTRACTOR or CONTRACTOR'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of the CITY in any capacity whatsoever as an agent, or to bind the CITY to any obligation whatsoever.

It is further understood and agreed that CONTRACTOR must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of CONTRACTOR'S personnel.

As an independent contractor, CONTRACTOR hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

10. VOLUNTARY TERMINATION: CITY may terminate this Agreement without cause or legal excuse by providing ninety (90) days' written notice to CONTRACTOR.

11. TERMINATION OF STATED EVENT:

(a) Termination on Occurrence of Stated Events. This Agreement shall terminate automatically on the date on which any of the following events occur: (1) bankruptcy or insolvency of CONTRACTOR, or (2) legal dissolution of CONTRACTOR.

(b) Termination by CITY for Default of CONTRACTOR. Should CONTRACTOR default in the performance of this Agreement or materially breach any of its provisions, at its option CITY may terminate this Agreement by giving written notification to CONTRACTOR. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to perform required services or duties, willful destruction of CITY's property by CONTRACTOR, dishonesty or theft.

(c) Termination by CONTRACTOR for Default of CITY. Should CITY default in the performance of this Agreement or materially breach any of its provisions, at its option CONTRACTOR may terminate this Agreement by giving written notice to CITY. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to cooperate reasonably with CONTRACTOR, willful destruction of CONTRACTOR's property by CITY, dishonesty or theft.

(d) Termination for Failure to Make Agreed-Upon Payments. Should CONTRACTOR fail to pay CITY all or any part of the payments set forth in this Agreement on the date due, at its option CITY may terminate this Agreement if the failure is not remedied within thirty (30) days after CITY notifies CONTRACTOR in writing of such failure to pay. The termination date shall be the effective date of the notice.

(e) Termination by CITY for Change of CONTRACTOR'S Tax Status. If CITY determines that CONTRACTOR does not meet the requirements of federal and state tax laws for independent contractor status, CITY may terminate this Agreement by giving written notice to

CONTRACTOR. The termination date shall be the effective date of the notice.

(f) In the Event of Termination. If this Agreement is terminated pursuant to this Paragraph, CONTRACTOR shall cease all its work on the project as of the termination date and shall see to it that its employees, subcontractors and agents are notified of such termination and cease their work. If CITY so requests, and at CITY's cost, CONTRACTOR shall provide sufficient oral or written status reports to make CITY reasonably aware of the status of CONTRACTOR'S work on the project. Further, if CITY so requests, and at CITY's cost, CONTRACTOR shall deliver to CITY any work products whether in draft or final form which have been produced to date.

If the Agreement is terminated pursuant to any of the subsections contained in this paragraph, CONTRACTOR will pay CITY an amount based on the percentage of work completed on the termination date, this percentage shall be determined by CITY in its sole discretion. If the Agreement is terminated pursuant to the subparagraph entitled Termination by CITY for Default of CONTRACTOR, CONTRACTOR understands and agrees that CITY may, in CITY's sole discretion, refuse to pay CONTRACTOR for that portion of CONTRACTOR'S services which were performed by CONTRACTOR on the project prior to the termination date and which remain unacceptable and/or not useful to CITY as of the termination date.

12. CONFORMANCE WITH FEDERAL AND STATE LAW: All equipment, supplies and services used by CONTRACTOR in the performance of this Agreement shall conform to the laws of the government of the United States and the State of California.

13. NONDISCRIMINATION: In connection with the execution of this Agreement, CONTRACTOR shall not discriminate against any employee or applicant for employment because of age, race religion, color, sex, or national origin. CONTRACTOR shall take affirmative action to insure that applicants are employed, and the employees are treated during their employment, without regard to their age, race, religion, color, sex or national origin. Such actions shall include, but not be limited to, the following: employment, promotions, demotions or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. CONTRACTOR shall also comply with the requirement of Title VII of the Civil Rights Act of 1964 (P.L. 88-352) and with all applicable regulations, statutes, laws, etc., promulgated pursuant to the civil rights acts of the government of the United States and the State of California now in existence or hereafter enacted. Further, CONTRACTOR shall comply with the provisions of Section 1735 of the California Labor Code.

14. TIME: Time is of the essence in this Agreement.

15. ENTIRE AGREEMENT AND MODIFICATION: This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. CONTRACTOR shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. CONTRACTOR specifically acknowledges that in entering into and executing this Agreement, CONTRACTOR relies solely upon the provisions contained in this Agreement and no others.

16. OBLIGATIONS OF CONTRACTOR: Throughout the term of this Agreement, CONTRACTOR shall possess, or secure all licenses, permits, qualifications and approvals legally required to conduct business. CONTRACTOR warrants that it has all of the necessary professional capabilities and experience, as well as all tools, instrumentalities, facilities and other resources necessary to provide the CITY with the services contemplated by this Agreement. CONTRACTOR further represents that it will follow the best current, generally accepted and professional practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding this project.

17. OWNERSHIP OF DOCUMENTS: All reports, data, drawings, plans, designs, specifications, graphics, calculations, working papers, models, flow diagrams, visual aids, and other incidental work or materials furnished hereunder shall become and remain the property of the CITY, and may be used by CITY as it may require without any additional cost to CITY. No reports shall be used by the CONTRACTOR for purposes other than this contract without the express prior written consent of CITY.

18. NEWS AND INFORMATION RELEASE: CONTRACTOR agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from CITY through the City Manager.

19. INTEREST OF CONTRACTOR: CONTRACTOR warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR warrants that, in performance of this Agreement, CONTRACTOR shall not employ any person having any such interest. CONTRACTOR agrees to file a Statement of Economic Interests with the City Clerk at the start and end of this contract if so required at the option of CITY.

20. AMENDMENTS: Both parties to this Agreement understand that it may become desirable or necessary during the execution of this Agreement, for CITY or CONTRACTOR 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 the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work.

Until a change order is so executed, CITY will not be responsible to pay any charges CONTRACTOR may incur in performing such additional services, and CONTRACTOR shall not be required to perform any such additional services.

21. PATENT/COPYRIGHT MATERIALS: Unless otherwise expressly provided in the contract, CONTRACTOR shall be solely responsible for obtaining the right to use any patented or copyrighted materials in the performance of this Agreement. CONTRACTOR shall furnish a warranty of such right to use to CITY at the request of CITY.

22. CERTIFIED PAYROLL REQUIREMENT: For CONTRACTORS performing field work on public works contracts on which prevailing wages are required, CONTRACTOR shall comply with the provisions of Section 1776 of the California Labor Code, regarding payroll records, and shall require its subconsultants and subcontractors to comply with that section as may be required by law.

23. PARTIAL INVALIDITY: If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

24. WAIVER: The waiver by any party to this Agreement of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

25. AUDIT: CITY's duly authorized representative shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify CONTRACTOR'S charges to CITY under this Agreement.

CONTRACTOR agrees to retain reports, records, documents, and files related to charges under this Agreement for a period of four (4) years following the date of final payment for

CONTRACTOR services. CITY's representative shall have the right to reproduce any of the aforesaid documents.

26. GOVERNING LAW: This Agreement shall be governed according to the laws of the State of California.

27. HEADINGS NOT CONTROLLING: Headings used in the Agreement are for reference purposes only and shall not be considered in construing this Agreement.

28. COMPLIANCE WITH LAWS: CONTRACTOR shall insure compliance with all safety and hourly requirements for employees, in accordance with federal, state, and county safety and health regulations and laws. CONTRACTOR shall fully comply with all applicable federal, state, and local laws, ordinances, regulations and permits.

29. CITY BUSINESS LICENSE: CONTRACTOR will have a City of Turlock business license.

30. ASSIGNMENT: This Agreement is binding upon CITY and CONTRACTOR and their successors. Except as otherwise provided herein, neither CITY nor CONTRACTOR shall assign, sublet, or transfer interest in this Agreement or any part thereof without the prior written consent of the other.

31. RECORD INSPECTION AND AUDIT: CONTRACTOR shall maintain adequate records to permit inspection and audit of CONTRACTOR's time and material charges under this Agreement. CONTRACTOR shall make such records available to CITY during normal business hours upon reasonable notice. Such records shall be turned over to CITY upon request.

32. EMPLOYMENT OF CITY OFFICIAL OR EMPLOYEE: CONTRACTOR shall employ no CITY official or employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of California Government Code Sections 1090 *et seq.*; nor shall CITY violate any provision of its Conflict of Interest Code adopted pursuant to the provisions of California Government Code Sections 87300 *et seq.*

33. FEDERAL REQUIREMENTS: In this section "Purchaser" refers to the City of Turlock

(a) Energy Conservation: CONTRACTOR agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

(b) Clean Water: (1) CONTRACTOR agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. CONTRACTOR agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office. (2) CONTRACTOR also agrees to include these requirements in each subcontract exceeding $100,000 financed in whole or in part with Federal assistance provided by FTA.

(c) Access to Records: The following access to records requirements apply to this Contract:

(1) CONTRACTOR agrees to provide the Purchaser, the FTA Administrator, the Comptroller General of the United States, or any of their authorized

representatives access to any books, documents, papers and records of CONTRACTOR which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. CONTRACTOR also agrees, pursuant to 49 C. F. R. 633.17 to provide the FTA Administrator or his authorized representatives including any PMO Contractor access to CONTRACTOR's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or5311.

(2) Where the Purchaser enters into a negotiated contract for other than a small purchase or under the simplified acquisition threshold and is an institution of higher education, a hospital or other non-profit organization and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 19.48, CONTRACTOR agrees to *provide* the Purchaser, FTA Administrator, the Comptroller General of the United States or any of their duly authorized representatives with access to any books, documents, papers and record of CONTRACTOR which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions.

(3) Where any Purchaser which is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 U.S.C. 5325(a) enters into a contract for a capital project or improvement (defined at 49 U.S.C. 5302(a)1) through other than competitive bidding, CONTRACTOR shall make available records related to the contract to the Purchaser, the Secretary of Transportation and the Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.

(4) CONTRACTOR agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(5) CONTRACTOR agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case CONTRACTOR agrees to maintain same until the Purchaser, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR18.39(i)(11).

(6) FTA does not require the inclusion of these requirements in subcontracts.

(d) Federal Changes: CONTRACTOR shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. CONTRACTOR's failure to so comply shall constitute a material breach of this contract.

(e) Clean Air: (1) CONTRACTOR agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§7401 et seq. CONTRACTOR agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office. (2) CONTRACTOR also agrees to include these requirements in each subcontract exceeding $100,000 financed in whole or in part with Federal assistance provided by FTA

(f) Recovered Materials: CONTRACTOR agrees to comply with all the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247.

(g) No Obligation by the Federal Government: (1)' The Purchaser and CONTRACTOR acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the Purchaser, CONTRACTOR, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract. (2) CONTRACTOR agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

(h) Program Fraud and False or Fraudulent Statements or Related Acts:

(1) CONTRACTOR acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, CONTRACTOR certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, CONTRACTOR further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on CONTRACTOR to the extent the Federal Government deems appropriate.

(2) CONTRACTOR also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.$.C. § 5307(n)(1) on CONTRACTOR, tothe extent the Federal Government deems appropriate.

(3) CONTRACTOR agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

(i) Suspension and Debarment: This contract is a covered transaction for purposes of 49 CFR Part 29. As such, CONTRACTOR is required to verify that none of CONTRACTOR, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945. CONTRACTOR is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into. By signing and submitting its bid or proposal, CONTRACTOR certifies as follows: The certification in this clause is a material representation dfact relied upon by City of TURLOCK. If it is later determined that CONTRACTOR knowingly rendered an erroneous certification, in addition to remedies available to City of TURLOCK, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. CONTRACTOR agrees to comply with the requirements

of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that 'may arise from this offer. CONTRACTOR further agrees to include a provision requiring such compliance in its lower tier covered transactions.

(j) Civil Rights: The following requirements apply to the underlying contract:

(1) Nondiscrimination - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, CONTRACTOR agrees that it will not discriminate against any employee or applicant for employment because of race, color. creed, national origin, sex, age, or disability. In addition, CONTRACTOR agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

(2) Equal Employment Opportunity; The following equal employment opportunity requirements apply to the underlying contract:

(A) Race, Color. Creed, National Origin, Sex -In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. §5332, CONTRACTOR agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq ., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. CONTRACTOR agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay of other forms of compensation; and selection for training, including apprenticeship. In addition, CONTRACTQR agrees to comply with any implementing requirements FTA may issue.

(B) Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § § 623 and Federal transit law at 49 U.S.C. § 5332, CONTRACTOR agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, CONTRACTOR agrees to comply with any implementing requirements FTA may issue.

(C) Disabilities -In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, CONTRACTOR agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act, 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, CONTRACTOR agrees to comply with any implementing requirements FTA may issue.

(3) CONTRACTOR also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties

34. NOTICE: Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail, if delivery is by postage paid, registered, or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time:

for CONTRACTOR: **Russ Raburn**
Transit Operations and Development Manager
700 Fortress St. Chico, CA 95973
PHONE: (888) 342-7868
FAX: (530) 342-0712

for CITY: **CITY OF TURLOCK**
ATTN: Michael G. Pitcock, P.E.
ENGINEERING DIVISION
156 SOUTH BROADWAY, SUITE 150
TURLOCK, CALIFORNIA 95380-5454
PHONE: (209) 668-5599 Ext. 4430
FAX: (209) 668-5563

35. OPTION TERM: In consideration of the herein AGREEMENT, CONTRACTOR hereby grants the below option, exercisable in writing at CITY'S sole election, anytime on or before the date specified herein and as follows:

(a) Description - CITY may extend the service provided by CONTRACTOR under this AGREEMENT for an option period of three years duration.

(b) The minimum guarantee revenue and percentage of net revenue shall be arrived at upon the basis of the price indicated in the CONTRACTORS Proposal.

(c) Option Exercise Dates: On or before January 1, 2018.

It is mutually understood and agreed that all work performed and services provided under the exercised option shall be in strict compliance with all of the requirements of this AGREEMENT as such may be amended from time to time by mutual agreement. It is mutually understood and agreed that CITY is under no obligation whatsoever to exercise this option and that no representations have been made by CITY committing it to such exercise of this option, and that CITY may procure any such option requirements elsewhere. Such option exercise may be by amendment hereto or by issuance of a new AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by and through their respective officers' thereunto duly authorized.

CITY OF TURLOCK, a municipal corporation

By: _____
Roy W. Wasden, City Manager

Date: _____

APPROVED AS TO SUFFICIENCY:

By: _____
Michael G. Pitcock, PE, Director of
Development Services/City Engineer

APPROVED AS TO FORM:

By: _____
Phaedra A. Norton, City Attorney

ATTEST:

By: _____
Kellie E. Weaver, City Clerk

Stott Outdoor Advertising

By: _____

Title: _____

Print name: _____

Date: _____

SCOPE OF WORK

EXTERIOR ADVERTISEMENTS ON CITY TRANSIT BUSES

1. INTRODUCTION

1.1. Scope of Work

Background

City of Turlock is seeking the services of an individual or firm to manage an Exterior Bus Side Advertising Program on its buses for a three (3) year term with an option for a three year extension.

City of Turlock Transit System (BLAST and DART)

The City of Turlock operates both BLAST and DART. BLAST provides four fixed-routes, each with 40-minute headways, Routes A, B, C, and D. Each route departs simultaneously from the Turlock Regional Transit Center, located on Dels Lane at Golden State Boulevard. The BLAST service area covers about 80% of Turlock's city limits. General weekday hours of operation are from 6:40 a.m. to 5:30 p.m., and Saturday service is provided from 9:25 a.m. to 4:00 p.m. DART provides dial-a-ride service to both the City of Turlock and the unincorporated community of Denair. Within the BLAST service area, DART operates primarily as an elderly/handicapped paratransit service. However, DART service outside the BLAST area is open to the general public. DART's hours of operation are the same as BLAST.

Connections are available with County of Stanislaus and County of Merced Transit Bus Systems, and Amtrak Train. Service.

City of Turlock projects operating the following in fiscal year 2015:

- 160,000 total fixed route miles
- 36,000 paratransit miles
- 6 vehicles operating during peak service

City of Turlock's fleet of buses that accommodate Exterior Advertising is shown in Exhibit 1.

General Requirements

The Contractor shall have exclusive rights to place exterior bus side advertising upon the City's fleet of fixed-route and paratransit buses, subject to the terms and conditions set forth in this RFP.

City reserves the right to use any other portion of the buses and vans for its exclusive use for any advertising or promotion or purpose it deems to be in the interests of the City. City also reserves the right to use any unsold exterior bus side advertising space for its exclusive use as mentioned above.

Space availability for advertising on City of Turlock vehicles may change during the period of this Agreement for reasons including, but not limited to, the acquisition of new vehicles, the retiring of old vehicles, maintenance of existing vehicles or new bus designs or configurations which do not allow for exterior advertising capability.

The Contractor shall employ its best efforts to develop and make sales of advertising space and shall operate a facility and work force capable of insuring proper installation, maintenance and removal of advertising displays.

Contractor shall provide an emergency phone number for City of Turlock to reach Contractor in the case of an emergency situation. Contractor shall respond to an emergency situation within 24 hours of City of Turlock's request.

In addition to complying with City of Turlock's Advertising Policy set forth in this RFP, the Contractor shall comply with generally accepted industry principles with respect to good taste and all applicable laws and regulations including but not limited to truth in advertising, copyrights and trademarks. Additionally, the Contractor shall:

- Remove unapproved, damaged or defaced advertisements within 72 hours of notice given by the City of Turlock.
- Remove all dated advertising materials within five (5) calendar days from its expiration date. Dated materials refer to advertising materials that are relevant to a specific time period or relevant to an event that has been completed.

Specific Requirements

(a) **Location for Advertisements**. Advertising will be permitted on the exterior left, right and rear sides of buses. At the contract initiation, and prior to the initial installation of vinyl advertisements, Contractor shall provide City of Turlock with schematics detailing the location for placement of advertisement, on non-permanent adhesive vinyl material, on each type of bus in City of Turlock's fleet. Once approved by City of Turlock these schematics become the standard locations for placement of ads on buses within each type through the term of the agreement.

(b) **Material and Appearance of Advertisement** City of Turlock requires that all exterior advertising installed as part of the proposal be of the non-permanent adhesive vinyl type, "direct application." The Contractor shall assure that all exterior advertisements are manufactured, installed, and removed in accordance with current (and future) industry standards. Additionally, each ad:

(1) shall be free from wrinkles, blisters or similar defects

(2) shall be "squared" to the vehicle contour lines

(3) shall present a sharp and clear appearance

(4) in the case of full or half wraps, the ad shall NOT continue around the corner onto an unadvertised side. The full or half wrap advertisement must be invisible to other sides of the coach

(c) **Dimensions of Advertisement**. City of Turlock plans to adhere to the industry standards for advertisement dimensions as a baseline for this solicitation. Ad size will vary depending on vehicle type and size fixed route 35 ft. versus dial-a-ride bus. A complete list of vehicles is listed in Exhibit 1. Exhibit 1 indicates the general area where advertisements will be allow on the different types of buses. The dimensions are included as a means of providing the Proposer with a general idea of the space available for ads. City of Turlock desires to provide as much advertisement potential as reasonably possible.

If the Contractor wishes to use full side or rear ads, allowances in the design must be made to incorporate the Blast or Dart logo, bus numbers, decals, and any other pre-existing information on either the rear or sides of coaches in a conspicuous manner. Additionally, under no circumstances shall any partial or full-wrapped bus advertisement "wrap" around to another non-advertised side. Advertising covering windows shall remain opaque and viewable from the inside of the vehicle looking out. No front of bus advertising is available.

(d) **Continuous Advertisement.** Once a vinyl is applied to the side of a vehicle, a vinyl advertisement in good repair of the same size must always be displayed in the same location. No "layering" of vinyl advertisements is permitted; the previous vinyl must be removed before application of a new vinyl. Under no circumstances shall Contractor allow any one exterior ad to remain adhered to any vehicle in excess of one (1) year.

(e) **Restoration of Bus Side**. Upon removal of vinyl advertisement, Contractor will be responsible for the cost of restoring the exterior surface of the bus covered by the vinyl advertisements to the condition of the surrounding exterior surface of the bus. The adhesive used to apply the vinyl type advertisement shall not cause damage to City of Turlock's vehicles, their paint schemes, existing decals or exterior surface. The Contractor will be notified of any such damage and City of Turlock will not proceed with repair for 48 hours after notification to the Contractor to enable the Contractor time to inspect the damage if so desired. The Contractor shall be required to reimburse City of Turlock for the full dollar cost to repair any damage to City of Turlock's vehicles and/or property resulting from application or removal of the vinyl advertisement or any other activities of the Contractor.

(f) **Fleet Size of Buses**. Sole discretion for assignment of buses shall remain with City of Turlock. Any reference in this document to any particular number or count of buses (e.g. the available fleet size) shall not be construed to carry any guarantee, express or implied, that any certain count of vehicles or of fleet size shall be available to the Contractor for

advertising displays at any given time. City of Turlock shall be the sole judge of such matters of safety, convenience, appearance, and the number and location of vinyl's on any vehicles.

(g) **No Route Specific Advertisements**. Under no circumstances should advertisements be route specific and the Contractor shall not represent to potential advertisers that advertising can be route specific,

(h) **Self Promotion**. The Contractor will not be allowed to engage in unpaid self-promotion.

(i) **Maintenance of Advertisements**. The Contractor shall be solely responsible to keep and maintain all the vinyl's placed on City of Turlock buses in good condition, and will bear the full cost of any and all maintenance and repair of the vinyl's. In the event the Contractor fails to satisfy the requirements of subsections below, City of Turlock may elect to repair, alter or remove the vinyl and to charge the Contractor for all labor and material costs for all such work. The Contractor agrees to pay City of Turlock the cost of performing such work provided City of Turlock gives the Contractor verbal notice, followed by a written fax notice, of the intent to repair, alter or remove the vinyl advertisement prior to actually undertaking such activity.

(j) **Placement of Advertisement**.

- No vinyl will be allowed to interfere with any safety devices, lights, signals, licensing, website addresses, phone numbers or distinctive logos, or decals on City of Turlock vehicles. This includes, but is not limited to, reflective materials, side directional lights, side reflectors and other features. In addition, vinyl's cannot interfere with the normal utilization of fuel doors, vents, glazing, and other equipment installed in the various vehicles that may require regular preventive maintenance.
- Vinyls shall not be placed over body moldings. Vinyl applied over body panel seams shall be sliced and tucked into those seams.
- Vinyl's smaller than the allocated area shall be centered in the allocated area.
- Vinyl shall not be placed within one (1) inch of "Blast" or "Darts" logo.

Defaced or Damaged Advertisements

The Contractor shall develop and implement a fully staffed maintenance, cleaning, repair or replacement program plus a Quality Control Program that insures that the advertising material installed on City of Turlock vehicles is in good condition at all times. More particularly, the Contractor will be required to remove immediately, but no later than 24 hours from notice given by City of Turlock, any graffiti on the vinyls not removed during City of Turlock's regular, cleaning of the vehicles (generally vehicles are washed with a power washer, but later on may be run through an automatic bus washer), and to make other repairs as necessary to vinyl's that are otherwise damaged or defaced.

Any vehicle bearing a vinyl that is damaged, defaced or marked with graffiti that is not repaired, corrected or removed by the Contractor as required above, shall be considered unsuitable for revenue service and the Contractor will be assessed per conditions set within this solicitation.

Limitations and Review of Advertisement

(a) **Limitations of Advertisement**. Contractor shall not display or maintain any advertisement that include one or more of the following categories:

- **False, Misleading or Deceptive Commercial Speech**. The advertisement proposes a commercial transaction, and the advertisement or information contained in the advertisement is false, misleading or deceptive.
- **Libelous Speech, Copyright Infringement, etc**. The advertisement, or any material contained in it, is libelous or an infringement of copyright, or is otherwise unlawful or illegal or likely to subject City of Turlock to litigation.
- **Unlawful Goods or Services**. The advertisement or material contained in it, promotes unlawful or illegal goods, services, or activities.
- **Endorsement**. The advertisement or any material contained in it, implies or declares an endorsement by City of Turlock, its Directors, management or employees of any service, product or point of view without prior written authorization from City of Turlock.
- **Prurient Interest**. The advertisement contains material that describes, depicts or represents sexual activities, or aspects of the human anatomy in a way that the average adult, applying contemporary community standards, would find appeals to the prurient interest of minors or adults. For purposes of these guidelines, the term "minor" shall have the meaning contained in California Penal Code Section 313.
- **"Adult" – Oriented Goods or Services**. The advertisement promotes or encourages or appears to promote or encourage, a transaction related to, or uses brand names, trademarks, slogans or other materials which are identifiable with, films rated "X" or "NC – 17," adult book stores, adult video stores, nude dance clubs, and other adult entertainment establishments, adult telephone services, adult internet sides, and escort services.
- **Obscenity or Nudity**. The advertisement contains obscene materials or images of nudity. For purposes of these Guidelines, the term "obscene matter" shall have the meaning set forth in the California Penal Code Section 311.
- **Unlawful and Detrimental Conduct**. The advertisement, or any material contained in it, promotes or encourages, or appears to promote or encourage, unlawful or illegal behavior or activities, and promotes behavior or activities which are detrimental to the maintenance and safe operations of City of Turlock.

- **Demeaning or Disparaging**. The advertisement contains images or information that demeans or disparages an individual or group of individuals on account of race, color, religion, national origin, ancestry, gender, age disability or sexual orientation.
- **Violence**. The advertisement either (a) contains images or descriptions of graphic violence, including, but not limited to, the depiction of weapons or other implements or devices used in the advertisement in an act or acts of violence or harm on a person or animal; or (b) the advertisement, or any material contained in it, incites or encourages, or appears to incite or encourage violence or violent behavior.
- **Firearms**. The advertisement either (a) contains an image of a firearm in the foreground of the main visual, or (b) contains image(s) of firearms that occupy 15% or more of the overall advertisement.
- **Profanity**. The advertisement contains words recognized by the community as vulgar indecent or profane for display in a public setting that includes minors.
- **Alcohol/Tobacco**. The advertisement promotes the use of alcohol and/or tobacco products.
- **Graffiti**. The advertisement contains graphics or language that promotes, resembles or otherwise encourages graffiti or vandalism.
- **Inappropriate Graphics**. The advertisement contains graphics recognized by the community as inappropriate, including, but not limited to, the depiction of human or animal bodies or body parts, or fetuses, in states of mutilation, dismemberment, decomposition, or disfigurement.
- **Political Information**. The advertisement contains political information or local or national controversial subject or subjects not in accordance with the Statutes, Ordinances and court decisions pertaining to the City of Turlock service area.

(b) **Review of Advertisement**. Contractor shall review each advertisement submitted for installation, display and maintenance on City of Turlock properties to determine whether the advertisement conforms with one or more of the categories set forth in the Limitations on Advertising section of these Standards:

- Contractor shall promptly notify City of Turlock, through its designated Contract Administrator, of its determination for its not displaying an advertisement
- Upon receipt of notification, City of Turlock shall advise the Contractor whether City of Turlock concurs with the Contractor's determination.
- In the event City of Turlock concurs in the determination of the Contractor. The Contractor, in consultation with the advertiser may submit one or more revisions to the advertisement, in order to bring the advertisement into conformity with the Standards. The advertiser shall then have the option of submitting a revised advertisement for review in accordance with these procedures.
- In the event the Contractor and the Advertiser do not reach agreement with regard to a revision of the advertisement, or in the event the Contractor determines that no appropriate revision would bring the

advertisement into conformity with the Standards, the advertiser may request that the Contractor obtain a formal determination from the City of Turlock from the Director of Development Services. In reaching a formal determination, the City of Turlock may consider any materials submitted by the advertiser, and may consult with the Contractor, and/or with the City of Turlock Legal Counsel.

- The Director of Development Services shall promptly provide the Contractor with a written notice of the formal determination, and the Contractor shall relay the formal determination to the advertiser
- Contractor may appeal the Director of Development Services formal decision in writing to the City Manager. The determination of the City of Turlock, City Manager shall be final.

Locations of Bus Facilities

City of Turlock currently operates vehicles from its Maintenance, Operations, and Administration Facility at 701 S. Walnut Rd., Turlock California and will be operating vehicles from this location. Buses are currently stored at this site.

Contractor Ingress and Egress

Contractor shall check-in before entering and check-out upon leaving City of Turlock premises or leased property with the appropriate personnel and on-duty maintenance supervisor or Transit Operations Manager.

Contractor shall provide reflective safety vests with company identification badges for its employees to be worn at all times while on City of Turlock property.

Contractor shall use a clearly identifiable vehicle for purposes of entering City of Turlock property. All vehicles used to install, remove or maintain the advertisement on City of Turlock buses while on City of Turlock shall display a business sign on the outside of each front door, both left and right sides, signifying the name of the company authorized to perform work on City of Turlock buses. The sign may be of the magnetized type. No private vehicle will be allowed on City of Turlock Property, however, private vehicles displaying the proper signage will be allowed.

Contractor shall conduct all of its work on City of Turlock buses between 6:00 p.m. and 10:00 p.m. on weekdays when City of Turlock's transit vehicles are not in revenue service, or between 8:00 a.m. and 5:00 p.m. on weekends, unless prior arrangements are made. Contractor shall not interfere with City of Turlock operations, including bus washing, when installing, removing or maintaining ads.

Contractor's Work on City of Turlock Property

- Contractor will provide all necessary parts, equipment, materials and/or tools required to perform the required work and will not store any parts, equipment materials and/or tools on City of Turlock property.
- City of Turlock shall make every attempt to provide sufficient room between bus rows so as to allow for installation or removal of ads while buses are parked, at each applicable site. Indoor workspace is not

available. City of Turlock and Contractor shall agree on how best to resolve any problems arising regarding the location of buses. The Contractor shall perform the work in such a manner as to eliminate unnecessary noise, obstruction, hazardous conditions or other disturbances to City of Turlock's operation or its personnel. During the performance of the work, the Contractor shall bear full responsibility for the protection and safety of the public, City personnel and City equipment and facilities. Any damage arising from the Contractor's performance of the work shall be repaired or remedied immediately at the Contractor's sole expense.

- Contractor shall make available the necessary number of employees to conduct the Quality Control Program.

- During the performance of the work under this Contract, the Contractor shall keep the working area in a neat and safe condition. The Contractor shall make arrangements to dispose of any waste generated by its performance or activities off City property.

Conduct of Employees

Contractor shall insure that its officers, agents or employees while on City property or using equipment will conduct themselves in a safe and proper manner and if a complaint is made by City personnel, the Contractor will take such corrective measures as are necessary. If the Contractor does not take such corrective measure, City may deem the Contractor in breach of its obligations under the Agreement. Contractor further covenants and agrees that in the exercise of the rights and privileges granted hereunder its employees or representatives will not deface or damage the property of City or deposit or scatter any rubbish, debris, waste, litter or other material in or about said premises. The Contractor agrees to assume full liability and responsibility for actions on the part of its employees and agents, and shall pay for any clean up required to restore the property to its condition prior to entry by Contractor or as otherwise determined to be necessary by City,

Changes in Scope of Work

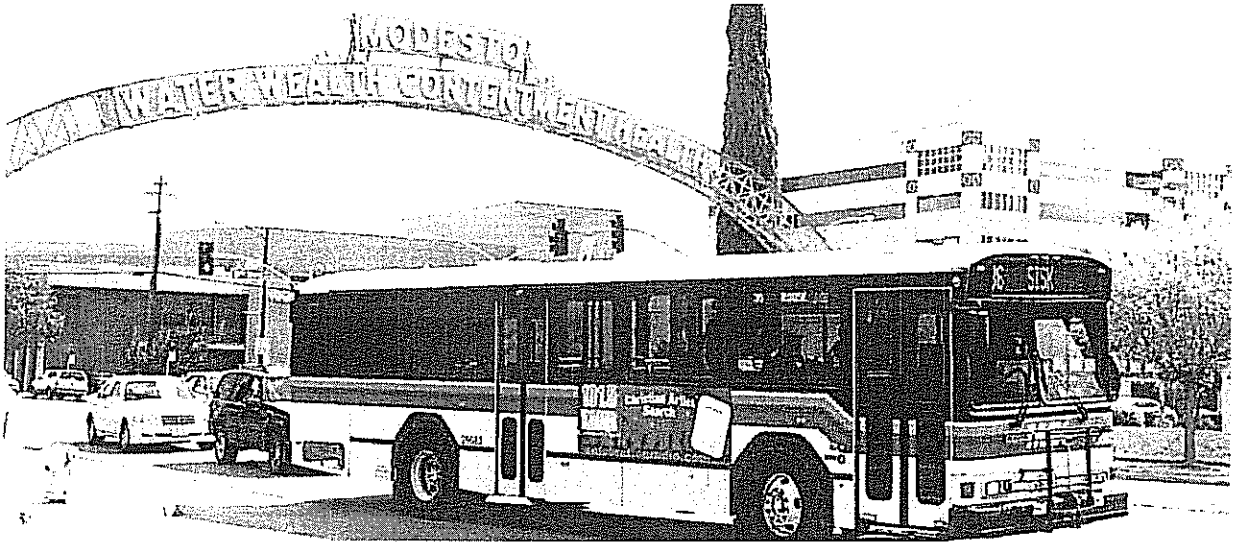
City of Turlock, without invalidating the contract, may order additions to or deletions from the work to be performed. If justified, the contract charges will be adjusted accordingly

New provisions must be mutually agreeable to City of Turlock and the Contractor. Contract Modifications must be authorized by the City and must be completed as an Amendment to the Agreement.

City shall have the right to make changes in vehicles, vehicle configurations, vehicle types and related elements of work not involving extra cost and not inconsistent with the work to be performed.

EXHIBIT 1

Examples of Traditional Products



Example of Queen

Example of King

EXHIBIT 1

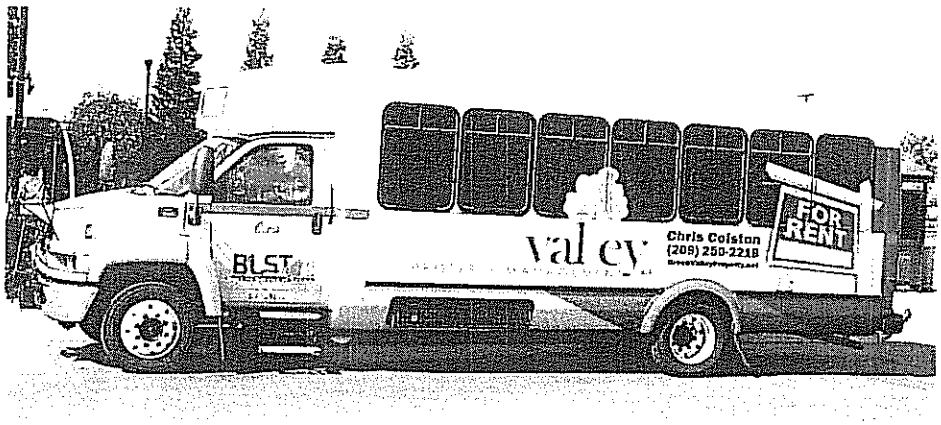
Examples of Mural Products

Half-Side with Extensions (23' Streetside)

Queen with Extensions (23' Curbside)

Supertail with Extensions (23' Tail)

Mural Products Continued...



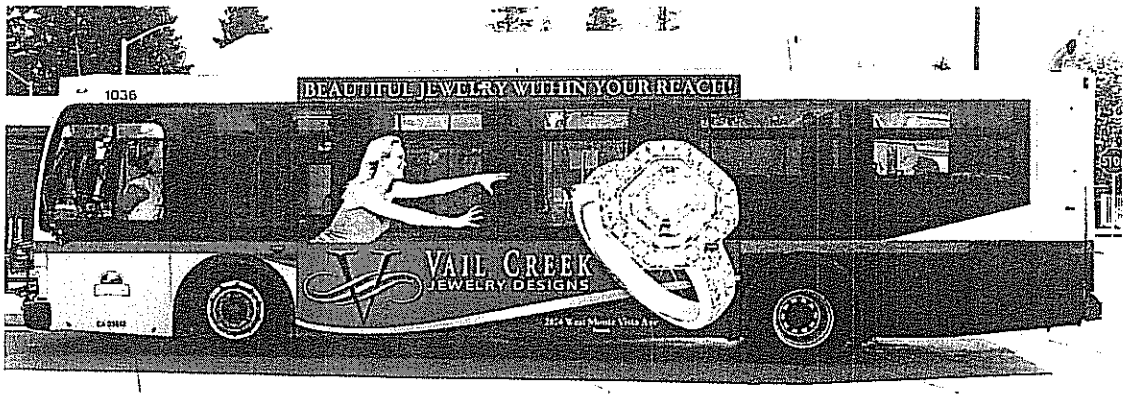
Half-Side with Extensions (29' Streetside)

Queen with Extensions (29' Curbside)

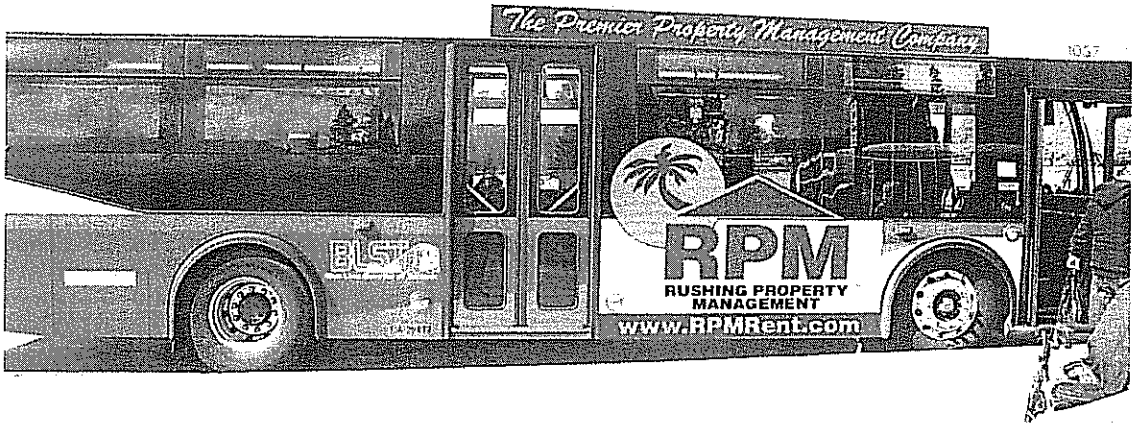
Supertail with Extensions (29' Tail)

EXHIBIT 1

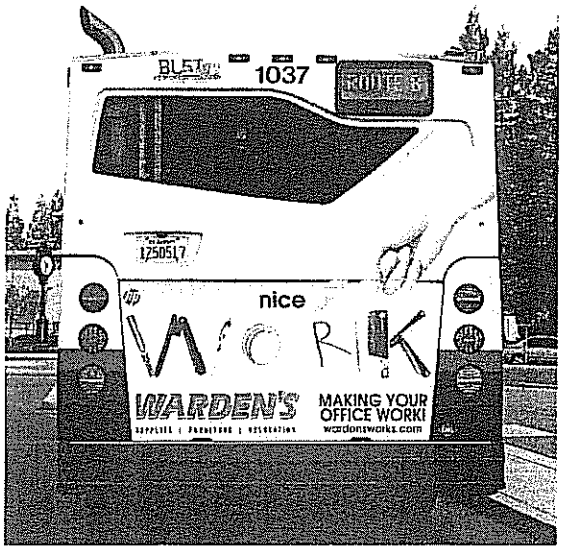
Mural Products Continued...



Half-Side with Extensions & Headliner (35' Streetside)



Queen with Extensions & Headliner (35' Curbside)



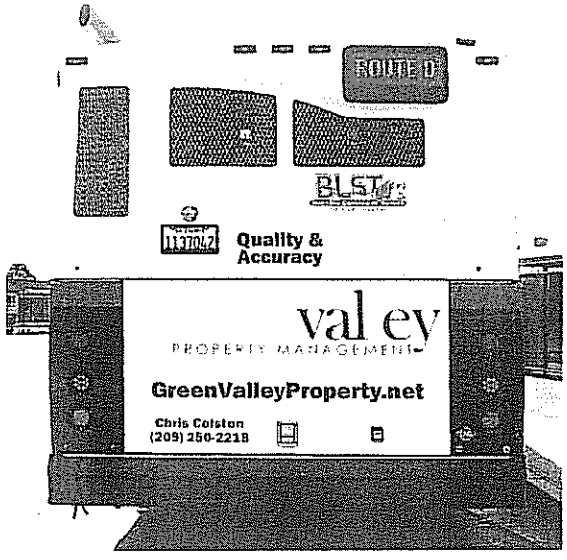
Supertail with Extensions (35' Tail)

EXHIBIT 1

Mural Products Continued...

Half-Side with Extensions & Headliner (35' Streetside)

Queen with Extensions & Headliner (35' Curbside)



Supertail with Extensions (35' Tail)

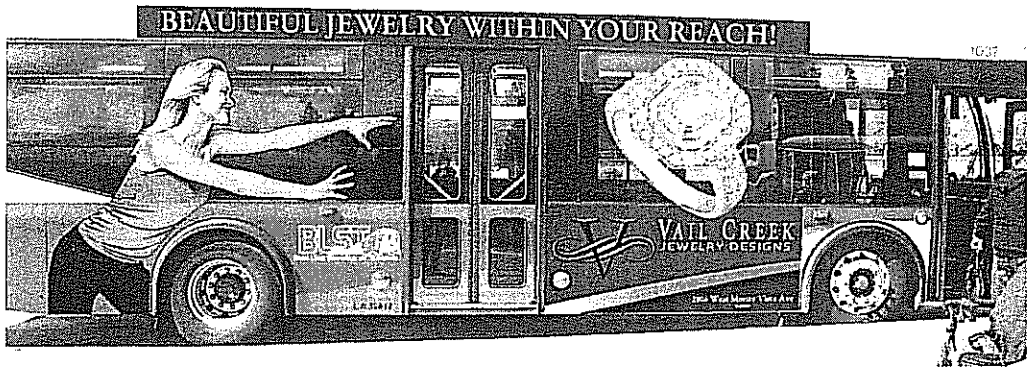
EXHIBIT 1

Creative Advantage to Stott Outdoor Advertising

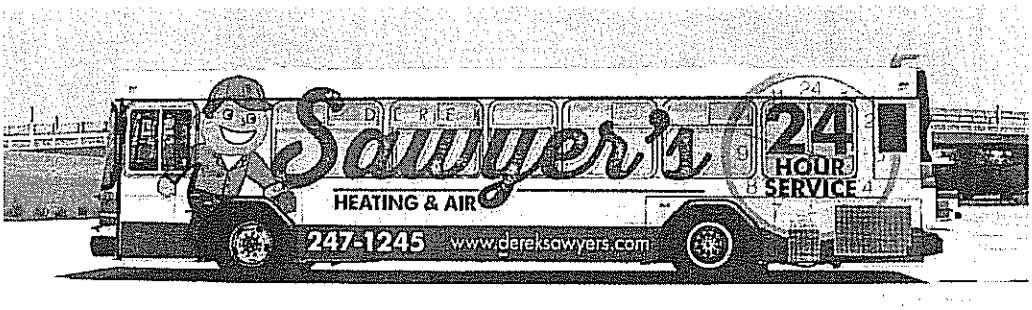
Stott Outdoor Advertising has found with the introduction of mural products a noticeable increase in public awareness of transit advertising, which in turn resulted in an increase of overall sales and revenue to the transit agencies. Our experienced and talented graphic design department produce creative advertisements that utilize the useable areas of the bus to display very eye-grabbing advertisements in a professional and clean manner.

This approach not only increases the overall revenue generated, but creates a product the client is proud to display and the general public enjoys viewing. Consequently, this also creates a "buzz" around the transit agency and could result in an increase in ridership as well.

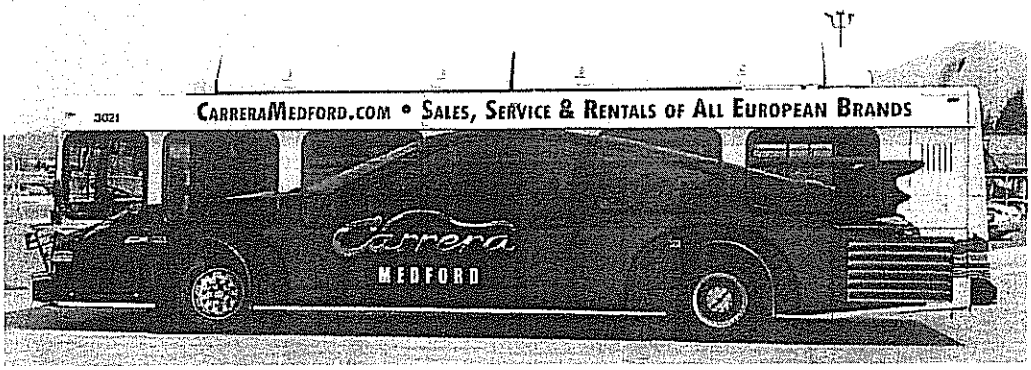
It's this creative approach, along with a comprehensive sales and operations team, that makes Stott Outdoor what it is today. If awarded this contract, BLST will have the opportunity to expand upon the mural designs (as seen below) and potentially exceed the projected revenue amounts specified in this RFP response.



Example of Queen with Extensions & Headliner



Example of Full Side



Example of Halfside with Extensions & Headliner

EXHIBIT 1

Utilization of Available BLST Buses

Exterior Advertising - Fixed & Demand Response

				Advertising Type				
Year	Vehicle Type	Length	Qty	Streetside	Curbside	Rear	Fixed	DAR
2003	Eldo. Aerotech 220 (FORD)	23 ft.	5	Halfside with Extension	Queen Mural with Extensions	Supertail		✓
2005	Eldo. Aerotech 220 (FORD)	23 ft.	2	Halfside with Extension	Queen Mural with Extensions	Supertail		✓
2005	Orion VII CNG	35 ft.	2	Halfside with Extension & Headliner	Queen Mural with Extensions & Headliner	Supertail	✓	
2007	Eldo. Aerotech 270 (CHEV)	29 ft.	1	Halfside with Extension & Headliner	Queen Mural with Extensions & Headliner	Supertail	✓	
2009	Glaval Universal 450 (FORD)	26 ft.	3	Halfside with Extension	Queen Mural with Extensions	Supertail		✓
2010	Orion VII CNG	35 ft.	2	Halfside with Extension & Headliner	Queen Mural with Extensions & Headliner	Supertail	✓	

8c

Council Synopsis

February 24, 2015

From: Michael G. Pitcock, PE, Director of Development Services

Prepared by: Debra A. Whitmore, Deputy Director of Development Services/Planning

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Motion: Authorizing the City Manager to enter into a sole source professional services agreement with Dyett & Bhatia Urban and Regional Planners without following formal bidding procedures, having found that the circumstances listed in Turlock Municipal Code, Title 2, Chapter 7, Section 2-7-08(b)(2), (b)(3), and (b)(4) have been satisfied

Motion: Approving the award of a professional services agreement to Dyett & Bhatia Urban and Regional Planners for the 5th Cycle update to the City of Turlock Housing Element for an amount not to exceed $48,840

Resolution: Appropriating $48,840 to account number 110-40-400.43753 "Contract Services Housing Element Update" to be funded from Fund 110 "General Fund" reserve balances to prepare the State-mandated update to the City of Turlock Housing Element

2. DISCUSSION OF ISSUE:

State housing element law (Government Code Sections 65580 et seq.) requires every city and county in California to adopt a comprehensive General Plan that includes seven mandated elements. The housing element is one of the required elements and the only element reviewed and certified by a state agency, the State Housing and Community Development Department (HCD). The purpose of the housing element is to ensure that each jurisdiction identifies policies, programs and resources to preserve, improve and develop a housing supply adequate to accommodate households currently living, and projected to live, in that jurisdiction. A housing element must identify adequate sites for housing demand, and make sufficient provision for the needs of all economic segments of the community. A housing element also includes extensive background information on housing conditions, institutes policies and quantified objectives to

help guide land use and other decision-making, and establishes programs to implement community housing goals.

State law requires that the housing element demonstrate how each jurisdiction will meet specific housing targets by income category (for very low, low, moderate, and above moderate income households). The Stanislaus Council of Governments (StanCOG) is responsible for establishing the regional target, as well as the target for each city and the County of Stanislaus, through a process called the Regional Housing Needs Allocation (RHNA). The RHNA was adopted by StanCOG on June 18, 2014, and projects the housing need for a roughly eight-year planning period from January 1, 2014 to September 30, 2023. HCD establishes the deadline for submittal of housing elements. For Stanislaus County, the deadline for submitting the adopted housing element to HCD is December 31, 2015. Cities and counties that fail to adopt the updated housing element within 120 days of this deadline will be required to update the housing element again in four years, rather than eight years; thereby imposing additional costs and exposing a noncompliant city to potential lawsuit.

STAFF REQUEST

In reviewing the contracting options available in the Turlock Municipal Code, staff explored both the formal bidding process and requesting authorization by the City Council of a sole source agreement. Staff opted to request that the Council consider authorizing a sole source contract for this work due to the potential time savings and professional expertise that Dyett & Bhatia Urban and Regional Planners could offer to the City, having prepared the current adopted and certified City of Turlock Housing Element. To go out to bid and select the consultant would take 2 to 3 months to complete the process. This would reduce the time available for public input and would potentially lose all the value of the prior work conducted by Dyett & Bhatia.

BIDDING PROCEDURE FINDINGS

Staff requests that the City Council enter into a sole source contract with the planning consulting firm of Dyett & Bhatia Urban and Regional Planners to prepare the update to the City's Housing Element. The Turlock Municipal Code allows the City Council to award a contract without going through the formal bidding procedure if one of six circumstances exists. These circumstances are identified in TMC 2-7-08 (below):

Excerpt from Turlock Municipal Code 2-7-08:

(b) Bidding procedures are not required under the following circumstances regardless of the amount involved:

(1) When an emergency requires that an order be placed with the nearest available source of supply;
(2) When the commodity can be obtained from only one vendor;
(3) For contracts involving the obtaining of professional or specialized skill, such as, but not limited to, services rendered by attorneys, engineers, accountants, and specialized consultants;
(4) Where calling for bids on a competitive basis in the opinion of the Purchasing Officer is undesirable, impossible, unavailing, or incongruous;
(5) When engaged in joint purchasing plans with the State and/or other units of government that have been approved by the Council; or
(6) When the Council shall have adopted a resolution by at least four (4) affirmative votes determining that the best interests of the City require that the purchase be made without compliance with the formal bid procedure.

Staff believes that this request meets three of the circumstances listed in TMC 2-7-08:

TMC 2-7-08(b)(2): Commodity can be obtained from only one vendor. Dyett & Bhatia prepared the current Housing Element covering the period 2007 to 2014. Housing growth during this period was extremely low due to the recession that began in 2007. In recognition of the low level of housing production during this period, HCD created a streamlined process for reviewing housing elements submitted in this cycle (2014-2023). The streamlined review process allows cities and counties to update the current housing element, rather than preparing an entirely new housing element. HCD has agreed to accept the assumptions from the current element through this streamlined process, rather than requiring new documentation and justification for these assumptions, as would be required for an entirely new housing element. Turlock qualifies for this streamlined review because the current housing element has been certified by HCD. This streamlined process results in a significant time and cost savings for cities and counties that qualify.

While other planning firms are certainly qualified to prepare a housing element for the City, Dyett & Bhatia is in a unique position to utilize the streamlined review process having prepared the latest update to the City's Housing Element and due to their familiarity with the conditions in Turlock. Presumably, the cost to prepare the element would be lower, although this cannot be confirmed without going through a formal bid process. However, it is certain that utilizing Dyett & Bhatia would reduce the amount of time that staff would have to spend on this project. If a different consultant were

selected, staff would have to work with the consultant to bring them up to speed on the City's current housing element, its fiscal analysis and program policies, as well as the assumptions about the available housing inventory. This is a particularly crucial factor to consider because the Planning Division will be experiencing a staffing shortage during the first part of this year, due to the retirement of the senior planner and the short-term absence of the associate planner (for a period of four months due to maternity leave).

TMC 2-7-08(b)(3): Contracts involving the obtaining of professional services or specialized skill. Dyett & Bhatia has extensive experience across California in this area of planning for housing elements. Dyett & Bhatia has prepared five housing elements for this 5th Cycle of the housing element update. Three of those utilized the streamlined review process. The partner in charge of preparing the City's current Housing Element, Sophie Martin, is still employed by the firm and will serve as the project manager for this project. Ms. Martin wrote the City's current Housing Element and helped staff negotiate certification of the Housing Element by HCD. Therefore, this firm (and specifically Sophie Martin) has specialized skills to carry out the proposed scope of work.

TMC 2-7-08(b)(4): Where calling for bids on a competitive basis is undesirable, impossible, unavailing or incongruous. Having prepared the current Housing Element for the City of Turlock, as well as the update to the City's General Plan, Dyett & Bhatia is very familiar with the policies, programs, and financial condition of the City of Turlock. Hiring a new firm to prepare the 5th Cycle update would be undesirable and incongruous in that a new firm would have to come up to speed on what was done in the prior Housing Element update as well as City policies, programs and finances. This will place a higher burden on staff at a time when staffing is planned to be low due to planned retirements and absences.

In addition, TMC 2-7-08(b)(6) allows the City Council to approve a sole source contract when there are at least four (4) affirmative votes determining that the best interests of the City require that the purchase be made without compliance with the formal bid procedure.

SCOPE OF SERVICES

Dyett & Bhatia has prepared a scope of services should the City Council choose to approve a sole source agreement, as proposed in the staff recommended motion. The scope of services is attached to the professional services agreement as Exhibit A. The consultant would prepare the Housing Element using the streamlined review process developed by HCD for an amount not to exceed $48,840. The City of Turlock qualifies for the streamlined review process

because the previous Housing Element, covering the period 2007-2014, was submitted on time and was certified by HCD. The consultant would re-evaluate the current Housing Element for conformance with new laws that have passed since the adoption of the current Housing Element and in light of the elimination of the Redevelopment Agency which was a major source of funding for low income housing and other housing programs. The consultant would participate with staff in the negotiations with HCD. The consultant would reach out to the community and professional organizations by holding one public forum prior to preparation of the draft Housing Element. Two additional study sessions would be held with the Planning Commission. Public hearings are required prior to adoption of the Housing Element. The proposed budget includes two public hearings - one with the Planning Commission and the second with the City Council. The budget also includes preparation of the environmental document required for approval of the Housing Element.

SCHEDULE

The schedule prepared by Dyett & Bhatia would produce the draft Housing Element for review by HCD by July 2015. The schedule provides a sixty day review period for HCD review and comment. The changes would then be incorporated into a public review draft that would be used to prepare the environmental document. Staff would circulate the draft Housing Element and the environmental document for public comment. Once that process is completed, the final draft of the Housing Element would be presented to the Planning Commission and City Council for action in the October to November time frame. This would allow the adopted document to be submitted to HCD by the State-mandated deadline of December 31, 2015.

3. BASIS FOR RECOMMENDATION:

A. The Housing Element is one of the seven State-mandated elements of the General Plan (Government Code Section 65580 et seq.). Failure to adopt a housing element in a timely manner could subject the City to potential lawsuit on the adequacy of its General Plan as well as compliance with State housing law. Specific penalties have also been specified in State law for failure to meet the submittal deadline for the housing element. Failure to adopt a housing element within 120 days of the submittal deadline for this cycle of the housing element update (December 31, 2015) would result in the City having to update its housing element in four years, rather than eight years, resulting in increased costs to the City.

Strategic Plan Initiative F INTELLIGENT, PLANNED, MANAGED GROWTH

Goal(s): d. Provide for housing diversity
i) Include affordable housing

ACTIONS: *Staff*

e. Prepare an update to the City's Housing Element as required by State Law.

4. FISCAL IMPACT / BUDGET AMENDMENT:

Fiscal Impact: Although development of the housing element is a State mandate, the State does not provide funding to cities and counties for the preparation of this element. The only source of funding available to pay for this work is the General Fund Reserve. Staff time will also be required to support the development of this document. The projected cost of the Housing Element update was not included in the 2014-15 General Fund budget adopted by Council in June 2014 nor was it included in the budget amendments approved in November 2014.

Budget Amendment: Staff is requesting an appropriation in the amount of $48,840 to account number 110-40-400.43753 to fund a professional services agreement to prepare the updated housing element with either Dyett & Bhatia Urban and Regional Planners or a consultant to be determined through the formal bidding process. This appropriation will be funded from unappropriated General Fund reserves

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

This decision does not constitute a "project" under the California Environmental Quality Act. Pursuant to Section 15060(c)(1), this decision will not result in a direct or reasonably foreseeable indirect physical change in the environment.

7. ALTERNATIVE MOTIONS:

A) **The City Council may choose not to approve a sole source contract with Dyett & Bhatia Urban and Regional Planners to perform this work.** This option would require staff to prepare a Request for Proposals, solicit proposals, and bring back a recommended proposal for review and

approval by the City Council. This process could take up to three months to complete, reducing the amount of time available to prepare and adopt the Housing Element. Staff does not recommend this option because it would reduce the amount of time available to the Planning Commission and the City Council to consider new State requirements, public input and the policy changes that will be proposed in the new Housing Element. Given the potential penalty for failing to adopt a housing element within 120 days of the statutory deadline (December 31, 2015), staff believes that time is of the essence to begin this work. The proposed timeline provides adequate time for HCD to review the draft Housing Element, provide comments, and fold their comments into a revised Housing Element for adoption by the City Council prior to the December 31, 2015 deadline.

If the City Council chooses this option, staff requests that the City Council consider the request to amend the budget to provide the funding necessary to go out to bid to provide greater assurance to potential bidders that the funds are available to award a contract.

B) **The City Council may choose to have this work performed in house.** This option would require City staff to prepare the updated Housing Element. While staff is capable of preparing this document, staff does not recommend this option due to the staffing impact preparing this document would have on customer service, project delivery and other major projects underway by the Planning Division. The staff that would be involved in preparing this document is currently working on the Morgan Ranch Master Plan, the comprehensive zoning ordinance amendment, the sign ordinance amendment and the noise ordinance amendment. There is also a desire in the community and by the previous City Council to update the Northwest Triangle Specific Plan to redesignate agricultural parcels located within the plan area to commercial uses. In addition, several zoning ordinance amendments are included in the General Plan that have not yet started including an update to the Downtown Zoning Regulations and preparing overlay zones for graduated density and traditional neighborhoods in the older parts of the City. These projects are currently on hold pending staff availability.

If the City Council chooses this option, a budget amendment may also be required to fund the additional costs for materials required to support the development of the updated housing element.

AGREEMENT FOR SPECIAL SERVICES
between
CITY OF TURLOCK
and
Dyett & Bhatia Urban and Regional Planners
for
2014-2023 City of Turlock Housing Element Update
CITY CONTRACT NO. 15-003

THIS AGREEMENT is made this 10th day of February, 2015, by and between the **CITY OF TURLOCK**, a municipal corporation of the State of California hereinafter referred to as "CITY" and **Dyett & Bhatia Urban and Regional Planners**, a California corporation, hereinafter referred to as "CONSULTANT."

W I T N E S S E T H:

WHEREAS, in accordance with California Government Code §37103, CITY has a need for professional services to prepare the 2014-2023 City of Turlock Housing Element; and

WHEREAS, CONSULTANT has represented itself as duly trained, qualified, and experienced to provide such special service, hereinafter referred to as "Services."

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. **SCOPE OF WORK:** CONSULTANT shall furnish all labor, equipment, materials and process, implements, tools, and machinery, except as otherwise specified, which are necessary and required to provide the Services and shall perform such special services in accordance with the standards of its profession and the specifications attached hereto as Exhibit A. CONSULTANT shall provide Services that are acceptable to CITY.

2. **PERSONNEL AND EQUIPMENT:** CONSULTANT shall provide all personnel needed to accomplish the Services hereunder. CONSULTANT shall additionally acquire, provide, maintain, and repair, at its sole cost and expense, such equipment, materials, and supplies as CONSULTANT shall be reasonably required to accomplish said Services.

3. **SAFETY REQUIREMENT:** All Services and merchandise must comply with California State Division of Industrial Safety orders and O.S.H.A.

4. COMPENSATION: CITY agrees to pay CONSULTANT in accordance with Exhibit A as full remuneration for performing all Services and furnishing all staffing and materials called for in Exhibit A and for performance by CONSULTANT of all of its duties and obligations under this Agreement. In no event shall the sum of this Agreement exceed Forty Eight Thousand Eight Hundred Forty and no/100^{ths} Dollars ($48,840.00). CONSULTANT agrees that compensation shall be paid in the manner and at the times set forth below:

(a) Invoices: CONSULTANT shall submit dated invoices to CITY no more frequently than monthly for services rendered, and the charge therefor.

(b) Payment:

(1) All payments by CITY shall be made in arrears, after satisfactory service, as determined and approved by CITY, has been provided. Payment shall be made by CITY no more than thirty (30) days from CITY's receipt of invoice.

(2) CITY shall normally pay by voucher or check within ten (10) working days after each meeting at which payments can be authorized, provided that CITY receives the invoice at least five (5) working days prior to CITY's meeting date.

(3) If CITY disputes any items on an invoice for a reasonable cause, which includes but is not limited to unsatisfactory service, CITY may deduct that disputed item from the payment, but shall not delay payment for the undisputed portions. The amounts and reasons for such deletions shall be documented to CONSULTANT within fifteen (15) working days after receipt of invoice by CITY. CITY shall assign a sequential reference number to each deletion.

(4) If dispute is settled, payment shall be by voucher or check payable to and mailed to CONSULTANT within five (5) working days of dispute settlement.

(5) CITY reserves the right to only pay for such services rendered to the satisfaction of CITY.

5. TERM OF AGREEMENT: This Agreement shall become effective upon execution and shall continue in full force and effect for a period of twenty-three months (23 months) beginning February 10, 2015 and ending December 31, 2016, subject to CITY's availability of funds.

6. INSURANCE: CONSULTANT shall not commence work under this Agreement until CONSULTANT has obtained CITY's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall CONSULTANT allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. CONSULTANT shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of contract.

(a) Minimum Scope of Insurance: Coverage shall be at least as broad as:

(1) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01) with an additional insured endorsement (form CG 20 10 for ongoing

operations and 20 37 for products/completed operations), to be approved by the City of Turlock.

(2) Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto).

(3) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(4) Errors and Omissions/Professional Liability Insurance.

(b) Minimum Limits of Insurance: CONSULTANT shall maintain limits no less than:

(1) General Liability (including operations, products and completed operations): $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

(2) Automobile Liability: $1,000,000 per occurrence for bodily injury and property damage.

(3) Workers' Compensation: as statutorily required by the State of California. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

(4) Errors and Omissions/Professional Liability: $1,000,000 per claim.

(c) Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY, its elective and appointive boards, officers, agents, employees, and volunteers; or (2) CONSULTANT shall provide a financial guarantee satisfactory to CITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(d) Other Insurance Provisions: The commercial general liability policy shall contain, or be endorsed to contain, the following provisions:

(1) CITY, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of CONSULTANT, including materials, parts or equipment furnished in connection with such work or operations, which coverage shall be maintained in effect for at least three (3) years following the completion of the work specified in the contract. General liability coverage can be provided in the form of an endorsement to CONSULTANT's insurance (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed operations), or as a separate Owners and Contractors Protective Liability policy providing both ongoing operations and completed operations coverage.

(2) For any claims related to this project, CONSULTANT's insurance coverage shall be primary insurance as respects CITY and any insurance or self-insurance maintained by CITY shall be excess of CONSULTANT's insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to CITY under this Agreement, the insurer, broker/producer, or CONSULTANT shall provide CITY with thirty (30) days' prior written notice of such cancellation, non-renewal, or material change.

(4) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(e) Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

(f) Verification of Coverage: CONSULTANT shall furnish CITY with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by CITY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive CONSULTANT'S obligation to provide them. CITY reserves the right, at any time, to require complete, certified copies of all required insurance policies and endorsements.

(g) Waiver of Subrogation: With the exception of professional liability, CONSULTANT hereby agrees to waive subrogation which any insurer of CONSULTANT may acquire from CONSULTANT by virtue of the payment of any loss. The commercial general liability policy and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of CITY for all work performed by CONSULTANT, its agents, employees, independent contractors and subcontractors. CONSULTANT agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

(h) Subcontractors: CONSULTANT shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

7. INDEMNIFICATION: CONSULTANT shall indemnify, defend, and hold harmless CITY and its elective and appointive boards, officers, agents, employees, and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of CONSULTANT, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of CITY.

8. INDEPENDENT CONTRACTOR RELATIONSHIP: All acts of CONSULTANT, its agents, officers, and employees and all others acting on behalf of CONSULTANT relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers, or employees of CITY. CONSULTANT, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of CITY. CONSULTANT has no authority or responsibility to exercise any rights or power vested in the CITY. No agent, officer, or employee of the CITY is to be considered an employee of CONSULTANT. It is understood by both CONSULTANT and CITY that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

CONSULTANT, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of CITY.

CONSULTANT shall determine the method, details and means of performing the work and services to be provided by CONSULTANT under this Agreement. CONSULTANT shall be responsible to CITY only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to CITY's control with respect to the physical action or activities of the CONSULTANT in fulfillment of this Agreement. CONSULTANT has control over the manner and means of performing the services under this Agreement. CONSULTANT is permitted to provide services to others during the same period service is provided to CITY under this Agreement. If necessary, CONSULTANT has the responsibility for employing other persons or firms to assist CONSULTANT in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by CONSULTANT, such persons shall be entirely and exclusively under the direction, supervision, and control of CONSULTANT. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the CONSULTANT.

It is understood and agreed that as an independent contractor and not an employee of CITY neither the CONSULTANT or CONSULTANT'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of the CITY in any capacity whatsoever as an agent, or to bind the CITY to any obligation whatsoever.

It is further understood and agreed that CONSULTANT must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of CONSULTANT'S personnel.

As an independent contractor, CONSULTANT hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

9. VOLUNTARY TERMINATION: CITY may terminate this Agreement without cause or legal excuse by providing thirty (30) days' written notice to CONSULTANT.

10. TERMINATION OF STATED EVENT:

(a) Termination on Occurrence of Stated Events. This Agreement shall terminate automatically on the date on which any of the following events occur: (1) bankruptcy or insolvency of CONSULTANT, (2) legal dissolution of CONSULTANT, or (3) death of key principal(s) of CONSULTANT.

(b) Termination by CITY for Default of CONSULTANT. Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, at its option CITY may terminate this Agreement by giving written notification to CONSULTANT. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to perform required services or duties, willful destruction of CITY's property by CONSULTANT, dishonesty or

theft.

(c) Termination by CONSULTANT for Default of CITY. Should CITY default in the performance of this Agreement or materially breach any of its provisions, at its option CONSULTANT may terminate this Agreement by giving written notice to CITY. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include but not be limited to any of the following: failure to cooperate reasonably with CONSULTANT, willful destruction of CONSULTANT's property by CITY, dishonesty or theft.

(d) Termination for Failure to Make Agreed-Upon Payments. Should CITY fail to pay CONSULTANT all or any part of the payments set forth in this Agreement on the date due, at its option CONSULTANT may terminate this Agreement if the failure is not remedied within thirty (30) days after CONSULTANT notifies CITY in writing of such failure to pay. The termination date shall be the effective date of the notice.

(e) Termination by CITY for Change of CONSULTANT'S Tax Status. If CITY determines that CONSULTANT does not meet the requirements of federal and state tax laws for independent contractor status, CITY may terminate this Agreement by giving written notice to CONSULTANT. The termination date shall be the effective date of the notice.

(f) In the Event of Termination. If this Agreement is terminated pursuant to this Paragraph, CONSULTANT shall cease all its work on the project as of the termination date and shall see to it that its employees, subcontractors and agents are notified of such termination and cease their work. If CITY so requests, and at CITY's cost, CONSULTANT shall provide sufficient oral or written status reports to make CITY reasonably aware of the status of CONSULTANT'S work on the project. Further, if CITY so requests, and at CITY's cost, CONSULTANT shall deliver to CITY any work products whether in draft or final form which have been produced to date.

If the Agreement is terminated pursuant to any of the subsections contained in this paragraph, CITY will pay CONSULTANT an amount based on the percentage of work completed on the termination date, this percentage shall be determined by CITY in its sole discretion. If the Agreement is terminated pursuant to the subparagraph entitled Termination by CITY for Default of CONSULTANT, CONSULTANT understands and agrees that CITY may, in CITY's sole discretion, refuse to pay CONSULTANT for that portion of CONSULTANT'S services which were performed by CONSULTANT on the project prior to the termination date and which remain unacceptable and/or not useful to CITY as of the termination date.

11. CONFORMANCE WITH FEDERAL AND STATE LAW: All equipment, supplies and services used by CONSULTANT in the performance of this Agreement shall conform to the laws of the government of the United States and the State of California.

12. NONDISCRIMINATION: In connection with the execution of this Agreement, CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race religion, color, sex, or national origin. CONSULTANT shall take affirmative action to insure that applicants are employed, and the employees are treated during their employment, without regard to their age, race, religion, color, sex or national origin. Such actions shall include, but not be limited to, the following: employment, promotions, demotions or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. CONSULTANT shall also comply with the requirement of Title VII of the Civil Rights Act of 1964 (P.L. 88-352) and with all applicable

regulations, statutes, laws, etc., promulgated pursuant to the civil rights acts of the government of the United States and the State of California now in existence or hereafter enacted. Further, CONSULTANT shall comply with the provisions of Section 1735 of the California Labor Code.

13. TIME: Time is of the essence in this Agreement.

14. ENTIRE AGREEMENT AND MODIFICATION: This Agreement supersedes all previous Agreements and constitutes the entire understanding of the parties hereto. CONSULTANT shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. CONSULTANT specifically acknowledges that in entering into and executing this Agreement, CONSULTANT relies solely upon the provisions contained in this Agreement and no others.

15. OBLIGATIONS OF CONSULTANT: Throughout the term of this Agreement, CONSULTANT shall possess, or secure all licenses, permits, qualifications and approvals legally required to conduct business. CONSULTANT warrants that it has all of the necessary professional capabilities and experience, as well as all tools, instrumentalities, facilities and other resources necessary to provide the CITY with the services contemplated by this Agreement. CONSULTANT further represents that it will follow the best current generally accepted and professional practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding this project.

16. OWNERSHIP OF DOCUMENTS: All reports, data, drawings, plans, designs, specifications, graphics, calculations, working papers, models, flow diagrams, visual aids, and other incidental work or materials furnished hereunder shall become and remain the property of the CITY, and may be used by CITY as it may require without any additional cost to CITY. No reports shall be used by the CONSULTANT for purposes other than this contract without the express prior written consent of CITY.

17. NEWS AND INFORMATION RELEASE: CONSULTANT agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from CITY through the City Manager.

18. INTEREST OF CONSULTANT: CONSULTANT warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONSULTANT warrants that, in performance of this Agreement, CONSULTANT shall not employ any person having any such interest. CONSULTANT agrees to file a Statement of Economic Interests with the City Clerk at the start and end of this contract if so required at the option of CITY.

19. AMENDMENTS: Both parties to this Agreement understand that it may become desirable or necessary during the execution of this Agreement, for CITY or CONSULTANT 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 the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work.

Until a change order is so executed, CITY will not be responsible to pay any charges CONSULTANT may incur in performing such additional services, and CONSULTANT shall not be required to perform any such additional services.

20. PATENT/COPYRIGHT MATERIALS: Unless otherwise expressly provided in the contract, CONSULTANT shall be solely responsible for obtaining the right to use any patented or copyrighted materials in the performance of this Agreement. CONSULTANT shall furnish a warranty of such right to use to CITY at the request of CITY.

21. CERTIFIED PAYROLL REQUIREMENT: For CONSULTANTS performing field work on public works contracts on which prevailing wages are required, CONSULTANT shall comply with the provisions of Section 1776 of the California Labor Code, regarding payroll records, and shall require its subconsultants and subcontractors to comply with that section as may be required by law.

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

23. WAIVER: The waiver by any party to this Agreement of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

24. AUDIT: CITY's duly authorized representative shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify CONSULTANT'S charges to CITY under this Agreement.

CONSULTANT agrees to retain reports, records, documents, and files related to charges under this Agreement for a period of four (4) years following the date of final payment for CONSULTANT services. CITY's representative shall have the right to reproduce any of the aforesaid documents.

25. GOVERNING LAW: This Agreement shall be governed according to the laws of the State of California.

26. HEADINGS NOT CONTROLLING: Headings used in the Agreement are for reference purposes only and shall not be considered in construing this Agreement.

27. COMPLIANCE WITH LAWS: CONSULTANT shall insure compliance with all safety and hourly requirements for employees, in accordance with federal, state, and county safety and health regulations and laws. CONSULTANT shall fully comply with all applicable federal, state, and local laws, ordinances, regulations and permits.

28. CITY BUSINESS LICENSE: CONSULTANT will have a City of Turlock business license.

29. ASSIGNMENT: This Agreement is binding upon CITY and CONSULTANT and their successors. Except as otherwise provided herein, neither CITY nor CONSULTANT shall assign, sublet, or transfer interest in this Agreement or any part thereof without the prior written consent of the other.

30. RECORD INSPECTION AND AUDIT: CONSULTANT shall maintain adequate records to permit inspection and audit of CONSULTANT's time and material charges under this Agreement. CONSULTANT shall make such records available to CITY during normal business

hours upon reasonable notice. Such records shall be turned over to CITY upon request.

31. EXCLUSIVE USE: Services provided within the scope of this Agreement are for the exclusive use of CITY and CONSULTANT agrees that, until final approval by CITY, all data, plans, specifications, reports, and other documents will not be released to third parties by CONSULTANT without the prior written consent of CITY.

32. EMPLOYMENT OF CITY OFFICIAL OR EMPLOYEE: CONSULTANT shall employ no CITY official or employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of California Government Code Sections 1090 *et seq.*; nor shall CITY violate any provision of its Conflict of Interest Code adopted pursuant to the provisions of California Government Code Sections 87300 *et seq.*

33. NOTICE: Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five (5) days after delivery into the United States mail, if delivery is by postage paid, registered, or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time:

for CONSULTANT: **DYETT & BHATIA URBAN AND REGIONAL PLANNERS**
ATTN: SOPHIE MARTIN, PRINCIPAL PLANNER
755 SANSOME STREET, SUITE 400
SAN FRANCISCO, CA 94111
PHONE: (415) 956-4300 Ext. 33
FAX: (415) 956-7315

for CITY: **CITY OF TURLOCK**
ATTN: DEBRA WHITMORE, DEPUTY DIRECTOR
DEVELOPMENT SERVICES DEPARTMENT
156 SOUTH BROADWAY, SUITE 120
TURLOCK, CALIFORNIA 95380-5454
PHONE: (209) 668-5542 Ext. 2218
FAX: (209) 668-5107

34. PERFORMANCE BY KEY EMPLOYEE: CONSULTANT has represented to CITY that SOPHIE MARTIN, PARTNER AND PRINCIPAL PLANNER, will be the person primarily responsible for the performance of the services referred to in this Agreement. CITY has entered into this Agreement in reliance on that representation by CONSULTANT. CONSULTANT therefore agrees that twenty and four tenths percent (20.4%) or more of the time to be devoted to the project that is the subject of this Agreement will be that of the above-named person.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by and through their respective officers thereunto duly authorized.

CITY OF TURLOCK, a municipal corporation

By: _____
Roy W. Wasden, City Manager

Date: _____

APPROVED AS TO SUFFICIENCY:

By: _____
Debra A. Whitmore, Deputy Director
Development Services/Planning Division

APPROVED AS TO FORM:

By: _____
Phaedra A. Norton, City Attorney

ATTEST:

By: _____
Kellie E. Weaver, City Clerk

DYETT & BHATIA URBAN AND REGIONAL PLANNERS, a California corporation

By: _____
Sophie Martin, Partner

Date: _____

1 Project Understanding

Turlock's current Housing Element was certified by the California Department of Housing and Community Development (HCD) in November 2011 and adopted in January 2012. Thus, the element is relatively recent, and while a number of technical issues will be involved, the update should be straightforward. The principal efforts will revolve around addressing changes to State Housing Element law, incorporating information from the 2010 Census (which was not available in time for the previous update), reflecting the City's compliance with SB 2 and its other zoning changes that implement the new General Plan, and updating information on housing sites.

Turlock continues to emerge from impacts of the Great Recession. As housing activity in the city in past few years has been slow, most of the sites in the current Housing Element remain available for development. While the City's Regional Housing Needs Allocation (RHNA) is somewhat higher than the previous cycle, increased allowable densities on some existing sites, as well as identification of new areas for housing in the new General Plan should increase capacity accordingly.

1.1 KEY ISSUES

HOUSING ELEMENT LAW UPDATES

The City's current Housing Element addresses changes to State Housing Element law that occurred in the years prior to 2010:

- SB 2 (2007), amending Government Code Section 65583 to require cities to identify zones where emergency shelters are allowed as a permitted use;
- AB 162 (2007), amending Government Code Section 65302 to require upon the next revision of the Housing Element on or after January 1, 2009:
  - The conservation element of the General Plan to identify rivers, creeks, streams, flood corridors, riparian habitat, and land that may accommodate floodwater for purposes of groundwater recharge and stormwater/flood hazard management;
  - The safety element to identify flood hazard zones and establish policies to avoid or minimize the unreasonable risks of flooding; and
  - The housing element to exclude from the determination of land suitable for urban development those areas where the flood management infrastructure is inadequate and housing development would be impractical;
- AB 2634 (2006), amending Government Code Section 65583 to require the quantification of housing need for a community's extremely low income households;
- SB 575 (2005), amending Government Code Section 65589.5 to spell out fines and procedures for housing elements that do not meet State requirements;

- AB 1233 (2005), amending Government Code Section 65583 (and adding Section 65584.09) to require that sites identified in the previous housing element that required rezoning but were not rezoned be rezoned within the first year of the new planning period;
- AB 2348 (2004), amending Government Code Sections 65583, 65583.1, 65589.5, and 65915 and adding Section 65583.2 to revise the criteria for identifying land suitable for residential development;
- SB 1818 (2004), amending Government Code Section 65915 to allow new density bonuses of up to 35 percent for affordable housing developments; and
- AB 1866 (2002), amending Government Code Sections 65852.2 and 65583.1 to allow cities to identify the likely locations of secondary units added to existing single-family houses.

Changes to Housing Element law since then include:

- SB 812 (2010), Persons with Developmental Disabilities. This required the analysis of the disabled include an evaluation of the special housing needs of persons with developmental disabilities. The analysis should include a quantification of the number of persons with developmental disabilities, an analysis of the housing need, and a discussion of resources.
- Alternative Adequate Sites Requirements Amendments. These separate, but related, requirements in Government Code Sec. 65583.1 allow a city or county to substitute the provision of units for up to 25% of the city's or county's obligation to identify adequate sites for any income category in its housing element, if the municipality commits to providing assistance during the planning period to make the units affordable to very low and low-income households:
    - AB 720 (2009): Extended the timeline for a local government to provide committed assistance for the rehabilitation, conversion or preservation of affordable housing units.
    - AB 1867 (2010): Allowed multifamily "ownership" housing converted by acquisition or the purchase of affordability covenants to qualify towards meeting the alternative adequate sites requirement. Also reduces the required number of units in a complex to qualify for this section from four to three units.
    - AB 1103 (2011): Allowed foreclosed properties converted by acquisition or the purchase of affordability covenants to qualify under the alternative adequate sites requirement.
    - AB 2038 (2012), Authorized a municipality to reduce its share of the RHNA by the number of units built between the start of the projection period and the deadline for housing element adoption if it identifies a methodology for assigning these units to an income category based on actual or projected sales prices, rent levels, or other mechanisms to ensure affordability.

- SB 375 (2008), Global Warming. SB 375 recognized the link between good housing planning and mobility, and the role of these regional and local planning efforts in meeting sustainable community objectives. It requires the RHNA to be consistent with the development pattern reflected in the region's Sustainable Community Strategy. In the Bay Area, the sustainable growth framework is built around Priority Development Areas (PDAs) that local jurisdictions identified as appropriate places to focus future growth, and Priority Conservation Areas (PCAs) that comprise regionally significant open spaces.

- SB 1241 (2012), Safety Element Amendments. This legislation revised the safety element requirements for state responsibility areas and very high fire hazard severity zones and required the safety element, upon the next revision of the housing element on or after January 1, 2014, to be reviewed and updated as necessary to address the risk of fire in state responsibility areas and very high fire hazard severity zones, taking into account specified considerations, including, among others, the most recent version of the Office of Planning and Research's "Fire Hazard Planning" document.

ADEQUATE SITES

Government Code Sec. 68553 stipulates that each jurisdiction must identify adequate sites, for a range of housing types and income levels. Government Code Sec. 65583.2 requires detailed information on each site, including parcel number or address, zoning and land use classification, environmental constraints, and infrastructure access. Our experience in Turlock with the General Plan and with the last Housing Element gives us a familiarity with potential housing sites in the City.

The City's Regional Housing Needs Allocation (RHNA) for the December 31, 2015 through December 31, 2023 projection period is for 3,618 housing units, of which 40 percent will need to be affordable to very low- and low-income households. These are higher numbers than the City's allocation in the previous Housing Element cycle (see table below), although the percent distribution across different income groups is similar.

	Very Low Income	*Low Income*	*Moderate Income*	*Above Moderate Income*	*Total*
2014-2023 Cycle	877	562	627	1,552	3,618
% Distribution	24%	16%	17%	43%	
2007-2014 Cycle	805	562	666	1,428	3,461
% Distribution	23%	16%	19%	41%	

The City's current Housing Element was completed prior to the comprehensive update of the entire General Plan (adopted in September 2012) and preparation of the accompanying Environmental Impact Report (EIR) and Zoning Ordinance amendments. Therefore, the current Element relied upon the land use designations and allowable densities stipulated in previous versions of those planning documents. The new General Plan identified additional

sites for housing, both in master plan areas such as Morgan Ranch in the southeast, as well as on medium- and high-density residential and mixed use sites (both vacant and underutilized) located downtown and along key corridors. We anticipate that these sites/densities will be able to accommodate the increased need; if not, opportunities for upzoning may need to be investigated.

1.2 APPROACH

HOUSING ELEMENT

Quality housing is the essence of a good neighborhood. A good housing element will provide a mix of housing types at various affordability levels to attract a diverse population in age and household type. This is especially critical in a community like Turlock that has a very diverse population with regards to income, education, and age. Unlike other general plan elements, the Housing Element has to meet very specific State laws and guidelines; it also has a shorter-term horizon and is oriented toward programs that will result in specific accomplishments rather than longer-range planning goals.

Focus

The existing Housing Element is in excellent shape—it was adopted only two years ago. We see the update as a strategic effort focused on:

- Updating housing needs information—including demographic, household and family types, income, etc.—based on now-available 2010 Census. This analysis may also result in findings that may require policy and program updates.
- Systematic analysis of the housing market, at-risk units and housing sites and other housing resources in the community.
- Updating information on housing sites, including the Morgan Ranch area and other new sites identified or changed through the General Plan update.
- Including new information—such as needs of disabled population—reflecting statutory changes.
- Review of all other sections to ensure currency and relevancy.
- Creative thinking about new housing policies and programs that may help the City meet its quantified objectives, especially now that the Redevelopment Agency (RDA) has been dissolved. This will include brainstorming with staff on what has worked in the current Housing Element and what needs to be re-thought through, as well as what other funding sources for continuing successful RDA programs might be available.

Review and Adoption Due Dates

For Stanislaus County, the planning period for the new Housing Element extends from December 31, 2015 to December 31, 2023. The deadline is December 31, 2015. In accordance with Government Code 65588(e)(4), local governments on an 8-year Housing Element Planning Period that do not adopt the Housing Element within 120 calendar days of the due date (start of planning period), which would be April 30, 2016 for Turlock, must revise the

Element every four years until timely adopting at least two consecutive revisions by the applicable due date.

Streamlined Review

New this cycle, HCD has introduced a "streamlined review" process that helps facilitate HCD's review of revisions to housing elements that were in compliance with State law in the last round. Cities whose elements meet certain criteria are eligible for streamlined review. These include:

- Identifying adequate sites to meet the RHNA;
- Having zoning in place that permits emergency shelters without discretionary action;
- Having zoning in place that permits transitional and supportive housing as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone;
- Allowing reasonable accommodation for persons with disabilities in the application of zoning and land use policies, ordinances or procedures; and
- Having a density bonus ordinance adopted pursuant to Government Code Section 65915 (since January 1, 2005).

Because Turlock is able to meet these requirements, our objective will be to submit a streamlined review element this round, which may enable quicker response time from HCD and a shorter review and revision process.

In summary, we will prepare a Housing Element that responds to HCD's criteria, is attractively designed, and is viable, realistic and easy to understand and implement. We propose an overall approach that is effective and efficient, building on our knowledge of the city and concurrent housing element work for other jurisdictions throughout the state.

ENVIRONMENTAL REVIEW

As long as housing sites identified in the sites inventory do not require rezoning and allow housing according to the General Plan, only a Negative Declaration will be required. The budget described in Section 3 assumes a Negative Declaration. The Negative Declaration will tier off the EIR prepared for the 2012 General Plan.

1.3 PUBLIC PARTICIPATION

Working with City staff, D&B will lead a public process to allow all segments of the community to identify key issues for the Housing Element Update and to participate in its development. We will be particularly sensitive to those with special housing needs.

We believe that the key to a successful Housing Element Update is establishing an interactive relationship among City officials and staff, the community as a whole, and the consultant team. Our experience leading consensus-building planning processes will provide a community involvement program that reflects Turlock's unique character.

An effective public participation program should create confidence in the planning process, ensure that policies have broad-based understanding and support, and reflect the interests and needs of the community. However, it should be recognized that much of the Housing Element content is very technical in nature, and (aside from sites, density, or design issues, which are more directly addressed in other City documents) it may not interest a large segment of the population. Outreach should also reflect the fact this update is a strategic effort rather than a from-the-ground-up redo.

COMPONENTS OF THE PARTICIPATION PROGRAM

The following are the proposed components of the participation process for updating the Housing Element. We will facilitate the meetings, prepare agendas and handouts, PowerPoint presentations, or other materials as needed, and will present key findings and recommendations with staff.

Housing Forum

This will be a two-hour meeting targeted at housing and housing-related service providers and organizations (though it will be open for all members of the public to attend). The forum will focus on key housing issues for Turlock—housing product type needs, impediments (market, governmental) to housing production or service provision, City programs that have worked in the past, and ideas for new policies or programs to explore.

Stakeholder Discussions (if needed)

If necessary, D&B will supplement the forum with phone interviews/meetings with one or two organizations, either as follow-up to the forum or with representatives of organizations that could not attend the forum.

City Council/Planning Commission Study Sessions

We propose two study sessions with decision-makers (likely with the Planning Commission, but we are also happy to meet with the City Council if so desired). The first study session will be held after the initial reconnaissance, and evaluation of accomplishments and needs. We will prepare briefing materials on the purpose of the update, the RHNA numbers for the City, and examples of housing initiatives and types of housing. We will then solicit Planning Commission direction on priorities for the update process, and policy and program initiatives that will help the City meet its regional fair share housing targets.

The second session will be held to review the Draft Housing Element before it is sent to HCD for review. Decision-maker comments will be used to revise the draft sent to HCD for review.

Public Hearings

The proposed scope includes two hearings—one with the Planning Commission, and one with the City Council. We will attend additional hearings on a time and materials basis.

OTHER OPPORTUNITIES FOR PUBLIC INVOLVEMENT

In addition to the process outlined above, we are open to using other mechanisms, such as an additional open community workshop, media outreach, surveys, and newsletters, to reach the maximum number of people possible. If desired, we can provide scope and budget for additional outreach services.

WORKING WITH CITY STAFF

We envision working in close partnership with the City's planning and housing staff. The complementary skills and knowledge of City staff and planning consultants can result in a process that is efficient and a Housing Element that is effective. Staff's familiarity with the City's issues, current housing programs, and available resources, coupled with consultants' technical expertise and broad experience, and familiarity with the existing element will ensure that housing policies are realistic and have broad community support.

City staff will provide baseline information on development projects, public facilities, and other resources. City staff will be involved in review of accomplishments from the previous Housing Element; identify programs, ordinances, and projects that have been developed to implement Housing Element goals, and work with D&B to analyze the effectiveness of these measures and recommend any changes to them. City staff can also help in coordinating with the City Council and Planning Commission, and maintaining a liaison with property owners and interest groups. City staff will need to carefully review all work products, and provide unified direction to the consultant.

2 Scope of Work

2.1 SCOPE OF WORK

This section outlines our proposed work program for the Turlock Housing Element Update. The program is organized into five tasks, from project initiation to publishing the final Housing Element and environmental review documents, incorporating the work outlined in the RFP. The sequence of work products, community meetings and City Council/Planning Commission workshops are summarized in Section 2.2: Summary of Meetings and Products and Section 2.3: Schedule.

The task-by-task descriptions that follow present our approach to data collection, policy formulation and preparation of the documents. Each task description includes a purpose statement at the beginning.

Task 1: Assessment

Task 1 includes assessment of housing needs, conditions, constraints, and accomplishments of the previous Housing Element. A kickoff meeting with staff will help to finalize the public participation program and identify key issues and opportunities.

A. **Kickoff Meeting with Staff.** At this meeting, the work program and project milestones will be reviewed. The public participation program will also be reviewed, and target dates for meetings and the housing forum established.

B. **Document Review.** Relevant City documents will be reviewed to ensure understanding of current conditions and policy context. These include the Turlock General Plan and Final EIR, the Turlock Municipal Code, master and specific plans, and any major residential development projects/entitlements.

C. **Accomplishments Review.** Review and Evaluation of Current Housing Element. The 2007-2014 Housing Element will be reviewed to assess:

- Status, effectiveness, and appropriate of current housing policies and programs. D&B will prepare a matrix of all policies and programs for City staff to complete; this will form the basis of the Program Accomplishments chapter of the new element and inform the new element's policies. A discussion with City staff will be held to confirm whether existing programs have already been completed, which ones are working well and should be carried forward, and which ones need to be refined, redefined, or dropped.
- Identified goals from the adopted Housing Element versus actual accomplishments (part of the matrix described above).
- The adequacy of the current Housing Element relative to any new State housing legislation. New State laws enacted since the last update will be critically evaluated, and a comprehensive review of the City's policies and regulations undertaken to ensure that

there are no regulatory constraints on housing that conflict with applicable State law. The new legislation covers issues such as increased attention toward housing for persons with developmental disabilities, and linkages to regional Sustainable Communities Strategy.

Meetings	*Products*
Kickoff meeting with City Staff	Detailed project schedule Matrix of existing policies and programs Accomplishments and legislative adequacy review

Task 2: Prepare Housing Element Components and Conduct Community Outreach

During this task, we will prepare draft chapters of the updated Housing Element, identify constraints, opportunity sites for market-rate and affordable housing and assess overall residential buildout. Draft policies and programs will also be prepared. New housing programs needed to meet the housing needs for the City will be identified. New housing programs will be formulated to reflect feedback received during the community outreach process. For each housing program proposed for the updated Housing Element, D&B will define and quantify its objectives (number of units to be produced in a specified timeframe by income group).

Interviews and meetings with housing providers and other stakeholders meetings, and a public forum/study session with the Planning Commission will help to further assess existing programs and policies and define additional and changing needs.

A. **Needs Assessment.** The Needs Assessment chapter will be comprehensively updated with the most current data available, including the 2010 Census and the most recent American Community Surveys. Up-to-date housing market data will be added for rental and ownership units, reflecting both the trends of the last few years as well as more recent changes.

B. **Constraints Analysis.** The analysis in the current Housing Element on regulations (possible governmental constraints) and their impacts on housing production will be updated. Non-governmental constraints will also be examined. Opportunities for energy conservation will also be described and assessed, as well as adequacy of public facilities and infrastructure.

C. **Community Outreach.** Development of a Housing Element that responds to community needs and receives community acceptance requires significant public input. The Public Participation program in Section 1.3 further describes the purpose and scope of each of these components. The outreach program during this task consists of the following two events, which for efficiency, would ideally be scheduled on the same day (forum in the afternoon, study session in the evening):

   - **Housing Forum.** A two-hour forum (open to the public) will be held with housing providers/ stakeholders and/or their representative organizations. The forum will focus on key housing issues for Turlock—key housing product type needs, impediments (market, governmental) to housing production, and City programs that have worked

in the past. City staff will help identify and invite organizations, and D&B will conduct the forum. If needed, D&B will supplement the forum with phone interviews/meetings with one or two organizations, either as follow-up to the forum or with representatives of organizations that could not attend the forum.

- **Planning Commission Study Session:** The Planning Commission will be provided with background information, including an introduction to housing element law and requirements; review of housing needs; review of housing constraints; and relationship between RHNA and sites inventory; and issues related to General Plan designations and zoning. The Planning Commission will be afforded the opportunity to discuss issues, methods to overcome constraints, and any topics that may be controversial. City staff will be responsible for notification, scheduling, facilities, and setup, and D&B will conduct the Study Session portion of the Planning Commission meeting with assistance from staff.

D. Identification and Inventory of Housing Sites. The current Housing Element identifies individual parcels, along with zoning and potential units at each parcel. This information will be confirmed, and sites where units have since been built removed from the inventory. Staff will provide D&B with status information regarding the current list of housing sites, and work with D&B to identify any new sites needed. D&B will compile a list of appropriate housing sites, including APN, address, zoning, General Plan designation, and any other applicable development regulations. D&B will create a map of the housing opportunity sites.

E. Assessment of Housing at City Buildout/Match with Needs. The housing allocation for Turlock calls for 3,618 new housing units, or a slight decrease from the previous cycle. Of the new units, 40 percent must be for very low- and low-income households, 17 percent for moderate-income households and the remaining 43 percent for above moderate-income households. Housing quantities will be tabulated by density and compared against need by income group; any resulting deficits will be identified.

F. Goals, Policies, and Implementing Programs. The Housing Programs chapter will be based on the programs included in the current Housing Element, modified based on the Program Accomplishments sub-task described in Task 1. New goals, policies, and programs will be proposed based on feedback from community members and other stakeholders. For each housing program proposed for the updated Housing Element, we will work with City staff to define and quantify its objectives (number of units to be produced, in a specified timeframe, by income group). These will be submitted to City staff for review and comment. Pursuant to State law, the Goals, Policies, and Implementing Programs will be designed to:

- Make available sites at adequate densities and development standards to facilitate and encourage a variety of housing types for all socioeconomic segments of the community, including those with special needs;
- Facilitate and encourage the provision of affordable housing for extremely low, very low-, low- and moderate-income households;
- Improve and preserve the City's affordable housing stock;

- Mitigate constraints to the development, improvement, and preservation of housing; and
- Promote equal housing opportunity.

All policies and programs will be written and reviewed for consistency with the rest of the city's General Plan and include details on timing, responsibility, and potential funding source.

Meetings	*Products*
Planning Commission Study Session/Workshop (1) Stakeholders Forum (1)	Administrative Draft chapters on needs assessment, constraints, sites inventory, and programs Memorandum on Community Outreach

Task 3: Draft Housing Element and HCD Review

The updated Housing Element will address the 2015-2023 planning period and will use a format that is consistent with that of the current Housing Element. An Administrative Draft will be prepared and then revised based on a consolidated set of City staff comments. The Draft Element will then be presented to the Planning Commission for review and comments prior to HCD review.

A. **Administrative Draft Housing Element.** The components of the draft updated Housing Element developed in Task 2 will be combined into an Administrative Draft for staff review. Supplementing the components developed in Task 2, as required by State law and described in the Department of Housing and Community Development's "Building Blocks for Effective Housing Elements," the Housing Element will include:

- Description of how the City of Turlock made a diligent effort to achieve public participation from all economic segments of the community in the development of the updated Housing Element.
- Demonstration of site development capacity equivalent to, or exceeding, the projected housing need in the RHNA.
- Conservation and improvement of existing affordable housing stock.
- Quantification of objectives by income level for the construction, rehabilitation, and conservation of housing.
- An eight-year (from adoption in 2015 until the end of the planning period in 2023) schedule of actions to achieve the goals and objectives of the Housing Element.

B. **City Review of HCD Draft.** The Administrative Draft will be submitted to City staff and then revised based on a consolidated set of City staff comments. Staff comments on the Administrative Draft will be used to prepare a HCD Review Draft.

C. **Planning Commission Study Session#2.** The HCD Draft will be reviewed with the Planning Commission. Key objectives, policies, and/or action programs (such as zoning

changes and new or revised housing programs, etc.) will be reviewed, and any necessary changes incorporated into the draft that is reviewed by the City Council and then sent to HCD.

D. **HCD Streamlined Review Submittal/Public Review Draft Updated Housing Element.** The Draft Updated Housing Element shall be submitted to HCD for review, with the goal of gaining certification on the first iteration, but understanding that this is uncommon. D&B shall prepare the Housing Element in the format required for Streamlined Review, including:

- The Streamlined Review template that shows where changes were made to the previously adopted Housing Element, and
- A transmittal letter to HCD detailing how the updated Housing Element meets State requirements.

Following an initial formally scheduled conference call with HCD, our intention will be to resolve any remaining outstanding issues via email and brief phone calls if necessary. If required, a second HCD Review Draft, with revisions in underline/strikeout format will be prepared. Meetings and/or conference calls with HCD and City staff to discuss comments will be scheduled as necessary and changes necessary for HCD approval will be made.

Following HCD review and approval, the Hearing Draft of the updated Housing Element will be finalized.

Meetings	*Products*
Planning Commission Study Sessions (1) Conference Calls with HCD (up to 2)	Administrative Draft Housing Element HCD Review Draft Housing Element HCD 2nd Review Draft (if needed) Housing Element Completeness Checklist (for streamlining) Hearing Draft Housing Element

Task 4: Environmental Review and Adoption

A. **Environmental Review.** D&B assumes that based on housing development capacity under the existing Housing Element, along with changes in sites and capacity in the new General Plan, only a Negative Declaration will be required, which D&B will prepare. D&B will also prepare the Notice of Intent and Notice of Completion. The City shall be responsible for submission of the Negative Declaration and associated notification to the State Clearinghouse. Environmental review of the Housing Element is anticipated to occur while the Element is being reviewed by HCD.

B. **Hearings.** D&B will participate in one hearing on the Housing Element with the Planning Commission and one with the City Council.

C. **Adopted Housing Element.** Following City Council action, the adopted Housing Element will be prepared.

Meetings	*Products*
Public Hearings (1 Planning Commission, 1 City Council)	Negative Declaration, Notice of Intent, Notice of Completion Adopted Housing Element

2.2 SUMMARY OF MEETINGS AND PRODUCTS

Our work program includes the following meetings and products.

MEETINGS

- Kickoff meeting with staff and other meetings via conference call as appropriate
- Housing Forum
- Stakeholder Discussions if needed (one or two phone interviews/meetings)
- Planning Commission Study Sessions (2)
- Public Hearings (2)

PRODUCTS

- Matrix of program accomplishments for Staff to complete
- Draft chapters on housing needs, constraints, accomplishments review, sites inventory, and preliminary policies/programs
- Map of potential housing sites
- Memorandum on Housing Forum, Stakeholder Interviews, and Planning Commission Study Session #1
- Administrative Draft Housing Element
- HCD Review Draft Housing Element (and revised, if necessary, following Planning Commission review)
- HCD 2nd Review Draft Housing Element (if needed)
- Environmental Review (Negative Declaration), Notice of Intent, Notice of Completion
- Hearing Draft Housing Element
- Adopted Housing Element

All interim and draft documents will be provided to City staff in electronic form, in Microsoft Word and PDF if desired. D&B will provide up to 10 printed and bound hard copies of the final adopted Housing Element in addition to electronic copies.

2.3 SCHEDULE

The 10-month schedule for Housing Element preparation is presented in the table below. Interim product deadlines and meetings are shown for each task. The element is proposed for adoption by the statutory deadline of December 31, 2015. State law requires submission of the draft to HCD at least 90 days before that date (or September end, 2015); our goal will be to get a first draft to HCD two months before this deadline, to allow for a second cycle of HCD review if necessary.

Light Shade - Meeting	
Dark Shade - Product	
Task 1: Assessment	
Kick off meeting with staff	February 2015
Matrix of existing policies	February 2015
Task 2: Housing Element Components and Community Outreach	
Draft chapters on housing needs, constraints, and accomplishments	March-April 2015
Housing Forum and follow-up Stakeholder Meetings (if needed)	April 2015
Planning Commission Study Session #1	April 2015
Summary memorandum on community outreach	April 2015
Map of potential housing development sites and Draft Sites chapter	May 2015
Draft Programs chapter	May-June 2015
Task 3: Draft Housing Element and HCD Review	
Administrative Draft Housing Element	June 2015
Public Review Draft Housing Element	June 2015
Planning Commission Study Session #2	June-July 2015
HCD Review Draft Housing Element	July 2015
Task 4: Environmental Review and Adoption	
Environmental Review (Negative Declaration)	September 2015
Public Hearings (2)	October-November 2015
Adopted Housing Element	December 2015

3 Budget

The total cost for the scope of work is **$48,840**. Tables showing hours and fees by personnel and task are found on the following page. This budget includes all consultant labor and direct costs, including travel and printing of documents. As Dyett & Bhatia prepared the current Housing Element, General Plan, and EIR, and because the City is eligible for streamlined review having met the requirements of HCD, this update will represent a significant cost savings. An estimate of both hours and costs are identified in the table that follows.

Our budget is based on the following assumptions:

A. **Meeting Attendance.** The guaranteed maximum fee provides for: one (1) kickoff meeting, one (1) Housing Forum, up to two (2) stakeholder interviews/discussions (phone); two (2) Planning Commission workshops; and two (2) public hearings. The costs of additional meeting attendance would be on a time and materials basis if requested; such costs are not included within the guaranteed maximum fee. Mileage is billed at the IRS-permitted maximum. Other direct costs and travel-related expenses are billed at no mark-up.

B. **Consolidated Comments and Direction.** City staff will provide a single set of consolidated comments on the review drafts of all documents.

C. **Printing.** We will provide digital files of documents in Word and Adobe PDF formats of all draft and interim products. All graphs, illustrations, and tables shall be prepared so that black and white copies will be readable; the housing sites map may be prepared in color. In addition, 10 hard copies (printed and bound) will be provided of the final adopted Housing Element.

D. **Negative Declaration.** This budget assumes that only a Negative Declaration will be required. If a greater level of environmental review is needed due to changes in land use/zoning, the budget may increase.

Turlock Housing Element Update
HOURS BY TASK

		Task 1	*Task 2*	*Task 3*	*Task 4*	**Subtotal**	*Meetings and Outreach*		**GRAND TOTAL**
		Review and Assessment	*Housing Element Components*	*Draft Housing Element and HCD Review*	*Environmental Review and Adoption*		*Planning Commission & City Council Study Sessions/ Hearings*	*Housing Forum/Workshop / Stakeholder Discussions*	
Sophie Martin, Principal		16	16	20	8	**60**	24	12	**96**
Planner		20	60	22	18	**120**	24	20	**164**
GIS/Computer Mapping			12	4		**16**			**16**
Assistant Planner			80	32	24	**136**		8	**144**
Project Assistant		8	8	8	8	**32**		8	**40**
TOTAL		**44**	**176**	**86**	**58**	**364**	**48**	**48**	**460**

BUDGET BY TASK

	Hourly Rate								
Sophie Martin, Principal	$175	2,800	2,800	3,500	1,400	**10,500**	4,200	2,100	**16,800**
Planner	$105	2,100	6,300	2,310	1,890	**12,600**	2,520		**15,120**
GIS/Computer Mapping	$115		1,380	460	-	**1,840**	-		**1,840**
Assistant Planner	$70	-	5,600	2,240	1,680	**9,520**		560	**10,080**
Project Assistant	$70	560	560	560	560	**2,240**		560	**2,800**
Direct Costs		200	200	200	600	**1,200**	800	200	**2,200**
TOTAL		**5,660**	**16,840**	**9,270**	**6,130**	**37,900**	**7,520**	**3,420**	**$48,840**

Hours & Budget by Task are shown for informational purposes only; D&B reserves the right to reallocate these provided overall scope and budget are not affected.

Direct costs include travel as well as printing of Housing Element and Environmental Review document copies.

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROPRIATING $48,840 TO ACCOUNT NUMBER 110-40-400 .43753 "CONTRACT SERVICES HOUSING ELEMENT UPDATE" TO BE FUNDED FROM FUND 110 "GENERAL FUND" RESERVE BALANCES TO PREPARE THE STATE-MANDATED UPDATE TO THE CITY OF TURLOCK HOUSING ELEMENT	**RESOLUTION NO. 2015-**

WHEREAS, State housing law (Government Code Section 65580 et seq.) requires each city and county to prepare a housing element as one of the seven mandated elements of the General Plan; and

WHEREAS, State law mandates that an updated housing element be prepared by December 31, 2015; and

WHEREAS, the City has received a proposal amounting to $48,840 from Dyett & Bhatia Urban and Regional Planners to perform this work; and

WHEREAS, by separate action the City Council has approved a professional services agreement with Dyett & Bhatia Urban and Regional Planners for the Housing Element Update.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby approve appropriating $48,840 to account number 110-40-400.43753 "Contract Services Housing Element Update" to fund a professional services agreement with Dyett & Bhatia Urban and Regional Planners for the Housing Element Update. This appropriation will be funded from unappropriated General Fund reserves.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 24th day of February 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver, City Clerk,
City of Turlock, County of Stanislaus,
State of California

8D

Council Synopsis

February 24, 2015

From: Allison Van Guilder, Parks, Recreation & Public Facilities, Director

Prepared by: Allison Van Guilder, Parks, Recreation & Public Facilities, Director

Agendized by: Roy Wasden, City Manager

1. ACTION RECOMMENDED:

Motion: Accepting the Carnegie Arts Foundation Annual Report 2014

Motion: Approving a new fee schedule ("Exhibit A") for the Carnegie Arts Center and amendment number 3 ("Exhibit B") to the lease agreement between the City of Turlock and The Carnegie Arts Center Foundation, a California non-profit corporation, for the City owned area and building located at 250 North Broadway, Turlock, California (Carnegie Arts Center)

2. DISCUSSION OF ISSUE:

The City of Turlock and the Carnegie Arts Center Foundation, Turlock, (CACF) have a lease agreement signed on October 30, 2009, for the use and operation of the Carnegie Arts Center facility. According to item 5(n) in the Agreement, ***"Lessee shall obtain City approval of any and all use fees, rental charges, or any and all other fees that Lessee intends to charge."***

The CACF has operated the Carnegie for three years under the terms of the Lease Agreement and original fees established therein for facility rentals. In order to continue smooth operations and cover rising costs for staffing and overhead, the CACF requests the authority to set new fees and raise existing fees on an as-needed basis. All fees would be reported to the Council in the required annual reports.

In addition to rental fees, CACF staff members have been setting fees for classes, memberships and event tickets on a case-by-case basis over the first three years. As part of any normal business operation, in order to respond to customers and the needs of our community, adjustment of fees should occur as a routine matter. Each new event or situation may require new fees, one-time charges, etc. These adjustments should not require individual Council approval each time. A more streamlined process would allow the CACF to set and adjust

fees as necessary and report them as part of the Annual Report to the City, allowing the Council to question or request clarification during the report.

As the CACF has operated the Carnegie for three years, the actual cost for providing services (especially to rental customers) has become apparent. Staff time, wear and tear, and utility costs all continue to increase, and rates set three years ago do not reflect current expenses to provide services.

The CACF is committed to providing affordable classes and events for the community; a scholarship fund and a transportation fund have been established to provide financial assistance to low income residents and the area's schools to participate in Carnegie programs. The CACF is also committed to continuing to offer a substantial discount on facility rentals to area not-for-profit organizations and partnering arts groups (such as the Turlock Unified School District, CSU Stanislaus, Sunshine Strummers Seniors Ukulele Group, One Performing Arts Dance Company, Turlock Youth Performing Arts, Modesto-Stanislaus Poetry Center, etc.).

3. BASIS FOR RECOMMENDATION:

Strategic Plan Initiative H: Community Programs, Facilities, and Infrastructure Goals:

b-iv Develop ongoing community partnerships, collaborations and sponsorships which will result in enhanced programming and services to the community as well as leveraging City resources.

c-i Partner with community stakeholders to promote Turlock as a tourist destination for the arts, sports, facilities, and special events.

4. FISCAL IMPACT / BUDGET AMENDMENT:

Fiscal Impact: The proposal has no impact on the City budget; the proposal will allow the CACF to evaluate revenue sources and maximize revenue for ongoing operations at the Carnegie Arts Center.

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

N. A.

7. ALTERNATIVES:

A. Council could choose to accept only the updated fee schedule and not approve the CACF to adjust fees on an as-needed basis. This alternative would continue to hamper the CACF's ability to respond to changing economic conditions, resulting in lost revenue to the CACF.

B. Council could choose to reject any fee changes. This alternative would result in lost revenue to CACF.

CARNEGIE ARTS CENTER

250 N. BROADWAY, TURLOCK, CA 95380
CARNEGIEARTSTURLOCK.ORG | (209) 632-5761

Annual Report 2014

Presented to the Turlock City Council

2/24/2015

CARNEGIE | ARTS CENTER

BOARD OF DIRECTORS

Jeani Ferrari, President & Chair, Major Gifts Committee

Bernadette Halbrook, Vice President

Trudia Pauley, Treasurer & Chair, Finance Committee

Priscilla Peters, Secretary & Chair, Programs Committee

Cliff Bailey, Chair, Facilities Committee

Kristi Gemperle, Co-Chair, Special Events Committee

Gary Toombs, Chair, Gift Shop Committee

Corie Young, Co-chair, Special Events Committee and Chair, Membership Committee

ADMINISTRATION

Lisa McDermott, Director

Lauris Conrad, Office Manager & Bookkeeper

Carol Perry, Weekend Supervisor, Volunteer Coordinator & Clerical Assistant

Mallorie Fenrich, Weekend Supervisor, Curatorial & Clerical Assistant

Nic Webber, Weekend Supervisor, Web Designer & Preparator

EXECUTIVE SUMMARY

The Carnegie Arts Center continues to expand its reach and fulfill its mission to provide a venue where the arts can thrive. Exhibitions and programs attract wide-ranging audiences, including regional artists, college students, art lovers from Santa Cruz to Sacramento, and school children from Merced, Stanislaus and San Joaquin Counties. The Calendar of Events that was published three times in 2014 will expand to four issues in 2015 to cover the growing number of activities at the Carnegie. New partnerships were developed this year with Turlock High School Drama and CSU Stanislaus Jazz Studies to present a number of exciting new events.

Challenges presented by the unexpected retirement of our founding Executive Director, Rebecca Phillips Abbott, in February were met with determination by the board and staff. We continue to work as a team, adding new staff and board members to maintain momentum. While finances show an anticipated shortfall in unrestricted revenue, income generated by the growing Endowment Fund bridged that gap in 2014. Donations to restricted funds for scholarships and school buses topped $20,000. Our visitors and community members continue to remark to all of us that the Carnegie represents the very best of Turlock and serves as a model for other communities.

Lisa McDermott, Director

EXHIBITIONS

Major undertakings for the year included *Carnegie Rocks!*, the first exhibit to bring design (guitars, costumes, graphic arts) and music into the gallery. The *Roman Loranc* exhibition has been selected for potential traveling opportunities by Landau Traveling Exhibitions; their company will make the show — organized by Rebecca Phillips Abbott for the Carnegie — available to museums and galleries throughout North America. The *Central California Art Showcase* was a first-time collaboration with the Mistlin Gallery in Modesto. By partnering on a single show, both galleries increased artist participation by more than 100%. *Joan Miró: Fantastic Universe,* organized by Blair-Murrah Traveling Exhibitions, featured one of the most important abstract artists of the 20th century and continued our ability to promote the Carnegie as a great resource for school tours.

Ferrari Gallery

Picasso: Twenty Five Years of Edition Ceramics Closed January 2014

Roman Loranc: A Retrospective January-March 2014

Central California Art Showcase April-May 2014

Carnegie Rocks! May-August 2014

Joan Miró: Fantastic Universe Opened September 2014

Hilmar Cheese Company Lobby Gallery

Imagining the Real Closed February 2014

At Home in Turlock: Three Perspectives March – May 2014

Donna Wayman: Reflecting May - August

Yosemite Renaissance August - September

In Your Dreams October 2014 – February 2015

Total Number of Exhibitions: 10

Exhibitions Visited by K-12 Students: 4

Number of Students Participating in School Tours: 2,908

PROGRAMS

Programs continued to highlight the important exhibitions and featured all art forms with a variety of events. Popular monthly series like Family Fridays and Sunday Arts Lectures continued. A new Music Series was started in the Fall through collaboration with the Jazz Studies program at CSU Stanislaus. Other collaborative or Carnegie sponsored programs included the monthly Uke Jamz, the quarterly Poetry on Sundays series, and performances by Turlock High School Drama and the Merced College Theater Society.

Family Fridays

A Night in Paris: *Ratatouille**

Paint Your Hearts Out*

Flower Power (presented with Great Valley Museum, MJC) *

Shakespeare Birthday Bash*

The Family Album*

A Night at the Farmer's Market (presented with Turlock Farmer's Market)*

Sock Hop*

Summer Splash*

Crazy Creatures*

Dia de los Muertos (presented with Los Luceros de Osborn)*

Holiday Pajama Party (presented with Turlock High School Drama) *

Sunday Arts Lecture Series

Picasso's Women: Rebecca Phillips Abbott

Distinguished Artist's Gallery Talk: Roman Loranc

California Wetlands: Phil Garone, CSU Stanislaus

Central California Arts Showcase Gallery Talk

California Film Locations: Arnold Schmidt, CSU Stanislaus

Guitar Legends: Richie Unterberger, College of Marin

Liquid Stone: Unlocking Gaudi's Secrets (presented with Modesto International Architecture Festival)

*Indicates a program or event for children/teens

Symbols in Surrealism: Hope Werness & John Carroll, CSU Stansislaus

Miró & the Birth of a Sign Language: Sidra Stich, UC Berkeley

The "Real" Monuments Men & the Challenges of Nazi Looted Art: Jonathan Petropoulos, Claremont-McKenna College

Literary & Theatrical Programs

Poetry on Sunday Series (presented quarterly with the Modesto-Stanislaus Poetry Center)

Dead Man's Cell Phone (presented with Merced College Theater Society)

The Making of a Poem: Workshop and Reading

The Big Meal (presented by Turlock High School Drama Department)*

Music & Dance Programs

Turlock Uke Jamz (presented monthly)

Unity Concert of Dance, Music & Poetry (presented with ONE Performing Arts)*

Ändstrøm's Swedish Folk Music and Dance Concert (presented with Village Dancers of the Valley)

Gallery Talk with guest curator Frank Munoz in *Carnegie Rocks!*

Victoria Vox

Abe Lagrimas, Jr.

Latin Jazz: CSUS Jazz Studies Students

Le Jazz Hot

Joe Mazzaferro Septet

Duke Ellington's Nutcracker Suite: CSUS Jazz Ensemble

Total Number of Programs: 48

Programs for Children: 13

Percentage of Programs for Children: 28%

*Indicates a program or event for children/teens

CLASSES

Increasing class enrollment continues to be a challenge. Marketing and advertising have been attempted through various channels, but overall enrollment has not increased. Major donations this Fall to the Justin Ferrari Memorial Scholarship Fund, called "*Express Yourself,*" will allow us to offer 85% tuition reductions to qualifying students. Publicity and outreach on the availability of these funds will be made through the schools and social service agencies. We expect to see an increase in low-income students by Summer of 2015.

Offerings Included

Creative Dance*

Art Start: Ages 5-8*

Masterpieces: Ages 8-11*

Art Studio: Ages 10-13*

Origami Basics*

Irish Step Dance*

Art Appreciation

Beginning Oil Painting

Beginning Watercolor

Basic Drawing

Senior Arts & Crafts

Total Number of Classes Offered: 59

Classes Offered for Children /Teens: 38

Percentage of Classes for Children/Teens: 65%

Percentage of Enrollments that are Children/Teens: 70%

*Indicates a program or event for children/teens

MEMBERSHIP

The Carnegie Arts Center enjoys broad-based community support. We have 415 active members contributing at all levels, from $35 Student Memberships to $1,000 Circle Memberships. 70% of all members are in the Founding categories and have been continuing members since our re-opening in 2011.

Number of Members by Level:

Students/Teacher: 35
Individual: 60
Dual: 54
Friend: 166
Benefactor: 54
Patron: 20
Carnegie Circle: 15

CAPITAL CAMPAIGN

The Carnegie Arts Center Foundation continues to raise funds to secure the long-term operations of the organization. Two areas of the facility remain open for naming opportunities and additional contributions continue to be solicited for the Founders and Friends Walls. The Board's Treasurer and Finance Committee monitor the invested funds to be certain the goals of the fund are realized.

Total commitments to the Endowment Fund ended the year at approximately $2M.

$168,544 was received into the Endowment Fund during FY 2013-2014.

Currently $1.3M is invested, realizing $54,840 in operating revenue for FY 2013-14.

Marketing

Working with the services of Ali Cox & Company since April, social media outreach and press coverage has improved.

1. Facebook followers and engagement has grown by over 45%
2. Instagram and Twitter accounts were launched (@carnegieartsturlock)
3. Facebook is updated once per day; Twitter updated to promote events as needed; Instagram is updated several times per week
4. Social media promotional content includes events, exhibits, lectures, facility rentals, gratitude posts, membership, artistic inspiration and community involvement

Platform	#of Likes/Followers on 4/1/2014	#of Likes/Followers as of 12/31/14	% Growth Increase	Engagement Increase
Facebook	780	1132	+45.2%	+240%
Instagram	Created	294	N/A	N/A
Twitter	Created	124	N/A	N/A

   a. Percent of Growth Increase: this shows the percent increase of followers and likes from the time we began to post on social media
   b. Engagement increase: This shows the percentage increase of people who comment and like photos.

5. In the summer of 2014 the website was "refreshed" with a new calendar of events and a weekly blog post to highlight events and programs.
6. E-mail newsletters are sent out once a week to 1,827 subscribers ; these feature upcoming events, exhibits, concerts, lectures, classes and school programs
7. Advertising has centralized around a monthly ad in the Modesto Bee Scene section that lists upcoming exhibitions and events. Ads also appear regularly in the Turlock Journal, the Central Valley Business Journal, and the Gallo Center Season Program. Radio advertising has been purchased on Sacramento's Public Radio station for major exhibits, and on Modesto's Hawk and San Francisco's Bone classic rock stations for the Carnegie Rocks show.
8. A branding exercise took place to re-focus brand identity and provide consistency in logos and publications.
9. Key 2014 PR Accomplishments (Media Placements by date)
   a. 4/3/14 - Featured Community projects article in Turlock Journal
   b. 5/1/14 - Featured Carnegie Rocks on Capital Public Radio
   c. 5/8/14 - Featured Ukulele jazz concert in the Turlock Journal
   d. 5/17/14 - Featured Carnegie Rocks exhibit in the Sacramento Bee
   e. 5/22/14 - Featured Carnegie Rocks concert in the Modesto Bee
   f. 7/4/14 - Featured Carnegie Rocks exhibit in the Modesto Bee
   g. 7/9/14 - Featured Carnegie Regional draw in the Central Valley Business Journal
   h. 7/14/14 - Featured "In Your Dreams" on college art.com
   i. 7/16 /14 - Featured Monuments Men lecture in the Turlock Journal
   j. 9/4/14 - Featured Volunteers in the Turlock Journal
   k. 9/4/14 - Featured Joan Miró in the Turlock Journal
   l. 9/11/14 - Featured Joan Miró exhibit in the Modesto Bee (cover of Scene section)
   m. 9/12/14 - Featured Carnegie Arts in the Manteca Bulletin
   n. 10/9/14 - Featured Le Jazz Hot in the Turlock Journal
   o. 10/16/14 - Featured Events in the Turlock Journal
   p. 11/14 - Featured Monuments Men lecture on Capital Public Radio (November)

REVENUE & EXPENSE

Temporarily restricted revenue includes donations made to the School Bus Transportation Fund; these funds are expended as needed to cover reimbursements to schools for field trip transportation. Also temporarily restricted are the two Memorial Scholarship Funds; these are transferred into the class revenues when a student is awarded funding for a class. While general operating expenses exceeded revenue, the income generated from the Endowment covered the shortfall, allowing the Carnegie to finish the 2013-14 fiscal year in the black.

Total Unrestricted and Temporarily Restricted Revenue FY 2013-14: $422,133

Total Expense FY 2013-14: $446,736

Disbursement from Endowment Fund: $54,840

2014 STATISTICS

OPEN TO THE PUBLIC:

5 days each week (excluding only Thanksgiving, Christmas, and New Year's Day); 7-10 hours per day (Weds. through Sunday 10 a.m. – 5 p.m.; Fri. 10 a.m. – 8 p.m.)

EXHIBITION VISITORS:

10 exhibitions; 4,716 total visitors in gallery

SCHOOL TOUR PARTICIPANTS:

40 schools; 10 regional communities served; 2,908 total students in grades K-12

PROGRAM PARTICIPANTS:

48 programs offered; 2,586 total program attendance

STUDENTS IN CLASSES:

59 classes offered; 123 total enrollments

VOLUNTEERS:

70 active volunteers; 2,721 volunteer hours recorded

FACILITY RENTALS:

30 rentals; 30% non-profit/government/school; 2,300 est. guests

AFFILIATE GROUPS:

Village Folk Dancers – approx. 15 participants weekly

Sunshine Strummers Ukulele group – approx. 45 participants weekly

TOTAL SERVED: 12,700+

ACCOMPLISHMENTS

- Continued schedule of local exhibitions and exhibitions of national interest, drawing audience from throughout Northern & Central California
- Added monthly music series to programs calendar
- Partnered with numerous regional arts groups, including: CSU Stanislaus Jazz Studies, Turlock High School Drama Department, Merced College Theater Society, Modesto-Stanislaus Poetry Center, Modesto International Architecture Festival, Modesto Symphony, Turlock Tuesday Reading Club
- Presented a wide variety of children's programs, tours and classes
- Increased public hours to include Friday evenings until 8 p.m.
- Realized $54,000 in Endowment income for operations
- Unveiled Founders' Recognition Wall with 75 names

PROPOSED EXHIBIT "A"

CARNEGIE | ARTS CENTER

Membership Rate Chart

Member Level/ Benefits	Educator or Senior $40	Individual $50	Dual $75 (Individual Membership Benefits for 2)	Friend $125 (Dual Membership Plus)	Benefactor $250 (Dual Membership Plus)	Patron $500 (Dual Membership Plus)	Carnegie Circle $1,000 (Dual Membership Plus)
Invitations to Exhibits & Programs	•	•	•	•	•	•	•
Members–only Preview Hours & Receptions	•	•	•	•	•	•	•
FREE Exhibition Admission for Members	•	•	•	•	•	•	•
FREE Exhibition Admission for Member's Guest (see level)				• (one guest)	• (two guests)	• (two guests)	• (four guests)
10% Discount on Class Registration Fees	•	•	•	•	•		
10% Discount on Artwork Purchases		•	•	•	•		
10% Discount on Shop Purchases	•	•	•	•	•		
Enrollment in NARM, Reciprocal Membership				•	•	•	•
15% Discount On Class Registration Fees						•	•
15% Discount on Artwork Purchases						•	•
15% Discount On Shop Purchases						•	•

Revised 11/14/2014

CURRENT

CARNEGIE | ARTS CENTER

Membership Rate Chart

Member Level/ Benefits	Student/ Teacher $35	Individual $50	Dual $75 (Individual Membership Benefits for 2)	Friend $125 (Dual Membership Plus)	Benefactor $250 (Dual Membership Plus)	Patron $500 (Dual Membership Plus)	Carnegie Circle $1,000 (Dual Membership Plus)
Invitations to Exhibits & Programs	•	•	•	•	•	•	•
Members–only Preview Hours & Receptions	•	•	•	•	•	•	•
FREE Exhibition Admission for Members (2)				•	•	•	•
FREE Exhibition Admission for Member's Guest (see level)				• (one guest)	• (two guests)	• (four guests)	• (unlimited guests)
10% Discount on Exhibition Admissions	•	•	•				
10% Discount on Class Registration Fees	•	•	•	•	•		
10% Discount on Artwork Purchases				•	•		
10% Discount on Shop Purchases				•	•		
10% Discount on Gift Memberships		•	•	•	•	•	•
Enrollment in NARM, Reciprocal Membership				•	•	•	•
15% Discount On Class Registration Fees						•	•
15% Discount on Artwork Purchases						•	•
15% Discount On Shop Purchases						•	•

Revised 11/14/2014

CARNEGIE ARTS CENTER

DRAFT

PROPOSED

Facility Rentals	Weddings*	Standard Hourly Rate (10 am-5 pm)	After Hours Rate (before 10 am or after 5 pm)	Hourly Rate Non-Profit (10 am-5 pm)	After Hours Rate Non-Profit (before 10 am or after 5 pm)
LOFT	$ 1,750.00	$ 150.00	$ 180.00	$ 112.50	$ 142.50
GEMPERLE GALLERY	$ 1,500.00	$ 125.00	$ 155.00	$ 93.75	$ 123.75
FERRARI GALLERY	n/a	n/a	$ 155.00	n/a	$ 123.75
STUDIO	n/a	$ 60.00	$ 90.00	$ 40.00	$ 70.00
LOBBY	n/a	n/a	$ 90.00	n/a	$ 70.00
PLAZA	n/a	n/a	$ 90.00	n/a	$ 70.00
PACKAGES (Lobby not exclusive during regular hours, 10 a.m. - 5 p.m., but may be included in set up, used for check-in or greeting area)					
Loft + Lobby	$ 2,300.00	$ 200.00	$ 230.00	$ 150.00	$ 180.00
Gemperle + Lobby	$ 2,050.00	$ 175.00	$ 205.00	$ 131.25	$ 161.25
Ferrari + Lobby	$ 2,050.00	n/a	$ 205.00	n/a	$ 153.75
Plaza + Lobby	$ 1,600.00	n/a	$ 160.00	n/a	$ 120.00
Loft or Gemperle + Ferrari	$ 2,500.00	n/a	$ 250.00	n/a	$ 187.50
Loft + Gemperle	$ 2,800.00	$ 250.00	$ 280.00	$ 187.50	$ 217.50
Full Facility	$ 3,500.00	n/a	$ 350.00	n/a	$ 262.50

ADDITIONAL COSTS

Damage Deposit	$250	Required (refunded if facility left in satisfactory condition and event concludes on time)
	$500 (100+ guests)	Required (refunded if facility left in satisfactory condition and event concludes on time)
Security	$25/hour per guard	Required for events with 100 or more guests or events serving alcohol; number of guards based on attendance and type of event, determined by CAC staff.
Technical Staff	$30/hour	Required for events using production lighting equipment in The Loft or as determined by CAC staff.
Custodial Staff	$25/hour	May be required for events serving food & beverages or more than 100 guests; determined byCAC staff.

*Wedding package includes:

3 one-hour meetings with Carnegie staff for planning sessions with bride and vendors (caterer, florist, photographer, coordinator, etc)

8 hours use of reserved space(s)

On-site storage (not set up) 1 day before and 1 day following the event.

Additional hours charged at $250/hour.

Minimum 2 hours custodial services for clean-up (additional time charged by the hour)

CURRENT

How Much Will It Cost To Hold An Event At The Carnegie Arts Center?

Rental Space	Standard Evening Rate (6 hour minimum)	Non-Profit Evening Rate (6 hour minimum)	Standard Day Rate (per hour)	Non-Profit Day rate (per hour)
The Loft	$1,750	$1,175	$115	$88
Gemperle Gallery	$1,500	$1,000	$90	$65
Ferrari Gallery	$1,500	$1,000	$90	$65
Hilmar Cheese Company Lobby	$750	$500	$65	$505
Garton or Bethel Studio (4 hours)	$400	$268	$35	$25
Plaza	$750	$500	$65	$50
Loft + Lobby	$2,300	$1,541	Price on request	Price on request
Gemperle + Lobby or Ferrarri + Lobby	$2,100	$1,400	Price on request	Price on request
Loft + Ferrari or Gemperle + Ferrari	$2,700	$1,800	Price on request	Price on request
Lobby + Plaza	$1,200	$800	Price on request	Price on request
Whole Facility	$3,500	$2,345	Price on request	Price on request

All evening rates shown cover a six hour rental period (except as noted), and include staff oversight during the event, custodial services for basic set-up and for the duration of the event, and use of available furniture. Time for all unloading, set-up, and clean-up must be included in your reservation. Additional charges will apply for any event that lasts beyond the six-hour rental period. All rentals are subject to other fees depending on requirements of the specific event. See table below for details. Day rates for events during normal staff working hours (8 a.m. – 5 p.m.) are charged by the hour and do not include custodial services during the event.

The damage deposit will be refunded if the area is not damaged and left in as good as or better condition than existed prior to the event. Otherwise, the User will be charged the actual cost for cleaning, repair or both, which may exceed the amount of the damage deposit.

Additional Charges and Fees

Technical Staff Fee	$25/hour (staffing based on equipment needs)	Damage Deposit (refundable)	$500/room
Security Fee	$25/hour per guard (# of guards based on event type and attendance)	Additional Hours beyond 6-hour rental period	$150/hour

NO CHANGES

CARNEGIE ARTS CENTER

Event Tickets: Current 2014-15

	Members	Non-members
Gala	$150	$150
Summer Garden Party	$35	$50
Music Series Concerts	$5	$8
Special Concerts	$20	$25
Sunday Arts Lectures	FREE	FREE
Family Friday Events	FREE	FREE

Exhibition Tickets: Current 2014-15

Miró: Fantastic Universe	$8	$10
Valley Focus	FREE	$5
Central CA Art Showcase	FREE	FREE
Ready, Set, Show!	FREE	FREE
Alfons Mucha: The Spirit of Art Nouveau	FREE	$10

NO CHANGES

CARNEGIE ARTS CENTER

Art Class Fees: Current 2014-15

Children's Art Class	
4 weeks	$45
6 weeks	$60
5-day camp	$150
Children/Teens Dance Class	
6 weeks	$48
16 weeks	180
Adult Art Class	
5 weeks	$75
6 weeks	$90
1/2 day workshop	$50
3 day workshop	$180
Docent training	
6 weeks	$25
School Field Trip Activity Fee	$1 per student

NO CHANGES

CARNEGIE ARTS CENTER

Artist Fees: Current 2014-15

	Member	Non-member
Central California Arts Showcase	$15	$20
In Your Dreams	$15	$20
Summer Garden Party	$10	$20

price per entry

Art Sales Commission	40% of sale price

EXHIBIT "B"

AMENDMENT NO. 3
to
Agreement
between
CITY OF TURLOCK
and
THE CARNEGIE ARTS CENTER FOUNDATION

THIS AMENDMENT NO. 3, dated February 24, 2015, is entered into by and between the **CITY OF TURLOCK**, a municipal corporation (hereinafter "Lessor") and **THE CARNEGIE ARTS CENTER FOUNDATION,** a California non-profit corporation (hereinafter referred to as "Lessee").

WHEREAS, the parties hereto previously entered into an agreement dated October 13, 2009, whereby LESSEE will fund, maintain and operate the Carnegie in order to promote the arts for the benefit of the community, (hereinafter the "Agreement").

WHEREAS, Paragraph 5(n) currently states: "Fees and Charges. Donations to the Carnegie shall be the responsibility and property of Lessee. Lessee shall obtain City approval of any and all use fees, rental charges, special event fees, or any and all other fees that Lessee intends to charge."

NOW, THEREFORE, the parties hereto mutually agree to amend paragraph 5(n) of said Agreement as follows:

1. Paragraph 5(n) of the Agreement, entitled "Fees and Charges" is amended to read as follows:

> "Fees and Charges: Donations to the Carnegie shall be the responsibility and property of Lessee. Lessee shall have the authority to set fees as needed and report those fees to the City of Turlock annually."

2. All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to be executed by and through their respective officers thereunto duly authorized on the date first written hereinabove.

CITY OF TURLOCK

By: _____
Roy W. Wasden, City Manager

APPROVED AS TO FORM:

By: _____
Phaedra A. Norton, City Attorney

ATTEST:

By: _____
Kellie E. Weaver, City Clerk

CARNEGIE ARTS CENTER FOUNDATION

By: _____
Lisa McDermott, Acting Director

OK for Agenda

8E

Council Synopsis

February 24, 2015

From: Maryn Pitt, Assistant to the City Manager for Economic Development and Housing

Prepared by: Maria Ramos, Housing Program Supervisor

Maryn Pitt, Assistant to the City Manager for Economic Development and Housing

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Motion: Approving a multifamily rehabilitation loan and any necessary tenant relocation of the property located at 1480 Lambert Way, Turlock, California, in the amount of $270,000 as outlined in Attachment A

Motion: Approving the sale of the property located at 1480 Lambert Way, Turlock, California (APN 061-040-004-000), to be sold to We Care, a non-profit organization, in the amount of $350,000, subject to the terms and conditions as outlined in Attachment B

2. DISCUSSION OF ISSUE:

On July 8, 2014 City council approved to authorize the City of Turlock, acting as the lead agency of the Turlock/ Stanislaus County Home Consortium, to use reallocated HOME funds to further affordable housing opportunities through the purchase, resale or granting of residential real property to eligible organizations and households.

After reviewing the immediate needs of the HOME Consortium members it was determined that the greatest need and use of funds would be for the acquisition of property(ies) in Turlock. These funds were used to acquire 2 single family homes and 1 four-plex in Turlock. The two single family homes were sold to eligible families shortly after the acquisition,

The four-plex that was acquired is located at 1480 Lambert Way in Turlock. It was selected due to its location, price, and proximity to services. It currently is occupied by four families. It is the desire of the Housing Program to completely rehabilitate these units using its Community Development Block Grant (CDBG) funds. The rehabilitation portion of this project is an activity that is regularly done

within the structure of the program. However, due to the magnitude of the rehabilitation, staff felt that Council authorization was required.

The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs. The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

The CDBG program works to ensure decent affordable housing and to provide services to the most vulnerable in our communities. CDBG is an important funding tool that is used to assist Turlock to address some of its most serious challenges facing its community.

Each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention or elimination of slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available. The purchase of the Lambert property meets each of these objectives.

Even though the City of Turlock currently owns the property, the intention is to rehabilitate the property bringing it up to 'Basic Housing Quality Standards' and selling the property to a non -profit agency, as prescribed in the City's current Consolidated Plan.

The CDBG program can also be used as a tool to build capacity for non -profit agencies to become more financially stable and self-sufficient. If approved, the Lambert property will be sold to We Care, a non- profit California Corporation for the use of transitional and rental housing to provide decent, safe and affordable housing to four low income families. The monthly rents received by the organization will allow the agency to develop alternative sources of unrestricted revenue that can be used to leverage other grants, such as Emergency Shelter Solutions Funds. This opportunity will also provide affordable housing to transitional or low income families. In addition, these units will serve as an asset to the nonprofit agency and enable them to apply for state and federal funds that are not within their grasp now, due to a lack of unrestricted matching funds.

Under the CDBG guidelines, a property cannot be sold for more than the appraised value. The appraised after rehabilitation value of the property has been determined to be $350,000.00. The total project costs associated with this property are as follows:

Acquisition	$267,500
Estimated rehabilitation	225,000
Estimated tenant relocation	45,000
Total expenditure	**$537,500**

The loans that will be provided to We Care will be provided in the following manner; HOME Deed and Promissory Note and CDBG Deed and Promissory Note.

The HOME Deed and Note will be in the amount of $110,000. This will be a fifteen year forgivable loan. The 15 year term of the Deed was determined by the affordability period requirement of the HOME program as determined by the United States Department of Housing and Urban Development (HUD). Should We Care not comply with the terms of Deed and Note, the property will revert back to the City of Turlock.

As previously mentioned, per HUD guidelines, a property cannot be sold for more than the after rehabilitation value, therefore the remaining $240,000 will be provided to WeCare as a CDBG loan. This loan will be a shared equity loan with no term limit. When or if the property is ever sold, transferred, or no longer meeting the CDBG requirements for rental housing, the City will recover a shared portion of the property value after recovering its initial loan amount of $240,000. It is expected that the property values will continue to increase and the City, would be able to recover its full investment amount at the time the loan is repaid.

Turlock is responsible for seeing that CDBG and HOME funds are spent in accordance with each program requirements and in a way that is consistent with the Consolidated Plan and Annual Action Plan. Participating jurisdictions may use HOME and CDBG funds for a variety of housing activities, according to local housing needs. Eligible uses of funds include tenant-based rental assistance; housing rehabilitation; assistance to homebuyers; and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing. Funds may not be used for public housing development, public housing operating costs, or for Section 8 tenant-based assistance, nor may they be used to provide non-federal matching contributions for other federal programs, for operating subsidies for rental housing, or for activities under the Low-Income Housing Preservation Act.

As part of this effort, Turlock has taken steps to enhance affordable housing throughout all the communities and build capacity of some of our nonprofit service providers to enhance that affordable housing continuum. While Council has previously authorized and delegated authority for such program as the

Neighborhood Stabilization Program to purchase and sell residential property, there has never been authorization for staff to engage in these activities in the context of the CDBG or HOME program.

Staff believes that with previous experience of such programs, there is both experience and capacity to execute these activities successfully and in a timely manner.

The Housing Program Services Division is continuously seeking outside funding sources and improving its programs. This opportunity allows the City to expand and enhance services to the community through its partnership with one of our local homeless services providers.

3. BASIS FOR RECOMMENDATION:

This type of project has been planned for as part of the City's 2010-2015 Consolidated Plan. Specifically on page 3-11, it states that:

Acquisition and Single-Multifamily Rehabilitation

The City of Turlock/HOME Consortium will develop a strategy to acquire and rehabilitate rental units exhibiting deferred maintenance or poor property management, especially duplexes, triplexes and four-plexes. The City of Turlock/HOME Consortium will prioritize funding in areas where multiple parcels can be acquired.

Where feasible, the City of Turlock/HOME Consortium will convert the units to owner occupancy. If the units are to be retained as rental units, the City will turn the units over to a non-profit or other community-based organization to own and manage as affordable rental units.

Funding for this project is in accordance with the Consolidated Plan and will allow the City of Turlock Housing Program Services the opportunity to provide homes to low income families and organizations that serve that demographic.

Strategic Plan Initiative: SOCIAL INFRASTRUCTURE - HOUSING RESOURCES:

1) GOALS:

b. Address housing concerns:
   i) Older neighborhoods rehabilitation
   ii) Homeless issues
   iii) Develop transitional housing
   iv) Develop senior housing
   v) Transit oriented housing
   vi) Seek out new grant and funding opportunities

4. FISCAL IMPACT / BUDGET AMENDMENT:

There will be no impact to the General Fund.

5. CITY MANAGER'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

The action to approve the application for funding is exempt from the provisions of the California Environmental Quality Act (CEQA). Although it is anticipated that all actions to be funded using this program will be ministerial in nature, and as such are exempt from CEQA pursuant to either Section 15268 (Ministerial Projects), Section 15267 (Financial Assistance to Low or Moderate Income Housing), and/or Section 15301 (Existing Facilities) of the CEQA Guidelines, individual projects or actions will be reviewed upon identification of the specific properties to determine the appropriate level of CEQA review. All projects will also be reviewed for compliance with the National Environmental Policy Act (NEPA).

7. ALTERNATIVES:

A. The Council could deny the authorization for such an effort. This alterative is not recommended as this effort allows the City of Turlock in its leadership role to assist the City of Turlock with viable opportunities to enhance affordable housing stock.

ATTACHMENT A

Tim Castleberry
HOUSING REHAB SPECIALIST II
tcastleberry@turlock.ca.us

HOUSING PROGRAM SERVICES
TEL: 1-209-668-5610
TDD: 1-800-735-2929

156 S. BROADWAY SUITE 250 | TURLOCK, CALIFORNIA 95380 | PHONE 209-668-5542 EXT 2234 | FAX 209-668-5120

City of Turlock
1480 Lambert Way
Rehab Item Breakdown

September 5, 2014

A Items = Mandatory Repair Items	$61,730
B Items = Potential Hazard Items	$103,710
C Items = Neighborhood Upgrade Items	$13,000
D Items = General Property Improvements	$1,020
E Items = Energy Saving Items	$63,800
Total	$243,260

Need to subtract 15% no prevailing wage

A Items;

Unit 1

Remove and replace the front entry door, knob and deadbolt	630
Remove and replace the back exterior door, knob and deadbolt	580
Install GFCI outlets to code	250
Install smoke alarm/carbon monoxide detectors to code	450
Remove the large bump in concrete in the kitchen & replace	1550
Repair all sheetrock, tape and texture	1700
Prepare, prime and paint the interior	2400
Install GFCI outlets and new circuits as required in the kitchen	600
Install an new shower curtain and rod	70
Remove and dispose of all construction debris	500
Contractor will obtain all papers for permit	450
Unit 1 Sub Total	$9,180

Unit 2

Remove and replace the front entry door, knob and deadbolt	630
Remove and replace the back exterior door, knob and deadbolt	580
Install GFCI outlets to code	250
Install smoke alarm/carbon monoxide detectors to code	400
Repair all sheetrock, tape and texture	700
Prepare, prime and paint the interior	2400
Remove and replace outlet under living room window	100
Remove old carpet from living and hall closet, install tile to match	50
Install GFCI outlets and new circuits as required in the kitchen	600
Install two grab bars in the new shower	150
Install an new shower curtain and rod	30
Remove and dispose of all construction debris	900
Contractor will obtain all papers for permit	450
Unit 2 Sub Total	$7,240

Unit 3

Remove and replace the front entry door, knob and deadbolt	630
Remove and replace the back exterior door, knob and deadbolt	580
Install GFCI outlets to code	250
Install smoke alarm/carbon monoxide detectors to code	200
Repair all sheetrock, tape and texture	700
Prepare, prime and paint the interior	2400
Install GFCI outlets and new circuits as required in the kitchen	700
Install two grab bars in the new shower	150
Install an new shower curtain and rod	70
Remove and dispose of all construction debris	500
Contractor will obtain all papers for permit	450
Unit 3 Sub Total	$6,630

Unit 4

Remove and replace the front entry door, knob and deadbolt	630
Remove and replace the back exterior door, knob and deadbolt	580
Install GFCI outlets to code	250
Install smoke alarm/carbon monoxide detectors to code	400
Remove and replace the electrical outlets in the living room	150
Repair all sheetrock, tape and texture	700
Prepare, prime and paint the interior	2400
Install GFCI outlets and new circuits as required in the kitchen	600
Install an new shower curtain and rod	70
Remove and dispose of all construction debris	500
Contractor will obtain all papers for permit	450
Unit 4 Sub Total	$6,730

Exterior Work

Strip roofs sheet over hangs with ½ CCX sheet with 7/16 OSB	6250
Install new 30 yr comp shingles	10200
Remove all additional OSB sheeting, dry rot and water damage at roof	1800
Remove and replace all rotted wood on overhangs	1650
Remove the flat roof off of the laundry room and build gable roof	2400
Remove and relocate the laundry window to opposite side of building	750
Install 5 new exterior security lights	1700
Install 8 new front and rear porch lights at each unit	600
Install a lighted address	400
Remove the electrical from the laundry and rewire to code	1000
Install a new dryer vent and deflector for the laundry room	150
Remove and replace water vents in laundry room wall	200
Remove and replace drain and vent line in the laundry room	350
Frame a 36" x 36" room in laundry for water heater and electrical	1700
Remove all debris from exterior work and dispose	850
Contractor will obtain all papers for permit	1500
Supply a portable toilet throughout the job	450
Unit 4 Sub Total	$31,950
A Item Total	**$61,730**

B Items:

Unit 1

Install new front and rear security doors	230
Repair the back fence delete the gate	700
Install new water supply hoses and angle stops	200
Install all new P-traps	100
Remove and replace kitchen, bathroom, hall and closet tile floors	4100
Remove and replace all interior doors	2900
Install closet kits in both bedroom closets	250
Install new 3 ¼" baseboard throughout	600
Install 3 shelves in the hall closet	200
Remove the drop ceiling in the hall being used as HVAC chase	1300
Remove and replace the upper cabinets in the kitchen	2000
Remove and replace the base cabinets in the kitchen	1150
Remove and replace the light over the sink	30
Remove and replace the countertops in the kitchen	2050
Remove and replace kitchen sink with new	220
Remove and replace the exhaust hood over the stove	450
Install new garbage disposal	200
Remove and replace the bathroom vanity, top and faucet	1100
Remove and replace fiberglass tub/shower with metal tub and tile	2400
Remove and replace the bathroom mirror	250
Install a new toilet paper holder	30
Install a new towel bar and towel ring	70
Remove and replace flooring in bed 1	900
Remove and replace flooring in bed 2	950
Unit 1 Sub Total	$22,380

Unit 2

Install new front and rear security doors	230
Install new water supply hoses and angle stops	200
Install all new P-traps	100
Remove and replace flooring in bathroom and closets	2150
Remove and replace all interior doors	2400
Install closet kits in both bedroom closets	150
Install new 3 ¼" baseboard throughout	500
Remove the drop ceiling in the hall being used as HVAC chase	1300
Remove and replace the upper cabinets in the kitchen	2000
Remove and replace the base cabinets in the kitchen	1150
Remove and replace the light over the sink	30
Remove and replace the countertops in the kitchen	3050
Remove and replace kitchen sink with new	220
Install new garbage disposal	200
Remove and replace the bathroom vanity, top and faucet	1100
Remove and replace the exhaust hood over the stove	450
Remove and replace fiberglass tub/shower with tile shower	3400
Remove and replace the bathroom mirror	170
Install a new toilet paper holder	70
Install a new towel bar and towel ring	100
Remove and replace flooring in bed 1	1850
Remove and replace flooring in bed 2	950
Unit 2 Sub Total	$21,770

Unit 3

Install new front and rear security doors	230
Remove and replace 38 LF of fence including a 3' gate	1000
Install new water supply hoses and angle stops	200
Install all new P-traps	100
Remove and replace kitchen, bathroom, hall, closet living tile floors	4250
Remove and replace all interior doors	2400
Install closet kits in both bedroom closets	150
Install new 3 ¼" baseboard throughout	500
Install 3 shelves in the hall closet	200
Remove the drop ceiling in the hall being used as HVAC chase	1300
Remove and replace the upper cabinets in the kitchen	2000
Remove and replace the base cabinets in the kitchen	1150
Remove and replace the light over the sink	30
Remove and replace the countertops in the kitchen	2050
Remove and replace kitchen sink with new	220
Remove and replace the exhaust hood over the stove	450
Install new garbage disposal	200
Remove and replace the bathroom vanity, top and faucet	1100
Remove and replace fiberglass tub/shower with tile shower	2400
Install a new toilet paper holder	30
Install a new towel bar and towel ring	70
Remove and replace flooring in bed 1	900
Remove and replace flooring in bed 2	950
Unit 3 Sub Total	$21,880

Unit 4

Install new front and rear security doors	230
Remove and replace 46 LF of fence delete the gate	1150
Install new water supply hoses and angle stops	200
Install all new P-traps	100
Remove and replace kitchen, bathroom, hall and closet tile floors	4250
Remove and replace all interior doors	2400
Install closet kits in both bedroom closets	150
Install new 3 ¼" baseboard throughout	500
Install 3 shelves in the hall closet	200
Remove the drop ceiling in the hall being used as HVAC chase	1300
Remove and replace the upper cabinets in the kitchen	2000
Remove and replace the base cabinets in the kitchen	1150
Remove and replace the light over the sink	30
Remove and replace the countertops in the kitchen	2050
Remove and replace kitchen sink with new	220
Remove and replace the exhaust hood over the stove	450
Install new garbage disposal	200
Remove and replace the bathroom vanity, top and faucet	1100
Remove and replace fiberglass tub/shower with tile shower	2400
Remove and replace the bathroom mirror	250
Install a new toilet paper holder	30
Install a new towel bar and towel ring	70
Remove and replace flooring in bed 1	900
Remove and replace flooring in bed 2	950
Unit 4 Sub Total	$22,280

Exterior Work

Order a Pest Inspection and report for the entire complex	250
Frame new front porch on all four units	4700
Remove and replace rain gutter around both duplexes & porches	2100
Install a new prehung door and security door at laundry room	800
Remove existing concrete landings and pour new 6' x 8' for porches	2450
Remove old broken sidewalks and replace with new per drawing	5100
Unit 4 Sub Total	$15,400
Total	**$103,710**

C Items;

Exterior Work

Repair stucco and color coat all buildings	7450
Prepare, prime and paint all wood	2950
Install new sprinkler system[s] for the entire complex	1500
Back fill areas where concrete was removed as needed	1100
Total	**$13,000**

D Items;

Exterior Work

Install 2" minimum of walk on bark in the flower beds	950
Install 15 amp GFCI outlet for new sprinkler valves	70
Total	**$1,020**

E Items;

Unit 1

Remove and replace the windows	2550
Remove and replace 30 gallon water heater to code	950
Install light box and electrical for ceiling fan in living room	250
Install a new light / fan combo in the living room	150
Remove and replace the ceiling light in the kitchen	150
Remove and replace the kitchen faucet	300
Purchase new energy star range	550
Install new stove, new gas line and shut off	200
Purchase and install new energy star dishwasher	500
Purchase and install new energy star frige	850
Remove and replace the toilet with water saver style	400
Remove and replace the mixer valve in the tub/shower	150
Install a new exhaust fan in the bathroom	320
Install a new 15" puff light and 3 bulb light over the vanity	100
Install a light box and electrical in bed1 for ceiling fan	200
Install a new light / fan combo in bed 1	140
Install a light box and electrical in bed 2 for ceiling fan	200
Install a new light / fan combo in bed 2	140
Unit 1 Sub Total	$8,100

Unit 2

Remove and replace the windows	2550
Install a new water heater vent pipe to code	100
Install light box and electrical for ceiling fan in living room	250
Install a new light / fan combo in the living room	150
Remove and replace the ceiling light in the kitchen	150
Remove and replace the kitchen faucet	300
Purchase new energy star range	550
Install new stove, new gas line and shut off	200
Purchase and install new energy star dishwasher	600

Purchase and install new energy star frige	850
Remove and replace the toilet with water saver style	400
Remove and replace the mixer valve in the shower	320
Install a new exhaust fan in the bathroom	250
Install a new 15" puff light and 3 bulb light over the vanity	Included
Install a light box and electrical in bed1 for ceiling fan	200
Install a new light / fan combo in bed 1	140
Install a light box and electrical in bed 2 for ceiling fan	200
Install a new light / fan combo in bed 2	140
Unit 2 Sub Total	$7,350

Unit 3

Remove and replace the windows	2550
Remove and replace 30 gallon water heater to code	950
Install light box and electrical for ceiling fan in living room	250
Install a new light / fan combo in the living room	150
Remove and replace the ceiling light in the kitchen	150
Remove and replace the kitchen faucet	300
Purchase new energy star range	550
Install new stove, new gas line and shut off	200
Purchase and install new energy star dishwasher	500
Purchase and install new energy star frige	850
Remove and replace the toilet with water saver style	400
Remove and replace the mixer valve in the shower	320
Install a new exhaust fan in the bathroom	250
Install a new 15" puff light and 3 bulb light over the vanity	100
Install a light box and electrical in bed1 for ceiling fan	200
Install a new light / fan combo in bed 1	140
Install a light box and electrical in bed 2 for ceiling fan	200
Install a new light / fan combo in bed 2	140
Unit 3 Sub Total	$8,200

Unit 4

Remove and replace the windows	2550
Remove and replace 30 gallon water heater to code	950
Install light box and electrical for ceiling fan in living room	250
Install a new light / fan combo in the living room	150
Remove and replace the ceiling light in the kitchen	150
Remove and replace the kitchen faucet	300
Purchase new energy star range	550
Install new stove, new gas line and shut off	200
Purchase and install new energy star dishwasher	500
Purchase and install new energy star frige	850
Remove and replace the toilet with water saver style	400
Remove and replace the mixer valve in the tub/shower	150
Install a new exhaust fan in the bathroom	320
Install a new 15" puff light and 3 bulb light over the vanity	100
Install a light box and electrical in bed1 for ceiling fan	200
Install a new light / fan combo in bed 1	140
Install a light box and electrical in bed 2 for ceiling fan	200
Install a new light / fan combo in bed 2	140
Unit 4 Sub Total	$8,100

Exterior Work

Insulate attics to R-38	2000
Install 5 new shade tress	700
Install a new 40 gallon water heater in the laundry room to code	1100
Insulate the laundry room with R-13 walls, R-19 ceiling	1450
Install 4 new HVAC systems	26,800
Exterior Sub Total	$32,050
Total	**$63,800**

Unit 1	$39,660	A Items	$61,730
Unit 2	$36,360	B Items	$103,710
Unit 3	$36,710	C Items	$13,000
Unit 4	$37,110	D Items	$1,020
Exterior	$93,420	E Items	$63,800
Sub Total	$243,260	Sub Total	$243,260
- 15% PW	36,489	- 15% PW	36,489
Total	$206,771	Total	$206,771

ATTACHMENT B

LOAN AGREEMENT

HOME and CDBG Funds

Between

CITY OF TURLOCK

and

WE CARE PROGRAM-TURLOCK

dated _____, 2015

OK for Agenda

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LOAN AGREEMENT

1480 Lambert – HOME and CDBG funds

This HOME and CDBG Loan Agreement (the "Agreement") is dated _____, 2015, and is between the CITY OF TURLOCK, a political subdivision of the State of California (the "City"), and WE CARE PROGRAM-TURLOCK, a California limited liability company ("Borrower").

RECITALS

A. Defined terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. The City has received Home Investment Partnership Program funds ("HOME" Funds") from the United States Department of Housing and Urban Development ("HUD") created under the National Affordable Housing Act of 1990 (NAFA), as amended. Such funds must be used by the City in accordance with 24 CFR Part 92 et seq.

C. The City has received Community Development Block Grant ("CDBG Funds") from the United States Department of Housing and Urban Development ("HUD"). The statutory and regulatory provisions govern the Community Development Block Grant ("CDBG") program under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), as amended.

D. Borrower intends to acquire the real property commonly known as 1480 Lambert Way, located in the City of Turlock, County of Stanislaus, State of California, and more particularly described in Exhibit "A" (the "Property") pursuant to a Purchase and Sale Agreement and Joint Escrow instructions between city and borrower dated substantially concurrently herewith ("Purchase Agreement") for Three Hundred Fifty Thousand ($350,000.00), which is being leased by City to Borrower as purchase money financing pursuant to the terms hereof.

E. The Property is the site of a fourplex that contain a total of four (4) apartments. The buildings and all other improvements to the Property, including all landscaping, roads and parking spaces, are referred to herein as the "Improvements", or as the "Development." Borrower intends to acquire the Development and rent the apartments to families or persons at or below sixty percent (60%) of the median income for Stanislaus County, as defined by HUD.

F. Borrower desires to borrow the purchase price from the City and the City desires to lend the purchase price to Borrower in the form of two loans (reflecting that both CDBG and HOME funds were used by City to acquire and renovate the Development. The loans shall consist of One Hundred Ten Thousand Dollars ($110,000.00) in HOME Funds (the "HOME Loan") and Two Hundred Forty Thousand Dollars ($240,000.00) in CDBG Funds (the "CDBG Loan") (collectively, the "Loans"). The Development will maintain the supply of affordable rental housing in the City of Turlock.

G. The Loans will be (i) evidenced by two promissory notes, (ii) conditioned on the parties entering into a Regulatory Agreement, and (iii) each loan will be secured by a separate deed of trust.

H. Due to the assistance provided to Borrower through the Loans, the City is classifying four (4) units in the Development as assisted units (each such unit, a "City-Assisted Unit").

I. The City has concluded that actions contemplated by this Agreement are exempt from the California Environmental Quality Act (Public Resources Code Sections 21000 et seq.) ("CEQA").

J. In accordance with the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321-4347) ("NEPA"), the City has completed and approved all applicable environmental review for the activities proposed to be undertaken under this Agreement.

The parties therefore agree as follows:

AGREEMENT

ARTICLE 1
DEFINITIONS AND EXHIBITS

Section 1.1 Definitions.

The following terms have the following meanings:

(a) "Agreement" means this HOME and CDBG Loan Agreement.

(b) "Borrower" has the meaning set forth in the first paragraph of this Agreement.

(c) "CDBG" has the meaning set forth in Paragraph C of the Recitals.

(d) "CEQA" has the meaning set forth in Paragraph I of the Recitals.

(e) "City" means the City of Turlock, a municipal corporation.

(f) "City-Assisted Units" has the meaning set forth in Paragraph H of the Recitals.

(g) "Deeds of Trust" means the Deeds of Trust with Assignment of Rents, Security Agreement, and Fixture Filing of even date herewith among Borrower, as Trustor, Stewart Title of California, Inc, as trustee, and the City, as beneficiary, that will encumber the Property to secure repayment of the Loans and performance of the covenants of the Loan Documents.

(h) "Default Rate" means the lesser of the maximum rate permitted by law and ten percent (10%) per annum.

(i) "Development" has the meaning set forth in Paragraph E of the Recitals.

(j) "Event of Default" has the meaning set forth in Section 5.1.

(k) "Hazardous Materials" has the meaning set forth in Section 3.5.

(l) "Hazardous Materials Claims" has the meaning set forth in Section 3.5.

(m) "Hazardous Materials Law" has the meaning set forth in Section 3.5.

(n) "HOME" has the meaning set forth in Paragraph B of the Recitals.

(o) "HUD" has the meaning set forth in Paragraph B of the Recitals.

(p) "Improvements" has the meaning set forth in Paragraph E of the Recitals.

(q) "Loans" has the meaning set forth in Paragraph F of the Recitals.

(r) "Loan Documents" means this Agreement, the Notes, the Regulatory Agreement, and the Deeds of Trust.

(s) "NEPA" has the meaning set forth in Paragraph J of the Recitals.

(t) "Notes" means the two Promissory Notes of even date herewith that evidences Borrower's obligation to repay the Loans.

(u) "Property" has the meaning set forth in Paragraph D of the Recitals.

(v) "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants, between the City and Borrower related to the Loan, to be recorded against the Property.

(w) "Tenant" means the tenant household that occupies a unit in the Development.

(x) "Transfer" has the meaning set forth in Section 3.11 below.

ARTICLE 2 LOAN PROVISIONS

Section 2.1 Loan.

Upon satisfaction of the conditions set forth in Section 2.6 and Section 2.7 of this Agreement, the City shall lend to Borrower the Loans for the purposes set forth in Section 2.3 of this Agreement. Borrower's obligation to repay the Loans is evidenced by the Notes.

Section 2.2 Interest.

(a) Subject to the provisions of Subsection (b) below, interest will not accrue on the outstanding principal balance of the Loan.

(b) Upon the occurrence of an Event of a Default, interest on the Loan will begin to accrue, beginning on the date of such occurrence and continuing until the date the Loan is repaid in full or the Event of Default is cured, at the Default Rate.

Section 2.3 Use of Loan Funds.

The Loan is purchase money financing for the Borrower's acquisition of the Development.

Section 2.4 Security.

Borrower shall secure its obligation to repay the Loan, as evidenced by the Notes, by executing the Deeds of Trust, and causing them to be recorded against the Property. Borrower shall also cause or permit the Regulatory Agreement to be recorded against the Property upon its acquisition of the Property, all as described in the Purchase Agreement.

Section 2.5 Subordination.

Subordination will not be permitted.

Section 2.6 Repayment Schedule.

(a) Annual Payments. There are no scheduled annual payments due.

(b) Payment in Full. Borrower shall pay all outstanding principal and accrued interest on the Loan, in full, on the earliest to occur of (i) a Transfer, (ii) an Event of Default, and (iii) the expiration of the Term. CDBG loan in the amount of One Hundred Ten Thousand Dollars ($110,000.00) shall be forgiven at the end of the Term, but shall become due if an Event of Default by the Borrower occurs. The HOME loan (Two Hundred Forty Thousand Dollars ($240,000.00) together with a half of the difference between the sale price and Borrower's purchase price as appreciation interest (an equity share) is due and payable when the property is transferred or sold. The HOME loan also shall come due if an Event of Default by Borrower occurs.

(c) Prepayment. Borrower may prepay the Loan at any time without premium or penalty. However, the Regulatory Agreement and the Deed of Trust will remain in effect for the entire Term, regardless of any prepayment or Transfer.

Section 2.7 Reports.

On or before December of each calendar year, Borrower shall furnish to the City:

(i) Income eligibility of tenants

(ii) Rent limits calculation sheet

(iii) All HUD required tenant documents

Section 2.8 Non-Recourse.

Except as provided below, Borrower will not have any direct or indirect personal liability for payment of the principal of, and interest on, the Loan. Following recordation of the Deeds of Trust, the sole recourse of the City with respect to the principal of, or interest on, the Notes will be to the property described in the Deeds of Trust; provided, however, that nothing contained in the foregoing limitation of liability limits or impairs the enforcement of all the rights and remedies of the City against all such security for the Notes, or impairs the right of City to assert the unpaid principal amount of the Notes as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation to repay the principal and interest on the Notes. Except as hereafter set forth; nothing contained herein is intended to relieve Borrower of its obligation to indemnify the City under Sections 3.5, and 6.4 of this Agreement, or liability for (i) loss or damage of any kind resulting from waste, fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deeds of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Deed of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property.

ARTICLE 3 LOAN REQUIREMENTS

Section 3.1 Information.

Borrower shall provide any information reasonably requested by the City in connection with the Development, including (but not limited to) any information required by HUD in connection with Borrower's use of the loan funds.

Section 3.2 Records.

(a) Borrower shall keep and maintain at the principal place of business of the Borrower set forth in Section 6.8 below, or elsewhere with the City's written consent, full, complete and appropriate books, records and accounts relating to the Borrower's compliance with the terms, provisions, covenants and conditions of this Agreement. All such books, records, and accounts are to be open to and available for inspection and copying by HUD, the City, its auditors or other authorized representatives at reasonable intervals during normal business hours. Copies of all tax returns and other reports that Borrower may be required to furnish to any governmental agency are to be open for inspection by the City and or HUD at all reasonable times at the place that the books, records and accounts of Borrower are kept. Borrower shall preserve such records for a period of not less than five (5) years after the repayment of the loan(s) and must be in compliance with all HUD records and accounting requirements including. If any litigation, claim, negotiation, audit exception, monitoring, inspection or other action relating to the use of the Loans is pending at the end of the record retention period stated herein, then Borrower shall retain the records until such action and all related issues are resolved. The records are to include all invoices, receipts, and other documents related to expenditures from the

Loan funds. Borrower shall cause records to be accurate and current and in such a form as to allow the City to comply with the record keeping requirements contained in 24 C.F.R. 570.506 and 92.508. Such records are to include but are not limited to:

(i) Records demonstrating the eligibility of activities under CDBG and HOME regulations set forth in 24 CFR 570 et seq and 24 CFR 92 et seq. Funds meets one of the national objectives of the CDBG program set forth in 24 CFR 570.208 and meet the HOME project requirements at 24 CFR 92 subpart F;

(ii) Records demonstrating compliance with the HUD property standards and lead-based paint requirements;

(iii) Records documenting compliance with the fair housing, equal opportunity, and affirmative fair marketing requirements;

(iv) Financial records as required by 24 C.F.R. 570.502, and OMB Circular A-110 (24 C.F.R. Part 84);

(v) Records demonstrating compliance with local hiring and MBE/WBE requirements;

(vi) Records demonstrating compliance with the Regulatory Agreement;

(vii) Records demonstrating compliance with applicable acquisition and relocation requirements, which must be retained for at least five (5) years after the date by which persons displaced from the property have received final payments;

(viii) Records demonstrating compliance with labor requirements including certified payrolls from Borrower's general contractor evidencing that applicable prevailing wages have been paid.

(b) The City shall notify Borrower of any records it deems insufficient. Borrower has fifteen (15) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the City in such notice, or if a period longer than fifteen (15) days is reasonably necessary to correct the deficiency, then Borrower must begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible.

Section 3.3 City and or HUD Audits.

(a) Each year, Borrower shall provide the City and or HUD with a copy of Borrower's annual audit, which is to include information on all of Borrower's activities and not just those pertaining to the Development. Borrower shall also follow audit requirements of the Single Audit Act and OMB Circulars A-122 and 110.

(b) In addition, the City and or HUD may, at any time, audit all of Borrower's books, records, and accounts pertaining to the Development. Any such audit is to be conducted during normal business hours at the principal place of business of Borrower and wherever records are

kept. Immediately after the completion of an audit, the City shall deliver a copy of the results of the audit to Borrower.

Section 3.4 Hazardous Materials.

(a) Borrower shall keep and maintain the Property in compliance with, and may not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Borrower may not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction of projects like the Development or kept and used in and about residential property of this type.

(b) Borrower shall immediately advise the City in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Borrower or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"), (ii) all claims made or threatened by any third party against Borrower or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"), and (iii) Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" (as defined in California Health and Safety Code Section 25117.4) under the provision of California Health and Safety Code, Section 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

(c) The City has the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Borrower. Borrower shall indemnify and hold harmless the City and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (i) all foreseeable consequential damages, (ii) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans, and (iii) all reasonable costs and expenses incurred by the City in connection with clauses (i) and (ii), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision

include, but are not limited to: (1) losses attributable to diminution in the value of the Property, (2) loss or restriction of use of rentable space on the Property, (3) adverse effect on the marketing of any rental space on the Property, and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the Property and surrounding properties). This obligation to indemnify will survive termination of this Agreement.

(d) Without the City's prior written consent, which will not be unreasonably withheld, Borrower may not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in the City's judgment, impair the value of the City 's security hereunder; provided, however, that the City 's prior consent is not necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the City 's consent before taking such action, provided that in such event Borrower shall notify the City as soon as practicable of any action so taken. The City agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) Borrower will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action, (iii) Borrower establishes to the satisfaction of the City that there is no reasonable alternative to such remedial action which would result in less impairment of the City's security hereunder, or (iv) the action has been agreed to by the City.

(e) Borrower hereby acknowledges and agrees that (i) this Section is intended as the City 's written request for information (and Borrower's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Agreement (together with any indemnity obligation applicable to a breach of any such representation and warranty) with respect to the environmental condition of the Property is intended by the Parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

(f) In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the City 's or the trustee's rights and remedies under the Deed of Trust, the City may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (i) waive its lien on such environmentally impaired or affected portion of the Property and (ii) exercise (1) the rights and remedies of an unsecured creditor, including reduction of its claim against Borrower to judgment, and (2) any other rights and remedies permitted by law. For purposes of determining the City 's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), Borrower will be deemed to have will fully permitted or acquiesced in a release or threatened release of Hazardous Materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of Hazardous Materials was knowingly

or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and Borrower knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the City in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the lesser of ten percent (10%) and the maximum rate permitted by law, until paid, will be added to the indebtedness secured by the Deed of Trust and is due and payable to the City upon its demand made at any time following the conclusion of such action.

Section 3.5 Maintenance and Damage.

(a) During the course of operation of the Development, Borrower shall maintain the Development and the Property in good repair and in a neat, clean and orderly condition. If there arises a condition in contravention of this requirement, and if Borrower has not cured such condition within thirty (30) days after receiving a City notice of such a condition, then in addition to any other rights available to the City, the City may perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Property, subject to the provisions provided in subsection (b) below.

(b) If economically feasible in the City's judgment after consultation with Borrower, if any improvement now or in the future on the Property is damaged or destroyed, then Borrower shall, at its cost and expense, diligently undertake to repair or restore such improvement consistent with the plans and specifications approved by the City with such changes as have been approved by the City. Such work or repair is to be commenced no later than the later of one hundred twenty (120) days, or such longer period approved by the City in writing, after the damage or loss occurs or thirty (30) days following receipt of the insurance proceeds, and is to be complete within one (1) year thereafter. Any insurance proceeds collected for such damage or destruction are to be applied to the cost of such repairs or restoration and, if such insurance proceeds are insufficient for such purpose, then Borrower shall make up the deficiency. If Borrower does not promptly make such repairs then any insurance proceeds collected for such damage or destruction are to be promptly delivered by Borrower to the City as a special pro-rata repayment of the loans.

Section 3.6 Fees and Taxes.

Borrower is solely responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Development, and shall pay such charges prior to delinquency. However, Borrower is not required to pay and discharge any such charge so long as (i) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (ii) if requested by the City, Borrower deposits with the City any funds or other forms of assurance that the City in good faith from time to time determines appropriate to protect the City from the consequences of the contest being unsuccessful.

Section 3.7 Notice of Litigation.

Borrower shall promptly notify the City in writing of any litigation that has the potential to materially affect Borrower or the Property and of any claims or disputes that involve a material risk of such litigation.

Section 3.8 Operation of Development as Affordable Housing.

(a) Borrower shall operate the Development as an affordable housing development consistent with (i) HUD's requirements for use of the Funds, (ii) the Regulatory Agreement, and (iii) any other regulatory requirements imposed on Borrower.

(b) Before leasing any unit in the Development, Borrower shall submit its proposed form of lease agreement for the City's review and approval. The form of lease must at a minimum, comply with the Regulatory Agreement.

(c) Before leasing any unit in the Development, Borrower shall provide the City, for its review and approval, with Borrower's written tenant selection plan pursuant to the Regulatory Agreement.

(d) Borrower shall evaluate the income eligibility of each Tenant household in City-Assisted Units pursuant to the City's approved Tenant certification procedures set forth in the Regulatory Agreement.

(e) Borrower shall maintain all documents setting forth the household income of each household occupying a City -Assisted Unit, and the total amount for rent, utilities, and related services charged to each household occupying the Development, as prescribed by the Regulatory Agreement.

Section 3.9 Nondiscrimination.

Borrower covenants by and for itself and its successors and assigns that, there will be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age (except for lawful senior housing in accordance with state and federal law), familial status, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor may Borrower or any person claiming under or through Borrower establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property. The foregoing covenant will run with the land.

Section 3.10 Transfer.

(a) For purposes of this Agreement, "Transfer" means any sale, assignment, or transfer, whether voluntary or involuntary, of (i) any rights and/or duties under this Agreement, and/or (ii) any interest in the Development, including (but not limited to) a fee simple interest, a joint tenancy interest, a life estate, a partnership interest, a leasehold interest (excluding space leased for each City-Assisted Unit), a security interest, or an interest evidenced by a land

contract by which possession of the Development is transferred and Borrower retains title. The term "Transfer" excludes the leasing of any single unit in the Development to an occupant in compliance with the Regulatory Agreement.

(b) No Transfer is permitted without the prior written consent of the City, which the City may withhold in its sole discretion. The Loans will automatically accelerate and be due in full upon any Transfer made without the prior written consent of the City, in addition to a payment to City of fifty percent (50%) of the amount by which the sales price exceeds $350,000 (the Borrower's purchase price).

Section 3.11 Insurance Requirements.

(a) Borrower shall maintain Commercial General Liability insurance with limits not less than Two Million Dollars ($2,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations.

(b) Borrower shall cause any general contractor, agent, or subcontractor working on the Development under direct contract with Borrower or subcontract to maintain insurance of the types and in at least the minimum amounts described above, except that the limit of liability for comprehensive general liability insurance for subcontractors must be One Million Dollars ($1,000,000), and must require that such insurance will meet all of the general requirements of subsections (d) and (e) below.

(c) The required insurance must be provided under an occurrence form, and Borrower shall maintain the coverage described in subsections (a) continuously throughout the Term. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit must be three times the occurrence limits specified above.

(d) Comprehensive General Liability, Comprehensive Automobile Liability and Property insurance policies must be endorsed to name as an additional insured the City and its officers, agents, employees and members of the Turlock City Council.

(e) All policies and bonds are to contain (i) the agreement of the insurer to give the City at least thirty (30) days notice prior to cancellation (including, without limitation, for non-payment of premium) or any material change in said policies; (ii) an agreement that such policies are primary and non-contributing with any insurance that may be carried by the City; (iii) a provision that no act or omission of Borrower shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (iv) a waiver by the insurer of all rights of subrogation against the City and its authorized parties in connection with any loss or damage thereby insured against.

Section 3.12 Anti-Lobbying Certification.

Borrower certifies, to the best of Borrower's knowledge or belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this Agreement imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars ($10,000) and no more than One Hundred Thousand Dollars ($100,000) for such failure.

Section 3.13 Compliance with Applicable Laws.

Borrower shall comply with all ordinances, resolutions, statutes, rules and regulations of City and any federal, state or local governmental agency having jurisdiction at the time service is rendered. This Agreement is subject to and incorporates the terms of Federal Housing and Community Development Act of 1974 (Pub. L. 93-383), as amended (the "Act"), and the regulations promulgated thereunder (24 CFR Chapter V, Part 570) ("Regulations"), and all amendments or successor regulations or guidelines thereto. Without limiting the foregoing, Borrower shall comply with the following requirements and standards:

(a) OMB Circular No. A-122 "Cost Principles for Non Profit Organizations";

(b) Attachments A, B, C (except that in lieu of the provisions in paragraph 4, the retention period for records pertaining to individual CDBG activities commences on the date of submission of the annual performance and evaluation report in which the activity is reported on for the final time), F, H, N (excluding paragraph 3 and except that paragraphs 6 and 7 are modified so that [i] when any personal property is sold, the proceeds are program income, and [ii] personal property not needed for CDBG activities must be transferred to City or shall be retained after compensating City) and O of OMB Circular A-110;

(c) All federal laws and regulations described in Subpart K of the Regulations, including all affirmative action requirements set forth therein, but excluding City's environmental responsibilities under 24 CFR § 570.604 and City's responsibility for initiating the review process under 24 CFR Part 52;

(d) Borrower shall promptly pay the principal and interest when due on any Approved Financing.

(e) Borrower shall promptly notify the City in writing of the existence of any default under any documents evidencing Approved Financing whether or not a default has been declared by the lender and provide the City copies of any notice of default.

(f) Borrower may not amend, modify, supplement, cancel or terminate any documents related to any loan that is part of the Approved Financing without the prior written consent of the City.

(g) Borrower may not incur any indebtedness of any kind other than Approved Financing or encumber the Development with any liens (other than liens for Approved Financing approved by the City) without the prior written consent of the City.

Section 3.14 Licenses, Permits, Fees and Assessments. Borrower shall obtain and maintain all licenses, registrations, accreditations and inspections from all agencies governing its performance under this Agreement. Borrower shall insure that its staff shall obtain and maintain all required licenses, registrations, accreditations and inspections from all agencies governing Borrower's performance under this Agreement.

Section 3.15 Program Income. Borrower agrees that it shall not use funds received from City in any manner that will provide Borrower with program income as set forth in 24 CFR Part 570.504. If program income is generated, at the discretion of City, Borrower shall return all program income to City at the end of the Agreement term.

Section 3.16 Further Responsibilities of Parties. Both parties shall use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties shall act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the obligations of the other.

Section 3.17 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Conditions" attached hereto as Exhibit A. In the event of a conflict between any provisions of this Agreement, the provisions of Exhibit A shall govern.

Section 3.18 HOME Requirements. Because one source of the City Loans is funds that the City has received from the United States Department of Housing and Urban Development ("HUD") pursuant to HUD's HOME Investment Partnerships Program (42 U.S.C. §12741 et seq.). Developer is required to operate the Project in compliance with all requirements of the HOME investment Partnerships Program and the HOME Regulations (24 C.F.R. §92 et seq.), including, but not limited to, those requirements set forth in this Section. In the event of any conflict between the requirements of the HOME Investment Partnerships Program and the HOME Regulations, on the one hand, and the provisions set forth in this Agreement, the HOME Investment Partnerships Program and the HOME Regulations shall control. Application of more restrictive requirements than set forth in the HOME Investment Partnerships Program or HOME Regulations shall not be deemed a conflict. Not by way of limitation of the foregoing, in

compliance with 24 C.F.R. § 92.504(c), from the date of this Agreement through the end of the Term. Developer shall comply with all of the following requirements:

(a) Affordability. The HOME-Assisted Units shall meet the affordability requirements of the HOME Regulations (24 C.F.R. §92.252) or the Regulatory Agreement, whichever is more restrictive. Failure of Developer to meet the affordability requirements of the HOME Regulations for the HOME-assisted units for the required time period shall be a breach of the City Note and entitle City to accelerate the loans and demand immediate repayment.

(b) Project Requirements. Developer shall comply with all of the following: (i) Project requirements set forth in Sections 92.250-92.258 of the HOME Regulations, as applicable in accordance with the type of project assisted; (ii) the applicable provisions of this Agreement; and (iii) the Regulatory Agreement.

(c) Housing quality Standard. Developer shall maintain the HOME-Assisted Units in compliance with all of the following and in the event of conflict between the following, the most restrictive of the following: (i) applicable federal Housing Quality Standards; (ii) applicable local housing code requirements; (iii) the provisions of this Agreement; and (iv) the City Regulatory Agreement.

(d) Records and Reports. In addition to the other provisions of this Agreement, Developer shall provide to City all records and reports relating to the Project that may be reasonably requested by City in order to enable it to perform its record keeping and reporting obligations pursuant to the HOME Regulations, including but not limited to Sections 92.508 and 92.509 of the HOME Regulations.

(e) Monitoring. Not less than once per year during the period covered by the City Regulatory Agreement, City shall review Developer's activities and operations under this Agreement and Developer's compliance with the requirements of the HOME Program and the HOME Regulations, including, but not limited to, Developer's compliance with the requirements of this Section. Such review may include an on-site inspection of the Project (including unit interiors). If such an on-site inspection of the Project is to be undertaken, City shall coordinate such inspection with Developer. The monitoring required pursuant to this paragraph shall be in compliance with the requirements of the HOME Regulations, including 24 C.F.R. § 92.504(e).

(f) Equal Opportunity and Fair Housing. Developer agrees to comply with federal regulations, which state that no person shall be excluded from participating in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with HOME funds based on race, color, national origin, religion, or sex. In addition, HOME funds will be made available in accordance with the following:

(i) All applicable requirements under the Fair Housing Act.

(ii) All applicable requirements under the Equal Opportunity Act.

(iii) To the greatest extent feasible, all opportunities for training and employment arising in connection with the planning and carrying out of any project assisted with HOME funds will be given to low-income persons residing within the City (but the foregoing

shall not relieve Borrower of any similar requirements imposed by HOME Regulations or other applicable laws or regulations) .

(iv) To the greatest extent feasible, contracts for work to be performed in connection with any such project be awarded to business concerns, including but not limited to individuals or firms doing business in the field of planning, consulting or design, architecture, building, rehab, construction, which are located in or owned by persons residing in the project areas.

(g) Affirmative Marketing Plan. In accordance with the regulations of the HOME Investment Partnerships Program, Borrower will establish a plan and procedures to affirmatively market units assisted with HOME Investment Partnerships Program funds. The objective of the plan is to provide information and attract eligible persons from all racial, ethnic, and general groups in the housing market area to the available housing, subject to the Project's age restrictions in light of the development of the Project as an affordable rental housing project. The affirmative marketing plan includes the following components listed in 24 C.F.R. §921.351(b) which are as follows:

(i) Methods for informing eligible potential tenants about the Project.

(ii) Procedures to be used to inform and solicit rental applications from eligible potential tenants who are not likely to apply for the housing without special outreach.

(iii) Records that will be kept describing actions taken by Developer pertaining to the affirmative marketing of units and records to assess the results of those actions,

(iv) A description of how Borrower will assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

(h) Other Requirements With Which Participant Shall Be Required to Comply Upon Award of HOME Funds. Developer shall comply with the following additional requirements applicable to HOME Funds:

(i) Consistent with the other goals and objectives of subpart H of 24 C.F.R. §92, Developer must ensure that it has taken all reasonable steps to minimize the displacement of persons as a result of this Project assisted with HOME funds.

(ii) It is understood that housing assisted with HOME funds is subject to 24 C.F.R. part 35.

(iii) Participant shall hereby comply with all requirements set forth regarding conflict of interest provisions as they apply in 24 CFR Section 92.356.

(iv) Under the Flood Disaster Protection Act of 1973, HOME funds may not be used with respect to the acquisition or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless: (A) the community in which the area is situated is participating in the National Flood

Insurance Program, or less than a year has passed since FEMA notification regarding such hazards; and (B) flood insurance is obtained in an area identified by FEMA as having special flood hazards; City is responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained, and Developer hereby agrees to obtain and maintain such insurance, if applicable.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BORROWER

Section 4.1 Representations and Warranties.

Borrower hereby represents and warrants to the City as follows and acknowledges, understands, and agrees that the representations and warranties set forth in this Article 4 are deemed to be continuing during all times when any portion of the Loan remains outstanding:

(a) Organization. Borrower is duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

(b) Authority of Borrower. Borrower has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Borrower, and all actions required under Borrower's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken.

(d) Valid Binding Agreements. The Loan Documents and all other documents or instruments executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered, constitute legal, valid and binding obligations of Borrower enforceable against it in accordance with their respective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of the Loan Documents or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will (i) conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever that is binding on Borrower, or conflict with any provision of the organizational documents of Borrower, or conflict with any agreement to which Borrower is a party, or (ii) result in the creation or imposition of any lien upon any assets or property of Borrower, other than liens established pursuant hereto.

(f) Compliance with Laws; Consents and Approvals. The acquisition of the Development will comply with all applicable laws, ordinances, rules and regulations of federal, state and local governments and agencies and with all applicable directions, rules and regulations of the fire marshal, health officer, building inspector and other officers of any such government or agency.

(g) Pending Proceedings. Borrower is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or the Development, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to Borrower, materially affect Borrower's ability to repay the Loan or impair the security given to the City pursuant hereto.

(h) Financial Statements. The financial statements of Borrower and other financial data and information furnished by Borrower to the City fairly and accurately present the information contained therein. As of the date of this Agreement, there has not been any material adverse change in the financial condition of Borrower from that shown by such financial statements and other data and information.

(i) Sufficient Funds. Borrower holds sufficient funds and/or binding commitments for sufficient funds to complete any repairs of the Property. A minimum of 2% of the property value is to be held as reserves at all times.

(j) Taxes. Borrower and its subsidiaries have filed all federal and other material tax returns and reports required to be filed, and have paid all federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their income or the Property otherwise due and payable, except those that are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against Borrower or any of its subsidiaries that could, if made, be reasonably expected to have a material adverse effect on the property, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of Borrower and its subsidiaries, taken as a whole, or which could result in (i) a material impairment of the ability of Borrower to perform under any loan document to which it is a party, or (ii) a material adverse effect upon the legality, validity, binding effect or enforceability against Borrower of any Loan Document.

ARTICLE 5 DEFAULT AND REMEDIES

Section 5.1 Events of Default.

Each of the following constitutes an "Event of Default" by Borrower under this Agreement:

(a) Failure to Make Payment. Failure to make any payment when such payment is due pursuant to the Loan Documents.

(b) Breach of Covenants. Failure by Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Loan Documents or the Project Agreement (other than obligations described in subsections (a) and (b) above), and Borrower fails to cure such default within thirty (30) days after receipt of written notice thereof from the City to Borrower; provided, however, that if a different period or notice requirement is specified under any other section of this Article 5, the specific provisions shall control.

(c) Default Under Other Loans. A default is declared under any other financing for the Development by the lender of such financing and such default remains uncured following any applicable notice and cure period.

(d) Insolvency. A court having jurisdiction makes or enters any decree or order (i) adjudging Borrower to be bankrupt or insolvent, (ii) approving as properly filed a petition seeking reorganization of Borrower, or seeking any arrangement for Borrower under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (iii) appointing a receiver, trustee, liquidator, or assignee of Borrower in bankruptcy or insolvency or for any of their properties, (iv) directing the winding up or liquidation of Borrower if any such decree or order described in clauses (i) to (iv), inclusive, is unstayed or undischarged for a period of ninety (90) calendar days; or (v) Borrower admits in writing its inability to pay its debts as they fall due or will have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (i) to (iv), inclusive. The occurrence of any of the Events of Default in this paragraph will act to accelerate automatically, without the need for any action by the City, the indebtedness evidenced by the Note.

(e) Assignment; Attachment. Borrower assigns its assets for the benefit of its creditors or suffers a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon is returned or released within ninety (90) calendar days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution. The occurrence of any of the events of default in this paragraph shall act to accelerate automatically, without the need for any action by the City, the indebtedness evidenced by the Note.

(f) Suspension; Termination. Borrower voluntarily suspends its business or, the partnership is dissolved or terminated, other than a technical termination of the partnership for tax purposes.

(g) Liens on Property and the Development. Any claim of lien (other than liens approved in writing by the City) is filed against the Development or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Loan and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) days, without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to the City.

(h) Condemnation. The condemnation, seizure, or appropriation of all or the substantial part of the Property and the Development.

(i) Unauthorized Transfer. Any Transfer other than as permitted pursuant to Section 3.10.

(j) Representation or Warranty Incorrect. Any Borrower representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the City in connection with any of the Loan Documents, proves to have been incorrect in any material respect when made.

Section 5.2 Remedies.

Upon the occurrence of an Event of Default and until such Even of Default is cured or waived, the City is relieved of any obligation to disburse any portion of the Loan. In addition, upon the occurrence of an Event of Default and following the expiration of all applicable notice and cure periods the City may proceed with any and all remedies available to it under law, this Agreement, and the other Loan Documents. Such remedies include but are not limited to the following:

(a) Acceleration of Note. The City may demand repayment of all indebtedness of Borrower to the City under this Agreement and the Notes. Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The City may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the City as a creditor and secured party under the law, including the Uniform Commercial Code, including foreclosure under one or both the Deeds of Trust. Borrower is liable to pay the City on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the City in connection with the collection of the Loan and any such foreclosure the preservation, maintenance, protection, sale, or other disposition of the security given for the Loan.

(b) Specific Performance. The City has the right to mandamus or other suit, action or proceeding at law or in equity to require Borrower to perform its obligations and covenants under the Loan Documents or to enjoin acts on things that may be unlawful or in violation of the provisions of the Loan Documents.

(c) Right to Cure at Borrower's Expense. The City has the right (but not the obligation) to cure any monetary default by Borrower under a loan other than the Loan. Upon demand therefore, Borrower shall reimburse the City for any funds advanced by the City to cure such monetary default, together with interest from the date of expenditure until the date of reimbursement at the Default Rate.

Section 5.3 Right of Contest.

Borrower may contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute an Event of Default hereunder. Any such contest is to be prosecuted diligently and in a manner unprejudicial to the City or the rights of the City hereunder.

Section 5.4 Remedies Cumulative.

No right, power, or remedy given to the City by the terms of this Agreement or the other Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy is cumulative and in addition to every other right, power, or remedy given to the City by the terms of any such instrument, or by any statute or otherwise against Borrower and any other person. Neither the failure nor any delay on the part of the City to exercise any such rights and remedies will operate as a waiver thereof, nor does any single or partial exercise by the City of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 6 GENERAL PROVISIONS

Section 6.1 Relationship of Parties.

Nothing contained in this Agreement is to be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the City and Borrower or its agents, employees or contractors, and Borrower will at all times be deemed an independent contractor and to be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. Borrower has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. In regards to the operation of the Development, Borrower is solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and must include requirements in each contract that contractors are solely responsible for similar matters relating to their employees. Borrower is solely responsible for its own acts and those of its agents and employees.

Section 6.2 No Claims.

Nothing contained in this Agreement creates or justifies any claim against the City by any person that Borrower may have employed or with whom Borrower may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or ervices with respect to the purchase of the Property, the operation of the Development, and Borrower shall include similar requirements in any contracts entered into for the operation of the Development.

Section 6.3 Amendments.

No alteration or variation of the terms of this Agreement is valid unless made in writing by the Parties. The City Housing Manager is authorized to execute on behalf of the City amendments to the Loan Documents or amended and restated Loan Documents as long as any discretionary change in the amount or terms of this Agreement is approved by the City Council.

Section 6.4 Indemnification.

Borrower shall indemnify, defend and hold the City and its board members, supervisors, directors, officers, employees, agents, successors and assigns harmless against any and all claims, suits, actions, losses and liability of every kind, nature and description made against it and expenses (including reasonable attorneys' fees) which arise out of or in connection with this Agreement, including but not limited to the purchase of the Property, and the development, construction, marketing and operation of the Development, except to the extent such claim arises from the grossly negligent or willful misconduct of the City, its agents, and its employees. The provisions of this Section will survive the expiration of the Term and the reconveyance of the Deeds of Trust.

Section 6.5 Non-Liability of City Officials, Employees and Agents.

No member, official, employee or agent of the City is personally liable to Borrower in the event of any default or breach of this Agreement by the City or for any amount that may become due from the City pursuant to this Agreement.

Section 6.6 No Third Party Beneficiaries.

There are no third party beneficiaries to this Agreement.

Section 6.7 Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no person described in Section 6.7(b) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure. Borrower shall exercise due diligence to ensure that the prohibition in this Section 6.7(a) is followed.

(b) The conflict of interest provisions of Section 6.7(a) above apply to any person who is an employee, agent, consultant, officer, or any immediate family member of such person, or any elected or appointed official of the City, or any person related within the third (3rd) degree of such person.

(c) In accordance with California Government Code Section 1090 and the Political Reform Act, California Government Code section 87100 et seq., no person who is a director, officer, partner, trustee or employee or consultant of Borrower, or immediate family member of any of the preceding, may make or participate in a decision, made by the City or a City board, commission or committee, if it is reasonably foreseeable that the decision will have a material effect on any source of income, investment or interest in real property of that person or Borrower. Interpretation of this section is governed by the definitions and provisions used in the Political Reform Act, California Government Code Section 87100 et seq., its implementing regulations manual and codes, and California Government Code Section 1090.

(d) Borrower shall comply with the conflict of interest provisions set forth in 24 C.F.R. 570.611.

Section 6.8 Notices, Demands and Communications.

All notices required or permitted by any provision of this Agreement must be in writing and sent by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

City: City of Turlock
Housing Program Services Division
156 South Broadway, Suite 250
Turlock, CA 95380
Attention: Maryn Pitt

Borrower: We Care Program-Turlock
221 S. Broadway (P.O. Box 1291)
Turlock, CA 95380
Attn: Executive Director

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section. Receipt will be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Section 6.9 Applicable Law.

This Agreement is governed by the laws of the State of California.

Section 6.10 Parties Bound.

Except as otherwise limited herein, this Agreement binds and inures to the benefit of the parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land and to bind Borrower and its successors and assigns in the Property and the Development for the entire Term, and the benefit hereof is to inure to the benefit of the City and its successors and assigns.

Section 6.11 Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing Party will have the right to recover its reasonable attorneys' fees and costs of suit from the other Party.

Section 6.12 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions will continue in full force and effect

unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 6.13 City Approval.

The City has authorized the Housing Manager to execute the Loan Documents and deliver such approvals or consents as are required by this Agreement, and to execute estoppel certificates concerning the status of the Loan and the existence of Borrower defaults under the Loan Documents.

Section 6.14 Waivers.

Any waiver by the City of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the City to take action on any breach or default of Borrower or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Borrower to perform any obligation under this Agreement does not operate as a waiver or release from any of its obligations under this Agreement. Consent by the City to any act or omission by Borrower may not be construed to be consent to any other or subsequent act or omission or to waive the requirement for the City's written consent to future waivers.

Section 6.15 Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and are to be disregarded in interpreting any part of the Agreement's provisions.

Section 6.16 Entire Understanding of the Parties

The Loan Documents and the Project Agreement constitute the entire agreement of the Parties with respect to the Loan; provided, however, if there is a conflict between the Project Agreement and the Loan Documents, the terms of the Loan Documents will prevail.

Section 6.17 Multiple Originals; Counterpart.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 6.18 Time of Essence. Time is of the essence of this Agreement.

WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

CITY:

CITY OF TURLOCK

By: _____
Roy W. Wasden
City Manager

APPROVED AS TO FORM:

_____
Phaedra A. Norton
City Attorney

BORROWER:

WE CARE PROGRAM- TURLOCK,
a California non-profit public benefit corporation

By: _____
Print Name: _____
Title: _____

EXHIBIT A

SPECIAL CONDITIONS

A. Financial Management

a. Accounting Standards

Borrower agrees to comply with 24 CFR §§ 84.21–28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

b. Cost Principles

Borrower shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

a. Records to be Maintained

Borrower shall maintain all records required by the Federal regulations specified in 24 CFR § 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

i. Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
vi. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21–28; and
vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

b. Retention

Borrower shall retain all financial records, supporting documents, statistical records, and all other records pertinent to this Agreement for a period of no less than five (5) years after the full repayment of the loan. The retention period begins on the date of the submission of City's annual performance and evaluation report to HUD in which the activities assisted under this Agreement are reported on for the final time.

Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the retention period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the retention period, whichever occurs later.

c. Client Data

Borrower shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

d. Disclosure

Borrower understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of City's or Borrower's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

e. Property Records

Borrower shall maintain real property inventory records that clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform with the "changes in use" restrictions specified in 24 CFR § 570.503(b)(8).

f. National Objectives

Borrower agrees to maintain documentation that demonstrates that the activities carried out with funds provided under this Agreement meet one or more of the CDBG program's national objectives 1) benefit low- and moderate-income persons, 2) aid in the prevention or elimination of slums or blight, or 3) meet community development needs having a particular urgency, as defined in 24 CFR Part § 570.208.

g. Audits and Inspections

All Borrower records with respect to any matters covered by this Agreement shall be made available to City, HUD, and the Comptroller General of the United States or any of their authorized representatives, at any time during City's normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by Borrower within thirty (30) calendar days after receipt by Borrower. Failure of Borrower to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. Borrower hereby agrees to have an annual agency

audit conducted in accordance with current City policy concerning Borrower audits and OMB Circular A-133.

C. Reporting and Payment Procedures

a. Budgets

Borrower will submit a detailed Agreement budget of a form and content prescribed by City for approval by City. City and Borrower may agree to revise the budget from time to time in accordance with existing City policies.

b. Program Income

Borrower shall report quarterly all program income (as defined at 24 CFR § 570.500(a)) generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by Borrower shall comply with the requirements set forth at 24 CFR § 570.504. By way of further limitations, Borrower may use such income during the term of this Agreement for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to City at the expiration or termination of this Agreement. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to City.

c. Indirect Costs

If indirect costs are charged, Borrower shall develop an indirect cost allocation plan for determining the appropriate Borrower's share of administrative costs and shall submit such plan to City for approval, in a form specified by City.

d. Relocation, Real Property Acquisition and One-For-One Housing Replacement

Borrower shall comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR § 570.606(b); (b) the requirements of 24 CFR § 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR § 570.606(d) governing optional relocation policies. Borrower shall provide relocation assistance to displaced persons as defined by 24 CFR § 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. Borrower shall comply with applicable City ordinances, resolutions and policies concerning the displacement of persons from their residences.

D. Personnel & Participant Conditions

a. Civil Rights

i. Compliance

Borrower shall comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

ii. Nondiscrimination

Borrower shall comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR § 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

iii. Land Covenants

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and 24 CFR §§ 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, Borrower shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that City and the United States are beneficiaries of and entitled to enforce such covenants. Borrower, in undertaking its obligation to carry out the program assisted hereunder, shall take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

iv. Section 504

Borrower shall comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. City shall provide Borrower with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

b. Affirmative Action

i. Approved Plan

Borrower shall be committed to carry out pursuant to City's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. City shall provide Affirmative Action guidelines to Borrower to assist in the formulation of such program. Borrower shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

ii. Women- and Minority-Owned Businesses (W/MBE)

Borrower shall use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. § 632), and "minority and women's business enterprise" means a business at least fifty-one percent (51%) owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans and American Indians. Borrower may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

iii. Access to Records

Borrower shall furnish and cause each of its contractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by City, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

iv. Notifications

Borrower shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of Borrower's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

v. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

Borrower will, in all solicitations or advertisements for employees placed by or on behalf of Borrower, state that it is an Equal Opportunity of Affirmative Action employer.

vi. Subcontract Provisions

Borrower shall include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own contractors.

c. Employment Restrictions

i. Prohibited Activity

Borrower is prohibited from using personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

ii. OSHA

Where employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to the participant's health or safety.

iii. Right to Know

Participants employed or trained for inherently dangerous occupations, shall be assigned to work in accordance with reasonable safety practices.

iv. Labor Standards

Borrower shall comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. § 327 *et seq.*) and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. Borrower shall comply with the Copeland Anti-Kick Back Act (18 U.S.C. § 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 28 CFR Part 5. Borrower shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to City for review upon request.

d. Conduct

i. Assignability

Borrower shall not assign or transfer any interest in this Agreement without City's prior written consent.

ii. Hatch Act

Borrower agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

iii. Conflict of Interest

Borrower agrees to abide by the provisions of 24 CFR §§ 84.42 and 570.611, which include (but are not limited to) the following:

1. Borrower shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

2. No employee, officer or agent of Borrower shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

3. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of City, Borrower, or any designated public agency.

iv. Lobbying

Borrower hereby certifies that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a

Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement;

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the following language be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Borrowers shall certify and disclose accordingly:

"Lobbying Certification. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure."

v. Subcontracts

1. Approvals

Borrower shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of City prior to the execution of such agreement.

2. Monitoring

Borrower shall monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

3. Content

Borrower shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

4. Selection Process

Borrower shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to City along with documentation concerning the selection process.

5. Copyright

If this Agreement results in any copyrightable material or inventions, City and HUD reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

6. Religious Activities

Borrower agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR § 570.200(j), such as worship, religious instruction, or proselytization.

E. Environmental Conditions

a. Air and Water

Borrower shall comply with the following requirements insofar as they apply to the performance of this Agreement:

i. Clean Air Act, 42 U.S.C. 7401 *et seq*;
ii. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq.*, as amended 1318 relating to inspection, monitoring, entry reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
iii. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended;

b. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. § 4001), Borrower shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards,

flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

c. Lead-Based Paint

Borrower agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR § 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

d. Historic Preservation

Borrower shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty (50) years old or older or that are included on a Federal, state, or local historic property list.

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("Agreement") is dated _____, 2015 ("Effective Date"), and is entered into by and between the CITY OF TURLOCK, a municipal corporation ("Seller") and WE-CARE PROGRAM-TURLOCK, a California nonprofit public benefit corporation ("Buyer").

Recitals

A. Seller owns land in the City of Turlock, described on Exhibit "A" and improvements thereon ("Real Property"). Such Real Property and any improvements thereon, and all rights and appurtenances relating thereto (but excluding any public rights of way and easements), are hereinafter collectively referred to as the "Property".

B. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller upon and subject to the terms and conditions hereafter set forth, including the conditions that Seller lend Buyer the purchase price (with the loan to be secured by the Property).

NOW, THEREFORE, Buyer and Seller hereby agree as follows:

Agreement

ARTICLE 1. PURCHASE AND SALE.

1.1 Purchase Price. In consideration of the Buyer's expenditure of funds to pay costs of investigating title to and the physical condition of the Property and the Seller's incurring costs in preparing this Agreement and acquiring the Property, Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller on the terms and subject to the conditions hereinafter set forth for a price of Three Hundred and Fifty Thousand Dollars ($350,000.00) (the "Purchase Price").

ARTICLE 2. ESCROW.

2.1 Opening. The purchase and sale of the Property shall be consummated by means of an escrow, which is to be opened by the parties promptly after the execution of this Agreement at Stewart Title of California, Inc., 2030 West Monte Vista Avenue, City of Turlock, CA 95382 ("Escrow Holder"), Attn: Diane Medina, Escrow Officer (Phone: 209-632-2341); email: DOliveira@stewart.com. The parties shall promptly deliver a copy of this executed Agreement to Escrow Holder.

2.2 Escrow Instructions. Escrow Holder shall open an escrow ("**Escrow**") for the consummation of the sale of the Property to Buyer pursuant to the terms of this Agreement, and this Agreement shall constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, but each deliver separate escrow instructions consistent with this Agreement. Upon opening Escrow, Escrow Holder is authorized to act in accordance with the terms of this Agreement. Buyer and Seller shall execute Escrow Holder's general escrow instructions upon

request; provided, however, that if there is any conflict or inconsistency between such general escrow instructions and this Agreement, this Agreement shall control.

2.3 Close of Escrow. Escrow shall close no later than June 15, 2015 (the "Outside Closing Date").

2.4 Costs.

(a) Buyer shall pay fifty percent (50%) of the escrow charges and other fees and costs charged by Escrow Holder, and Seller shall pay the other fifty percent (50%); Buyer shall also pay for the extended (ALTA) portion of the title insurance, the cost of any survey required for such extended coverage, the lender's title policy for Seller as lender, and any endorsements.

(b) Seller shall pay fifty percent (50%) of the escrow charges and other fees and costs charged by Escrow Holder, the premium for the ALTA Standard Owner's Policy of title insurance, any transfer taxes, and any recording charges.

2.5 Prorations. Rents under existing leases, property taxes and assessments are to be prorated as of the close of escrow.

2.6 Security Deposits. Seller shall deliver to Buyer through escrow at the closing the security deposits under existing leases (totaling $1,550.00) (the "Deposits").

ARTICLE 3. CONDITIONS TO CLOSE OF ESCROW.

3.1 General. The provisions of this Article are conditions precedent to the close of escrow. If not satisfied or waived in writing by Buyer by the Outside Closing Date, Buyer may terminate this Agreement by written notice to Seller and Escrow Holder shall return the Deposit to Buyer.

3.2 Title. Seller shall cause title to the Property to be conveyed to Buyer, subject only to title exceptions approved by Buyer pursuant to Section 3.3 below (the "Permitted Exceptions"). At closing, Seller shall cause Escrow Holder to issue a Standard Owner's Policy of title insurance insuring title to the Property in Buyer with liability in the amount of the Purchase Price at its cost and Buyer may obtain an ALTA extended coverage policy and shall be required to pay the additional cost of the ATLA Extended Policy of title insurance ("Title Policy"). The Title Policy shall include as title exceptions only prorated property assessments (if any), the Permitted Exceptions, and the printed exceptions common to such title policies. At Closing, Buyer shall cause Escrow Holder to issue, at Buyer's cost, two lender's title policies to Seller in the amounts of $240,000 and $110,000 respectively for each of the Seller's two deeds of trust securing the two promissory notes evidencing Seller's purchase money loans to Buyer (aggregating the Purchase Price).

3.3 Approval of Title Exceptions. Buyer shall, upon the signing of this Agreement, order from Escrow Holder for delivery to Buyer a preliminary title report ("Preliminary Title Report")and legible copies of all documents referred to therein covering or relating to the Property. Buyer shall have ten (10) business days from the date of this Agreement to perform an

ALTA survey (if desired by Buyer) and disapprove the exceptions revealed by the survey or listed in the title report by written notice to Seller. Failure to give written notice of disapproval to Seller of some or all of the exceptions shall be deemed to be approval of all exceptions, except for monetary liens, including, but not limited to, property taxes. If Buyer disapproves any exceptions, Seller shall have ten (10) days within which to agree to remove the exception. Seller's failure to give timely written notice of such agreement to remove all disapproved exceptions to Buyer shall be deemed to be refusal, except that Seller shall automatically be deemed to agree to remove monetary liens, including, but not limited to, current taxes. If Seller does not timely and unconditionally agree in writing to remove any other exceptions timely disapproved by Buyer, this Agreement shall terminate without further liability to either party unless Buyer waives its objections in writing. If Seller shall agree to remove any exception objected to by Buyer, Seller shall remove such exception by the Close of Escrow.

3.4 Buyer's Other Conditions Precedent. Buyer's obligation to purchase the Property is subject to the satisfaction of the following additional conditions which are for Buyer's benefit only (and if neither satisfied nor expressly waived in writing by Buyer on or before the Outside Closing Date, Buyer may terminate this Agreement by written notice to Seller:

(a) Buyer's approval, on or before the date which is ten (10) business days after the date hereof ("Due Diligence Period"), of the condition of the Property, based on inspections, tests, surveys and other studies, including, but not limited to, environmental assessments of the Property, to be conducted by or on behalf of Buyer at Buyer's cost and in Buyer's sole discretion. Upon execution of this Agreement by Seller, Buyer's representatives may enter on the Property to make tests, surveys or other studies of the Property, provided that Buyer pays for all such tests and studies, keeps Seller's property free and clear of any liens, repairs all damage to the Property with the exception of material removed for testing purposes, and indemnifies and holds Seller harmless from and against all liability, claims, demands, damages or costs of any kind whatsoever arising from or connected with the tests, surveys or studies.

(b) Seller's not being in default under this Agreement.

(c) Seller's delivery to Buyer of California and Federal tax withholding certificates that ensure that Seller will not be required to withhold any of the purchase price from Seller (which may be delivered through escrow at the closing).

3.5 Seller's Conditions Precedent. Seller's obligation to sell the Property is subject to the satisfaction of the following conditions which are for Seller's benefit only (and if neither satisfied nor expressly waived in writing by Seller on or before the Outside Closing Date, Seller may terminate this Agreement by written notice to Buyer:

(a) Buyer's not being in default under this Agreement;

3.6 Further Encumbrances. From and after the date of the Preliminary Title Report, Seller will not further encumber the Property or otherwise cause or permit any additional title exceptions.

3.7 Possession. Possession of the Property shall be delivered to Buyer free and clear of any personal property and any occupants, except for:

(a) Unit#1 – Ferreira – Lease term July 1, 2014- through March 31, 2015 with monthly rent of $625 per month with $250 deposit.

(b) Unit#2 – Ruiz- Lease term April 1, 2014 through January 31, 2015 with a monthly of $625 and a deposit of $500.

(c) Unit #3 – Herrada – Lease term July 1, 2014 through July 31, 2015 with a monthly rent of $625 and a deposit of $400.

(d) Units # 4 Haringsma – Lease term of April 1, 2014 through March 31, 2015 with a monthly rent of $625 and a deposit of $400. A monthly credit of $50 is due to tenant for lawn maintenance.

3.8 Deposit of Documents and Funds by Seller. Not later than one (1) business day prior to the Close of Escrow, Seller shall deposit the following items with Escrow Holder, each of which shall be duly executed and acknowledged by Seller where appropriate:

3.8.1. A Grant Deed duly executed and acknowledged by Seller conveying the Property to Buyer in the form of Exhibit "B" attached hereto and incorporated herein by this reference;

3.8.2. An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445 ("**Certification**") and an executed California Real Estate Withholding Exemption (Form 593-C) ("Form 593-C");

3.8.3. A notice to each tenant informing the tenant of the sale and the transfer of security deposit and directing the tenant to make future rent payments to the Buyer (and including the Buyer's address for notices) (the "Tenant Notices").

3.8.4. A counterpart of a Regulatory Agreement in the form attached hereto as Exhibit "D, duly executed and acknowledged (the "Regulatory Agreement").

3.8.5. The Deposits;

3.8.6. Other documents pertaining to Seller's authority to record the Grant Deed that may reasonably be required by Escrow Holder to close the Escrow in accordance with this Agreement.

3.9 Deposit of Documents and Funds by Buyer. Not later than one (1) business day prior to the Close of Escrow, Buyer shall deposit the following items into Escrow:

3.9.1. Any funds required to pay costs under Section 2.4(a) above;

3.9.2. A Preliminary Change of Ownership Statement in form suitable for filing with the tax collector for the County; provided, however, that the delivery of this

instrument shall not be a condition precedent to the Close of Escrow nor a default by Buyer if not delivered by Buyer;

3.9.3. An executed promissory note in the amount of the Purchase Price in the form attached hereto as Exhibit "C" (the "Note");

3.9.4. An executed and acknowledged Deeds of Trust in the forms attached hereto as Exhibit "D" (the "Deeds of Trust");

3.9.5. Executed counterparts of the Notices;

3.9.6. An executed and acknowledged counterpart of the Regulatory Agreement;

3.9.7. All other funds and documents as may reasonably be required by Escrow Holder to close the Escrow in accordance with this Agreement.

3.10 Closing. At the closing, Escrow Holder shall record the grant deed and then the Regulatory Agreement, then the City's deed of trust securing the $110,000 promissory note (the "HOME Deed of Trust"), then the deed of trust securing the $240,000 promissory note (the "CDBG Deed of Trust"), deliver the Notes to Seller, deliver the Deposits to Buyer, cause the owner's and two lender's title policies to be issued, and apply deposited sums to costs as applicable.

ARTICLE 4. MISCELLANEOUS.

4.1 Notices. Notices shall be sent by certified mail, return receipt requested, postage prepaid, or sent by reputable overnight delivery service, such as Federal Express, addressed as follows:

Seller: City of Turlock
156 South Broadway Avenue
Turlock, CA 95380
Attention: Maryn Pitt

Buyer: We-Care Program-Turlock
221 S. Broadway (P.O. Box 1291)
Turlock, CA 95380
Attn: Executive Director

Notices which are mailed shall be deemed to be given on the date of delivery or attempted delivery shown on the return receipt. Notices delivered by overnight messenger shall be deemed delivered on the next business day following delivery to the messenger service as shown by reasonable evidence.

4.2 Brokers. Each party represents to the other that it (the representing party) is not represented by a broker, agent, finder or salesperson in connection with this transaction.

4.3 Governing Law. This Agreement shall be governed by California law.

4.4 Time of Essence. Time is of the essence of this Agreement.

4.5 Entire Agreement. This Agreement and escrow instructions entered into by the parties contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, relating to the subject matter, which are not fully expressed herein.

4.6 Additional Assurances. From time to time prior to and after the close of escrow, each party shall execute and deliver such instruments of transfer and other documents as may be reasonably requested by the other party to carry out the purpose and intent of this Agreement.

4.7 Assignment. Buyer may not assign this Agreement.

4.8 City Manager Authority. The City Manager is authorized to execute and deliver all consents and approvals on behalf of Seller hereunder provided they are in writing and to enter into written amendments to this Agreement that do not substantially alter the business terms herein to the detriment of Seller.

ARTICLE 5. "AS IS" SALE; RELEASE.

Buyer acknowledges and agrees that the Property is being sold in its current "as is" condition, without representation or warranty, express or implied, other than as provided in this Agreement.

Buyer and anyone claiming by, through or under Buyer hereby waives its right to recover from and fully and irrevocably releases Seller and its council members, board members, employees, officers, directors, representatives, agents, servants, attorneys, successors and assigns ("Released Parties") from any and all claims, responsibility and/or liability that it may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to (i) the condition (including any defects, errors, omissions or other conditions, latent or otherwise, and the presence in the soil, air, structures and surface and subsurface waters of materials or substances that have been or may in the future be determined to be hazardous materials or otherwise toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Project under current or future federal, state and local laws regulations or guidelines), valuation, salability or utility of the Project, or its suitability for any purpose whatsoever, and (ii) any information furnished by the Released Parties under or in connection with this Agreement. This release includes claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist which, if known by Buyer, would materially affect Buyer's release to Seller. Buyer specifically waives the provision of California Civil Code Section 1542, which provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE

RELEASE, WHICH IF KNOWN TO HIM MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR."

In this connection and to the extent permitted by law, Buyer hereby agrees, represents and warrants that Buyer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit Released Parties from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included as a material portion of the consideration given to Seller by Buyer in exchange for Seller's performance hereunder.

Buyer hereby agrees that, if at any time after the Close of Escrow any third party or any governmental agency seeks to hold Buyer responsible for the presence of, or any loss, cost or damage associated with, hazardous materials in, on, above or beneath the Project or emanating therefrom, then Buyer waives any rights it may have against Seller in connection therewith, including, without limitation, under CERCLA and Buyer agrees that it shall not (i) implead the Seller, (ii) bring a contribution action or similar action against Seller, or (iii) attempt in any way to hold Seller responsible with respect to any such matter. The provisions of this Section shall survive the Close of Escrow.

Seller has given Buyer material concessions regarding this transaction in exchange for Buyer agreeing to the provisions of this Section. Seller and Buyer have each initialed this Section to further indicate their awareness and acceptance of each and every provision hereof.

_____ SELLER'S INITIALS

_____ BUYER'S INITIALS

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

BUYER:

WE-CARE PROGRAM-TURLOCK,
a California nonprofit public benefit corporation

By: _____
Print Name: _____
Title: _____

SELLER:

CITY OF TURLOCK

By: _____
Roy W. Wasden, City Manager

APPROVED AS TO FORM:

_____
Phaedra A. Norton, City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION

The land is situated in the State of California, County of Stanislaus, and is described as follows:

Lot 4 in Block 364 as shown on the map of Westmont Subdivision, which map was filed April 12, 1978 in Book 27 of Maps, at Page 63

APN: 061-040-004

EXHIBIT "B"

FORM OF GRANT DEED

(Attached.)

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO
(AND SEND PROPERTY TAX STATEMENTS TO):

We-Care Program-Turlock
221 S. Broadway (P.O. Box 1291)
Turlock, CA 95380
Attn: Executive Director

APNs: 061-040-004

[SPACE ABOVE FOR RECORDER'S USE ONLY]

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

Documentary Transfer Taxes [$423.5] **[Amount to be determined by Stewart Title at time of sale]**, based on the consideration or value. Property is in the City of Turlock.

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CITY OF TURLOCK ("Grantor"), hereby conveys and grants to We-Care Program-Turlock, a California nonprofit public benefit corporation ("Grantee"), the land in the City of Turlock, County of Stanislaus, State of California, more particularly described on **Exhibit "A"** attached hereto and incorporated herein by this reference, subject to (i) all matters of record; and (ii) all matters that would be revealed by an ALTA survey of the land.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: _____, 2015

CITY OF TURLOCK

By:_____
Roy W. Wasden
City Manager

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)
Notary Public, personally appeared _____,
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_____ (Seal)

EXHIBIT "A" TO GRANT DEED

Legal Description of The Property

The land is situated in the State of California, County of Stanislaus, and is described as follows:

Lot 4 in Block 364 as shown on the map of Westmont Subdivision, which map was filed April 12, 1978 in Book 27 of Maps, at Page 63

APN: 061-040-004

EXHIBIT "C"

FORMS OF PROMISSORY NOTES

(Attached.)

PROMISSORY NOTE

(1480 Lambert - HOME Loan)

$110,000.00

Turlock, California
_____, 2015

FOR VALUE RECEIVED, the undersigned, We Care Program-Turlock, a California non-profit public benefit corporation ("Borrower") hereby promises to pay to the order of the City of Turlock, a political subdivision of the State of California ("Holder"), the principal amount of One Hundred Ten Thousand Dollars ($110,000.00) plus interest thereon pursuant to Section 2 below.

All capitalized terms used but not defined in this Note have the meanings set forth in the Loan Agreement.

1. Borrower's Obligation. This Note evidences Borrower's obligation to repay Holder the principal amount of One Hundred Ten Thousand Dollars ($110,000.00) for the funds loaned to Borrower by Holder to finance the acquisition of the Development pursuant to the HOME Loan Agreement between Borrower and Holder of even date herewith (the "Loan Agreement").

2. Interest. If an Event of Default occurs, interest will accrue on all amounts due under this Note at the lesser of 10% per annum or the highest rate permitted by law until such Event of Default is cured by Borrower or waived by Holder.

3. Term and Repayment Requirements. Principal and interest under this Note will be forgiven at a rate of 1/20 per annum for a period of twenty (20) years. In the event of default, the unpaid principal balance hereunder, together with accrued interest thereon, is due and payable.

4. No Assumption. This Note is not assumable by the successors and assigns of Borrower without the prior written consent of Holder.

5. Security. This Note, with interest, is secured by a Deed of Trust that refers to this note.

6. Terms of Payment.

(a) Borrower shall make all payments due under this Note in currency of the United States of America to Holder at City of Turlock, Housing Program Services Division, 156 S. Broadway, Suite 250, CA 95380, Attention: Housing Manager, or to such other place as Holder may from time to time designate.

(b) All payments on this Note are without expense to Holder. Borrower shall pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of Holder, incurred in connection with the payment of this Note and the release of any security hereof.

(c) The obligations of Borrower under this Note are absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

7. Event of Default; Acceleration.

(a) Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust will, at the option of Holder, become immediately due and payable without further demand.

(b) Holder's failure to exercise the remedy set forth in Subsection 7(a) above or any other remedy provided by law upon the occurrence of an Event of Default does not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Event of Default. The acceptance by Holder of any payment that is less than the total of all amounts due and payable at the time of such payment does not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Holder, except as and to the extent otherwise provided by law.

8. Waivers.

(a) Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.

(b) Any extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note must not operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

9. Miscellaneous Provisions.

(a) All notices to Holder or Borrower are to be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as Holder and Borrower may therein designate.

(b) Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note is governed by the laws of the State of California.

(d) The times for the performance of any obligations hereunder are to be strictly construed, time being of the essence.

(e) The Loan Documents (as defined in the Loan Agreement), of which this Note is a part, contain the entire agreement between the parties as to the loan evidenced by this Note. This Note may not be modified except upon the written consent of the parties.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note as of the day and year first above written.

WE CARE PROGRAM-TURLOCK,
a California nonprofit public benefit corporation

By:_____
Print Name:_____
Title:_____

PROMISSORY NOTE

(1480 Lambert Way – CDBG Loan)

$240,000.00

Turlock, California
_____, 2015

FOR VALUE RECEIVED, the undersigned, We Care Program-Turlock, a California non-profit public benefit corporation ("Borrower") hereby promises to pay to the order of the City of Turlock, a political subdivision of the State of California ("Holder"), the principal amount of Two Hundred Forty Thousand Dollars ($240,000.00) plus interest thereon pursuant to Section 2 below.

All capitalized terms used but not defined in this Note have the meanings set forth in the Loan Agreement.

1. Borrower's Obligation. This Note evidences Borrower's obligation to repay Holder the principal amount of Two Hundred Forty Thousand Dollars ($240,000.00) with interest for the funds loaned to Borrower by Holder to finance the acquisition and rehabilitation of the Development pursuant to the CDBG Loan Agreement between Borrower and Holder of even date herewith (the "Loan Agreement").

2. Interest. If an Event of Default (as defined in the Loan Agreement) occurs, interest will accrue on all amounts due under this Note at the lesser of 10% per annum or the highest rate permitted by law until such Event of Default is cured by Borrower or waived by Holder.

3. Term and Repayment Requirements. Principal and interest in equity under this Note is due and payable as set forth in the Loan Agreement, including upon a Transfer defined in the Loan Agreement (in which case a payment of 50% of the difference between the sales price of $350,000 must also be paid to Holder as an equity share.

4. No Assumption. This Note is not assumable by the successors and assigns of Borrower without the prior written consent of Holder.

5. Security. This Note is secured by a Deed of Trust that refers to this Note.

6. Terms of Payment.

(a) Borrower shall make all payments due under this Note in currency of the United States of America to Holder at City of Turlock, Housing Program Services Division, 156 S. Broadway, Suite 250, CA 95380, Attention: Housing Manager, or to such other place as Holder may from time to time designate.

(b) All payments on this Note are without expense to Holder. Borrower shall pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of Holder, incurred in connection with the payment of this Note and the release of any security hereof.

(c) The obligations of Borrower under this Note are absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

7. Event of Default; Acceleration.

(a) Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust will, at the option of Holder, become immediately due and payable without further demand.

(b) Holder's failure to exercise the remedy set forth in Subsection 7(a) above or any other remedy provided by law upon the occurrence of an Event of Default does not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Event of Default. The acceptance by Holder of any payment that is less than the total of all amounts due and payable at the time of such payment does not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Holder, except as and to the extent otherwise provided by law.

8. Waivers.

(a) Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.

(b) Any extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note must not operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

9. Miscellaneous Provisions.

(a) All notices to Holder or Borrower are to be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as Holder and Borrower may therein designate.

(b) Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note is governed by the laws of the State of California.

(d) The times for the performance of any obligations hereunder are to be strictly construed, time being of the essence.

(e) The Loan Documents (as defined in the Loan Agreement), of which this Note is a part, contain the entire agreement between the parties as to the loan evidenced by this Note. This Note may not be modified except upon the written consent of the parties.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note as of the day and year first above written.

WE CARE PROGRAM-TURLOCK,
a California nonprofit public benefit corporation

By:_____
Print Name:_____
Title:_____

EXHIBIT "D"

FORMS OF DEEDS OF TRUST

(Attached.)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Turlock
Housing Program Services Division
156 South Broadway, Suite 250
Turlock, CA 95380
Attn: Housing Manager

No fee for recording pursuant to
Government Code Section 27383

DEED OF TRUST WITH ASSIGNMENT OF RENTS,
SECURITY AGREEMENT, AND FIXTURE FILING
(1480 Lambert Way -HOME)

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND FIXTURE FILING ("Deed of Trust") is dated as of _____, 2015, by and among WE CARE PROGRAM-TURLOCK ("Trustor"), Old Republic Title Company, a California corporation ("Trustee"), and the CITY OF TURLOCK, a municipal corporation ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's fee interest in the property located at 1480 Lambert Way, Turlock, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed,

adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or will be, attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquaintances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (the "Secured Obligations"):

A. Payment to Beneficiary of all sums at any time owing under or in connection with the Note (defined in Section 1.4 below) until paid or cancelled. Said principal and other payments are due and payable as provided in the Note. The Note and all its terms are

incorporated herein by reference, and this conveyance secures any and all extensions thereof, however evidenced;

B. Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein;

C. All modifications, extensions and renewals of any of the Secured Obligations (including without limitation, (i) modifications, extensions or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1
DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms have the following meanings in this Deed of Trust:

Section 1.1 The term "Loan" means the loan made by the Beneficiary to the Trustor in the amount of One Hundred Ten Thousand Dollars ($110,000.00).

Section 1.2 The term "Loan Agreement" means that certain HOME Loan Agreement between Trustor and Beneficiary, of even date herewith, as such may be amended from time to time, providing for the Beneficiary to loan to Trustor One Hundred Ten Thousand Dollars ($110,000.00).

Section 1.3 The term "Loan Documents" means this Deed of Trust, the Note, the Loan Agreement, and the Regulatory Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Loan.

Section 1.4 The term "Note" means the Promissory Note in the principal amount of One Hundred Ten Thousand Dollars ($110,000.00) of even date herewith, executed by Trustor in favor of the Beneficiary, as it may be amended or restated, the payment of which is secured by this Deed of Trust. (A copy of the Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.)

Section 1.5 The term "Principal" means the amount required to be paid under the Note.

Section 1.6 The term "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith by and between the Beneficiary and the Trustor.

ARTICLE 2
MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Beneficiary has no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security or any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary exercises its rights as agent of Trustor only in the event that Trustor fails to take, or fails to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary specifies upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained requires Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Recorder of Stanislaus County, a surety bond in an amount 1 and 1/2 times the amount of such claim item to protect against a claim of lien.

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

Section 2.3 Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Note, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other

agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable, subject to the rights of senior lenders. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the Secured Obligations with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same becomes due and payable, including but not limited to, rents then due and unpaid, and all such rents will immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor contains a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Trustor hereby covenants that Trustor has not executed any prior assignment of said rents except in connection with the Bond Loan, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, here has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to

the appointment of such receiver. Beneficiary or the receiver will be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents are to be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this deed of Trust. Beneficiary or the receiver is to have access to the books and records used in the operation and maintenance of the Property and will be liable to account only for those rents actually received. Beneficiary is not liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes will become part of the Secured Obligations pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts are payable by Trustor to Beneficiary upon notice from Beneficiary to Trustor requesting payment thereof and will bear interest from the date of disbursement at the rate stated in Section 3.3.

If the Beneficiary or the receiver enters upon and takes and maintains control of the Property, neither that act nor any application of rents as provided herein will cure or waive any default under this Deed of Trust or invalidate any other right or remedy available to Beneficiary under applicable law or under this Deed of Trust. This assignment of rents of the Property will terminate at such time as this Deed of Trust ceases to secure the Secured Obligations.

ARTICLE 3
TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company that are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor is not required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof is promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges can be paid in installments, Trustor may pay in such installments. Except as provided in clause (b) of the first sentence of this paragraph, the provisions of this Section 3.1 may not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor fails to pay any of the items required by this Section to be paid by Trustor, Beneficiary may (but is under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, will become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents at all times until all amounts secured by this Deed of Trust have been paid, all Secured Obligations secured hereunder have been fulfilled, and this Deed of Trust has been reconveyed.

All such insurance policies and coverages are to be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, are to be delivered to the Beneficiary upon demand therefor at any time prior to Trustor's satisfaction of the Secured Obligations.

Section 3.3 Advances.

In the event the Trustor fails to maintain the full insurance coverage required by this Deed of Trust or fails to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Trustor, may (but is under no obligation to) (i) take out the required policies of insurance and pay the premiums on the same, and (ii) make any repairs or replacements that are necessary and provide for payment thereof. All amounts so advanced by the Beneficiary will become part of the Secured Obligations (together with interest as set forth below) and will be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, will bear interest from the date of the advance at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

ARTICLE 4
DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

Subject to the rights of senior lenders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of (1) the taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property (collectively, the "Funds") are hereby assigned to and are to be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part to any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary determines at its sole option. The Beneficiary is entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in

connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof will not cure or waive any default under this Deed of Trust. The rights of the Beneficiary under this Section 4.1 are subject to the rights of any senior mortgage lender. The Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property provided that Beneficiary reasonably determines that Trustor (taking into account the Funds) has sufficient funds to rebuild the improvements in substantially the form that existed prior to the casualty or condemnation.

ARTICLE 5
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1 Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined in Section 7.1) hereunder, and if the Beneficiary employs attorneys or incurs other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary. Any such amounts paid by the Beneficiary will be added to the Secured Obligations, and will bear interest from the date such expenses are incurred at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust is deemed to be fixtures and part of the real property and this Deed of Trust constitutes a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust constitutes a security agreement under the California Commercial Code.

Section 5.5 Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to

convey to the Beneficiary a valid perfected security interest in the Security. The Trustor shall perform all acts that the Beneficiary reasonably requests so as to enable the Beneficiary to maintain a valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it deems appropriate from time to time in order to protect the security interest established pursuant to this instrument.

Section 5.6 Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, may inspect the Security, without payment of charges or fees.

Section 5.8 Nondiscrimination.

The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there will be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, age, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor will the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants run with the land.

ARTICLE 6
HAZARDOUS WASTE

Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction or operation of a multi-family residential development.

Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory

actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" (as defined in California Health and Safety Code Section 25117.4) under the provision of California Health and Safety Code Section 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

Beneficiary has the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall indemnify and hold harmless Beneficiary and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, clean-up or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a clean-up order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property; (2) loss or restriction of use of rentable space on the Property; (3) adverse effect on the marketing of any rental space on the Property; and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, clean-up or detoxification of the Property and surrounding properties).

Without Beneficiary's prior written consent, which may not be unreasonably withheld, Trustor may not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impairs the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent is not necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor notifies Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction; (ii) Trustor will or may be subjected to civil or

criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's security hereunder; or (iv) the action has been agreed to by Beneficiary.

The Trustor hereby acknowledges and agrees that (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor will be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the default rate specified in the Loan Agreement until paid, will be added to the indebtedness secured by this Deed of Trust and will be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

ARTICLE 7
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

The following are events of default following the expiration of any applicable notice and cure periods (each an "Event of Default"): (i) failure to make any payment to be paid by Trustor under the Loan Documents; (ii) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the

provisions concerning discrimination; (iii) failure to make any payment or observe or perform any of Trustor's other covenants, agreements, or obligations under any Secured Obligations, which default is not cured within the times and in the manner provided therein; and (iv) failure to make any payments or observe or perform any of Trustor's other covenants, agreements or obligations under any other debt instrument or regulatory agreement secured by the Property, which default is not cured within the time and in the manner provided therein.

Section 7.2 Acceleration of Maturity.

If an Event of Default has occurred and is continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and all unpaid Secured Obligations are immediately due and payable, and no omission on the part of the Beneficiary to exercise such option when entitled to do so may be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default has occurred and is continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Property and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts that it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security will not cure or waive any Event of Default or Notice of Sale (as defined in Section 7.3(c), below) hereunder or invalidate any act done in response to such Event of Default or pursuant to such Notice of Sale, and, notwithstanding the continuance in possession of the Security, Beneficiary will be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of an Event of Default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Sale"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Stanislaus County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing the Secured Obligations.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall deliver to the Trustee the Notice of Sale and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which will be deemed to

constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

(a) Upon receipt of the Notice of Sale from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Sale as is then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after the lapse of that amount of time as is then required by law and after recordation of such Notice of Sale as required by law, sell the Security, at the time and place of sale set forth in the Notice of Sale, whether as a whole or in separate lots or parcels or items, as Trustee deems expedient and in such order as it determines, unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts will be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other Secured Obligations owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver.

If an Event of Default occurs and is continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, may apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers will have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and will continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy will be cumulative and concurrent and will be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default will exhaust or impair any such right, power or remedy, and may not be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to breach, or waiver of, any obligation of the Trustor hereunder will not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, will not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment or performance of any Secured Obligation, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (vi) makes or consents to any agreement subordinating the lien hereof, any such act or omission will not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor will any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary, will the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security.

The Beneficiary has the power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, will be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary

allowed in such proceedings and for any additional amount that becomes due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8
MISCELLANEOUS

Section 8.1 Amendments.

This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and all obligations under the Loan Documents have been performed in full, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

If at any time after the execution of this Deed of Trust it becomes necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication must be in writing and is to be served personally or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary is to be addressed to:

City of Turlock
Housing Program Services Division
156 South Broadway, Suite 250
Turlock, CA 95380
Attention: Housing Manager

and (2) if intended for Trustor is to be addressed to:

We Care Program
221 South Broadway (P. O. Box 1291)
Turlock, CA 95380
Attn: Executive Director

Any notice, demand or communication will be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors.

Where an obligation created herein is binding upon Trustor, the obligation also applies to and binds any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation will be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor will be deemed to be a joint and several obligation of each and every entity and person comprising Trustor.

Section 8.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity will not affect the balance of the terms and provisions hereof, which terms and provisions will remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, will be considered to have been first paid or applied to the full payment of that portion of the debt that is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law.

This Deed of Trust is governed by the laws of the State of California.

Section 8.8 Gender and Number.

In this Deed of Trust the singular includes the plural and the masculine includes the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage also refers to a deed of trust and any reference to a deed of trust also refers to a mortgage.

Section 8.10 Actions.

Trustor shall appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter will be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution is to be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, will be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of a pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee is a party unless brought by Trustee.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

WE CARE PROGRAM-TURLOCK,
a California nonprofit public benefit
corporation

By:_____
Print Name: _____
Title: _____

CALIFORNIA ALL-PURPOSE 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 Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, 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_____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

The land is situated in the State of California, County of Stanislaus, and is described as

follows:

Lot 4 in Block 364 as shown on the map of Westmont Subdivision, which map was filed April 12, 1978 in Book 27 of Maps, at Page 63

APN: 061-040-004

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Turlock
Housing Program Services Division
156 South Broadway, Suite 250
Turlock, CA 95380
Attn: Housing Manager

No fee for recording pursuant to
Government Code Section 27383

DEED OF TRUST WITH ASSIGNMENT OF RENTS,
SECURITY AGREEMENT, AND FIXTURE FILING
(1480 Lambert Way-CDBG)

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT, AND FIXTURE FILING ("Deed of Trust") is made as of January 27, 2015, by and among WE CARE PROGRAM-TURLOCK ("Trustor"), Old Republic Title Company, a California corporation ("Trustee"), and the CITY OF TURLOCK, a California municipal corporation ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's fee interest in the property located at 1480 Lambert Way, Turlock, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed,

adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Paragraph 4.1 herein;

TOGETHER WITH all of Trustor's interest in all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or will be, attached to said building or buildings in any manner; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquaintances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (the "Secured Obligations"):

A. Payment to Beneficiary of all sums at any time owing under or in connection with the Note (defined in Section 1.4 below) until paid or cancelled. Said principal and other payments are due and payable as provided in the Note. The Note and all its terms are

incorporated herein by reference, and this conveyance secures any and all extensions thereof, however evidenced;

B. Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein;

C. All modifications, extensions and renewals of any of the foregoing (including without limitation, (i) modifications, extensions or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1
DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms have the following meanings in this Deed of Trust:

Section 1.1 The term "Loan" means the loan made by the Beneficiary to the Trustor in the amount of Two Hundred Forty Thousand Dollars ($240,000.00).

Section 1.2 The term "Loan Agreement" means that certain CDBG Loan Agreement between Trustor and Beneficiary, of even date herewith, as such may be amended from time to time, providing for the Beneficiary to loan to Trustor Two Hundred Forty Thousand Dollars ($240,000.00).

Section 1.3 The term "Loan Documents" means this Deed of Trust, the Note, the Loan Agreement, and the Regulatory Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Loan.

Section 1.4 The term "Note" means the Promissory Note in the principal amount of Two Hundred Forty Thousand Dollars ($240,000.00) of even date herewith, executed by Trustor in favor of the Beneficiary, as it may be amended or restated, the payment of which is secured by this Deed of Trust. (A copy of the Note is on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.)

Section 1.5 The term "Principal" means the amount required to be paid under the Note.

Section 1.6 The term "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith by and between the Beneficiary and the Trustor.

ARTICLE 2
MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY

Section 2.1 Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment and performance of the Secured Obligations, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Beneficiary has no responsibility in any of these matters or for the making of improvements or additions to the Security.

Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security or any part thereof. Trustor irrevocably appoints, designates and authorizes Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that Beneficiary exercises its rights as agent of Trustor only in the event that Trustor fails to take, or fails to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, Trustor shall make or cause to be made such demands or claims as Beneficiary specifies upon laborers, material men, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained requires Trustor to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting provided that Trustor shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Recorder of Stanislaus County, a surety bond in an amount 1 and 1/2 times the amount of such claim item to protect against a claim of lien.

Section 2.2 Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, telephone and telegraph, or those required by law, and as approved, in writing, by Beneficiary.

Section 2.3 Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Note, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other

agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable, subject to the rights of senior lenders. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the Secured Obligations with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same becomes due and payable, including but not limited to, rents then due and unpaid, and all such rents will immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor contains a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Trustor hereby covenants that Trustor has not executed any prior assignment of said rents except in connection with the Bond Loan, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, here has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.

Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, Trustor hereby expressly consents to

the appointment of such receiver. Beneficiary or the receiver will be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents are to be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this deed of Trust. Beneficiary or the receiver is to have access to the books and records used in the operation and maintenance of the Property and will be liable to account only for those rents actually received. Beneficiary is not liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes will become part of the Secured Obligations pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts are payable by Trustor to Beneficiary upon notice from Beneficiary to Trustor requesting payment thereof and will bear interest from the date of disbursement at the rate stated in Section 3.3.

If the Beneficiary or the receiver enters upon and takes and maintains control of the Property, neither that act nor any application of rents as provided herein will cure or waive any default under this Deed of Trust or invalidate any other right or remedy available to Beneficiary under applicable law or under this Deed of Trust. This assignment of rents of the Property will terminate at such time as this Deed of Trust ceases to secure the Secured Obligations.

ARTICLE 3
TAXES AND INSURANCE; ADVANCES

Section 3.1 Taxes, Other Governmental Charges and Utility Charges.

Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company that are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor is not required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof is promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien therefor on any part of the Security; provided, however, if such taxes, assessments or charges can be paid in installments, Trustor may pay in such installments. Except as provided in clause (b) of the first sentence of this paragraph, the provisions of this Section 3.1 may not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor fails to pay any of the items required by this Section to be paid by Trustor, Beneficiary may (but is under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, will become part of the Secured Obligations secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2 Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents at all times until all amounts secured by this Deed of Trust have been paid, all Secured Obligations secured hereunder have been fulfilled, and this Deed of Trust has been reconveyed.

All such insurance policies and coverages are to be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, are to be delivered to the Beneficiary upon demand therefor at any time prior to Trustor's satisfaction of the Secured Obligations.

Section 3.3 Advances.

In the event the Trustor fails to maintain the full insurance coverage required by this Deed of Trust or fails to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Trustor, may (but is under no obligation to) (i) take out the required policies of insurance and pay the premiums on the same, and (ii) make any repairs or replacements that are necessary and provide for payment thereof. All amounts so advanced by the Beneficiary will become part of the Secured Obligations (together with interest as set forth below) and will be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, will bear interest from the date of the advance at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

ARTICLE 4
DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1 Awards and Damages.

Subject to the rights of senior lenders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of (1) the taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property (collectively, the "Funds") are hereby assigned to and are to be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part to any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary determines at its sole option. The Beneficiary is entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in

connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof will not cure or waive any default under this Deed of Trust. The rights of the Beneficiary under this Section 4.1 are subject to the rights of any senior mortgage lender. The Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property provided that Beneficiary reasonably determines that Trustor (taking into account the Funds) has sufficient funds to rebuild the improvements in substantially the form that existed prior to the casualty or condemnation.

ARTICLE 5
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1 Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2 Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined in Section 7.1) hereunder, and if the Beneficiary employs attorneys or incurs other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary. Any such amounts paid by the Beneficiary will be added to the Secured Obligations, and will bear interest from the date such expenses are incurred at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

Section 5.3 Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out therein.

Section 5.4 Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust is deemed to be fixtures and part of the real property and this Deed of Trust constitutes a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust constitutes a security agreement under the California Commercial Code.

Section 5.5 Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to

convey to the Beneficiary a valid perfected security interest in the Security. The Trustor shall perform all acts that the Beneficiary reasonably requests so as to enable the Beneficiary to maintain a valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such financing statement in any jurisdiction(s) as it deems appropriate from time to time in order to protect the security interest established pursuant to this instrument.

Section 5.6 Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7 Inspection of the Security.

At any and all reasonable times upon seventy-two (72) hours' notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, may inspect the Security, without payment of charges or fees.

Section 5.8 Nondiscrimination.

The Trustor herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there will be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, age, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor will the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants run with the land.

ARTICLE 6
HAZARDOUS WASTE

Trustor shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Trustor shall not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in construction or operation of a multi-family residential development.

Trustor shall immediately advise Beneficiary in writing if at any time it receives written notice of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory

actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Trustor or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) Trustor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" (as defined in California Health and Safety Code Section 25117.4) under the provision of California Health and Safety Code Section 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

Beneficiary has the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Trustor. Trustor shall indemnify and hold harmless Beneficiary and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, clean-up or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Beneficiary in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a clean-up order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property; (2) loss or restriction of use of rentable space on the Property; (3) adverse effect on the marketing of any rental space on the Property; and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, clean-up or detoxification of the Property and surrounding properties).

Without Beneficiary's prior written consent, which may not be unreasonably withheld, Trustor may not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in Beneficiary's reasonable judgment, impairs the value of the Beneficiary's security hereunder; provided, however, that Beneficiary's prior consent is not necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain Beneficiary's consent before taking such action, provided that in such event Trustor notifies Beneficiary as soon as practicable of any action so taken. Beneficiary agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction; (ii) Trustor will or may be subjected to civil or

criminal sanctions or penalties if it fails to take a required action; (iii) Trustor establishes to the reasonable satisfaction of Beneficiary that there is no reasonable alternative to such remedial action which would result in less impairment of Beneficiary's security hereunder; or (iv) the action has been agreed to by Beneficiary.

The Trustor hereby acknowledges and agrees that (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against the Trustor to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the Beneficiary's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the Trustor will be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and the Trustor knew or should have known of the activity by such lessee, occupant, or user which caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees, incurred by the Beneficiary in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the default rate specified in the Loan Agreement until paid, will be added to the indebtedness secured by this Deed of Trust and will be due and payable to the Beneficiary upon its demand made at any time following the conclusion of such action.

ARTICLE 7
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

The following are events of default following the expiration of any applicable notice and cure periods (each an "Event of Default"): (i) failure to make any payment to be paid by Trustor under the Loan Documents; (ii) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the

provisions concerning discrimination; (iii) failure to make any payment or observe or perform any of Trustor's other covenants, agreements, or obligations under any Secured Obligations, which default is not cured within the times and in the manner provided therein; and (iv) failure to make any payments or observe or perform any of Trustor's other covenants, agreements or obligations under any other debt instrument or regulatory agreement secured by the Property, which default is not cured within the time and in the manner provided therein.

Section 7.2 Acceleration of Maturity.

If an Event of Default has occurred and is continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and all unpaid Secured Obligations are immediately due and payable, and no omission on the part of the Beneficiary to exercise such option when entitled to do so may be construed as a waiver of such right.

Section 7.3 The Beneficiary's Right to Enter and Take Possession.

If an Event of Default has occurred and is continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Property and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts that it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security will not cure or waive any Event of Default or Notice of Sale (as defined in Section 7.3(c), below) hereunder or invalidate any act done in response to such Event of Default or pursuant to such Notice of Sale, and, notwithstanding the continuance in possession of the Security, Beneficiary will be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of an Event of Default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Sale"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Stanislaus County; or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing the Secured Obligations.

Section 7.4 Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall deliver to the Trustee the Notice of Sale and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which will be deemed to

constitute evidence that the Secured Obligations are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

(a) Upon receipt of the Notice of Sale from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Sale as is then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after the lapse of that amount of time as is then required by law and after recordation of such Notice of Sale as required by law, sell the Security, at the time and place of sale set forth in the Notice of Sale, whether as a whole or in separate lots or parcels or items, as Trustee deems expedient and in such order as it determines, unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts will be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale.

(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other Secured Obligations owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Section 7.5 Receiver.

If an Event of Default occurs and is continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, may apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers will have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and will continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy will be cumulative and concurrent and will be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.7 No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default will exhaust or impair any such right, power or remedy, and may not be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. Beneficiary's express or implied consent to breach, or waiver of, any obligation of the Trustor hereunder will not be deemed or construed to be a consent to any subsequent breach, or further waiver, of such obligation or of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, will not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary (i) grants forbearance or an extension of time for the payment or performance of any Secured Obligation, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted in the Loan Documents, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents, (v) consents to the granting of any easement or other right affecting the Security, or (vi) makes or consents to any agreement subordinating the lien hereof, any such act or omission will not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor will any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary, will the lien of this Deed of Trust be altered thereby.

Section 7.8 Suits to Protect the Security.

The Beneficiary has the power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.

Section 7.9 Trustee May File Proofs of Claim.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, will be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary

allowed in such proceedings and for any additional amount that becomes due and payable by the Trustor hereunder after such date.

Section 7.10 Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any Secured Obligations or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8
MISCELLANEOUS

Section 8.1 Amendments.

This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by Beneficiary and Trustor.

Section 8.2 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all Secured Obligations have been paid or forgiven, and all obligations under the Loan Documents have been performed in full, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

Section 8.3 Notices.

If at any time after the execution of this Deed of Trust it becomes necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication must be in writing and is to be served personally or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for Beneficiary is to be addressed to:

City of Turlock
Housing Program Services Division
156 South Broadway, Suite 250
Turlock, CA 95380
Attention: Housing Manager

and (2) if intended for Trustor is to be addressed to:

We Care Program
221 South Broadway (P. O. Box 1291)
Turlock, CA 95380
Attn: Executive Director

Any notice, demand or communication will be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective.

Section 8.4 Successors and Joint Trustors.

Where an obligation created herein is binding upon Trustor, the obligation also applies to and binds any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation will be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor will be deemed to be a joint and several obligation of each and every entity and person comprising Trustor.

Section 8.5 Captions.

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6 Invalidity of Certain Provisions.

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity will not affect the balance of the terms and provisions hereof, which terms and provisions will remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, will be considered to have been first paid or applied to the full payment of that portion of the debt that is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7 Governing Law.

This Deed of Trust is governed by the laws of the State of California.

Section 8.8 Gender and Number.

In this Deed of Trust the singular includes the plural and the masculine includes the feminine and neuter and vice versa, if the context so requires.

Section 8.9 Deed of Trust, Mortgage.

Any reference in this Deed of Trust to a mortgage also refers to a deed of trust and any reference to a deed of trust also refers to a mortgage.

Section 8.10 Actions.

Trustor shall appear in and defend any action or proceeding purporting to affect the Security.

Section 8.11 Substitution of Trustee.

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter will be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution is to be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, will be conclusive proof of proper appointment of the successor trustee.

Section 8.12 Statute of Limitations.

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13 Acceptance by Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of a pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee is a party unless brought by Trustee.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

WE CARE PROGRAM-TURLOCK,
a California nonprofit public benefit
corporation

By:_____
Print Name: _____
Title: _____

CALIFORNIA ALL-PURPOSE 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 Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, 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_____ (Seal)

EXHIBIT A
LEGAL DESCRIPTION

The land is situated in the State of California, County of Stanislaus, and is described as follows:

Lot 4 in Block 364 as shown on the map of Westmont Subdivision, which map was filed April 12, 1978 in Book 27 of Maps, at Page 63

APN: 061-040-004

EXHIBIT "E"

FORM OF REGULATORY AGREEMENT

(Attached.)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Turlock
Housing Program Services Division
156 S. Broadway, Suite 250
Turlock, CA 95380
Attn: Housing Manager

No fee for recording pursuant to
Government Code Section 27383

REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS
(We Care Program – CDBG and HOME Funds)

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is dated _____, 2015 and is between the CITY OF TURLOCK, a political subdivision of the State of California (the "City "), and WE CARE PROGRAM-TURLOCK, a California nonprofit public benefit corporation company ("Borrower").

RECITALS

A. Defined terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. The statutory and regulatory provisions that govern the Community Development Block Grant("CDBG") program under Title I of the Housing and Community Development Act of 1974(42 U.S.C. 5301 et seq.), as amended(including those at 24 CFR part 570 subparts A, C, D, J, K, and O, as appropriate),(the "CDBG Regulations"). The City has adopted the Home Investment Partnerships Act("HOME") program standards at 24 C.F.R. Part 92(the "HOME Regulations") to define the affordable rents, continued affordability standards.

C. Borrower intends to acquire the real property commonly known as 1480 Lambert Way, located in the City of Turlock, State of California, and more particularly described in Exhibit A(the "Property"). The purchase price of the Property is Three Hundred Fifty Thousand Dollars ($350,000.00). According to an appraisal dated November 6, 2014, which was prepared for the City by Dan Rogers of Dan Rogers Appraisal Services, the Property was valued at Three Hundred Fifty Thousand Dollars ($350,000.00) as of November 6, 2014.

D. The Property is the site of a four plex that contain a total of four (4) apartments. The buildings and all other improvements to the Property, including all landscaping, roads and parking spaces, are referred to herein as the "Improvements", or as the "Development." Borrower intends to acquire the Development and rent all four (4) of the apartments to Low-60 Income families.

E. Pursuant to a loan agreement of even date herewith between the City and Borrower(the "Loan Agreement"), the City is lending to Borrower One Hundred Ten Thousand Dollars ($110,000.00) in HOME Funds(the "HOME Loan") and Two Hundred Forty Thousand Dollars ($240,000.00) in CDBG Funds(the "CDBG Loan") for a total of $350,000.00 for the acquisition of the property (the "Loans").

F. The City has the authority to lend the Loan to Borrower to spend funds for programs that will further a City's public purposes. In addition, the City has the authority to loan the HOME Funds pursuant to 24 C.F.R. Part 92, and 24 C.F.R. 570.202 of the CDBG Regulations.

G. The City has agreed to make the Loans on the condition that the Borrower maintain and operate the Development in accordance with restrictions set forth in this Agreement.

In consideration of receipt of the Loan at an interest rate substantially below the market rate, Borrower agrees to observe all the terms and conditions set forth below.

AGREEMENT

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions.

The following terms have the following meanings:

(a) "Actual Household Size" means the actual number of persons in the applicable household.

(b) "Adjusted Income" means the total anticipated annual income of all persons in the Tenant household as calculated pursuant to 24 C.F.R. 92.203(b)(1).

(c) "Agreement" has the meaning set forth in the first paragraph of this Agreement.

(d) "Assumed Household Size" means the household size "adjusted for family size appropriate to the unit" as such term is defined in Health & Safety Code Section 50052.5(h).

(e) "CDBG" has the meaning set forth in Paragraph B of the Recitals.

(f) "CDBG Regulations" has the meaning set forth in Paragraph B of the Recitals.

(g) "City" means the City of Turlock, a municipal corporation.

(h) "City-Assisted Units" means the four(4) Units within the Development designated as assisted by the City pursuant to this Agreement.

(i) "Deed of Trust" means the two Deeds of Trust with Assignment of Rents, Security Agreement and Fixture Filing of even date herewith by and among Borrower, as trustor, Stewart Title of California, Inc., as trustee, and the City , as beneficiary, that will encumber the Property to secure repayment of the Loan and Borrower's performance of the covenants set forth in the documents evidencing the Loan.

(j) "Development" has the meaning set forth in Paragraph D of the Recitals.

(k) "HOME" has the meaning set forth in Paragraph B of the Recitals.

(l) "HOME Regulations" has the meaning set forth in Paragraph B of the Recitals.

(m) "HUD" has the meaning set forth in Paragraph B of the Recitals.

(n) "HOME Loan" has the meaning set forth in Paragraph E of the Recitals.

(o) "CDBG Loan" has the meaning set forth in Paragraph E of the Recitals.

(p) "Loan Agreement" has the meaning set forth in Paragraph E of the Recitals.

(q) "Loan Documents" means this Agreement, the Note, the Deed of Trust, and the Loan Agreement.

(r) "Low HOME Rent" means a monthly Rent amount not exceeding the maximum rent published by HUD for a Very Low Income Household for the applicable bedroom size as set forth in 24 C.F.R. 92.252(b).

(s) "Low Income Household" means a Tenant household with an Adjusted Income that does not exceed eighty percent(80%) of Median Income, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty percent(80%) of Median Income on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes, as such definition may be amended pursuant to 24 C.F.R. Section 92.2.

(t) "Low-60 Income Household" means a household with an Adjusted Income that does not exceed Sixty percent(60%) of Median Income, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than sixty percent(60%) of Median Income on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes, as set forth in 24 C.F.R. Section 92.2.

(u) "Median Income" means the median gross yearly income, adjusted for Actual Household Size as specified herein, in the City of Turlock, California, as published from time to time by HUD. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen(18) months, the City shall provide Borrower with

other income determinations that are reasonably similar with respect to methods of calculation to those previously published by HUD.

(v) "Notes" means the two promissory notes of even date herewith executed by Borrower in favor of City that evidences Borrower's obligation to repay the Loans.

(w) "Property" has the meaning set forth in Paragraph E of the Recitals.

(x) "Rent" means the total monthly payments by the Tenant of a Unit for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by Borrower which are required of all Tenants, other than security deposits; an allowance for the cost of an adequate level of service for utilities paid by the Tenant, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service or cable TV; and any other interest, taxes, fees or charges for use of the land or associated facilities and assessed by a public or private entity other than Borrower, and paid by the Tenant.

(y) "Tenant" means the household that occupies a Unit in the Development.

(z) "Term" means the term of this Agreement which commences as of the date of this Agreement and expires fifteen (15) years thereafter.

(aa) "Unit(s)" means one(1) or more of the units in the Development.

ARTICLE 2
AFFORDABILITY AND OCCUPANCY COVENANTS

Section 2.1 Occupancy Requirements.

(a) Low-60 Income Units. During the HOME and CDBG Terms, Borrower shall rent four (4) Units, and ensure that these Units are occupied or, if vacant, available for occupancy, by Low-60 Income Households. The City -Assisted Units are comprised of four(4) two-bedroom Units.

(b) Disabled Persons Occupancy. Borrower shall cause the Development to be operated at all times in compliance with the provisions of: (i) the Unruh Act, (ii) the California Fair Employment and Housing Act, (iii) Section 504 of the Rehabilitation Act of 1973, (iv) the United States Fair Housing Act, as amended, and (v) the Americans With Disabilities Act of 1990, which relate to disabled persons access. Borrower shall indemnify, protect, hold harmless and defend(with counsel reasonably satisfactory to the City) the City , and its boardmembers, officers and employees, from all suits, actions, claims, causes of action, costs, demands, judgments and liens arising out of Borrower's failure to comply with applicable legal requirements related to housing for persons with disabilities. The provisions of this subsection will survive expiration of the Term or other termination of this Agreement, and remain in full force and effect.

Section 2.2 Allowable Rent.

(a) Low Income Rent. Subject to the provisions of Section 2.3 below, the Rent paid by Tenants of Low Income Units, may not exceed the Low HOME Rent.

(b) No Additional Fees. Borrower may not charge any fee, other than Rent, to any Tenant of the City -Assisted Units for any housing or other services provided by Borrower. All Tenants must have equal access to and enjoyment of all common facilities in the Development.

Section 2.3 Rent Increases; Increased Income of Tenants.

(a) Rent Increases. The initial Rents and subsequent Rents for all City-Assisted Units must be approved by the City prior to occupancy and are subject to the HOME Regulations. All Rent increases for all City-Assisted Units are also subject to City approval. The Rent for such Units may be increased no more than once annually based upon the annual income certification described in Article 3. Tenants are to be given at least sixty(60) days written notice prior to any Rent increase. The City will provide Borrower with a schedule of maximum permissible Rents for the City-Assisted Units annually.

(b) Non-Qualifying Household. If, upon the annual certification of the income a Tenant of a City -Assisted Unit, Borrower determines that the income of a Low-60 Income Household has increased above the qualifying limit for a Low-60 Income Household, such Tenant shall be permitted to retain the Unit and upon expiration of the Tenant's lease and upon sixty(60) days written notice, the Rent must be increased to thirty percent(30%) of the actual Adjusted Income of the Tenant or the fair market rent. There is no rent cap for the units. When the Tenant vacates the Unit, the Borrower shall rent the Unit to a Low-60 Income Household, to comply with the requirements of Section 2.1 above.

(c) Termination of Occupancy. Upon termination of occupancy of a Unit by a Tenant, Borrower shall rent such Unit to a Low-60 Income Household to comply with the requirements of Section 2.1 above.

ARTICLE 3
INCOME CERTIFICATION AND REPORTING

Section 3.1 Income Certification. Borrower shall obtain, complete, and maintain on file, immediately prior to initial occupancy, and annually thereafter, income certifications from each Tenant renting any of the City-Assisted Units. Borrower shall make a good faith effort to verify the accuracy of the income provided by the applicant or occupying household, as the case may be, in an income certification. To verify the information Borrower shall take two or more of the following steps: (i) obtain a pay stub for the most recent pay period; (ii) obtain an income tax return for the most recent tax year; (iii) conduct a credit agency or similar search; (iv) obtain an income verification form from the applicant's current employer; (v) obtain an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies; or (vi) if the applicant is unemployed and does not have a tax return, obtain another form of independent verification. Copies of Tenant income certifications are to be available to the City upon request.

Section 3.2 Tenant Selection Plan. Before leasing any Unit in the Development, Borrower shall submit to the City for review and approval, a written tenant selection plan. Borrower's tenant selection plan must, at a minimum, meet the requirements for tenant selection set out in 24 C.F.R. 92.253(d) and any modifications thereto. Borrower may not make material modifications to its tenant selection plan without the prior written approval of the City.

Section 3.3 Reporting Requirements. Borrower shall submit to the City (a) not later than the forty-fifth (45th) day after the close of each calendar year, or such other date as may be requested by the City, a statistical report, including income and rent data for all Units, setting forth the information called for therein, and (b) within fifteen (15) days after receipt of a written request, any other information or completed forms requested by the City in order to comply with reporting requirements of HUD, the State of California, and the City .

Section 3.4 Additional Information. Borrower shall provide any additional information reasonably requested by the City.

Section 3.5 Records. Borrower shall maintain complete, accurate and current records pertaining to the Development, and shall permit any duly authorized representative of the City to inspect records, including records pertaining to the selection of Tenants, and income and household size of Tenants. All Tenant lists, applications and waiting lists relating to the Development are to be at all times: (i) separate and identifiable from any other business of Borrower, (ii) maintained as required by the City, in a reasonable condition for proper audit, and (iii) subject to examination during business hours by representatives of the City. Borrower shall retain copies of all materials obtained or produced with respect to occupancy of the units for a period of at least five (5) years. The City may examine and make copies of all books, records or other documents of Borrower that pertain to the Development.

Section 3.6 HOME and CDBG Record Requirements. For the period of the HOME and CDBG Term all records maintained by Borrower pursuant to Sections 3.3 and 3.5 above are to be (i) maintained in compliance with all applicable HUD records and accounting requirements, and (ii) open to and available for inspection and copying by HUD and its authorized representatives at reasonable intervals during normal business hours; provided however, records pertaining to Tenant income verifications, Rents, and Development inspections are subject to HUD inspection for five (5) years after expiration of the Term. Borrower is subject to the audit requirements set forth in 24 CFR 92.505 during the HOME Term and 24 CFR 570.502 during the Term.

Section 3.7 On-Site Inspection. The City may perform an on-site inspection of the Development at least one (1) time per year. Borrower shall cooperate in such inspection.

ARTICLE 4
OPERATION OF THE DEVELOPMENT

Section 4.1 Residential Use. Borrower shall operate the Development for residential use only. No part of the Development may be operated as transient housing.

Section 4.2 Compliance with Loan Documents and Program Requirements. Borrower's actions with respect to the Property shall at all times be in full conformity with: (i)

all requirements of the Loan Documents; (ii) all requirements imposed on projects assisted with HOME and CDBG Funds, and (iii) any other regulatory requirements imposed on the Development.

Section 4.3 Taxes and Assessments. Borrower shall pay all real and personal property taxes, assessments and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Borrower may contest in good faith, any such taxes, assessments, or charges. In the event Borrower exercises its right to contest any tax, assessment, or charge against it, Borrower, on final determination of the proceeding or contest, will immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

Section 4.4 Property Tax Exemption. Borrower shall not apply for a property tax exemption for the Property under any provision of law except California Revenue and Taxation Section 214(g) without the prior written consent of the City.

ARTICLE 5
PROPERTY MANAGEMENT AND MAINTENANCE

Section 5.1 Management Responsibilities. Borrower is responsible for all management functions with respect to the Development, including without limitation the selection of Tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The City has no responsibility for management of the Development. Borrower may retain a professional property management company approved by the City in its reasonable discretion to perform Borrower's management duties hereunder.

Section 5.2 Periodic Performance Review. The City reserves the right to conduct an annual (or more frequently, if deemed necessary by the City) review of the management practices and financial status of the Development. The purpose of each periodic review will be to enable the City to determine if the Development is being operated and managed in accordance with the requirements and standards of this Agreement. Borrower shall cooperate with the City in such reviews.

Section 5.3 Replacement of Management Agent. If, as a result of a periodic review, the City determines in its reasonable judgment that the Development is not being operated and managed in accordance with any of the material requirements and standards of this Agreement, the City shall deliver notice to Borrower of its intention to cause replacement of the Management Agent, including the reasons therefor. Within fifteen (15) days after receipt by Borrower of such written notice, the City staff and Borrower shall meet in good faith to consider methods for improving the financial and operating status of the Development, including, without limitation, replacement of the Management Agent.

If, after such meeting, City staff recommends in writing the replacement of the Management Agent, Borrower shall promptly dismiss the then-current Management Agent, and

shall appoint as the Management Agent a person or entity meeting the standards for a management agent.

Any contract for the operation or management of the Development entered into by Borrower shall provide that the Management Agent may be dismissed and the contract terminated as set forth above. Failure to remove the Management Agent in accordance with the provisions of this Section constitutes a default under this Agreement, and the City may enforce this provision through legal proceedings as specified in Section 6.7 below.

Section 5.4 Approval of Management Policies. Borrower shall submit its written management policies with respect to the Development to the City for its review, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement.

Section 5.5 Property Maintenance. Borrower shall maintain, for the entire Term of this Agreement, all interior and exterior Improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, City, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials, and in accordance with the following maintenance conditions:

The City places prime importance on quality maintenance to protect its investment and to ensure that all City and City-assisted affordable housing projects within the City are not allowed to deteriorate due to below-average maintenance. Normal wear and tear of the Development will be acceptable to the City assuming Borrower agrees to provide all necessary improvements to assure the Development is maintained in good condition. Borrower shall make all repairs and replacements necessary to keep the improvements in good condition and repair.

In the event that Borrower breaches any of the covenants contained in this section and such default continues for a period of seven (7) days after written notice from the City with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from the City with respect to landscaping and building improvements, then the City , in addition to whatever other remedy it may have at law or in equity, has the right to enter upon the Property and perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, the City is permitted (but is not required) to enter upon the Property and to perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, which amount shall be promptly paid by Borrower to the City upon demand.

ARTICLE 6
MISCELLANEOUS

Section 6.1 Lease Provisions. In leasing the Units within the Development, Borrower shall use a form of lease approved by the City. The lease must not contain any provision which

is prohibited by 24 C.F.R. Section 92.253(b) and any amendments thereto. The form of lease must comply with all requirements of this Agreement, the other Loan Documents and must, among other matters:

(a) provide for termination of the lease for failure to: (i) provide any information required under this Agreement or reasonably requested by Borrower to establish or recertify the Tenant's qualification, or the qualification of the Tenant's household, for occupancy in the Development in accordance with the standards set forth in this Agreement, or (ii) qualify as a Low-60 Income Household as a result of any material misrepresentation made by such Tenant with respect to the income computation.

(b) be for an initial term of not less than one (1) year, unless by mutual agreement between the Tenant and Borrower, and provide for no increase in Rent during such year. After the initial year of tenancy, the lease may be month-to-month by mutual agreement of Borrower and the Tenant. Notwithstanding the above, any rent increases are subject to the requirements of Section 2.3(a) above.

(c) include a provision which requires a Tenant who is residing in a Unit required to be accessible pursuant to Section 3.11 of the Loan Agreement and who is not in need of an accessible Unit to move to a non-accessible Unit when a non-accessible Unit becomes available and another Tenant or prospective Tenant is in need of an accessible Unit.

Section 6.2 Lease Termination. Any termination of a lease or refusal to renew a lease for a City-Assisted Unit within the Development must be in conformance with 24 C.F.R. 92.253(c), and must be preceded by not less than sixty (60) days written notice to the Tenant by Borrower specifying the grounds for the action.

Section 6.3 Nondiscrimination.

(a) All of the Units must be available for occupancy on a continuous basis to members of the general public who are income eligible. Borrower may not give preference to any particular class or group of persons in renting or selling the Units, except to the extent that the Units are required to be leased to income eligible households pursuant to this Agreement. Borrower herein covenants by and for Borrower, assigns, and all persons claiming under or through Borrower, that there exist no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, source of income (e.g., SSI), ancestry, or disability, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any unit nor will Borrower or any person claiming under or through Borrower, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of any unit or in connection with the employment of persons for the construction, operation and management of any unit.

(b) Borrower shall accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor.

Borrower may not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective Tenants, nor will Borrower apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective Tenants.

Section 6.4 Term. The provisions of this Agreement apply to the Property for the Term even if the Loan is paid in full prior to the end of the terms. This Agreement binds any successor, heir or assign of Borrower, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by City. City is making the Loans on the condition, and in consideration of, this provision, and would not do so otherwise.

Section 6.5 Notice of Expiration of Term.

(a) At least six (6) months prior to the expiration of the Term, Borrower shall provide by first-class mail, postage prepaid, a notice to all Tenants containing (i) the anticipated date of the expiration of the Term, (ii) any anticipated increase in Rent upon the expiration of the Term, (iii) a statement that a copy of such notice will be sent to the City , and (iv) a statement that a public hearing may be held by the City on the issue and that the Tenant will receive notice of the hearing at least fifteen (15) days in advance of any such hearing. Borrower shall also file a copy of the above-described notice with the City's Housing Manager.

(b) In addition to the notice required above, Borrower shall comply with the requirements set forth in California Government Code Sections 65863.10 and 65863.11. Such notice requirements include: (i) a twelve (12) month notice to existing tenants, prospective tenants and Affected Public Agencies (as defined in California Government Code Section 65863.10(a), prior to the expiration of the Term, (ii) a six (6) month notice requirement to existing tenants, prospective tenants and Affected Public Agencies prior to the expiration of the Term; (iii) a notice of an offer to purchase the Development to "qualified entities" (as defined in California Government Code Section 65863.11(d)), if the Development is to be sold within the Term; (iv) a notice of right of first refusal within the one hundred eighty (180) day period that qualified entities may purchase the Development.

Section 6.6 Covenants to Run With the Land. The City and Borrower hereby declare their express intent that the covenants and restrictions set forth in this Agreement run with the land, and bind all successors in title to the Property, provided, however, that on the expiration of the Term of this Agreement said covenants and restrictions expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof, is to be held conclusively to have been executed, delivered and accepted subject to the covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the City expressly releases such conveyed portion of the Property from the requirements of this Agreement.

Section 6.7 Enforcement by The City. If Borrower fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the City has notified Borrower in writing of the default or, if the default cannot be cured within thirty (30)

days, fails to commence to cure within thirty (30) days and thereafter diligently pursue such cure and complete such cure within ninety (90) days, the City may enforce this Agreement by any or all of the following actions, or any other remedy provided by law:

(a) Calling the Loan. The City may declare a default under the Notes, accelerate the indebtedness evidenced by the Note, and proceed with foreclosure under one or both of the Deeds of Trust.

(b) Action to Compel Performance or for Damages. The City may bring an action at law or in equity to compel Borrower's performance of its obligations under this Agreement, and may seek damages.

(c) Remedies Provided Under Loan Documents. The City may exercise any other remedy provided under the Loan Documents.

Section 6.8 Attorneys' Fees and Costs. In any action brought to enforce this Agreement, the prevailing party must be entitled to all costs and expenses of suit, including reasonable attorneys' fees. This section must be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

Section 6.9 Recording and Filing. The City and Borrower shall cause this Agreement, and all amendments and supplements to it, to be recorded in the Official Records of the Stanislaus County.

Section 6.10 Governing Law. This Agreement is governed by the laws of the State of California.

Section 6.11 Waiver of Requirements. Any of the requirements of this Agreement may be expressly waived by the City in writing, but no waiver by the City of any requirement of this Agreement extends to or affects any other provision of this Agreement, and may not be deemed to do so.

Section 6.12 Amendments. This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title that is duly recorded in the official records of the City of Turlock.

Section 6.13 Notices. Any notice requirement set forth herein will be deemed to be satisfied three (3) days after mailing of the notice first-class United States certified mail, postage prepaid, addressed to the appropriate party as follows:

City: City of Turlock
Housing Program Services Division
156 S. Broadway Street, Suite 250
Turlock, CA 95380
Attn: Maryn Pitt, Housing Manager

Borrower: We Care Program
219 S. Broadway(P.O. Box 1291)
Turlock, CA 95380
Attn: Executive Director

Such addresses may be changed by notice to the other party given in the same manner as provided above.

Section 6.14 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this Agreement will not in any way be affected or impaired thereby.

Section 6.15 Multiple Originals; Counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 6.16 Time of Essence. Time is of the essence of each provision of this Agreement in which time is a factor.

WHEREAS, this Agreement has been entered into by the undersigned as of the date first written above.

CITY:

CITY OF TURLOCK,
a municipal corporation

By: _____
Print Name: _____
Title: _____

APPROVED AS TO FORM:

_____
Phaedra A. Norton
City Attorney

BORROWER:

WE CARE PROGRAM-TURLOCK,
a California non-profit public benefit corporation

By: _____
Print Name: _____
Title: _____

CALIFORNIA ALL-PURPOSE 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 Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, 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_____ (Seal)

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 Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____, 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_____ (Seal)

8F

Council Synopsis

February 24, 2015

From: Roy Wasden, City Manager

Prepared by: Marie Lorenzi, Senior Accountant

Agendized by: Roy W. Wasden, City Manager

1. ACTION RECOMMENDED:

Resolution: Approving a Loan Agreement for Avena Bella Phase II project costs between the Successor Agency to the Turlock Redevelopment Agency and the City of Turlock

Resolution: Approving a Loan Agreement for Public Safety Facility's contracts costs between the Successor Agency to the Turlock Redevelopment Agency and the City of Turlock

Resolution: Approving a Loan Agreement for City advance for ROPS 14-15A Enforceable Obligations between the Successor Agency to the Turlock Redevelopment Agency and the City of Turlock

2. DISCUSSION OF ISSUE:

The Loan Agreements (Agreements) listed above are before the City Council and the Board of Directors for the Successor Agency to the former Turlock Redevelopment Agency for consideration. They are contemplated in accordance with Health and Safety Code Section 34173(h) which permits loans between a city and a successor agency. The following is the text of this code section:

> *"...The city, county, or city and county that authorized the creation of a redevelopment agency may loan or grant funds to a successor agency for administrative costs, enforceable obligations, or project-related expenses at the city's discretion, but the receipt and use of these funds shall be reflected on the Recognized Obligation Payment Schedule or the administrative budget and therefore are subject to the oversight and approval of the oversight board. An enforceable obligation shall be deemed to be created for the repayment of those loans...."*

Background

The Agreements are before the Council and Board due to the revenue allocation process that is part of the redevelopment agency dissolution process. Every six months, the Successor Agency (Agency) prepares a Recognized Obligations Payment Schedule (ROPS) which delineates the outstanding obligations of the Agency. The California Department of Finance (DOF) reviews the ROPS and

provides the Agency with a Determination Letter outlining which obligations DOF approves for funding and which they don't.

The funding source for approved obligations is titled "Redevelopment Property Tax Trust Fund (RPTTF) and essentially represents the tax increment revenue that would have been distributed to redevelopment agencies had dissolution not occurred. The County Auditor-Controller uses the DOF approved ROPS as the basis for distributing the RPTTF to the Agency who then uses the RPTTF to retire the DOF approved obligations.

The majority of the Successor Agency's obligations are bonds that were issued in 1999, 2006 and 2011 to fund projects financed by the former Turlock Redevelopment Agency. Significant projects that have been or will be funded with RPTTF include the Public Safety Facility and both phases of the Avena Bella affordable housing project.

The Successor Agency is currently eligible for approximately $4.5 million in RPTTF annually to fund enforceable obligations. Debt service on the outstanding bonds requires approximately $3.2 million annually leaving $1.3 million available to fund projects of the Successor Agency as well as perform the administrative functions of the Agency including complying with bond covenant requirements. Up until now, the majority of the RPTTF available after bond debt service has been used to fund the Public Safety Facility contracts.

The following provides more detail for each agreement.

Avena Bella/EAH Agreement

The former Turlock Redevelopment Agency entered into two Disposition and Development Agreements (DDA) with EAH, Inc. for the development of an affordable housing project known as Avena Bella in the Linwood Ave/Hwy 99 area. The first phase of the project is complete with 80 units built and occupied. The second phase is in the development stage and EAH, Inc. is currently working on the financing package. The DDA for Phase II provided for up to $4 million in funding from the former Redevelopment Agency. The Successor Agency has received a "Final and Conclusive" determination letter from DOF regarding the DDA for phase II which means that this agreement has been deemed an enforceable obligation by DOF until its terms are completed. The Agency can continue to list this agreement on the ROPS without concern that DOF will deny it.

At this time, the Successor Agency is contemplating entering into a Loan Agreement with the City to provide financing for Avena Bella development related expenditures at times when there is not RPTTF available to fund expenditures on a current basis. If the agreement is approved by the City and Successor Agency, it will be sent to the Successor Agency's Oversight Board (OB) for consideration. If the OB approves the agreement, it will be forwarded to DOF for their approval. If approved by DOF, the City can then provide advances to finance Avena Bella

expenditures with the assurance that it will be reimbursed through the ROPS process when RPTTF is available.

Public Safety Facility Contracts
This loan agreement is being presented for Council and Agency approval due to inconsistent treatment of these contracts by DOF through the ROPS approval process. DOF had approved the various contracts related to the construction of the Public Safety Facility (PSF) through the ROPS prepared for the January – June 2014 period. DOF denied approval for these contracts on the July – December 2014 ROPS. After much discussion with DOF after the denial and with the assistance of our local legislators, these contracts were put on the January – June 2015 period ROPS where they were again approved. The City Manager had a discussion with an official from DOF this past fall and inquired about how to remedy this inconsistent treatment. This official suggested the agreement before Council as the avenue to obtain remedy.

Advance Related to 14-15A Enforceable Obligations
This loan agreement is the Agency's attempt to remedy the DOF's decisions related to funds used to finance the Public Safety Facility contract payments during the period from July – December 2013. Part of the semi-annual ROPS preparation process is the reconciliation of amounts previously approved with amounts actually expended. During the July – December 2013 reconciliation process, Staff mistakenly included Capital Facility Fee (CFF) funds as the source of payment for PSF contract expenses on the ROPS reconciliation page.

At the time this mistake was brought to Staff's attention by DOF, Staff explained to DOF the source of the CFF funds, the legal restrictions on their use, and the fact that they were not Successor Agency resources. Unfortunately, DOF did not agree that the CFF resources were not available to finance non-PSF Successor Agency obligations and reprogrammed $517,407 of CFF funds to be used to finance Successor Agency obligations. Since the City cannot legally use CFF Funds for projects that were not part of the nexus study prepared to support the implementation of the CFF fees, Staff has not used CFF revenue as DOF reprogrammed it. The Reimbursement Agreement is designed to remedy the DOF errant reprogramming of CFF funds.

3. BASIS FOR RECOMMENDATION:

All three of these loan agreements must be approved by the parties to the agreement – in this case the City and the Successor Agency – before they can be submitted to the Oversight Board for the Successor Agency. If the Oversight Board approves the agreements, they will be forwarded to DOF for their consideration. If DOF approves the agreements, they can be implemented by the Successor Agency and included on a future ROPS for RPTTF funding.

4. FISCAL IMPACT / BUDGET AMENDMENT:

The current fiscal impacts lie with the Public Safety Facility Agreement and the Advance Related to 14-15A Enforceable Obligations Agreement. The City has expended $432,049 in CFF monies for the PSF contract payments from July – December 2014 that would have been RPTTF funded if DOF had consistently approved these contracts. With regard to the "Advance" Agreement, the City has expended $127,044 to make the annual payment for the Economic Land Bank Loan the Agency has with the County. Only $9,638 of this amount was funded with RPTTF. The City felt it was prudent to mitigate its exposure from non-payment of a debt by making this payment in a timely manner.

5. CITY MANAGER'S COMMENTS:

Recommend approval

6. ENVIRONMENTAL DETERMINATION:

Not applicable

7. ALTERNATIVES

No alternative is recommended.

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROVING A LOAN AGREEMENT FOR AVENA BELLA PHASE II PROJECT COSTS BETWEEN THE SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY AND THE CITY OF TURLOCK	}	RESOLUTION NO. 2015-

WHEREAS, pursuant to AB X1 26 (enacted in June 2011), and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231 (2011), the Turlock Redevelopment Agency (the "Former Agency") was dissolved as of February 1, 2012, the Successor Agency of the Turlock Redevelopment Agency was constituted, and the Oversight Board to the Successor Agency (the "Oversight Board") was established; and

WHEREAS, pursuant to Section 34175(b) of the California Health and Safety Code ("HSC"), all assets of the Former Agency, including all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former Agency, transferred to the control of the Successor Agency by operation of law; and

WHEREAS, prior to dissolution, the Former Agency undertook to redevelop a project area known as the Turlock Redevelopment Project and, in such connection, entered into contracts for various projects, including a Disposition and Development Agreement, dated as of April 12, 2011 (the "Avena Bella II DDA"), by and between the Former Agency and EAH INC, relating to an affordable housing project; and

WHEREAS, the Avena Bella II DDA remains to be enforceable obligations of the Successor Agency, as the parties have not yet completed the obligations thereunder but are diligently proceeding towards such completion; and

WHEREAS, pursuant to HSC Section 34177(l), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (a "ROPS"), listing the enforceable obligations and the payments to be made by the Successor Agency for each six month fiscal period (a "ROPS Period"), and submit such ROPS to the Oversight Board and the California State Department of Finance ("DOF") for approval; and

WHEREAS, the Successor Agency has listed the estimated payment obligations for the Avena Bella II DDA on each of the Successor Agency's ROPS; and

WHEREAS, on September 25, 2014, the Oversight Board adopted Resolution No. OB-2014-003 approving the Successor Agency's ROPS ("ROPS 14-15B") for the ROPS Period commencing January 1, 2015; and

WHEREAS, as indicated in the DOF's letter dated November 10, 2014, the DOF approved ROPS 14-15B with modifications; and

WHEREAS, for ROPS 14-15B, the DOF approved payments totaling $7,447,690 for the Successor Agency's enforceable obligations and administrative costs allowance to be made from the January 2015 disbursement (the "14-15B RPTTF Disbursement") by the Stanislaus County Auditor-Controller (the "County Auditor-Controller") of moneys in the Successor Agency's Redevelopment Property Tax Trust Fund (the "RPTTF"); and

WHEREAS, the $7,447,690 of approved payments include $3,500,000 for the Avena Bella II DDA listed on ROPS 14-15B as Item No. 40; and

WHEREAS, in light of the insufficiency of moneys collected and deposited in the RPTTF, the County Auditor-Controller disbursed only $2,988,488.78 to the Successor Agency for the 14-15B RPTTF Disbursement; and

WHEREAS, HSC Section 34173(h) authorizes the City of Turlock (the "City") to loan funds to the Successor Agency for any enforceable obligation and provides that an enforceable obligation shall be deemed to be created for the repayment of such loan; and

WHEREAS, in order to facilitate the timely satisfaction of the Successor Agency's payment obligations under the Avena Bella II DDA, the City is willing to advance moneys from the City's available funds with the understanding that such advances shall collectively constitute a loan to the Successor Agency (the "Loan") under HSC 34173(h) and that the Successor Agency shall repay the Loan pursuant to the terms of a Loan Agreement for Avena Bella Phase II Projects Costs (the "Loan Agreement"), substantially in the form attached to this Resolution as Exhibit A; and

WHEREAS, the Successor Agency desires to enter into the Loan Agreement to confirm its acceptance of the Loan and provide for the repayment to the City for the Loan.

NOW, THEREFORE, the City Council of the City of Turlock does hereby find, determine, resolve, and order as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Loan Agreement, in the form attached hereto as Exhibit A, is hereby approved. Each of the Mayor and the City Manager (each, an Authorized Officer"), individually, is hereby authorized to execute and deliver, for and in the name of the City, the Loan Agreement in substantially such form, with changes therein as the Authorized Officer may approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 3. The Authorized Officers and all other officers of the City are hereby authorized, jointly and severally, to execute and deliver any and all necessary documents and instruments and to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and the Loan Agreement. Any actions previously taken by officers of the City consistent with the purposes of this Resolution and the Loan Agreement are hereby ratified and confirmed.

officers of the City consistent with the purposes of this Resolution and the Loan Agreement are hereby ratified and confirmed.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 24th day of February, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver, City Clerk,
City of Turlock, County of Stanislaus
State of California

LOAN AGREEMENT FOR AVENA BELLA PHASE II PROJECT COSTS

This LOAN AGREEMENT FOR AVENA BELLA PHASE II PROJECT COSTS (this "Agreement"), dated as of _____, 2015, is entered into by and between the City of Turlock (the "City"), and the Successor Agency to the Turlock Redevelopment Agency (the "Successor Agency," and together with the City, the "Parties").

RECITALS:

A. Pursuant to AB X1 26 (enacted in June 2011), and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231(2011), the Turlock Redevelopment Agency (the "Former Agency") was dissolved as of February 1, 2012, the Successor Agency was constituted, and the Oversight Board to the Successor Agency (the "Oversight Board") was established.

B. Pursuant to Section 34175(b) of the California Health and Safety Code ("HSC"), all assets of the Former Agency, including all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former Agency, transferred to the control of the Successor Agency by operation of law.

C. Prior to dissolution, the Former Agency undertook to redevelop a project area known as the Turlock Redevelopment Project and, in such connection, entered into contracts for various projects, including a Disposition and Development Agreement, dated as of April 12, 2011 (the "Avena Bella II DDA"), by and between the Former Agency and EAH INC, relating to an affordable housing project.

D. The Avena Bella II DDA remains to be enforceable obligations of the Successor Agency, as the parties have not yet completed the obligations thereunder but are diligently proceeding towards such completion.

E. Pursuant to HSC Section 34177(l), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (a "ROPS"), listing the enforceable obligations and the payments to be made by the Successor Agency for each six month fiscal period (a "ROPS Period"), and submit such ROPS to the Oversight Board and the California State Department of Finance ("DOF") for approval.

F. The Successor Agency has listed the estimated payment obligations for the Avena Bella II DDA on each of the Successor Agency's ROPS.

G. On September 25, 2014, the Oversight Board adopted Resolution No. OB-2014-003 approving the Successor Agency's ROPS ("ROPS 14-15B") for the ROPS Period commencing January 1, 2015.

H. As indicated in the DOF's letter dated November 10, 2014, the DOF approved ROPS 14-15B with modifications.

I. For ROPS 14-15B, the DOF approved payments totaling $7,447,690 for the Successor Agency's enforceable obligations and administrative costs allowance to be made from the January 2015 disbursement (the "14-15B RPTTF Disbursement") by the Stanislaus County Auditor-Controller (the "County Auditor-Controller") of moneys in the Successor Agency's Redevelopment Property Tax Trust Fund (the "RPTTF").

J. The $7,447,690 of approved payments include $3,500,000 for the Avena Bella II DDA listed on ROPS 14-15B as Item No. 40.

K. In light of the insufficiency of moneys collected and deposited in the RPTTF, the County Auditor-Controller disbursed only $2,988,488.78 to the Successor Agency for the 14-15B RPTTF Disbursement.

L. HSC Section 34173(h) authorizes the City to loan funds to the Successor Agency for any enforceable obligation and provides that an enforceable obligation shall be deemed to be created for the repayment of such loan.

M. In order to facilitate the timely satisfaction of the Successor Agency's payment obligations under the Avena Bella II DDA, the City is willing to advance moneys from the City's available funds with the understanding that such advances shall collectively constitute a loan to the Successor Agency (the "Loan") under HSC 34173(h) and that the Successor Agency shall repay the Loan pursuant to the terms of this Agreement.

N. The Successor Agency desires to enter into the Agreement to confirm its acceptance of the Loan and provide for the repayment to the City for the Loan.

O. Pursuant to HSC Sections 34178(a) and 34180(h), the Successor Agency may enter into agreements with the City with the Oversight Board's approval.

P. The Oversight Board adopted its Resolution No. _____ on _____, 2015 (the "Oversight Board Resolution"), approving the Successor Agency's execution and delivery of this Agreement.

Q. The Oversight Board Resolution was [approved] [deemed approved] by the DOF pursuant to HSC Section 34179(h) on _____, 2015.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Section 1. The City shall advance moneys, from the City's available funds, for the DDA Payment Obligations. The total dollar amount of the advances to be made by the City for such purpose shall constitute the Loan under this Agreement; provided, that the Loan shall not exceed $3,500,000 (*i.e.*, the amount approved by the DOF for the Avena Bella II DDA on ROPS 14-15B). The Successor Agency hereby confirms its acceptance of the Loan and agrees to repay the City in accordance with the terms of this Agreement. The Parties agree and acknowledge that the Loan constitutes a loan under HSC Section 34173(h) and the repayment of the Loan pursuant to this Agreement constitutes an enforceable obligation of the Successor Agency.

Section 2. The Successor Agency shall repay the Loan as quickly as possible, and to that end, the Successor Agency shall do the following:

(a) The Successor Agency shall repay the City for advances made during the ROPS 14-15B Period for the Avena Bella II DDA from moneys received from the ROPS 14-15B RPTTF Disbursement, to the extent such moneys are available after taking into consideration payments for the Successor Agency's other enforceable obligations during the ROPS 14-15B Period.

(b) So long as any balance of the Loan remains outstanding and unpaid, the Successor Agency shall include the repayment of such outstanding balance on the Successor Agency's successive ROPS. The Successor Agency shall repay the City from moneys available to the Successor Agency, including but not limited to RPTTF disbursements, based on such future ROPS.

Section 3. The City shall maintain records of all of the advances made by the City for the Avena Bella II DDA and all of the receipts of repayments made by the Successor Agency pursuant to this Agreement. Such records shall be available for inspection by the Successor Agency at all reasonable times.

Section 4. The Parties agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

Section 5. This Agreement may be amended at any time, and from time to time, by an agreement executed by both parties to this Agreement in writing.

Section 6. If any provision of this Agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

Section 7. No official, agent, or employee of the Successor Agency or the City, or members of the City Council, or members of the Successor Agency Board of Directors or Oversight Board shall be individually or personally liable for any payment hereunder in the event of any default or breach by the Parties, or for any amount which may otherwise become due under the terms of this Agreement.

Section 8. 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.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers.

SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

By _____
Executive Director

Attest:

_____
Secretary

CITY OF TURLOCK

By _____
City Manager

Attest:

_____
City Clerk

APPROVED:

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

By _____ Date: _____
Chair

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROVING A LOAN AGREEMENT FOR PUBLIC SAFETY FACILITY'S CONTRACTS COSTS BETWEEN THE SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY AND THE CITY OF TURLOCK	RESOLUTION NO. 2015-

WHEREAS, pursuant to AB X1 26 (enacted in June 2011), and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231 (2011), the Turlock Redevelopment Agency (the "Former Agency") was dissolved as of February 1, 2012, the Successor Agency of the Turlock Redevelopment Agency was constituted, and the Oversight Board to the Successor Agency (the "Oversight Board") was established; and

WHEREAS, pursuant to Section 34175(b) of the California Health and Safety Code ("HSC"), all assets of the Former Agency, including all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former Agency, transferred to the control of the Successor Agency by operation of law; and

WHEREAS, prior to dissolution, the Former Agency undertook to redevelop a project area known as the Turlock Redevelopment Project and, in such connection, entered into contracts for various projects, including contracts (the "Public Safety Facility Contracts") for the construction of a combined police department and fire administration facility (the "Public Safety Facility Project"); and

WHEREAS, many of the Public Safety Facility Contracts remain to be enforceable obligations of the Successor Agency, as the parties have not yet completed the obligations thereunder but are diligently proceeding towards such completion; and

WHEREAS, pursuant to HSC Section 34177(l), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (a "ROPS"), listing the enforceable obligations and the payments to be made by the Successor Agency for each six month fiscal period (a "ROPS Period"), and submit such ROPS to the Oversight Board and the California State Department of Finance ("DOF") for approval; and

WHEREAS, the Successor Agency has listed the estimated payment obligations for the Public Safety Facility Contracts on each of the Successor Agency's ROPS; and

WHEREAS, on September 25, 2014, the Oversight Board adopted Resolution No. OB-2014-003 approving the Successor Agency's ROPS ("ROPS 14-15B") for the ROPS Period commencing January 1, 2015; and

WHEREAS, as indicated in the DOF's letter dated November 10, 2014, the DOF approved ROPS 14-15B with modifications; and

WHEREAS, for ROPS 14-15B, the DOF approved payments totaling $7,447,690 for the Successor Agency's enforceable obligations and administrative costs allowance to be made from the January 2015 disbursement (the "14-15B RPTTF Disbursement") by the Stanislaus County Auditor-Controller (the "County Auditor-Controller") of moneys in the Successor Agency's Redevelopment Property Tax Trust Fund (the "RPTTF"); and

WHEREAS, the $7,447,690 of approved payments include $1,687,642 for the Public Safety Facility Contracts listed on ROPS 14-15B as Item Nos. 9 through 13, 15 through 21 and 23; and

WHEREAS, in light of the insufficiency of moneys collected and deposited in the RPTTF, the County Auditor-Controller disbursed only $2,988,488.78 to the Successor Agency for the 14-15B RPTTF Disbursement; and

WHEREAS, HSC Section 34173(h) authorizes the City to loan funds to the Successor Agency for any enforceable obligation and provides that an enforceable obligation shall be deemed to be created for the repayment of such loan; and

WHEREAS, in order to facilitate the timely satisfaction of the Successor Agency's payment obligations under the Public Safety Facility Contracts (the "PSF Payment Obligations"), the City has already advanced $432,049 before the ROPS 14-15B Period and is willing to advance additional moneys from the City's available funds with the understanding that such advances shall collectively constitute a loan to the Successor Agency (the "Loan") under HSC 34173(h) and that the Successor Agency shall repay the Loan pursuant to the terms of a Loan Agreement for Public Safety Facilities Contracts Costs (the "Loan Agreement"), substantially in the form attached to this Resolution as Exhibit A; and

WHEREAS, the Successor Agency desires to enter into the Loan Agreement to confirm its acceptance of the Loan and provide for the repayment to the City for the Loan.

NOW, THEREFORE, the City Council of the City of Turlock does hereby find, determine, resolve, and order as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Loan Agreement, in the form attached hereto as Exhibit A, is hereby approved. Each of the Mayor and the City Manager (each, an Authorized Officer"), individually, is hereby authorized to execute and deliver, for and in the name of the City, the Loan Agreement in substantially such form, with changes therein as the Authorized Officer may approve (such approval to be conclusively evidenced by the execution and delivery thereof).

instruments and to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and the Loan Agreement. Any actions previously taken by officers of the City consistent with the purposes of this Resolution and the Loan Agreement are hereby ratified and confirmed.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 24th day of February, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver, City Clerk
City of Turlock, County of Stanislaus
State of California

LOAN AGREEMENT FOR PUBLIC SAFETY FACILITY'S CONTRACTS COSTS

This LOAN AGREEMENT FOR PUBLIC SAFETY FACILITY'S CONTRACTS COSTS (this "Agreement"), dated as of _____, 2015, is entered into by and between the City of Turlock (the "City"), and the Successor Agency to the Turlock Redevelopment Agency (the "Successor Agency," and together with the City, the "Parties").

RECITALS:

A. Pursuant to AB X1 26 (enacted in June 2011), and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231 (2011), the Turlock Redevelopment Agency (the "Former Agency") was dissolved as of February 1, 2012, the Successor Agency was constituted, and the Oversight Board to the Successor Agency (the "Oversight Board") was established.

B. Pursuant to Section 34175(b) of the California Health and Safety Code ("HSC"), all assets of the Former Agency, including all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former Agency, transferred to the control of the Successor Agency by operation of law.

C. Prior to dissolution, the Former Agency undertook to redevelop a project area known as the Turlock Redevelopment Project and, in such connection, entered into contracts for various projects, including contracts (the "Public Safety Facility Contracts") for the construction of a combined police department and fire administration facility (the "Public Safety Facility Project").

D. Many of the Public Safety Facility Contracts remain to be enforceable obligations of the Successor Agency, as the parties have not yet completed the obligations thereunder but are diligently proceeding towards such completion.

E. Pursuant to HSC Section 34177(l), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (a "ROPS"), listing the enforceable obligations and the payments to be made by the Successor Agency for each six month fiscal period (a "ROPS Period"), and submit such ROPS to the Oversight Board and the California State Department of Finance ("DOF") for approval.

F. The Successor Agency has listed the estimated payment obligations for the Public Safety Facility Contracts on each of the Successor Agency's ROPS.

G. On September 25, 2014, the Oversight Board adopted Resolution No. OB-2014-003 approving the Successor Agency's ROPS ("ROPS 14-15B") for the ROPS Period commencing January 1, 2015.

H. As indicated in the DOF's letter dated November 10, 2014, the DOF approved ROPS 14-15B with modifications.

I. For ROPS 14-15B, the DOF approved payments totaling $7,447,690 for the Successor Agency's enforceable obligations and administrative costs allowance to be made from the January 2015 disbursement (the "14-15B RPTTF Disbursement") by the Stanislaus County Auditor-Controller (the "County Auditor-Controller") of moneys in the Successor Agency's Redevelopment Property Tax Trust Fund (the "RPTTF").

J. The $7,447,690 of approved payments include $1,687,642 for the Public Safety Facility Contracts listed on ROPS 14-15B as Item Nos. 9 through 13, 15 through 21 and 23.

K. In light of the insufficiency of moneys collected and deposited in the RPTTF, the County Auditor-Controller disbursed only $2,988,488.78 to the Successor Agency for the 14-15B RPTTF Disbursement.

L. HSC Section 34173(h) authorizes the City to loan funds to the Successor Agency for any enforceable obligation and provides that an enforceable obligation shall be deemed to be created for the repayment of such loan.

M. In order to facilitate the timely satisfaction of the Successor Agency's payment obligations under the Public Safety Facility Contracts (the "PSF Payment Obligations"), the City has already advanced $432,049 before the ROPS 14-15B Period and is willing to advance additional moneys from the City's available funds with the understanding that such advances shall collectively constitute a loan to the Successor Agency (the "Loan") under HSC 34173(h) and that the Successor Agency shall repay the Loan pursuant to the terms of this Agreement.

N. The Successor Agency desires to enter into the Agreement to confirm its acceptance of the Loan and provide for the repayment to the City for the Loan.

O. Pursuant to HSC Sections 34178(a) and 34180(h), the Successor Agency may enter into agreements with the City with the Oversight Board's approval.

P. The Oversight Board adopted its Resolution No. _____ on _____, 2015 (the "Oversight Board Resolution"), approving the Successor Agency's execution and delivery of this Agreement.

Q. The Oversight Board Resolution was [approved] [deemed approved] by the DOF pursuant to HSC Section 34179(h) on _____, 2015.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Section 1. As described in the Recitals above, the City has advanced and shall advance moneys, from the City's available funds, for the PSF Payment Obligations. The total dollar amount of the advances to be made by the City for such purpose shall constitute the Loan under this Agreement; provided, that the Loan shall not exceed $1,687,642 (*i.e.*, the amount approved by the DOF for the PSF Payment Obligations on ROPS 14-15B). The Successor Agency hereby confirms its acceptance of the Loan and agrees to repay the City in accordance with the terms of this Agreement. The Parties agree and acknowledge that the Loan constitutes a loan under HSC Section 34173(h) and the repayment of the Loan pursuant to this Agreement constitutes an enforceable obligation of the Successor Agency.

Section 2. The Successor Agency shall repay the Loan as quickly as possible, and to that end, the Successor Agency shall do the following:

(a) The Successor Agency shall repay the City for advances already made and those to be made during ROPS 14-15B Period for the PSF Payment Obligations from moneys received from the ROPS 14-15B RPTTF Disbursement, to the extent such moneys are available after taking into consideration payments for the Successor Agency's other enforceable obligations during the ROPS 14-15B Period.

(b) So long as any balance of the Loan remains outstanding and unpaid, the Successor Agency shall include the repayment of such outstanding balance on the Successor Agency's successive ROPS. The Successor Agency shall repay the City from moneys available to the Successor Agency, including but not limited to RPTTF disbursements, based on such future ROPS.

Section 3. The City shall maintain records of all of the advances made by the City for the PSF Payment Obligations and all of the receipts of repayments made by the Successor Agency pursuant to this Agreement. Such records shall be available for inspection by the Successor Agency at all reasonable times.

Section 4. The Parties agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

Section 5. This Agreement may be amended at any time, and from time to time, by an agreement executed by both parties to this Agreement in writing.

Section 6. If any provision of this Agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

Section 7. No official, agent, or employee of the Successor Agency or the City, or members of the City Council, or members of the Successor Agency Board of Directors or Oversight Board shall be individually or personally liable for any payment hereunder in the event of any default or breach by the Parties, or for any amount which may otherwise become due under the terms of this Agreement.

Section 8. 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.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers.

SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

By _____
Executive Director

Attest:

_____
Secretary

CITY OF TURLOCK

By _____
City Manager

Attest:

_____
City Clerk

APPROVED:

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

By _____ Date: _____
Chair

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROVING A LOAN AGREEMENT FOR CITY ADVANCE FOR ROPS 14-15A ENFORCEABLE OBLIGATIONS BETWEEN THE SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY AND THE CITY OF TURLOCK	RESOLUTION NO. 2015-

WHEREAS, pursuant to AB X1 26 (enacted in June 2011), and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231 (2011), the Turlock Redevelopment Agency (the "Former Agency") was dissolved as of February 1, 2012, the Successor Agency of the Turlock Redevelopment Agency was constituted, and the Oversight Board to the Successor Agency (the "Oversight Board") was established; and

WHEREAS, pursuant to Section 34177(l) of the California Health and Safety Code ("HSC"), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (a "ROPS"), listing the enforceable obligations and the payments to be made by the Successor Agency for each six month fiscal period (a "ROPS Period"), and submit such ROPS to the Oversight Board and the California State Department of Finance ("DOF") for approval; and

WHEREAS, the DOF has required that, in conjunction with the preparation of each ROPS, the Successor Agency must also prepare and submit a Report of Prior Period Adjustments (the "Prior Period Report"), which shows, among other things, the dollar amount authorized by the DOF to be paid for each item listed on the relevant prior ROPS, and the actual dollar amount expended for each such ROPS item; and

WHEREAS, in conjunction with the preparation of the ROPS for the period commencing July 1, 2014 (the "ROPS 14-15A Period"), the Successor Agency prepared a Prior Period Report (the "ROPS 13-14A Prior Period Report") for the ROPS ("ROPS 13-14A") for the period commencing July 1, 2013 (the "ROPS 13-14A Period"); and

WHEREAS, ROPS 13-14A included items for payment of contracts relating to a project for the construction of a combined police department and fire administration facility (the "Public Safety Facility Project"); and

WHEREAS, during the ROPS 13-14A Period, in addition to moneys available to the Successor Agency, the City also provided moneys derived from capital facilities fees that were collected by the City and allocated specifically for the Public Facility Project (the "Capital Facilities Fees"); and

WHEREAS, moneys derived from the Capital Facilities Fees must be used by the City for designated purposes and they are not funds of the Successor Agency; and

WHEREAS, on the ROPS 13-14A Prior Period Report, the Successor Agency inadvertently included in the reporting for the dollars spent for the ROPS 13-14A items relating to the Public Safety Facility Project moneys paid by the City from the Capital Facilities Fees for the Public Safety Facility Project, *in addition to* Successor Agency moneys used for those items; and

WHEREAS, because of the above-described inadvertence, the ROPS 13-14A Prior Period Report erroneously appeared as if more Successor Agency moneys were spent on the Public Safety Facility Project items than were previously approved by the DOF; and

WHEREAS, furthermore, because of the above-described inadvertence, the DOF erroneously deducted $517,407 (the "DOF Deduction") from the amount otherwise approved to be disbursed to Successor Agency from the Redevelopment Property Tax Trust Fund (the "RPTTF") for the ROPS 14-15A Period, and thereby created a shortfall with respect to the Successor Agency's ability to pay its ROPS 14-15A Period obligations in the absence of an advance by the City; and

WHEREAS, HSC Section 34173(h) authorizes the City to loan funds to the Successor Agency for any enforceable obligation and provides that an enforceable obligation shall be deemed to be created for the repayment of such loan; and

WHEREAS, to enable the Successor Agency make timely payments towards enforceable obligations during the ROPS 14-15A Period, the City made an advance to the Successor Agency in the amount of the DOF Deduction, *i.e.*, $517,407, which constitutes a loan under HSC Section 34173(h) (the "Loan"); and

WHEREAS, the Successor Agency and the City desire to enter into a Loan Agreement for City Advance for ROPS 14-15A Enforceable Obligations (the "Loan Agreement"), substantially in the form attached to this Resolution as Exhibit A, to provide for the repayment to the City for the Loan.

NOW, THEREFORE, the City Council of the City of Turlock does hereby find, determine, resolve, and order as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Loan Agreement, in the form attached hereto as Exhibit A, is hereby approved. Each of the Mayor and the City Manager (each, an Authorized Officer"), individually, is hereby authorized to execute and deliver, for and in the name of the City, the Loan Agreement in substantially such form, with changes therein as the Authorized Officer may approve (such approval to be conclusively evidenced by the execution and delivery thereof).

instruments and to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and the Loan Agreement. Any actions previously taken by officers of the City consistent with the purposes of this Resolution and the Loan Agreement are hereby ratified and confirmed.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 24th day of February, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver City Clerk,
City of Turlock, County of Stanislaus,
State of California

LOAN AGREEMENT FOR CITY ADVANCE FOR ROPS 14-15A ENFORCEABLE OBLIGATIONS

This LOAN AGREEMENT FOR CITY ADVANCE FOR ROPS 14-15A ENFORCEABLE OBLIGATIONS (this "Agreement"), dated as of _____, 2015, is entered into by and between the City of Turlock (the "City"), and the Successor Agency to the Turlock Redevelopment Agency (the "Successor Agency," and together with the City, the "Parties").

RECITALS:

A. Pursuant to AB X1 26 (enacted in June 2011), and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231(2011), the Turlock Redevelopment Agency (the "Former Agency") was dissolved as of February 1, 2012, the Successor Agency was constituted, and the Oversight Board to the Successor Agency (the "Oversight Board") was established.

B. Pursuant to Section 34177(l) of the California Health and Safety Code ("HSC"), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (a "ROPS"), listing the enforceable obligations and the payments to be made by the Successor Agency for each six month fiscal period (a "ROPS Period"), and submit such ROPS to the Oversight Board and the California State Department of Finance ("DOF") for approval.

C. The DOF has required that, in conjunction with the preparation of each ROPS, the Successor Agency must also prepare and submit a Report of Prior Period Adjustments (the "Prior Period Report"), which shows, among other things, the dollar amount authorized by the DOF to be paid for each item listed on the relevant prior ROPS, and the actual dollar amount expended for each such ROPS item.

D. In conjunction with the preparation of the ROPS for the period commencing July 1, 2014 (the "ROPS 14-15A Period"), the Successor Agency prepared a Prior Period Report (the "ROPS 13-14A Prior Period Report") for the ROPS ("ROPS 13-14A") for the period commencing July 1, 2013 (the "ROPS 13-14A Period").

E. ROPS 13-14A included items for payment of contracts relating to a project for the construction of a combined police department and fire administration facility (the "Public Safety Facility Project").

F. During the ROPS 13-14A Period, in addition to moneys available to the Successor Agency, the City also provided moneys derived from capital facilities fees that were collected by the City and allocated specifically for the Public Facility Project (the "Capital Facilities Fees").

G. Moneys derived from the Capital Facilities Fees must be used by the City for designated purposes and they are not funds of the Successor Agency.

H. On the ROPS 13-14A Prior Period Report, the Successor Agency inadvertently included in the reporting for the dollars spent for the ROPS 13-14A items relating to the Public

Safety Facility Project moneys paid by the City from the Capital Facilities Fees for the Public Safety Facility Project, *in addition to* Successor Agency moneys used for those items.

I. Because of the above-described inadvertence, the ROPS 13-14A Prior Period Report erroneously appeared as if more Successor Agency moneys were spent on the Public Safety Facility Project items than were previously approved by the DOF.

J. Furthermore, because of the above-described inadvertence, the DOF erroneously deducted $517,407 (the "DOF Deduction") from the amount otherwise approved to be disbursed to Successor Agency from the Redevelopment Property Tax Trust Fund (the "RPTTF") for the ROPS 14-15A Period, and thereby created a shortfall with respect to the Successor Agency's ability to pay its ROPS 14-15A Period obligations in the absence of an advance by the City.

K. To enable the Successor Agency make timely payments towards enforceable obligations during the ROPS 14-15A Period, the City made an advance to the Successor Agency in the amount of the DOF Deduction, *i.e.*, $517,407.

L. HSC Section 34173(h) authorizes the City to loan funds to the Successor Agency for any enforceable obligation and provides that an enforceable obligation shall be deemed to be created for the repayment of such loan.

M. The Oversight Board reviewed the information presented by the Successor Agency and, based on such review, adopted Resolution No. _____ on _____, 2015 (the "Oversight Board Resolution"), determining that: (i) the inclusion in the ROPS 13-14A Prior Period Report of the Capital Facilities Fees used for the Public Safety Facility Project was an error, (ii) the DOF Deduction, in the amount of $517,407, was the result of such error, and (iii) the resulting advance by the City in the amount of the DOF Deduction constitutes a loan to the Successor Agency (the "Loan") under HSC 34173(h).

N. The Successor Agency desires to enter into the Agreement to provide for the repayment to the City for the Loan.

O. The Oversight Board, by the adoption of the Oversight Board Resolution, approved the Successor Agency's execution and delivery of this Agreement.

P. The Oversight Board Resolution was [approved] [deemed approved] by the DOF pursuant to HSC Section 34179(h) on _____, 2015.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Section 1. The Successor Agency acknowledges and confirms that it has received the Loan, in the amount of $517,407 from the City and agrees to repay the City in accordance with the terms of this Agreement. The Parties agree and further acknowledge that the Loan constitutes a loan under HSC Section 34173(h) and the repayment of the Loan pursuant to this Agreement constitutes an enforceable obligation of the Successor Agency.

Section 2. The Successor Agency shall repay the Loan as quickly as possible, and to that end, the Successor Agency shall include the repayment of such outstanding balance on the

Successor Agency's successive ROPS, so long as any portion of the Loan remains unpaid and outstanding. The Successor Agency shall repay the City from moneys available to the Successor Agency, including but not limited to RPTTF disbursements, based on such future ROPS.

Section 3. The Parties agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

Section 4. This Agreement may be amended at any time, and from time to time, by an agreement executed by both parties to this Agreement in writing.

Section 5. If any provision of this Agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

Section 6. No official, agent, or employee of the Successor Agency or the City, or members of the City Council, or members of the Successor Agency Board of Directors or Oversight Board shall be individually or personally liable for any payment hereunder in the event of any default or breach by the Parties, or for any amount which may otherwise become due under the terms of this Agreement.

Section 7. 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.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers.

SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

By _____
Executive Director

Attest:

_____
Secretary

CITY OF TURLOCK

By _____
City Manager

Attest:

_____
City Clerk

APPROVED:

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

By _____ Date: _____
Chair

EXHIBIT A

Legal Description

The land is situated in the State of California, County of Stanislaus, and is described as follows:

Lot 4 in Block 364 as shown on the map of Westmont Subdivision, which map was filed April 12, 1978 in Book 27 of Maps, at Page 63

APN: 061-040-004