

SUBJECT: AWARD OF CONTRACT – RECLAMATION AREA LEASE

SOURCE: Public Works Department – Field Services Division

COMMENT: This staff report was presented to the City Council on September 19, 2014. At that time, the Council discussed the project in great detail and received comments from the two proposers. Upon conclusion of the discussion, the City Council directed staff to return the item to the October 7, 2014, Council meeting for further deliberations.

In summary, the City solicited proposals from experienced farming entities for the lease of the City's Reclamation Area. The lease consists of 682.4 acres, of which 594.62 acres is leveled and under irrigation; the remaining 87.78 acres require maintenance by the lessee.

On September 4, 2014, Public Works received two proposals from local farming entities. It was quickly noted that an addendum requiring the signature of each proposer was missing from the Nuckols Farming proposal. Mr. Nuckols stated on September 4, 2014, that he did not receive the addendum via fax.

Mr. Nuckols acknowledged to staff that his fax machine registered receiving a document from the City on the date that the Purchasing Agent faxed Addendum #1 to all plan holders. City records clearly show that all four plan holders received the addendum. A copy of the City's fax register attesting to this fact is attached.

The proposals were discussed in detail with the Reclamation Area Subcommittee and rated by staff members of the subcommittee based on the four (4) categories noted below.

1. Farming experience & financial condition of the applicant (25 pts.)
2. Marketing & sales experience (5 pts.)
3. Annual lease by proposer (40 pts.)
4. Recycled water & biosolid application experience (30 pts.)

The proposer's average score and rank, shown below, did not take into account the significance of the unsigned document.

<u>Farming Entity</u>	<u>Average Score</u>	<u>Rank</u>
Nuckols Farming Porterville, CA	91	1
Rick Perigo Roadsiding Terra Bella, CA	88	2

Dir BR Appropriated/Funded MB CM [Signature]

Item No. 27

Nuckols Farming submitted a **\$239** per acre proposal, which equates to an annual lease of **\$163,094** on the full 682.4 acres. The lease amount over the life of the contract (5 years) equals **\$815,468**. However, as noted above, the Nuckols proposal did not include the required signed addendum #1.

Rick Perigo Roadsiding submitted a **\$165** per acre proposal, which equates to **\$112,586** on the full 682.4 acres. The lease amount over the life of the contract equals **\$562,980**.

The City Attorney has reviewed the situation, and if the lease was being administered as a Public Works Contract, the unsigned addendum would cause the Nuckols Farming proposal to be considered non-responsive. However, the lease is being administered as a Professional Services Contract, thus the Council has the authority to waive the requirement and consider the proposal as responsive. As such, the Council has three options:

- Option 1) Affirm that the City received one responsive proposal from Rick Perigo Roadsiding in the amount of \$112,586 annually and that Council award said farm lease contract to Rick Perigo Roadsiding.
- Option 2) Waive the lack of a signed addendum #1 by Nuckols Farming, have Robert Nuckols submit the required signed addendum #1, and award the farm lease contract to Nuckols Farming in the amount of \$163,094 annually.
- Option 3) Reject all proposals as the City originally received only one responsive proposal and re-advertise the farm lease RFP. This option, although not ideal, is possible but with the following concerns:
 - a) The proposal amounts have been disclosed in an open forum and therefore, short of modifying the RFP to reflect a different project, the apparent high proposer may claim he was disadvantaged.
 - b) The apparent low proposer may claim that he followed all instructions as directed by the City and therefore, his proposal should be the only proposal considered for award.
 - c) Re-advertising does not guarantee that the City will receive proposals from either party and, almost certainly, the short advertisement period will preclude other proposers from submitting proposals.

The issue has been raised regarding the City's and/or the Farmer's ability to terminate the contract. The contract language is standard and straight forward. Should the City or Farmer wish to terminate the contract, the party wishing to terminate the contract must present the other party with a written ninety (90) day "Notice of Intent" (NOI) to terminate. In the event the Farmer provides his ninety day notice between lease payments, the City can and will draw a minimum 3 months lease payment from the line of credit established as part of the original Service Agreement. The 3 month payment drawn from the line of credit will allow the City to advertise and award a new Farm Lease contract.

RECOMMENDATION: That the City Council:

1. Consider the lack of a signed addendum as non-responsive and accept Rick Perigo Roadsiding's proposal of \$165 per acre, for an annual amount of \$112,596 for 682.4 acres as the top proposal;
2. Approve the lease agreement between the City of Porterville and Rick Perigo Roadsiding; and
3. Authorize the Mayor to sign a five (5) year lease agreement with Rick Perigo Roadsiding and stipulate that the lease agreement start date shall be November 1, 2014, and the lease agreement end date shall be October 31, 2019.

OR

1. Waive the lack of a signed addendum and accept Nuckols Farming proposal of \$239 per acre, \$163,094 for 682.4 acres as the top proposal;
2. Approve the lease agreement between the City of Porterville and Nuckols Farming; and
3. Authorize the Mayor to sign a five (5) year lease agreement with Nuckols Farming and stipulate that the lease agreement start date shall be November 1, 2014, and the lease agreement end date shall be October 31, 2019.

ATTACHMENT: Addendum No. 1
Fax Confirmation Detail
Reclamation Area Lease Agreement

CITY OF PORTERVILLE
CALIFORNIA
PROJECT
BID NO: 14/15-SR1823

BEGINNING OF ADDENDUM No. 1

Date: August 20, 2014

ITEM No. 1 Reclamation Area Lease Request for Proposal – Page 3 of 9; Section 3; paragraph II. The applicant must submit a bid for all of the properties included in the program. The Lessee is responsible for water management, irrigation, farming and operations of the crop land while *irrigation infrastructure and capital projects are budget items and are paid by the City.* The Lessee is responsible for all utility expenses as described in Section 10 of the Reclamation Area Lease Agreement.

ITEM No. 2 Reclamation Area Lease Agreement – Section 2.1. Will be removed from the Agreement.

ITEM No. 3 Reclamation Area Lease Agreement – Section 7.2.4. One-third (1/3) interest in an irrigation well (5N) with a 75 horsepower motor. Sun Pacific Farming owns a two-thirds (2/3) interest in irrigation well (5N).

ITEM No. 4 Reclamation Area Lease Agreement – Section 7.2.5. One (1) extraction well (Hunsaker) with a 150 horsepower motor.

ITEM No. 5 Reclamation Area Lease Agreement – Section 10.1. Lessor shall be responsible to pay utility costs for extraction well (Hunsaker) from April – September. Lessee shall reimburse the Lessor for irrigation utility costs if the extraction well (Hunsaker) is used from October – March. Lessee can extrapolate estimated cost of operating well by using average summer time rate of 11.5 Cents/kWh for the 150 horsepower motor.

ITEM No. 6 Reclamation Area Lease Agreement – Section 10.2. Lessee shall be responsible for registering shared irrigation well (5N) for service, under Lessee's name, with Southern California Edison. Lessee is responsible for paying its share of utility costs. Lessee is responsible for contacting Sun Pacific Farming and forwarding utility costs for payment if irrigation well is used by Sun Pacific Farming.

ITEM No. 7 Reclamation Area Lease Agreement – Section 10.3 Lessee shall be responsible for registering two (2) tail water sump pumps on fields 160A and 35, under Lessee's name, with Southern California Edison and paying all utility costs.

ITEM No. 8 Reclamation Area Lease Agreement – Section 11.5. Will be removed from the Agreement.

/s/ Baldomero Rodriguez
Public Works Director
END OF ADDENDUM No. 1

/s/ Maria Bemis
Purchasing Agent

This addendum must be signed and submitted with the sealed bid proposal.
Bid proposals submitted without this sheet will not be considered.

Firm: _____

By: _____

Authorized Signature

Date: _____

ScanDoc-20140821100657 - Detail

Job No. : 008485

Result : Completed

Completed: [FAX] 97882649 Rick Perigo Roadsiding
Completed: [FAX] 97842328 Nuckols Farming
Completed: [FAX] 95342239 Parsons & Sons Farming, LLC
Completed: [FAX] 95354241 J.C. Sheets Farming

Total : 4 destination(s)

Job Type : Sending Job - FAX

Job Name : ScanDoc-20140821100657

User Name :

Connected to :

Accepted Time : 2014/08/21 10:07

End Time : 2014/08/21 10:18

Original Pages : 2

Color : Black & White

Back

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

(City of Porterville - _____, Lessee)

THIS AGREEMENT, is executed in Porterville, California, on November 1, 2014, (herein after "Execution Date") by and between the City OF PORTERVILLE, (hereinafter "Lessor"), and _____, (hereinafter "Lessee").

WITNESSETH:

WHEREAS:

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

NOW, THEREFORE, IT IS MUTUALLY AGREED as follows:

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

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

- 1.6. Lessee has inspected the Premises and improvements thereon, knows the extent and condition thereof, and accepts same in their present condition, including all defects, latent and/or patent.
 - 1.7. The City shall have the right to reduce or expand the acreage of the Premises and remove or add to this area for Lessee's use.
 - 1.7.1. At least 90 days prior to reduction or enlargement of the lease area, the City shall provide Lessee written notice stating:
 - 1.7.1.1. The effective date of the reduced or enlarged area.
 - 1.7.1.2. A description and drawing that identify the reduced or enlarged area and remaining lease area.
 - 1.7.1.3. A revised rental rate to begin the effective date.
 - 1.7.1.4. A request to meet with Lessee to provide additional information.
 - 1.7.2. Lessee shall have 60 days from the date of the City's written notice to terminate this Agreement by providing written notice to the City and if so terminated:
 - 1.7.2.1. Lessee's date of termination shall be the same as the effective date.
 - 1.7.2.2. Lessee shall have the right to harvest existing crops within the Premises through the 90 day to the effective date of the notice to terminate.
 - 1.7.2.3. Lessee shall be required to pay the rent due within the 90 day period in the manner described in Paragraph 5 herein below, but said payment shall be pro-rated for the number of days after that last rent payment (either July 1st or January 1st) to the effective date of termination.
 - 1.7.2.4. Upon such early termination, the City shall pay to Lessee, or credit Lessee's last rent payment, the market value of any improvements made or put upon said premises by the Lessee in accordance with Section 68 of the City Charter.
2. Off-Premises and Easement Areas
- 2.1. Lessee is responsible for delivering effluent to property outside of the Reclamation Area (Off-Premises), in accordance with the City's existing and future agreements with other parties.
 - 2.2. Lessor shall also permit Lessee the non-exclusive right to use existing roads on Section lines and quarter Section lines on the Premises.
 - 2.2.1. Lessor and Lessor's easement holders and invitees may also use said roads for vehicular traffic.
 - 2.2.2. Lessee shall not remove said roads and shall keep said roads open and maintained to allow two-wheel drive travel.
 - 2.3. Lessee is aware that various easements cross the Premises and that from time to time easement holders have the right to enter the Premises, conduct their operations, and may temporarily hinder Lessee's operations.
 - 2.4. Lessee has inspected the farm connection road, dirt roads, easement areas, and other off-Premises areas that Lessee may use or benefit from, knows the extent and condition thereof, and accepts same in their present condition, including all defects, latent and /or patent.
3. Purpose
- 3.1 The purpose of this Agreement is for Lessee to reuse and disperse the wastewater from the City exclusively on the Premises in order to irrigate and farm the Premises.
 - 3.1.1 The City effluent is controlled by the California Region Water Quality Control Board (CRWQCB) Waste Discharge Requirements (R5-2008-0034).

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

- 3.1.2 Lessee shall not farm or grow crops to be used for human consumption.
- 3.1.3 No grazing of dairy cows shall be permitted on the Premises.
- 3.2 Lessee shall not use the Premises or effluent for any other purposes, except as provided elsewhere in this Agreement.

4. Term

- 4.1. The term hereof shall commence on November 1, 2014 and terminate on October 31, 2019.
- 4.2. The Lease shall be for five (5) years.
- 4.3. Early termination of the Agreement may be instituted by:
 - 4.3.1. Lessee, by providing to the City written notice at least 90 days prior to the new date of termination.
 - 4.3.1.1. In such case Lessee shall pay to the City rent for the remaining 90 days.
 - 4.3.1.2. Lessee shall continue to farm and disperse effluent and abide by the terms as stated in this Agreement through the noticed date of termination.
 - 4.3.2. The City, by providing to Lessee written notice 30 days prior to the new date of termination if:
 - 4.3.2.1. Lessee has demonstrated reckless or dangerous operations on the Premises and has not corrected those operations immediately upon written notice by the City, or.
 - 4.3.2.2. Lessee assigns or sublets any portion of the Premises without written permission by the City.
 - 4.3.3. The City, by providing to Lessee written notice at least 90 days prior to the new date of termination.
 - 4.3.3.1. Upon such early termination, the City shall pay to Lessee, or credit Lessee's last rent payment, the market value of any improvements made or put upon said premises by the Lessee in accordance with Section 68 of the City Charter.
 - 4.3.3.2. After the new termination date described in the 90 day notice, Lessee understands that the City will not be required to recompense Lessee for any losses of income or damages incurred by Lessee in such instance.
 - 4.3.4. Mutual written agreement of both parties.

5. Rent and Payment Requirements

- 5.1. Beginning November 1, 2014, Lessee shall pay to the City, in lawful money of the United States, an annual rental in the amount of _____ (\$/acre) for Lessee's use of the Premises and effluent water.
 - 5.1.1. At least fifty percent (50%) of the annual rental amount shall be paid prior to October 31 of each year with first payment due November 30, 2014.
 - 5.1.2. The remainder of the annual rent, to equal 100%, shall be paid prior to March 31 of each year.
 - 5.1.3. Payments later than 10/31 and 3/31, respectively, shall be assessed a late fee of one half of one percent (.005 time 50% of the annual rent) per day through the day the required payment is made.
- 5.2. Rent shall be paid by check made out to City of Porterville and mailed or delivered in person to the City of Porterville, 291 Main Street, Porterville, CA 93257.

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

- 5.3. As security for this Lease, Lessee must provide an Irrevocable Letter of Credit, equal to 6 months rent, as shown on Exhibit C which is attached hereto and by this reference incorporated.
- 5.4. The cost of work or improvements done by Lessee outside the scope of Paragraph 8, may only be deducted from the next scheduled payment if:
- 5.4.1. The work is performed at the request of the City;
 - 5.4.2. The City has given prior written approval to a written estimate provided by Lessee for the not to exceed cost of work or improvements; and
 - 5.4.3. Upon completion of the work or improvements, Lessee provides the City with an invoice of the final actual cost amounts, including units and cost per unit as appropriate.
6. Operations
- 6.1. Lessee shall conduct all operations according to good farm husbandry practices.
 - 6.2. Lessee shall manage operations in compliance with all applicable federal, state, and county laws, regulations and ordinances, including local water board discharge requirements and the local air district rules.
 - 6.3. Lessee shall conduct operations in a business-like manner and not harm or degrade the City and its operations.
 - 6.4. Lessee shall not do or permit any act or thing that constitutes a nuisance by the City either on or off the Premises.
 - 6.4.1. Lessee shall take immediate action to correct any such nuisance discovered by Lessee or through notification by the City within three (3) days of discovery or notification.
 - 6.4.2. Lessee shall promptly perform the correction efforts in a manner to prevent its reoccurrence.
 - 6.5. Each year, upon notification by the City, Lessee agrees to meet with representatives of the City to discuss operation of the farm and plans for the next calendar year and submit for approval a rolling 5 year cropping plan.
 - 6.6. By the 10th of the applicable month, the Lessee shall provide monthly, quarterly, and annual (due January 10th) reports for each field on nitrogen applications and removal, water uses and crop data as required for the Waste Discharge Requirements (WDR) reporting.
 - 6.7. In addition to the terms and provisions provided herein, and unless otherwise stated in this Lease, Lessee shall be required to perform all obligations as set forth in the "Reclamation Area Lease – Request for Proposal", which is attached hereto as Exhibit D and fully incorporated herein by reference.
7. Improvements
- 7.1. Lessor does not warrant or guarantee the safety, condition, or effectiveness of the improvements on the Premises.
 - 7.2. Existing improvements owned by the City and available for use by the Lessee include:
 - 7.2.1. Pressurized pipeline and appurtenances
 - 7.2.2. Percolation Ponds and Fencing
 - 7.2.3. Storage Yard
 - 7.2.4. One-third (1/3) interest in an Irrigation Well (5N)
 - 7.2.5. One (1) extraction well (Hunsaker Well)
 - 7.2.6. Two (2) Irrigation Wells without Pumps and not connected to an irrigation system (Field 7 & 30)

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

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

8. Upkeep and Property Management

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

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

- 8.9. PUMP/MOTORS: Lessee shall at his expense, maintain, repair, replace, or add pumps/motors used at the irrigation wells, tail water sumps and elsewhere on the Premises after first receiving specific written approval from the City.
- 8.9.1. Prior to repair, replacement, or adding of pumps/motors lessee must have prior written approval from the City, Any repairs to pumping system must comply with current city codes.
- 8.10. RODENTS: Lessee shall make frequent and reasonable efforts to minimize ground squirrel population on the Premises
- 8.11. FENCES AND GATES:
- 8.11.1. Lessee shall promptly maintain and repair all fences and gates on or that borders the Premises and shall hold the City free and harmless from any liability or loss sustained by Lessee due to trespassers on the Premises.
- 8.11.2. The City shall replace gates and any sections of fence it deems necessary.
- 8.12. NON-CROP AREAS :
- 8.12.1. Lessee shall remove weeds, trash, and debris from and near Percolation Ponds.
- 8.12.2. Lessee shall maintain and keep in good condition and repair embankments in order to keep the sumps, ponds, and ditches watertight.
- 8.12.3. Lessee shall conduct farming and non-crop activities as to comply with all air pollution control standards, and to minimize dust.
9. Hazardous Waste and Chemicals
- 9.1. Lessee shall not use the Premises to dump gas, oils, dairy waste, chemicals or other hazardous waste and shall contact the City immediately if such a release occurs or is found.
- 9.1.1. Any such release shall be the sole responsibility of Lessee.
- 9.1.2. Lessee shall be responsible to clean up and cure such release in a timely manner.
- 9.2. Lessee shall only use chemicals that are reasonable and typically used for farming operations, weed control, and pest control.
10. Electricity
- 10.1 Lessor shall be responsible to pay utility costs for extraction well (Hunsaker) from April – September. Lessee shall reimburse the lessor for irrigation utility cost of extraction well (Hunsaker) from October – March.
- 10.2 Lessee shall be responsible to pay all utility costs for irrigation well (5N).
11. Water
- 11.1 Lessee shall control the flow, reuse, and dispersal of all effluent supplied by the City year round as surface water onto the Premises in a prudent and efficient manner to farm the Premises unless provided specific allowance by the City in writing to disperse portion of the wastewater elsewhere.
- 11.1.1. Lessee understands that the City production of effluent may vary significantly but may produce peak flows up to 5 million gallons of effluent per day.
- 11.1.2. Notwithstanding Paragraph 11.1.1 herein above, Lessor expects the typical effluent produced on the Execution Date to be approximately 4.4 million gallons per day, based on the average daily flows from 2009-2013, although Lessor does not guarantee any specific amount of wastewater suitable for irrigation and shall not be liable for

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

any damages to crops due to insufficient, excess, or oil or chemical contaminated wastewater.

- 11.1.3. Lessee agrees that the City may decrease or increase the gallons per day of effluent and also agrees to manage any such decreases and increases and to utilize all the effluent on the Premises.
- 11.2 As required by WDR, Lessee shall provide to the City a written report that shall identify the source of all water and the volume of water in acre feet used on each field no later than the 10th calendar day of the following month.
 - 11.2.1 Lessee may supplement the effluent with well water from the Premises or other water sources that have first been approved in writing by the City.
 - 11.2.1.1 Lessee shall provide a written report that provides the amount of supplemental water (water not supplied by the City) used and dispersed by the Lessee on the Premises.
- 11.3 Water from existing or new wells on the Premises shall only be used on the Premises for the purposes of this Agreement and shall not be dispersed or sent off the Premises.
- 11.4 The City does not and shall not supply potable or drinking water to the Premises.
- 11.5 The City may enter into an Agreement with other property owners for the expressed purpose of providing effluent for irrigation.

12. Crops

- 12.1. Lessee shall use the Premises and effluent to irrigate the farm, grow and harvest non-human consumable crops, and maintain an agronomic nitrogen balance with the effluent and bio-solids applied to farmed area.
- 12.2. In the third quarter of each calendar year of this Agreement, Lessee shall, if notified by the City, meet with the City to discuss operation of the farm for the next calendar year.
- 12.3. Lessee shall have the right to harvest all existing crops up to the date of expiration or termination of this Agreement and shall leave the Premises in good condition.
- 12.4. Lessor shall not be liable for any crop loss sustained by Lessee for any reason.
- 12.5. As required by the WDR, Lessee shall provide tissue analysis results and crop yield for each field to the City at Lessee's expense.

13. Biosolids, Fertilizers, and Soil Amendments

- 13.1. Lessee shall use biosolids and soil amendments on the Premises in accordance with good farming practices, and schedules provided.
- 13.2. Lessee shall not accept or allow any placement of biosolids, sludge, septage, or similar materials on the Premises from parties other than Lessor and Lessee shall notify Lessor immediately of any unauthorized placement.
- 13.3. As required by the WDR, Lessee shall provide to the City a written report that states the pounds of nitrogen and any other materials applied to each field over the previous calendar year.
- 13.4. The five year biosolids application and management plan shall be followed.
- 13.5. Any Amendment, requested by the lessee, to the biosolids management plan shall be submitted to the City in writing and must be approved by the city prior to October 1st of each year.

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

- 13.6. The Lessee will provide the City with all relevant information required verifying compliance with the approved plan for reporting to the governing agencies (CRWQCB and US EPA) by January 15 of each year.
- 13.7. As required by the WDR, Lessee shall provide the City with annual soil analysis results at Lessee's expense.

14. Percolation Ponds

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

15. Security

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

16. Health and Notice

- 16.1. Lessee shall notify its employees, sub-contractors, and visitors to the Premises that the irrigation water used on the Premises is treated wastewater and is not to be used for drinking or other human consumption and to follow good hygiene practices.
- 16.2. This notification shall be documented and signed and dated by all Lessee's employees, sub-contractors, and visitors to the Premises and such documentation shall be kept on file with Lessee and shall be presented to the City if requested.
- 16.3. Lessee shall provide for all employees who work at the Premises immunization in accordance with any requirements of the Tulare County Health Department.
- 16.4. Lessee shall comply with all rules and regulation regarding mosquito control on the Premises and shall bear any and all costs regarding mosquito abatement on the Premises.

17. Inspection and Testing

- 17.1. Lessee shall allow:
 - 17.1.1. The City, the county of Tulare, the State of California, or any other regulatory agency to enter onto the Premises to visit the Premises and to perform any soil, air, water or other tests and samplings

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

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

18. Discharge of Claims, Liens, Taxes

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

19. Indemnification

- 19.1 To the fullest extent permitted by law, Lessee agrees to indemnify, defend (upon request by the City) and hold the City, its agents, officers, and employees, and each of them, harmless from any and all losses, costs, expenses, claims, attorney's fees, liabilities, actions or damages, including liability for death or injury to person or persons or damage to property, arising out of or in any way connected with:
 - 19.1.1. The conducting or operation of Lessee's business on the Premises or pursuant to this Agreement, or
 - 19.1.2. The construction, renovation, remodel, removal, or significant change to the structure facilities, grounds, or improvements on the Premises or pursuant to this Agreement, or
 - 19.1.3. The intentional or negligent conduct of Lessee, its agents, employees, or independent contractors.

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

20. Insurance: Lessee, in order to protect the City and its council members, officials, agents, officers, and employees against all claims liability for death, injury, loss and damage as a result of Lessee's actions in connection with the performance of Lessee's obligations, as required in this Agreement, shall secure and maintain insurance as described below. Lessee shall not perform any work under this Agreement until Lessee has obtained all insurance required under this Paragraph and the required certificates of insurance have been filed with and approved by the City. Lessee shall pay any deductibles and self-insure retentions under all required insurance policies.
- 20.1. Workers Compensation and Employer's Liability Insurance Requirement – Lessee shall submit written proof that lessee is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the Labor Code.
- 20.1.1. In signing this Agreement, Lessee makes the following certification, required by section 1861 of the Labor Code.
- 20.1.2. "I am aware of the provision of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provision of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement."
- 20.1.3. Lessee shall require any sub-contractors to provide workers' compensation for all to the subcontractors' employees, unless the sub-contractors' employees are covered by the insurance afforded by Lessee.
- 20.1.4. If any class of employees engaged in work or services performed under this Agreement is not covered by Labor Code section 3700, Lessee shall provide and/or require each sub-contractor to provide adequate insurance for the coverage of employees not otherwise covered.
- 20.1.5 Lessee shall also maintain employer's liability insurance with limits of two million dollars (\$2,000,000) for bodily injury or disease.
- 20.2. Liability Insurance Requirements:
- 20.2.1. Lessee shall maintain in full force and effect, at all times during the term of this Agreement, the following insurance:
- 20.2.1.1. Commercial General Liability Insurance, including, but not limited to, Contractual Liability Insurance (specifically concerning the indemnity provision of this Agreement), Products-Completed Operations Hazard, Liquor Liability, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Lessee's performance of work under this Agreement. Said insurance coverage shall have minimum limits for Bodily Injury and Property Damage liability of two million dollars (\$2,000,000) Combined Single Limit (CSL) each occurrence and two million dollars (\$2,000,000) aggregate and shall include an endorsement naming the City and the City's council members, officials, officers, agents and employees as additional insured for liability arising out of this Agreement and any operations related thereto.
- 20.2.1.2. Automobile Liability Insurance against claims of Personal Injury (including bodily injury and death) and Property Damage cover all owned, leased, hired and non-owned vehicles used in the performance of services pursuant to this Agreement with minimum limits for Bodily Injury and Property Damage liability of one million dollars (\$1,000,000) each occurrence and shall

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

- include an endorsement naming the City and the City's council members, officials, officers, agents and employees as additional insured for liability arising out of this Agreement and any operations related thereto.
- 20.2.2. If any of the insurance coverage required under this Agreement is written on a claims-made basis, the insurance policy shall provide an extended reporting period of not less than four (4) years following the termination of this Agreement or completing of Lessee's work specified in this Agreement, whichever is later.
- 20.2.3. Prior to Lessee commencing any of its obligations under this Agreement, evidence of insurance in compliance with the requirements above shall be furnished to the City by Certificate of Insurance naming the City as "additional insured". Receipt of evidence of insurance that doesn't comply with above requirements shall not constitute a waiver of the insurance requirements set forth above.
- 20.3. Cancellation of Insurance – The above stated insurance coverage required to be maintained by Lessee shall be maintained until the completion of all the Lessee's obligations under this Agreement, and shall not be reduced, modified, or canceled without thirty (30) days prior written notice to the City. Lessee shall immediately obtain replacement coverage for any insurance policy that is terminated, cancelled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.
- 20.4. All insurance shall be issued by a company or companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum of an "A-VII" rating. Any exception to these requirements must be approved by the City Risk Manager, or the City employee with Risk Management responsibilities.
- 20.5. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Lessee for any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude the City from taking such other actions as are available to it under any other provision of this Agreement or otherwise in law.
- 20.6. Failure by Lessee to maintain all such insurance in effect at all times required by this Agreement shall be a material breach of this Agreement by Lessee. The City, at its sole option, may terminate this Agreement and obtain damages from Lessee resulting from said breach. Alternatively, the City may purchase such required insurance coverage, and without further notice to Lessee, the City shall deduct from sums due to Lessee any premiums and associated costs advanced or paid by the City for such insurance. If the balance of monies obligated to Lessee pursuant to this Agreement are insufficient to reimburse the City for the premiums and any associated cost, Lessee agrees to reimburse the City for the premiums and pay for all costs associated with the purchase of said insurance. Any failure by the City to take this alternative action shall not relieve Lessee of its obligation to obtain and maintain the insurance coverage required by this Agreement.
21. Assignment, Subletting, Merger
- 21.1. Assignment by Lessee of any or all rights under this Agreement may only occur upon written consent of the City.
- 21.1.1. Lessee shall submit to the City a written request for assignment or to sublet and provide any information about the proposed assignee or party to sublet that the City may require.

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

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

22. Breach and Default

- 22.1. Each of the following shall be a default by Lessee and breach of this Agreement:
 - 22.1.1. Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States, or of any state law, or consent to the appointment of a receiver, trustee, or liquidator, and such act prevents Lessee from conducting its operations under this Agreement for a period of thirty (30) calendar days or more.
 - 22.1.2. By order or decree of a court, Lessee shall be adjudged bankrupt, or an order shall be made approving a petition filed by any other creditors seeking its reorganization of its indebtedness under federal bankruptcy laws, or under any law or statute of the United States, or any state thereof and such act prevents Lessee from conducting its operations under this Agreement for a period of thirty (30) calendar days or more.
 - 22.1.3. A petition under any part of the federal bankruptcy laws, or an action under any present or future solvency law or statute shall be filed against Lessee and shall not be dismissed within ninety (90) days after the filing thereof and such act prevents Lessee from conducting its operation under this Agreement for a period of thirty (30) calendar days or more.
 - 22.1.4. Pursuant to or under authority of any legislative act, resolution or rule or any offer or decree of any court, governmental board, agency, or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of lessee, and such possession or control shall continue in effect for a period of ninety (90) days and prevents Lessee from conducting its operations under this Agreement for a period of thirty (30) calendar days or more.
 - 22.1.5. Any lien (including, without limitation, mechanic's and materials' liens) is filed against the Premises because of any act or omission of lessee and is not removed within thirty (30) day.
 - 22.1.6. Lessee's voluntary abandonment, desertion, vacating, or discontinuation of its operations as authorized by this Agreement.
 - 22.1.7. Failure to perform any term, covenant, or condition of this Agreement.

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

- 22.1.8. Lessee fails to punctually make any payments due to the City under this Agreement.
- 22.2. Notwithstanding any other remedies of the City under this Agreement, should lessee default or breach this Agreement, the City may terminate this Agreement immediately, re-enter the Premises and take full possession thereof, and remove all persons connected with Lessee there from and Lessee shall have no further claim thereon or hereunder.
- 22.3. The remedies given to the City in Paragraph 22.2 shall be in addition and supplement to all other rights or remedies that the City may have under the laws then in force.
- 22.4. Lessee hereby waives any and all rights for redemption granted by or under any present or future law, or statute, arising in the event it is evicted or dispossessed for any cause or in the event the City obtains or retains possession of the Premises in any lawful manner.
- 22.5. No waiver the City of any default or breach on the part of Lessee in the performance of any of the terms, covenants, or conditions hereof to be performed, kept, or observed by Lessee shall be or be construed to be a waiver by the City of any other or subsequent default or breach in performance of any of said terms, covenants, or conditions contained in this Agreement.
- 22.5.1. The subsequent acceptance of rent by the City shall not be deemed a waiver of any preceding breach by Lessee of any term, covenant or condition of this Agreement, including the failure of Lessee to pay the particular rental so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such rent.
- 22.5.2. No covenant, term or condition of this Agreement shall be deemed to have been waived by the City, unless the City provides such waiver in writing.
23. Negation of Partnership
- 23.1. The City shall not become or be deemed a partner or joint venture with Lessee or associate in any relationship with Lessee other than that of Lessor and Lessee by reason of the provisions of this Agreement.
- 23.2. Lessee shall not for any purpose be considered an agent, officer, or employee of the City.
- 23.3. To whatever extent the City, its agents, officers, or employees may be deemed to be associated with the Lessee or the Lessee's agents, officers, or employees because of any activity or operation pursued by Lessee or its agents, officers or employees on the Premises, then to such extent Lessee shall be deemed an independent contractor of the City.
24. Workers Compensation: Lessee shall comply with the workers' Compensation Act of this State and shall indemnify and save and hold harmless the City from any and all liability under the said Act.
25. Compliance With Law: Lessee shall, at its expense, promptly comply with any and all laws, ordinances, rules, regulations, requirements and orders whatever, present or future, of the federal, state, or City government which may in any way apply to the use, maintenance, occupation of or operations on the Premises, including but not limited to the Americans with Disabilities Act.
26. Nondiscrimination: Lessee, in the operation to be conducted pursuant to the provision to this Agreement and otherwise in the use of Premises, shall not discriminate or permit discrimination

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

against any person or class of persons by reason of race, color, creed, sex or national origin or by any arbitrary reason.

27. Notices: All notices herein provided to be given, or which may be given, by either party to the other shall be deemed to have been fully given when made in writing and deposited with the United States Postal Service, Registered or Certified, postage prepaid and addressed as follows:

To the Lessee:

To the Lessor (the City of Porterville)

City of Porterville
291 Main Street
Porterville, CA 93257

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

28. Definitions and Terminology

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

29. Damage to Premises:

- 29.1. In the event more than 20% of the Premises or more than 100 acres of farmed land is declared a disaster area by Federal, State, or local authorities:
- 29.1.1. Lessee may, within 15 days of such declaration, provide to the City evidence of the declaration, the location and number of acres affected, and petition for temporary relief from rent until the affected real property can reasonably and in a timely manner be restored by Lessee, at its expense, to a condition again usable for Lessee's farming operations, and
- 29.1.2. The City shall review such petition or request and if found credible shall pro-rate Lessee's rent by:
- 29.1.2.1. Determining the number of currently farmed acres,

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

- 29.1.2.2. Determining the number of current acres deemed not farmable due to the disaster,
- 29.1.2.3. Determining the number of days the farmed acres are out of production until Lessee can reasonable put the acres back into production,
- 29.1.2.4. Regarding this Paragraph 29.1, determine an acreage percentage and divide the result by 365 days to determine a day's percentage,
- 29.1.2.5. Multiply the acreage percentage times the days percentage to determine an overall percentage,
- 29.1.2.6. Multiply the overall percentage times the annual rent to determine rent credit to Lessee (no more than 30% of the annual rent), and
- 29.1.3. Within 15 days after the City determines the affected real property can reasonably be farmed by Lessee, the City shall notify Lessee the amount of rent reduction and whether it will be refunded to Lessee soon thereafter by check or credited towards Lessee's next rental payment.
- 29.2. Should the City determine the Premises or significant parts thereof are rendered unusable for a period of more than 30 days due to no fault of Lessee, the City may determine a refund of rent based on the formula determined in Paragraph 29.1 of this Agreement and pay or credit Lessee for the time period beyond the 30 day period mentioned heron above (NOTE - in this instance the pro-rated rent shall take effect 30 days after the City's reasonable determination of the date the acreage was determined unusable.)
- 30. Surrender of Premises: On the last day of the term, or sooner termination of this Agreement, Lessee shall peaceable and quietly leave, surrender and yield up to the City the Premises and improvements thereon in good condition, reasonable use and wear thereof, and damage by earthquake, public calamity, by the elements, by act of God or by fire or other circumstances over which Lessee has no control.
- 31. Authorized Agent of THE CITY: The City Manager, or his designee, is the duly authorized agent of the City for purposes of this Agreement and any obligations assumed hereby by Lessee shall be performed to his satisfaction.
- 32. Disposition of Improvements and Equipment: Upon termination or expiration of this Agreement, Lessee, may, at Lessee's sole cost and expense, remove its farm equipment and trade fixtures which have been placed on the Premises but not permanently affixed thereto. No real property or improvements to real property shall be removed by Lessee without Lessee first obtaining written approval to remove such real property or improvements to real property.
- 33. Lost, Stolen, Damaged Property: The City is in no way responsible for Lessee's lost, stolen, or damaged property unless the City or the City's agents take possession of Lessee's property.
- 34. Right of Ingress and Egress:
 - 34.1. Lessee shall have reasonable non-exclusive right of way for pedestrian and vehicular travel for ingress and egress to the Premises over property owned and controlled by the City.
 - 34.2. Lessee's right of way is subject to such reasonable rules and regulations as the City may make from time to time.
 - 34.3. The City and its invitees shall have the right, at any time, to enter and inspect the Premises, Lessee's operations, and conduct studies, surveys, and tests.

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

35. Incorporation of Prior Agreements and Amendments:
- 35.1 This Agreement contains all agreements of the parties with respect to any matter mentioned.
 - 35.2 No prior agreement or understanding pertaining to any such matter shall be effective.
 - 35.3 This Agreement can only be modified as a written agreement, signed by the parties in interest at the time of the modification.
36. Venue: If either Lessee or the City initiates an action to enforce the terms hereof or declare rights hereunder, including actions on any bonds and/or surety agreements, the parties agree that the venue thereof shall be the County of Tulare , State of California.
37. Severability: the invalidity of any provision of this Agreement, as determined by a Court of competent jurisdiction, shall not affect the validity or any other provision hereof.
38. Captions: Paragraph headings in this Agreement are used solely for convenience and shall be wholly disregarded in the construction of this Agreement.
39. Covenants and Conditions: Each provision of this Agreement performable by Lessee shall be deemed both a covenant and a condition.
40. Time of Essence: Time is hereby expressly declared to be of the essence of this agreement and of each and every provision thereof, and each such provision is hereby made and declared to be a material, necessary, and essential part of this Agreement.
41. Attorney's Fees. If any litigation is commenced between the parties to this Lease concerning the Lease or the rights and duties of either in relation to the Lease, the party prevailing in that litigation shall be entitled, in addition to any other relief that may be granted in the litigation, to its cost for the litigation including expert witness fees and a reasonable sum for its attorneys' fees in the litigation, which shall be determined by the court in that litigation or in a separate action brought for that purpose.

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first hereinabove written.

City of Porterville

By _____
Milt Stowe, Mayor

APPROVED AS TO FORM
City of Porterville

By _____
City Attorney

Lessee
By _____

Title _____

Business Name _____

APPROVED AS TO FORM

By _____
Legal Counsel for Lessee

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

Reclamation Area Legal Descriptions

Exhibit "A"

<i>Parcel</i>	<i>APN</i>	<i>LEGAL DESCRIPTION</i>	<i>ACRES</i>
<i>City of Porterville Airport Property</i>			
Parcel 1	302080011	SE/4 SEC 5-22-27	160.00
Total			160.00
<i>City of Porterville Lease Purchase</i>			
Parcel 2	302110059	E/2 OF N/2 OF SW/4 SEC 8-22-27	40.00
Parcel 3	302100015	LTS 34,35,46,47 ETC PVILLE FRUIT&FARMS TR RM 15-23	127.66
Total			167.66
<i>City of Porterville Old Perc Pond /Field # 46</i>			
Parcel 4	302130028	POR NE/4 SEC 18-22-27	46.54
Total			46.54
<i>City of Porterville Underhill Property</i>			
Parcel 5	302130008	W/2 OF SE/4 SEC 18-22-27	80.00
Parcel 6	302130007	E/2 OF SE/4 SEC 18-22-27	80.00
		Underhill Homesite (Police Shooting Range - Not part of Lease)	-15.20
Total			144.80
<i>City of Porterville Hunsaker Property</i>			
Parcel 7	302130019	POR S/2 SEC 17-22-27	79.26
Parcel 8	302130021	POR SW/4 SEC 17-22-27	84.14
Total			163.40
Total Management Acres			682.40

EXHIBIT "A"

Page 2 of 2

City of Porterville Reclamation Area

Last Updated 8/1/2014

City Airport Property

302080011
160.00 ac
Parcel 1

Friant-Kern Canal

West Street

Parcel 3

City of Porterville
302100015
127.66 ac

Parcel 2

City of
Porterville
302110059
40.00 ac

Tea Pot Dome Ave.

Road 216

Parcel 4

Old Perc Pond
City Property
302130028 46.54 ac

Underhill Homesite
(Police Shooting Range
- Not in Lease)

Parcel 5

302130008
80.00 ac

Parcel 6

Underhill Property

302130007
80.00 ac

Parcel 8

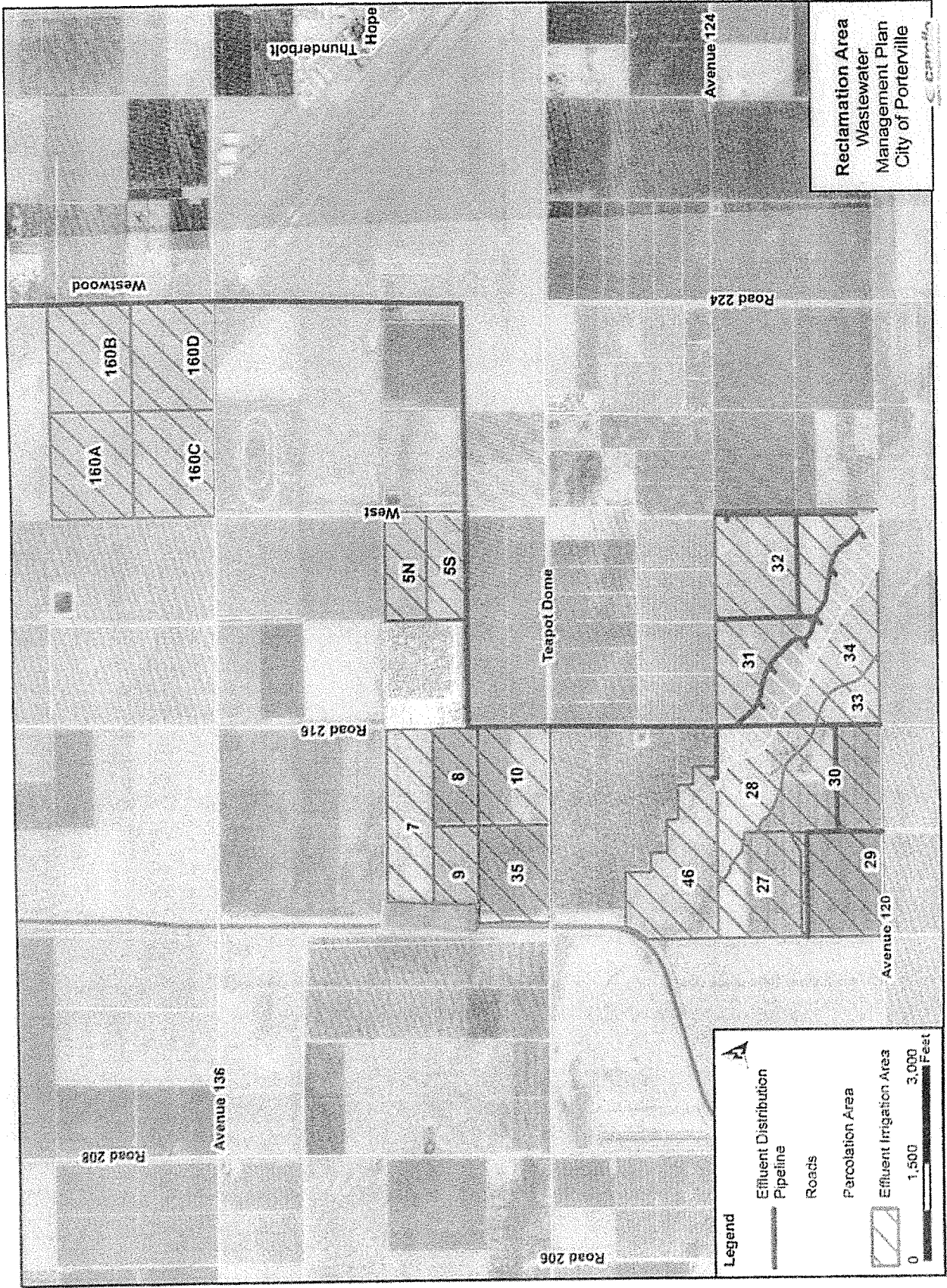
Parcel 7
Hunsaker Property

302130021
84.14 ac

302130019
79.26 ac

Avenue 120

EXHIBIT "B"



Reclamation Area
Wastewater
Management Plan
City of Porterville

Legend

- Effluent Distribution Pipeline
- Roads
- Parculation Area
- Effluent Irrigation Area

0 1,500 3,000 Feet

[Place on Your Letterhead]

Exhibit "C"

[Date]

To: City of Porterville
291 N. Main Street
Porterville, CA 93257

Letter of Credit No.

Gentlemen:

This letter of credit is given to fulfill the requirements of that certain agreement entered into between the City of Porterville, hereinafter referred to as "City", and _____, hereinafter referred to as "Principal", covering Reclamation Area Lease by Principal in accordance with said agreement. Said agreement is attached hereto and made a part hereof by reference.

As required by said agreement, and for the purpose only, we hereby establish in favor of City and for account of our Irrevocable Letter of Credit No. _____, in the amount of _____ (6 months rent) to be paid by draft at sight of us if accompanied by the following documents:

City's written statement signed by the _____ or Mayor certifying that there has been loss; damage; or liability resulting from the Principal's performance, or non-performance, of his duty and obligation under said agreement, or from negligence, act, or omission of Principal or his agent, servants or employees, in the amount of the accompanying sight draft on us and the amount of this draft is, therefore, now due and payable.

It is agreed that the above funds are on deposit and guaranteed for payment and said funds shall become trust funds for the purposes set forth herein.

It is further agreed that if City should have to file suit to enforce the provisions of this letter of credit, the prevailing party shall be entitled to all court costs, including reasonable attorney's fees.

All drafts under this Letter of Credit shall be marked Irrevocable Letter of Credit No. _____.

We expressly agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit shall meet with due honor upon presentation.

NAME OF BANK:

President

Vice President

Exhibit D – Reclamation Area Lease Request for Proposal

Exhibit D of the Executed Lease Agreement will contain the entire RFP and
Successful Bidders Proposal