



AGENDA
NEWMAN CITY COUNCIL
REGULAR MEETING AUGUST 28, 2012
CITY COUNCIL CHAMBERS, 7:00 P.M., 1200 MAIN STREET

1. Call To Order.
2. Pledge Of Allegiance.
3. Invocation.
4. Roll Call.
5. Declaration Of Conflicts Of Interest.
6. Ceremonial Matters.
 - a. Badge Pinning Of Corporal Gosselin.
7. Items from the Public - Non-Agenda Items.
8. Consent Calendar
 - a. Waive All Readings Of Ordinances And Resolutions Except By Title.
 - b. Approval Of Warrants. ([View Warrant Register](#))
 - c. Approval Of Minutes Of The August 14, 2012 Regular Meeting And The August 23, 2012 Special Meeting. ([View Minutes](#))
9. Public Hearings
 - a. Conduct A Public Hearing Regarding The Supplemental Law Enforcement Services Fund (SLESF) And Authorize Expenditures For This Funding (AB 1913). ([View Report](#))
10. Regular Business
 - a. Consider Authorizing The City Manager To Initiate Proposition 218 Proceedings For Water Utility Services. ([View Report](#))
 - b. Resolution No. 2012- , Approving A Real Property Purchase And Sale Agreement And Joint Escrow Instructions For The Sale Of Property Located At 2161 L Street, Newman, California. ([View Report](#))
11. Items From District Five Stanislaus County Supervisor.
12. Items From The City Manager And Staff.
13. Items From City Council Members.
14. Adjournment.

Calendar of Events

August 28 – City Council - 7:00 P.M.

August 29 - September 3 – Fall Festival.

September 3 – Labor Day Holiday – City Offices Closed.

September 4-7 - League Of California Cities Annual Conference – San Diego.

September 8 – Youth Soccer Season Begins.

September 10 – NCLUSD Board Meeting - 6:00 P.M.

September 11 – City Council - 7:00 P.M.

September 12 – Newman Quasquicentennial (125 Years) Planning Committee Meeting – 6:00 P.M.

September 13 – Newman Redevelopment Successor Agency Oversight Board Meeting – 3:30 P.M.

September 13 – Recreation Commission – 7:00 P.M.

September 20 – Two-On-Two Meeting With The School Board - 4:00 P.M.

September 20 – Planning Commission – 7:00 P.M.

September 25 – City Council - 7:00 P.M.

September 26 – Newman Quasquicentennial (125 Years) Planning Sub-Committee Meeting – 6:00 P.M.

Accounts Payable

Computer Check Register



CITY OF NEWMAN
 938 Fresno St. - 2nd Floor
 P.O. Box 787
 Newman, CA 95360
 209-862-3725

User: efaria
 Printed: 08/24/2012 - 10:41AM
 Batch: 50030.08.2012
 Bank Account: AP/PR

Check	Vendor No	Vendor Name	Date	Invoice No	amount
102240	AEC00	AECOM USA, INC	8/24/2012		
				37220458b	180.00
				37220458a	135.00
Check 102240 Total:					315.00
102241	DEL9J	DELTA WIRELESS, INC	8/24/2012		
				40698	255.00
				40698	255.00
				40698	255.00
				40698	254.99
Check 102241 Total:					1,019.99
102242	NEW22	NEWMAN FIREFIGHTERS,	8/24/2012		
				FY 11-12	2,000.00
Check 102242 Total:					2,000.00
102243	SIM01	SimplexGrinnell. LP	8/24/2012		
				75215803	872.00
Check 102243 Total:					872.00
Report Total:					4,206.99

Accounts Payable

Manual Check Register

User: efaria
Printed: 08/22/2012 - 10:35AM
Batch: 50022.08.2012



CITY OF NEWMAN
938 Fresno St. - 2nd Floor
P.O. Box 787
Newman, CA 95360
209-862-3725

			amount	Invoice No
Check: 102179	08/13/2012			
Vendor: CSG01	CSG Consultants, Inc			
			2,306.35	6805
			324.03	6805
			914.25	6805
			1,783.76	6805
			90.00	6805
			-1.00	6805
			-3.40	6805
	Check total:		<u>5,413.99</u>	
Check: 102180	08/15/2012			
Vendor: ZUK01	Zukor Art Conservation			
			333.33	08/15/12
			333.33	08/15/12
			333.34	08/15/12
	Check total:		<u>1,000.00</u>	
	Total for Accounts Payable Check Run:		<u><u>6,413.99</u></u>	

Accounts Payable

AP Check Register for Council



CITY OF NEWMAN
 938 Fresno St. - 2nd Floor
 P.O. Box 787
 Newman, CA 95360
 209-862-3725

User: efaria

Printed: 08/23/2012 - 3:38 PM

Name	Account	Description	Check Nu	Check D	Amount
Advance Data Communications	63-56-741	Structured cabling project @ new council	102181	8/23/2012	1,434.03
Advance Data Communications	60-50-741	Structured cabling project @ new council	102181	8/23/2012	1,434.03
Advance Data Communications	40-07-741	Structured cabling project @ new council	102181	8/23/2012	1,434.03
ALCANTAR ROBERT	10-21-620	Security services for Chamber of Commerce car show Alcantar	102182	8/23/2012	108.30
ALLIANCE	10-01-663	FY 12-13 Opportunity Stanislaus annual investment	102183	8/23/2012	2,493.00
AMERICAN SOCCER COMPANY,	10-45-673	Soccer balls/whistles/icepacks/lanyards	102184	8/23/2012	1,224.45
Associated Engineering Group, Inc.	61-55-752	McPike survey work/WWTP	102185	8/23/2012	2,422.50
AT&T MOBILITY	10-21-642	Wireless access/PD 7/3/12 to 8/2/12	102186	8/23/2012	404.94
AT&T MOBILITY	10-21-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	379.85
AT&T MOBILITY	63-56-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	155.66
AT&T MOBILITY	10-44-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	25.91
AT&T MOBILITY	69-47-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	13.78
AT&T MOBILITY	60-50-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	229.06
AT&T MOBILITY	10-07-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	8.20
AT&T MOBILITY	10-22-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	16.40
AT&T MOBILITY	10-33-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	25.96
AT&T MOBILITY	10-02-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	37.65
AT&T MOBILITY	10-45-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	28.35
AT&T MOBILITY	10-03-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	38.67
AT&T MOBILITY	10-14-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	42.18
AT&T MOBILITY	73-70-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	35.67
AT&T MOBILITY	22-20-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	3.28
AT&T MOBILITY	10-06-642	Cell phone use 7/6/12 to 8/5/12	102186	8/23/2012	11.30
AVID TRAFFIC SUPPLIES	10-33-630	50 gals yellow street paint/2 bags glass beads	102187	8/23/2012	1,227.83
BERTOLOTTI DISPOSAL	10-33-622	Bin rental/July 2012	102188	8/23/2012	78.00
BLUE SHIELD OF CALIFORNIA	10-00-226	Health insurance premium/Sept 2012	102189	8/23/2012	10,593.22
Brazil Tim	60-50-620	Removed and replaced metal roofing & flashing at WWTP	102190	8/23/2012	1,160.00
W.H. BRESHEARS, INC.	63-56-630	5 gals oil for well lubrication	102191	8/23/2012	90.32
BUSINESS CARD	10-33-669	Parking for STANCOG meeting	102192	8/23/2012	2.00
BUSINESS CARD	10-33-669	Parking for STANCOG meeting	102192	8/23/2012	4.00
BUSINESS CARD	63-56-630	Refill gel-pack pens	102192	8/23/2012	7.40
BUSINESS CARD	10-00-583	Reimbursement for T-shirts bought by employees	102192	8/23/2012	447.43
BUSINESS CARD	10-21-710	Hypercom Optimum credit card terminal/PD	102192	8/23/2012	240.30
BUSINESS CARD	10-06-669	Conference registration/Ocasio	102192	8/23/2012	325.00
BUSINESS CARD	10-14-630	2 clear acrylic brochure holders	102192	8/23/2012	172.38
BUSINESS CARD	10-21-663	Meals/PD	102192	8/23/2012	56.06
BUSINESS CARD	10-21-653	Carwash/PD	102192	8/23/2012	10.00
BUSINESS CARD	10-21-662	Haunted house mylar bags/PD	102192	8/23/2012	62.95
BUSINESS CARD	10-01-662	Pencils & pencil toppers/PD	102192	8/23/2012	215.95
BUSINESS CARD	10-45-672	Supplies for art project/fit kids	102192	8/23/2012	4.68
BUSINESS CARD	10-45-672	Supplies for movie night	102192	8/23/2012	5.02
BUSINESS CARD	10-45-673	Supplies for soccer/marker cones	102192	8/23/2012	34.47
BUSINESS CARD	10-45-672	Supplies for movie night snack bar	102192	8/23/2012	11.48
BUSINESS CARD	10-45-672	Pizza and punch for fit kids camp	102192	8/23/2012	33.88
BUSINESS CARD	10-45-674	Chalk holder/pucks/cue assesory/teen center	102192	8/23/2012	10.89

Name	Account	Description	Check Nu	Check D	Amount
BUSINESS CARD	10-45-630	correction tape and supplies	102192	8/23/2012	11.47
BUSINESS CARD	10-45-672	Supplies for movie night	102192	8/23/2012	3.67
BUSINESS CARD	10-45-674	Dual remote sensor	102192	8/23/2012	10.74
BUSINESS CARD	10-45-673	Uniform supplies for soccer	102192	8/23/2012	247.31
CAL TRAFFIC SIGNS	10-33-630	15 street name signs	102193	8/23/2012	453.08
CALIFORNIA CONSULTING, LL	10-02-620	Monthly retainer for lobbying & grant writing/August 2012	102194	8/23/2012	1,011.67
CALIFORNIA CONSULTING, LL	60-50-620	Monthly retainer for lobbying & grant writing/August 2012	102194	8/23/2012	1,011.67
CALIFORNIA CONSULTING, LL	63-56-620	Monthly retainer for lobbying & grant writing/August 2012	102194	8/23/2012	1,011.66
C B MERCHANT SERVICES,INC	63-56-663	Collection of bad debt.	102195	8/23/2012	111.39
CENTRAL SANITARY SUPPLY	10-44-666	gloves/canliners/swabby bowl cleaner/paper towel	102196	8/23/2012	179.82
CENTRAL SANITARY SUPPLY	10-44-667		102196	8/23/2012	89.92
CENTRAL SANITARY SUPPLY	10-07-630		102196	8/23/2012	44.95
CENTRAL SANITARY SUPPLY	10-21-630		102196	8/23/2012	44.96
CENTRAL SANITARY SUPPLY	10-07-666		102196	8/23/2012	22.48
CENTRAL SANITARY SUPPLY	10-22-630		102196	8/23/2012	22.47
CENTRAL SANITARY SUPPLY	10-44-630		102196	8/23/2012	22.48
CENTRAL SANITARY SUPPLY	10-46-630		102196	8/23/2012	22.48
CROP PRODUCTION SERVICES	60-50-623	Oberon and activator/WWTP	102197	8/23/2012	2,621.82
CSJVRMA	10-15-663	Business travel accident premium 7/1/12 to 6/30/13	102198	8/23/2012	297.67
CSJVRMA	60-50-663	Business travel accident premium 7/1/12 to 6/30/13	102198	8/23/2012	297.67
CSJVRMA	63-56-663	Business travel accident premium 7/1/12 to 6/30/13	102198	8/23/2012	297.66
Custom Valley Harobeds	60-50-623	Hay hauling/2nd cutting/WWTP	102199	8/23/2012	456.60
Dave's Drain Cleaning & Plumbing	10-07-620	Removed and installed new toilets @ old school house. Supplied	102200	8/23/2012	1,229.52
DEPARTMENT OF HEALTH SERV	63-56-667	Water system enforcement fees/7/1/11-6/30/12 for system #50106	102201	8/23/2012	1,524.60
FGL ENVIRONMENTAL, INC	60-50-620	Bacti analysis/inorganic analysis/support analysis/WWTP	102202	8/23/2012	3,110.00
FGL ENVIRONMENTAL, INC	60-50-620	inorganic analysis/support analysis/WWTP	102202	8/23/2012	275.00
FGL ENVIRONMENTAL, INC	60-50-620	inorganic analysis/support analysis/WWTP	102202	8/23/2012	275.00
Final Cut Media, Inc	63-56-741	Audio & Viewing system @ new council cha	102203	8/23/2012	4,326.16
Final Cut Media, Inc	60-50-741	Audio & Viewing system @ new council cha	102203	8/23/2012	4,326.17
Final Cut Media, Inc	40-07-741	Audio & Viewing system @ new council cha	102203	8/23/2012	4,326.17
GEOANALYTICAL LAB, INC.	60-50-620	BOD/TSS/Nitrates/WWTP	102204	8/23/2012	300.00
GEOANALYTICAL LAB, INC.	63-56-620	Bacti/lead & copper/Nitrates	102204	8/23/2012	2,310.00
Gonzalez Guadalupe	10-00-284	Refund Memorial Bldg deposit/David Hernandez	102205	8/23/2012	200.00
Grand Lodge of California	40-07-813	New city hall payment/Sept 2012	102206	8/23/2012	525.41
Grand Lodge of California	60-50-813	New city hall payment/Sept 2012	102206	8/23/2012	525.41
Grand Lodge of California	63-56-813	New city hall payment/Sept 2012	102206	8/23/2012	525.42
Grand Lodge of California	40-07-812	New city hall payment/Sept 2012	102206	8/23/2012	1,112.82
Grand Lodge of California	60-50-812	New city hall payment/Sept 2012	102206	8/23/2012	1,112.82
Grand Lodge of California	63-56-812	New city hall payment/Sept 2012	102206	8/23/2012	1,112.82
HUTCHINS DON	10-01-669	Per diem/LCC annual conference/Hutchins	102207	8/23/2012	300.00
INFOSEND, INC	60-50-620	Utility bill and late notice mailing/July 2012	102208	8/23/2012	916.12
INFOSEND, INC	63-56-620	Utility bill and late notice mailing/July 2012	102208	8/23/2012	916.12
IN-SYNCH SYSTEMS	10-21-620	Monthly RMS subscription/Sept 2012/PD	102209	8/23/2012	1,020.00
J&E Janitorial and Handyman	10-07-620	Buffed all floors @ city hall	102210	8/23/2012	100.00
JOE'S LANDSCAPING & CONCR	69-47-620	Lighting & landscape district landscape services/July 2012	102211	8/23/2012	10,100.00
JORGENSEN & COMPANY	73-70-667	Fire extinguisher annual maintenance/theater	102212	8/23/2012	66.00
JORGENSEN & COMPANY	63-56-620	Fire extinguisher annual maintenance/multiple PW	102212	8/23/2012	108.94
JORGENSEN & COMPANY	10-44-620	Fire extinguisher annual maintenance/multiple PW	102212	8/23/2012	108.94
JORGENSEN & COMPANY	10-33-620	Fire extinguisher annual maintenance/multiple PW	102212	8/23/2012	36.30
JORGENSEN & COMPANY	10-44-666	Fire extinguisher annual maintenance/multiple PW	102212	8/23/2012	36.30
JORGENSEN & COMPANY	10-44-667	Fire extinguisher annual maintenance/multiple PW	102212	8/23/2012	54.45
JORGENSEN & COMPANY	10-07-620	Fire extinguisher annual maintenance/multiple PW	102212	8/23/2012	36.30
JORGENSEN & COMPANY	10-07-666	Fire extinguisher annual maintenance/multiple PW	102212	8/23/2012	36.30
JORGENSEN & COMPANY	10-46-620	Fire extinguisher annual maintenance/multiple PW	102212	8/23/2012	108.94
JORGENSEN & COMPANY	60-50-620	Fire extinguisher annual maintenance/WWTP	102212	8/23/2012	45.00

Name	Account	Description	Check Nu	Check D	Amount
JORGENSEN & COMPANY	10-21-630	Fire extinguisher annual maintenance/PD	102212	8/23/2012	78.15
KATEN ED	10-01-669	Per diem/annual LCC conference/Katen	102213	8/23/2012	300.00
MEDINA AUTO REPAIR	10-44-653	Repaired leak on ac hose on 1992 Ford Ranger	102214	8/23/2012	144.79
MENEZES SALES	10-33-615	Work boots/Pardo	102215	8/23/2012	56.00
MENEZES SALES	10-44-615	Work boots/Pardo	102215	8/23/2012	57.00
MENEZES SALES	69-47-615	Work boots/Pardo	102215	8/23/2012	57.00
MID VALLEY IT, INC	10-21-620	IT CONTRACT/Sept 2012	102216	8/23/2012	880.00
MID VALLEY IT, INC	10-14-620	IT CONTRACT/FIN	102216	8/23/2012	440.00
MID VALLEY IT, INC	63-56-620	IT CONTRACT/WATR	102216	8/23/2012	440.00
MID VALLEY IT, INC	60-50-620	IT CONTRACT/SEWR	102216	8/23/2012	440.00
NEWMAN-CROWS LANDING	69-47-630	Reimbursement of 1/2 fence cost @ Carlson Park @ Von Renner	102217	8/23/2012	4,434.00
NEWMAN SMOG AND LUBE	10-21-653	Replaced both headlight bulbs & 1 socket/2007 crown vic	102218	8/23/2012	107.61
North Star Engineering Group, Inc	18-32-773	Engineering services for Inyo Ave and Hwy 33	102219	8/23/2012	10,060.00
NORMAC, INC.	69-47-630	23 75" bushings	102220	8/23/2012	26.38
OCASIO (NT) STEPHANIE	10-06-669	Mileage reimbursement for historic map trip to Oakland Ocasio	102221	8/23/2012	111.32
PACIFIC WATER RESOURCES	62-60-622	Vacuum pump kit/electrode domes/float switch/solenoid valve/lif	102222	8/23/2012	1,181.27
CITY OF PATTERSON	10-03-620	Video reimbursement/July 2012	102223	8/23/2012	660.00
P G & E	10-07-641	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	1,990.47
P G & E	10-22-641	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	480.86
P G & E	10-33-641	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	4,541.98
P G & E	10-44-641	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	638.21
P G & E	10-45-641	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	175.43
P G & E	10-46-641	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	428.70
P G & E	10-44-666	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	1,004.91
P G & E	10-07-666	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	218.15
P G & E	10-44-667	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	343.00
P G & E	60-50-641	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	25,159.09
P G & E	62-60-641	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	355.27
P G & E	62-60-641	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	1,397.16
P G & E	63-56-641	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	25,610.34
P G & E	69-47-641	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	2,780.93
P G & E	73-70-665	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	425.21
P G & E	73-70-667	Gas and electric 7/7/12 to 8/15/12	102224	8/23/2012	547.90
P G & E	10-21-651	Natural gas usage 7/6/12 to 8/7/12	102224	8/23/2012	22.76
P G & E	10-33-651	Natural gas usage 7/6/12 to 8/7/12	102224	8/23/2012	68.29
P G & E	10-44-651	Natural gas usage 7/6/12 to 8/7/12	102224	8/23/2012	45.53
P G & E	60-50-651	Natural gas usage 7/6/12 to 8/7/12	102224	8/23/2012	22.76
P G & E	63-56-651	Natural gas usage 7/6/12 to 8/7/12	102224	8/23/2012	22.76
P G & E	10-07-641	Gas and electric @ 938 Fresno/7/7/12 to 8/7/12	102224	8/23/2012	1,524.00
R-SAFE SPECIALTY	60-50-630	Mechanics gloves	102225	8/23/2012	10.42
Ricoh USA, Inc	10-21-620	Copier lease 7/25/12 to 8/24/12	102226	8/23/2012	325.36
SHELL FLEET PLUS	10-33-650	Gas and diesel purchases/July 2012	102227	8/23/2012	144.89
SHELL FLEET PLUS	10-44-650	Gas and diesel purchases/July 2012	102227	8/23/2012	237.75
SHELL FLEET PLUS	63-56-650	Gas and diesel purchases/July 2012	102227	8/23/2012	919.72
SHELL FLEET PLUS	60-50-650	Gas and diesel purchases/July 2012	102227	8/23/2012	159.10
SHELL FLEET PLUS	10-21-650	Gas and diesel purchases/July 2012	102227	8/23/2012	4,173.04
SHELL FLEET PLUS	10-22-650	Gas and diesel purchases/July 2012	102227	8/23/2012	238.05
SHELL FLEET PLUS	69-47-650	Gas and diesel purchases/July 2012	102227	8/23/2012	71.96
SHELL FLEET PLUS	10-07-650	Gas and diesel purchases/July 2012	102227	8/23/2012	49.85
SOLECON, INC	10-22-620	Replaced thermostat at fire dept	102228	8/23/2012	259.73
SOLECON, INC	10-21-620	Replaced disconnect on AC at PD	102228	8/23/2012	427.55
SPRINGBROOK SOFTWARE	10-14-631	Online web pay monthly service fee	102229	8/23/2012	66.67
SPRINGBROOK SOFTWARE	60-50-631	Online web pay monthly service fee	102229	8/23/2012	66.67
SPRINGBROOK SOFTWARE	63-56-631	Online web pay monthly service fee	102229	8/23/2012	66.66
Stanislaus Implement & Hardware Co, Ltd	60-50-653	2 Tops/1 fan/cooling kit/1 poly windshield	102230	8/23/2012	1,093.03

Name	Account	Description	Check Nu	Check D	Amount
Stanislaus Implement & Hardware Co, Ltd	60-50-653	Difference of price on windshield	102230	8/23/2012	128.85
State of Calif Dept of Justice	63-56-620	Fingerprint app for G. Stonebarger	102231	8/23/2012	32.00
State of Calif Dept of Justice	10-21-620	Fingerprint apps/child abuse index/July 2012	102231	8/23/2012	219.00
Stanislaus County Auditor-Controller	10-21-651	Natural gas pumped from Morgan Rd fuel station	102232	8/23/2012	5.85
STAPLES ADVANTAGE	10-14-630	Dab-n-seal/paper/receipt books/file folders	102233	8/23/2012	19.26
STAPLES ADVANTAGE	60-50-630	Dab-n-seal/paper/receipt books/file folders	102233	8/23/2012	19.26
STAPLES ADVANTAGE	63-56-630	Dab-n-seal/paper/receipt books/file folders	102233	8/23/2012	19.26
STAPLES ADVANTAGE	10-14-630	Pen refill	102233	8/23/2012	5.54
STAPLES ADVANTAGE	10-45-630	Receipt books	102233	8/23/2012	12.85
STAPLES ADVANTAGE	10-14-630	Receipt books	102233	8/23/2012	12.85
STAPLES ADVANTAGE	60-50-630	Receipt books	102233	8/23/2012	12.85
STAPLES ADVANTAGE	63-56-630	Receipt books	102233	8/23/2012	12.86
STAPLES ADVANTAGE	10-21-630	Labels	102233	8/23/2012	17.19
STAPLES ADVANTAGE	10-14-630	Swiffer starter kit/post-its/staples/file folders	102233	8/23/2012	33.89
STAPLES ADVANTAGE	60-50-630	Swiffer starter kit/post-its/staples/file folders	102233	8/23/2012	33.89
STAPLES ADVANTAGE	63-56-630	Swiffer starter kit/post-its/staples/file folders	102233	8/23/2012	33.89
TOBIN JESSICA	10-21-630	Reimbursement for 50lb bag dog food/animal shelter	102234	8/23/2012	81.56
Uline	10-21-630	25 boxes nitrile gloves/PD	102235	8/23/2012	230.02
USA BLUEBOOK	60-50-630	"Biodegradable bacteria-laden block for organic waste @ WWTP	102236	8/23/2012	271.10
MATTOS NEWSPAPERS, INC.	10-14-630	1000 Applications for utility service	102237	8/23/2012	87.42
MATTOS NEWSPAPERS, INC.	60-50-630	1000 Applications for utility service	102237	8/23/2012	87.42
MATTOS NEWSPAPERS, INC.	63-56-630	1000 Applications for utility service	102237	8/23/2012	87.42
MATTOS NEWSPAPERS, INC.	10-03-624	Legal publication/notice of election	102237	8/23/2012	75.00
MATTOS NEWSPAPERS, INC.	10-45-672	Display ad/movie night	102237	8/23/2012	60.00
MATTOS NEWSPAPERS, INC.	10-45-672	Display ad/movie night	102237	8/23/2012	60.00
MATTOS NEWSPAPERS, INC.	10-45-672	Display ad/movie night	102237	8/23/2012	60.00
MATTOS NEWSPAPERS, INC.	10-45-672	Display ad/movie night	102237	8/23/2012	60.00
MATTOS NEWSPAPERS, INC.	20-06-660	Public Notice CAPER meeting	102237	8/23/2012	67.50
WESTSIDE WELDING&RADIATOR	10-07-620	Made and installed handrails for old school house	102238	8/23/2012	1,991.06
WEST SIDE PUBLIC SCALE	60-50-623	Hay weight tags/July 2012	102239	8/23/2012	45.00
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MINUTES
NEWMAN CITY COUNCIL
REGULAR MEETING AUGUST 14, 2012
CITY COUNCIL CHAMBERS, 7:00 P.M., 1200 MAIN STREET

1. **Call To Order** - Mayor Katen 7:00 P.M.
2. **Pledge Of Allegiance.**
3. **Invocation** - Council Member Hutchins.
4. **Roll Call - PRESENT:** Davis, Hutchins, Candea, Martina And Mayor Katen.
ABSENT: None.

5. **Declaration Of Conflicts Of Interest** - None.

6. **Ceremonial Matters**

- a. **Badge Pinning Of Officer Ronil Singh.**

Chief Richardson Introduced Officer Ronil Singh And Presided Over His Badge Pinning Ceremony.

7. **Items from the Public - Non-Agenda Items** - None.

8. **Consent Calendar**

- a. Waive All Readings Of Ordinances And Resolutions Except By Title.
- b. Approval Of Warrants.
- c. Approval Of Minutes Of The July 24, 2012 Regular Meeting.
- d. Consider Approval Of The Consolidated Annual Performance And Evaluation Report (CAPER) Relating To Its Fiscal Year 2011-2012 Past Activity And Open The Fifteen Day Public Comment Period.
- e. Approval of HOME Sub-Recipient Agreement.
- f. Adopt Resolution No. 2012-49, Declaring Certain Personal Property Surplus Property And Authorizing Disposal And/Or Sale Of Property.
- g. Report On Stanislaus Elder Abuse Prevention Alliance Event At The Downtown Plaza.

ACTION: On A Motion By Candea Seconded By Davis And Unanimously Carried, The Consent Calendar Was Approved.

9. **Public Hearings** - None.

10. **Regular Business**

- a. Report On Historic Map Preservation.

Council Member Hutchins Stated That He Thought That The Map Should Be Preserved.

ACTION: On Motion By Hutchins Seconded By Martina And Unanimously Carried, The Council Approved The Map Preservation And A Budget Adjustment In The Amount of \$4,500.

- b. Authorization To Increase The Amount Of The City Council Chambers Dais Project To \$55,000.00.

ACTION: On Motion By Candea Seconded By Martina And Unanimously Carried, The Council Authorized An Increase Of \$10,000 For The City Council Chambers Dais Project.

- c. Adopt Resolution No. 2012-50, A Resolution Awarding The City Engineering Services Contract To Gouveia Engineering, Inc. And Authorize The City Manager To Sign The Agreement.

ACTION: On Motion By Hutchins Seconded By Davis And Unanimously Carried, Resolution No. 2012-50, A Resolution Awarding The City Engineering Services Contract To Gouveia Engineering, Inc. And Authorize The City Manager To Sign The Agreement, Was Adopted With The Option Of Two One-Year Extensions.

- d. Adopt Resolution No. 2012-51, A Resolution Awarding The Street Sweeping Services Contract To Advanced Building Cleaners, Inc.

ACTION: On Motion By Hutchins Seconded By Davis And Unanimously Carried, Resolution No. 2012-51, A Resolution Awarding The Street Sweeping Services Contract To Advanced Building Cleaners, Inc., Was Adopted With The Option Of Two One-Year Extensions.

- e. Adopt Resolution No. 2012-52, A Resolution Supporting The Display Of The National Motto "In God We Trust" In The Newman Council Chambers In A Prominent Location Above The Seal.

ACTION: On Motion By Martina Seconded By Candea And Unanimously Carried, Resolution No. 2012-52, A Resolution Supporting The Display Of The National Motto "In God We Trust" In The Newman Council Chambers In A Prominent Location Above The Seal, Was Adopted.

- f. Discussion Regarding Newman Youth Baseball/Softball.

City Manager Holland Noted That The City Had Previously Appointed Three Members To The Newman Youth Baseball/Softball Board For The Preceding Season. Holland Reported That The City Appointed Board Members Had Been Debriefed After The Conclusion Of The 2012 Season. He Remarked That As A Result Of That Conversation, It Was Evident That There Were Still Issues And Concerns About The Future. Holland Reported That Another Board Member Had Been Voted Off The Board The Previous Night By The Board Itself And That The City Representatives Now Feel That The Board Will Be More Successful. He Indicated That The Board Would Appoint A New Member In January. Holland Remarked That The Board Needed To Be Functional And Should Be Working For The Best Interest Of The Community's Youth. . He Recommended That The Council Take No Action At This Time But Indicated That If There Was No Improvement Going Forward, He May Be Forced To Recommend That The City Start Its Own Baseball Program.

ACTION: No Action Was Taken.

11. Items From District Five Stanislaus County Supervisor - None.

12. Items From The City Manager And Staff.

City Manager Holland Reported That Staff Was Trying To Determine If The November Municipal Election Was Required Since All Incumbents Are Running Unopposed And Noted That There Could Be A Potential Cost Savings If The City Was Able To Cancel The Election. Holland Reminded That The Fall Festival Was Just Around The Corner And That Soccer Season Begins The Following Week. He Stated That He Would Be Attending The Next Board Of Supervisors Meeting Because The West Park Project Was Once Again Going Before The Stanislaus County Board Of Supervisors.

Chief Richardson Informed The City Council That 1208 Merced Street Was Scheduled For Demolition On August 23rd.

Public Works Director Reynolds Mentioned That Staff And The Mayor Had Met With Department Of Water Resources Regarding Funding For The Orestimba Creek Project.

City Planner Ocasio Noted That The Planning Commission Would Be Meeting On August 16th To Consider The Rezoning Of 7 Parcels.

13. Items From City Council Members.

Council Member Martina Noted That He Thought Both The Hot Night In The Plaza And Following Movie Night Were Both Great Events.

Mayor Katen Reported That Congressman Cardoza Had Resigned Effective That Night And That Our Area Would Be Without Representation Until The November Election.

14. Adjournment.

ACTION: On Motion By Katen Seconded By Candea And Unanimously Carried, The Meeting Was Adjourned At 7:58 P.M.



MINUTES
NEWMAN CITY COUNCIL
SPECIAL MEETING AUGUST 23, 2012
CITY COUNCIL CHAMBERS, 7:00 A.M., 1200 MAIN STREET

1. **Call To Order** - Mayor Katen 7:01 A.M.
2. **Roll Call - PRESENT:** Davis, Hutchins, Martina And Mayor Katen.
ABSENT: Canda (Excused).
3. **Items from the Public - Non-Agenda Items** - None.
4. **Consider Appointing Uncontested Nominees To City Offices And The Cancellation Of The November 6, 2012 Consolidated General Municipal Election**

Council Member Hutchins Inquired About Write-In Candidates.

City Attorney Hallinan Responded That The City Could Move Forward With The Appointment Process And Forgo Any Write-In Candidates.

- i. **Adopt Resolution No. 2012-53, A Resolution Appointing Uncontested Nominee, Ed Katen As Mayor Of The City For A Full Term Of Two Years To Serve Exactly As If Elected At The Scheduled Election For November 6, 2012, Pursuant To California Elections Code Section 10229.**

ACTION: On Motion By Martina Seconded By Hutchins And Unanimously Carried, Resolution No. 2012-53, A Resolution Appointing Uncontested Nominee, Ed Katen As Mayor Of The City For A Full Term Of Two Years To Serve Exactly As If Elected At The Scheduled Election For November 6, 2012, Pursuant To California Elections Code Section 10229, Was Adopted By The Following Vote: AYES: Davis, Hutchins And Martina; NOES: None; ABSENT: Canda; NOT PARTICIPATING: Katen

- ii. **Adopt Resolution No. 2012-54, A Resolution Appointing Uncontested Nominee, Robert A. Martina As Council Member Of The City For A Full Term Of Four Years To Serve Exactly As If Elected At The Scheduled Election For November 6, 2012, Pursuant To California Elections Code Section 10229.**

ACTION: On Motion By Hutchins Seconded By Davis And Unanimously Carried, Resolution No. 2012-54, A Resolution Appointing Uncontested Nominee, Robert A. Martina As Council Member Of The City For A Full Term Of Four Years To Serve Exactly As If Elected At The Scheduled Election For November 6, 2012, Pursuant To California Elections Code Section 10229, Was Adopted By The Following Vote: AYES: Davis, Hutchins And Katen; NOES: None; ABSENT: Canda; NOT PARTICIPATING: Martina.

- iii. **Adopt Resolution No. 2012-55, A Resolution Appointing Uncontested Nominee, Roberta Davis As Council Member Of The City For A Full Term Of Four Years To Serve Exactly As If Elected At The Scheduled Election For November 6, 2012, Pursuant To California Elections Code Section 10229.**

ACTION: On Motion By Hutchins Seconded By Martina And Unanimously Carried, Resolution No. 2012-55, A Resolution Appointing Uncontested Nominee, Roberta Davis As Council Member Of The City For A Full Term Of Four Years To Serve Exactly As If Elected At The Scheduled Election For November 6, 2012, Pursuant To California Elections Code Section 10229, Was Adopted By The Following Vote: AYES: Hutchins, Martina And Katen; NOES: None; ABSENT: Candea; NOT PARTICIPATING: Davis.

iv. Adopt Resolution No. 2012-56, A Resolution Appointing Uncontested Nominee, David Reed As City Treasurer Of The City For A Full Term Of Four Years To Serve Exactly As If Elected At The Scheduled Election For November 6, 2012, Pursuant To California Elections Code Section 10229.

ACTION: On Motion By Martina Seconded By Davis And Unanimously Carried, Resolution No. 2012-56, A Resolution Appointing Uncontested Nominee, David Reed As City Treasurer Of The City For A Full Term Of Four Years To Serve Exactly As If Elected At The Scheduled Election For November 6, 2012, Pursuant To California Elections Code Section 10229, Was Adopted By The Following Vote: AYES: Davis, Hutchins, Martina And Katen; NOES: None; ABSENT: Candea; NOT PARTICIPATING: None.

5. Adjournment.

ACTION: On Motion By Katen Seconded By Hutchins And Unanimously Carried, The Meeting Was Adjourned At 7:07 A.M.

Honorable Mayor and Members
of the Newman City Council

PUBLIC HEARING ON SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND

RECOMMENDATION:

Hold a Public Hearing on accepting State of California Supplemental Law Enforcement Services Fund and authorize expenditures for this funding.

BACKGROUND:

The City is scheduled to receive \$100,000 in funding from the State of California as part of AB1913 Funding also referred to as Supplemental Law Enforcement Services Fund (SLESF). We have received this funding for the last ten years. The requirements of this program mandate the funds be spent on "front line needs of municipal police service", that a public hearing be held, and the funding is to supplement and not supplant items in the budget. The final requirement is the funds have to be expended by June 30, 2013, with any remaining funds returned to the State of California.

ANALYSIS:

During the building of FY 12/13 budget, these funds were anticipated revenue and were included in the general fund as \$10,000 in overtime costs and \$90,000 towards the ongoing costs of emergency dispatch services from SR911. These additional funds supplement existing items in our budget but as indicated above these funds were already included in the FY 12/13 City Budget adopted by this Council.

FISCAL IMPACT:

There is no fiscal impact as this program does not require matching.

ATTACHMENTS:

Attachment "A" is the Budget Narrative for these funds.

CONCLUSION:

Staff recommends the City Council hold a Public Hearing for accepting and appropriating the Supplemental Law Enforcement Services Fund.

Respectfully submitted,



Randy Richardson
Chief of Police

REVIEWED/CONCUR:



Michael Holland
City Manager

ATTACHMENT "A"

The Chief of Police and his staff have determined the front line needs of our municipal police service. The following identifies those needs:

1. **\$10,000 Overtime Funds**

Covers funding for overtime to cover the cost of increased coverage of officers in the field to offset for additional patrols such as significant investigations, training, special events, and other community needs. These funds are essential to maintain minimum staffing levels on patrol.

2. **\$90,000 Emergency Dispatch**

These funds will assist in the on-going funding for contractual emergency dispatch services that is provided by Stanislaus Regional 911. The cost of these essential services continues to escalate based on improved technology and salaries provided to SR911 staff.

The Department will stay within the parameters of the listed items above but funds may be spent as needed in each of these areas.

Honorable Mayor and Members
of the Newman City Council

**AUTHORIZE THE CITY MANAGER TO INITIATE PROPOSITION 218
PROCEEDINGS FOR WATER UTILITY SERVICES**

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to initiate Proposition 218 proceedings for Water Utility Services.

BACKGROUND:

In 2008 the water rates were increased to cover the cost of service related to the utility. However, at that time the rate increase did not provide for additional capital improvements for the water system and did not provide for future rate increases to cover increasing cost of service. On July 24, 2012 City Council adopted the 2012 Water Rate Study (Study). The Study analyzed needs of the utility for the next ten years; however the recommendation of the Study is to adopt the proposed rates for the next five years. As you are aware, the City of Newman is required by the State of California to follow Proposition 218 guidelines when increasing utility rates. The intent of Proposition 218 is to ensure that all taxes and most charges of property owners are subject to voter approval. With City Council approval the City will prepare the mailing list of affected properties and utility users, and utilizing data secured from the City and County Assessor's roll, prepare the notice for printing and mailing.

ANALYSIS:

The Proposition 218 process is anticipated to follow the schedule outlined below:

September 20, 2012 – Notice and database completed

September 28, 2012 - All notices are printed and mailed

November 13, 2012 - City Council conducts the Public Hearing and takes action

FISCAL IMPACT:

Estimated at \$2,500.00 for the notice and mailing.

CONCLUSION:

On July 24, 2012 City Council approved the Water Rate Study which identified the need for rate increases for the next five years. The next step in the process is to authorize the initiation of the Proposition 218 proceedings. Therefore, staff recommends City Council authorize the City Manager to initiate Proposition 218 proceedings for Water Utility Services.

Respectfully Submitted,



Garner Reynolds
Director of Public Works

REVIEWED/CONCUR:



Michael E. Holland
City Manager

Honorable Chairman and Members of the
Newman Redevelopment Successor Agency

**RESOLUTION NO. 2012- . APPROVING A REAL PROPERTY PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS FOR THE SALE OF PROPERTY LOCATED AT 2161 L
STREET, NEWMAN, CALIFORNIA**

RECOMMENDATION:

It is recommended that the Successor Agency adopt Resolution No. 2012- , approving a real property purchase and sale agreement and authorize the Executive Director to execute the required documents.

BACKGROUND:

Pursuant to AB1X26, the Successor Agency is charged to “Dispose of assets and properties for the former Redevelopment Agency as directed by this Oversight Board. The disposal is to be done expeditiously and in a manner aimed at maximizing value.” The proposed buyer was in discussion with the Redevelopment Agency prior to the passage of AB1X26 to purchase said the property. However, a deal was not completed prior to its passage and the deal has been delayed.

The proposed buyer still remains interested in moving forward. In an effort to expedite the process, I recommended the buyer pay to have an appraisal prepared (attached). The proposed price for the sale is based upon this report.

ANALYSIS:

On July 10th, staff met with prospective buyer Ms. Carolyn Beach regarding the appraisal and structuring of a purchase agreement. Based upon this meeting, the buyer and staff are proposing the following terms of the purchase:

Purchase price:	\$290,000 (Appraised value)
Appraisal fee:	- <u>1,800</u>
Total purchase price	\$288,200
Down Payment	- <u>28,820</u>
Agency loan amount	\$259,380
Interest rate on loan	3.500%
Monthly payments	\$3,999.22
Balloon Payment Yr. 3	\$140,481.96
Total interest collected	\$21,074.66

The preceding terms show a three year loan agreement in which the buyer will pay full appraised value; minus the price of the appraisal. The buyer will provide a down payment equal to 10% of the total purchase price. In return, the Agency agrees to finance the remaining amount (\$259,380). The loan amount will be amortized over six years; with the buyer agreeing to make monthly payments in the amount of \$3,999.22 with a balloon payment of \$140,481.96 after three years. At the end of three years, the buyer has included language that would allow the agency to accept the balloon payment or continue to receive monthly payments for an addition three years. The amount of interested received with increase from \$21,074 to \$28,564 with the additional three years. Staff recommends accepting the balloon payment after three years, but keeping the language in the agreement that would allow for future consideration.

Details of the property are contained within the attached appraisal.

CEQA

The proposed Resolution does not commit the Successor Agency to any actions that may have a significant effect on the environment. As a result, this action does not constitute a project subject to the requirements of the California Environmental Quality Act.

FISCAL IMPACT:

There is no impact to the Successor Agency. Proceeds from the sale will be used to pay down the Agency's debt.

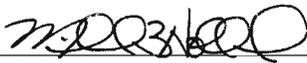
CONCLUSION:

Staff recommends that the Successor Agency adopt Resolution No. 2012- approving the sale of real property purchase and sale agreement and joint escrow instructions for the sale of property located at 2161 L Street.

ATTACHMENTS:

1. Resolution No. 2012-
2. Exhibit A – Property appraisal

Respectfully submitted,



Michael E. Holland
Executive Director

RESOLUTION NO. 2012-

**RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER NEWMAN
REDEVELOPMENT AGENCY, APPROVING A REAL PROPERTY PURCHASE AND SALE
AGREEMENT AND JOINT ESCROW INSTRUCTIONS FOR THE SALE OF PROPERTY
LOCATED AT 2161 L STREET, NEWMAN, CALIFORNIA**

WHEREAS, the Newman Redevelopment Agency (“Agency”) owned that certain real property consisting of approximately 3.36 acres of real property located at 2161 L Street in the City of Newman (Merced County APN 054-220-0001) (the “Site”), more specifically defined in Section 1 of this Agreement; and

WHEREAS, pursuant to AB 1X 26, which took effect June 29, 2011, and the decision of the California Supreme Court in *California Redevelopment Association et al., v. Ana Matosantos, et al.* (Case No. S194861), all redevelopment agencies were deemed dissolved on February 1, 2012; however, pursuant to the authority provided in Health and Safety Code Section 34173, as enacted by AB 1X 26, the City Council of the City of Newman (“City”) at its regular meeting of January 10, 2012, elected and determined that the City should become the “successor agency” to the former Newman Redevelopment Agency, and upon dissolution of the Agency under AB 1X 26, all authorities, rights, powers, duties and obligations previously vested with the former Agency, under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), were vested in the Successor Agency; and

WHEREAS, Health and Safety Code Section 34177, added by AB 1X 26, requires the Successor Agency to wind down the affairs of the former redevelopment agency, including disposing of assets and properties of the former agency, expeditiously and in a manner aimed at maximizing value; and

WHEREAS, Carolyn Beach (“Buyer”) is a co-owner of Westside Pallet, Inc., a pallet manufacturing facility located adjacent to the Site, and has submitted a proposal to the Successor Agency to acquire the Site for expansion of the business operations at Westside Pallet, at a price equal to the fair market value of the property; and

WHEREAS, sale of the Site and the development and use of the Site for expansion of an existing business will result in redevelopment and reuse of a currently vacant and underutilized parcel of land, expansion of an existing long-running commercial business within the City, increased employment opportunities within the City, and additional property taxes and sales taxes produced from the Site, which will result in future revenues for the benefit to the City and the other affected taxing agencies that will receive property taxes generated from the Site, as well as comply with the provisions of Health and Safety Code Section 34177 requiring the disposal of properties of the former agency, expeditiously and in a manner aimed at maximizing value; and

WHEREAS, the Successor Agency and Buyer have cooperated in the preparation of a Real Property Purchase and Sale Agreement and Joint Escrow Instructions (the “Purchase Agreement”) setting out the terms and conditions for the sale of the Site to Buyer;

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE FORMER NEWMAN REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1.

Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2.

Approval of Purchase Agreement. The Successor Agency hereby approves the Purchase Agreement in substantially the form currently on file with the City Clerk, subject to any minor, clarifying or conforming changes as may be approved by counsel to the Successor Agency. Subject to approval by

the Oversight Board and the State Department of Financing, pursuant to Health and Safety Code Sections 34181 and 34179, the Chairman of the Successor Agency, or his or her designee, is authorized and directed to execute the Purchase Agreement on behalf of the Successor Agency, and to take such further actions and execute such further documents as are necessary to carry out the obligations of the Successor Agency under the Purchase Agreement, including without limitation, execution and delivery of the Grant Deed, acceptance of the Note and Deed of Trust provided for under the Purchase Agreement.

Section 3.

Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 4.

Certification. The City Clerk of the City of Newman, acting on behalf of the Successor Agency as its Secretary, shall certify to the adoption of this Resolution.

Section 5.

Effective Date. This Resolution shall be effective immediately following its adoption.

Section 6.

Review and Approval by Oversight Board. Following adoption of this Resolution, the Purchase Agreement shall be submitted to the Oversight Board for approval pursuant to Health and Safety Code Section 34181.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City of Newman Successor Agency to the Former Newman Redevelopment Agency on the 28th day of August, 2012, by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

Chairman of the Newman Successor Agency

ATTEST:

Newman Successor Agency Secretary

Summary Appraisal Report
3.36± Acres Vacant Industrial Land
2161 L Street, Newman, CA 95360

Client

Ms. Carolyn Beach
Westside Pallet, Inc.
2138 L Street
Newman, CA 95360

Prepared By

Erik Lundquist, Appraiser
2657 Heirloom Way
Roseville, CA 95747

Date of Report May 30, 2012



Assignment Conditions

Intended Use	Purchase negotiations	Date of Inspection	May 13, 2012
Intended User	Client only	Date of As-Is Value	May 13, 2012
Assignment Objective	Develop an opinion of Market Value (per Federal Register guidelines)	Report Option	Summary Appraisal Report, in accordance with Standards Rule 2-2(b) of USPAP
Interest Valued	Fee simple estate	Approaches Utilized	Sales comparison

Value Conclusions

Market Value As-Is **\$290,000**

Value conclusion(s) based on the attached Scope of Work, Assumptions, Hypothetical Conditions, and Appraisal Definitions, as of the date of value stated above.

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Scope of Work

In preparing this appraisal, the appraiser did the following:

- Completed this analysis as an 'appraisal assignment', as defined by the Uniform Standards of Professional Appraisal Practice (USPAP).
- Inspected the subject property.
- Gathered subject information from city/county websites for assessment data, property taxes, zoning, earthquake zone, and flood zone.
- Gathered subject sales and listing history from MLS, Loopnet, Costar and/or public records.
- Gathered neighborhood and market data from a variety of sources, including personal inspection, brokerage reports, conferences, and market participant interviews.
- Determined the highest and best use of the subject as vacant.
- Gathered listing and sale data from a variety of sources, including Costar, Loopnet, MLS and/or public records; ensured all listings and sales were confirmed with at least one party to the transaction.
- Analyzed all relevant data and utilized the sales comparison approach to value. The cost and income capitalization approaches were excluded from the analysis, as the subject is vacant land and these approaches are not applicable. The cost and income capitalization approaches were not considered necessary to produce credible appraisal results.

Extraordinary Assumptions & Hypothetical Conditions

This appraisal is made with the following extraordinary assumptions, which can impact the results of an appraisal:

- A preliminary title report was not provided for this report. As such, it is assumed no negative title issues affect the subject property. If this is not the case, the value conclusion(s) could be impacted.
- The subject property boundaries were not delineated during the site inspection, and could not precisely be determined. An engineer's map indicating the exact property boundaries was provided for the appraiser's review. It is assumed the subject boundaries generally coincide with the area viewed and photographed during the site inspection.

This appraisal is premised based on the following hypothetical conditions, defined by USPAP as 'that which is contrary to what exists, but is supposed for the purpose of the analysis':

- None

Property Overview

Property Type	Industrial land	Assessor's Parcel Number	054-220-001
Owner of Record	City of Newman Redevelopment	Land Area	3.36± acres
Census Tract Number	20.00	Highest and Best Use	Hold for future industrial use
Exposure Time	6-12 months	Interest Valued	Fee simple

The subject property represents a vacant 3.36-acre site, without any onsite improvements and designated for industrial use. The subject is located along the west side of L Street, south of Inyo Avenue. While the subject is physically located in Merced County, all land use and zoning regulations are governed by the city of Newman in Stanislaus County, which is located immediately north. Adjacent uses along L Street are primarily industrial in nature. All utilities are available and underground in L Street, including public water, public sewer, electricity and phone.

According to public records, there have been no transfers of the property within the past three years. However, Westside Pallet (the property owner across the street) is currently negotiating with the owner to purchase the property. As of the date of this report, price and terms had yet to be determined.

Aerial View



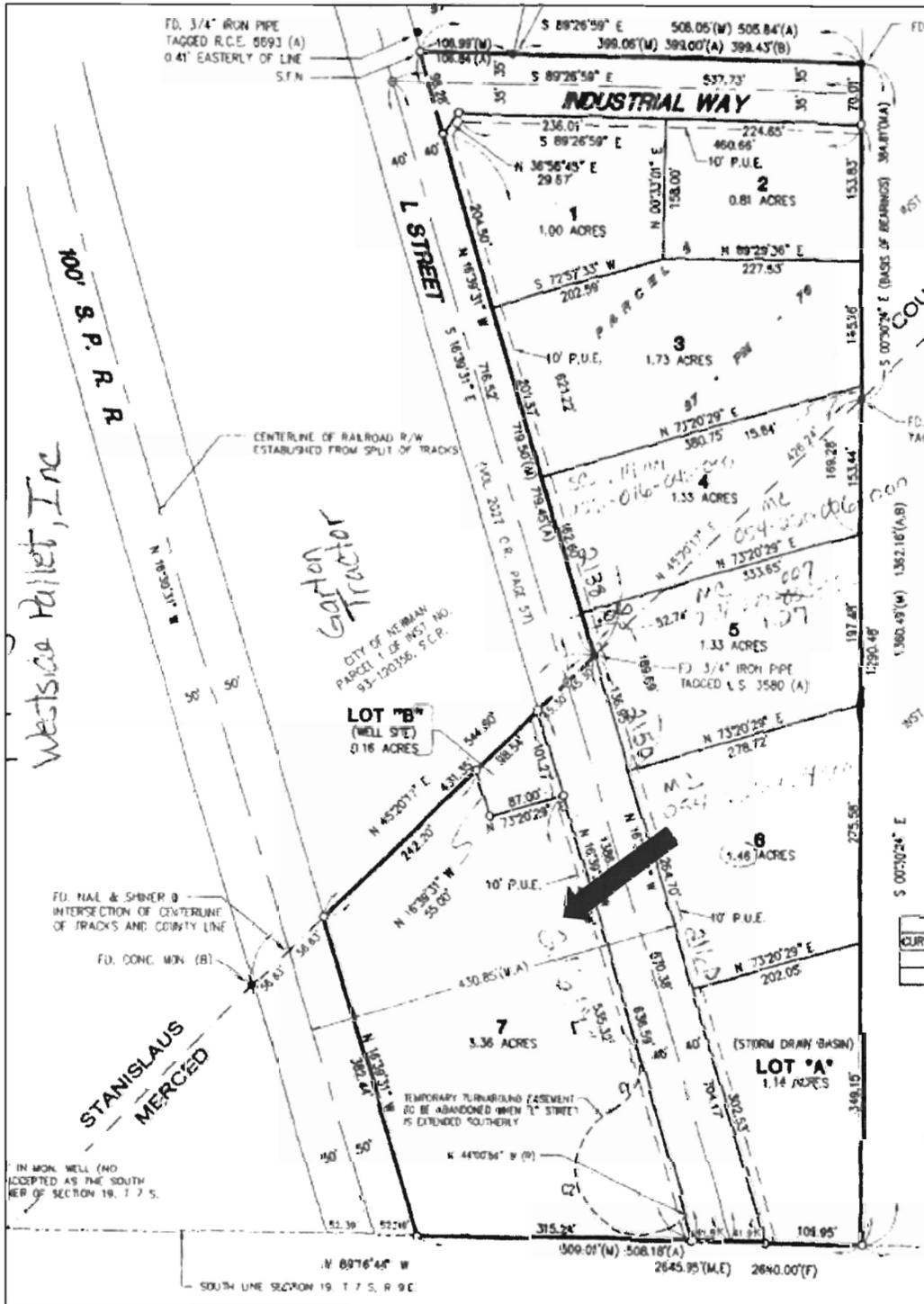
Site Description

Zoning	HI	Zoning Description	Heavy Industrial
Frontage/Visibility	Average	Legally Conforming?	Yes
Flood Zone	X500 – outside the 100-yr floodplain (Panel 060388-0945E)	Earthquake Zone	Zone 3 – Moderate Seismic Activity
Shape	Rectangular	Topography	Level
Utilities	All public utilities available	Offsite Improvements	All installed (curb, gutter, sidewalks, street lights)

While the subject is physically located in Merced County, the property is under the zoning jurisdiction of the city of Newman (located adjacent and north of the subject). Merced County planning officials indicated the property is designated PD – Planned Development in the county, but all future improvements are governed by Newman zoning regulations. According to the city of Newman, the subject is designated Heavy Industrial in the City's General Plan. The purpose of the Heavy Industrial zone is to provide for manufacturing, processing, assembling, research, wholesale and storage uses, trucking terminals, railroad facilities, public and quasi-public uses, and similar and compatible uses. New industrial development shall be accommodated in planned industrial parks, with the exception of infill and reuse in existing industrial areas. The FAR of new development shall not exceed 0.40.

No negative attributes are noted with the subject site; visibility and accessibility are both average along the west side of L Street, with access to Highway 33 immediately north via Inyo Avenue. The property is located amongst industrial development.

Engineer's Map



Property Taxes and Assessment Data

Parcel Number	054-220-001
Assessed Land Value	\$0
Assessed Improvement Value	\$0
Total Assessed Value	\$0
Taxes	\$141.44 (Special Assessments only)
Base Tax Rate (2011-2012)	1.1796%

The subject property is currently owned by the City of Newman, and as such, does not pay property taxes. If the parcel was to transfer to a private party, the property would be assessed at market value and taxed at the current rate.

Highest & Best Use – As Vacant

Legal Permissibility	Industrial development only, in concert with the Heavy Industrial zoning requirements. Likelihood of a zoning change is remote.
Physically Possible	All legally permissible uses are physically possible, as the site is level, has average accessibility, no adverse soil or drainage conditions, and has an adequate size and shape for industrial uses.
Financially Feasible	Industrial uses are currently overbuilt in the subject submarket, with declining rental rates and sale prices. Due to oversupply and construction costs that exceed sale prices, development at this time is not financially feasible.
Maximally Productive	Hold for future industrial development

Regional Overview

While the subject is physically located in Merced County, it is effectively in the city of Newman. As such, our analysis considers Newman and Stanislaus County as the subject's market area.

Stanislaus County encompasses approximately 1,494 square miles, bordered by Merced County to the south and San Joaquin County to the north. Stanislaus County is one the leading agricultural areas in the Central Valley, and has a population of 514,453 (as of 2010). The topography of the region includes mostly flat land along the valley floor, but also includes rolling hills along the western and eastern boundaries of the county.

The county has been one of the fastest-growing areas in the United States over the past 30 years, with growth of 14% since 2000 and 22% between 1990 and 2000. Most of this growth has occurred in the cities of Modesto and Turlock, with additional growth seen in Ceres, Oakdale, Newman and Riverbank.

Stanislaus County is predominated by agricultural land use characterized with dairies, irrigated field crops and orchards (mostly almonds). Both full and part-time farming units are found in the area as well as semi-rural home sites. Rural residential use is favorable in the area due to the close proximity of Turlock, Ceres and Modesto to most points within the county. These cities are the main population centers of the area that provide off farm employment, health services, and churches, residential housing and shopping complexes. Modesto is the county's largest city, with a population of 201,165 as of 2010. The City of Turlock is the second largest city in Stanislaus County with a population that has grown steadily from 13,992 in 1970 to over 69,000 today, and is home to California State University Stanislaus (CSUS).

For many years Stanislaus County has been one of the leading counties in California in estimated value for farm products. A nine-year record is as follows:

Year	Total	\$ Change	% Change
2009	\$2,310,070,000	(\$163,773,000)	-7.09%
2008	\$2,473,843,000	\$52,193,000	2.11%
2007	\$2,421,650,000	\$273,498,000	11.29%
2006	\$2,148,152,000	\$170,557,000	7.94%
2005	\$1,977,595,000	(\$839,000)	-0.04%
2004	\$1,978,434,000	\$523,502,000	26.46%
2003	\$1,454,932,000	\$86,961,000	5.98%
2002	\$1,367,971,000	\$14,671,000	1.07%
2001	\$1,353,300,000	N/A	N/A

*Stanislaus County Agricultural Commissioner's Office – 2009 Crop Report

While agriculture provides for the county's financial base, Stanislaus County has a broad range of related and non-related industries. Those sectors which strongly depend on agriculture, such as food processing, wholesale trade, and transportation, have also seen rapid expansion. At the same time, nonagricultural related activities, such as educational institutions, federal defense installations, warehouse/distribution centers, and numerous service industries, have contributed to the county's stability and growth.

Stanislaus County is an integral part of California's and the United States' agricultural base. While unemployment is typically higher than urbanized areas, the county fares better than most other agricultural communities. Several geographical, social and economic advantages have induced businesses and residents to relocate to the region from other parts of the state and nation. Beyond the current downturn, the long-term outlook for the region is good.

Neighborhood & Market Overview

Region	San Joaquin/Stanislaus	County	Stanislaus
Submarket Unemployment	16.1%	Primary Job Sectors	Agriculture, Services

Newman has an estimated population of 10,224 persons (as of 2010) and has grown at a fairly rapid rate of 4.4% from 2000 through 2010. Much of this growth is due to the city's commuter location for the South Bay Area and much more affordable housing. The area's residential growth has occurred primarily in the northern portion of the city.

As of 2009, Newman's median household income was \$39,460, which was somewhat lower than the state median of \$47,493. According to DataQuick Information Services, the median resale home price in Newman was \$110,000 in the year 2011, which was about 10% lower than the prior year and about 15% lower than the county median of \$130,000. Prices are have stabilized somewhat over the past several months; however, significant bank-owned inventory continues to drive prices lower.

The immediate neighborhood includes mostly industrial properties along L Street, with commercial uses concentrated to the northwest along Highway 33 and Main Street. The subject owner (Westside Pallet) operates three warehouse facilities along L Street, and is one of the primary businesses in the city. Downtown Newman is located less than ½ mile northwest of the subject, concentrated within a three-block portion of Main Street. A tour of downtown Newman indicated very little vacancy, with an estimated 90%+ occupancy rate for retail and office properties.

No formal survey information is available for Newman industrial market. Occupancy in the city appears to be high, with only one small building observed for rent (in the northern portion of town). Market participants have stated that overall vacancy in the county has been stabilizing, following a period of significant contraction. Prices are continuing to be driven downward, due mostly to bank-owned inventory and distressed/high vacancy properties entering the market. In turn, land values have continued to decline over the past few years, as oversupply in the market has eliminated all new development other than a handful of build-to-suit projects.

Industrial rental rates in the area are lower than more urbanized areas, due to lower demand and a predominantly older building supply. Rents for industrial properties in the area typically range from \$0.20 psf/month, gross, for older buildings in fair condition, to \$0.75 psf/month, gross, for newer properties with good visibility. Upon development, the subject could be expected to compete favorably with other similarly-sized industrial buildings in the area, given its location near other industrial development and the limited supply in Newman.

Overall, the subject's area is considered average for industrial uses, which is expected to remain relatively stable in the near term. Downward pricing pressure may continue to occur with both improved properties and vacant land as more foreclosed properties become available.

Subject Photos



View of subject facing south



View of subject facing west



Southern portion of subject



Looking north along L Street

Sales Comparison Approach

In the sales comparison approach, the market value of the subject property is estimated by a comparison to similar properties that have recently sold, are listed for sale, or are under contract. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace. The following sales are the most recent transactions considered to be reasonably similar to the subject.

Comparable Sales Summary

	Subject	Sold Comp 1	Sold Comp 2	Sold Comp 3	Sold Comp 4	List Comp 1
Street Address	2161 L Street Newman, CA 95360	Keystone & Baldwin Patterson, CA 95363	Liberty & Tenger Turlock, CA 95380	Technology & Ward Los Banos, CA 93635	Bridget & Winton Winton, CA 95340	Wardrobe & Beechcraft Merced, CA 95341
APN	054-220-001	021-085-006	044-066-007 thru -010	084-250-016	147-190-019	059-132-006
Sale Price	--	\$610,000	\$220,000	\$210,000	\$425,000	\$450,000
Land Area (acres)	3.36	5.29	2.04	1.99	2.70	5.30
Land Area (SF)	146,362	230,432	88,862	86,684	117,612	230,868
Sale Price psf	--	\$2.65	\$2.48	\$2.42	\$3.61	\$1.95
Sale Date	--	January-12	June-11	October-10	July-10	Listing
Transaction Characteristics						
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment						
Financing Terms	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent
Adjustment						
Conditions of Sale	Market	Market	REO 5%	Market	Market	Market
Adjustment						
Market Conditions	May-12	January-12	June-11	October-10	July-10	Listing
Adjustment			-10%	-20%	-20%	-5%
Physical Characteristics						
Location	Average	Superior -10%	Superior -10%	Similar	Sl. Superior -5%	Sl. Superior -5%
Adjustment						
Visibility/Accessibility	Average	Superior -10%	Similar	Similar	Sig. Superior -20%	Similar
Adjustment						
Land Area (acres)	3.36	5.29	2.04	1.99	2.70	5.30
Adjustment						
Offsite Improvements	All to Site	Similar	Similar	Similar	Similar	Similar
Adjustment						
Onsite Improvements	None	Similar	Similar	Similar	Similar	Similar
Adjustment						
Zoning	HI, Industrial	WPIBP, Industrial	PI, Industrial	M1, Industrial	M1, Industrial	IL, Industrial
Adjustment						
Net Adjustment		-20%	-15%	-20%	-45%	-10%
Adjusted Value (psf)		\$2.12	\$2.10	\$1.94	\$1.99	\$1.75
Similarity to Subject		Average	Average	Average	Average	Average
Value Conclusion (psf)	\$2.00					
Value Conclusion (rd)	\$290,000					

Sales Comparison Approach



Sold Comp 1
Northwest Quadrant of Keystone Parkway & Baldwin Road, Patterson, CA

Buyer	Cynthia Birmingham
Seller	Warren Trust
Confirmation	Public records
Document Number	005227
APN	021-085-006
Sale Date	1/20/2012
Sale Price	\$610,000 (\$2.65 psf)
Land Area	5.29± acres

This comparable is located in the Keystone Pacific Business Park in west Patterson. The property is approximately one mile east of Interstate 5, and is adjacent to a recently completed Kohl's Distribution Center. All utilities and offsite improvements have been completed, and the site is ready for vertical construction. The parcel is now being listed for sale at \$5.25 per square foot; it is unknown if the buyer's intention was to develop the property or to resell immediately.



Sold Comp 2
South Side of Liberty Square Parkway, East of Tenger Road, Turlock, CA

Buyer	SAMA Properties, LLC
Seller	RM-J Partnership
Confirmation	Listing broker
Document Number	045963
APN	044-066-007 thru -010
Sale Date	6/1/2011
Sale Price	\$220,000 (\$2.48 psf)
Land Area	2.04± acres

Located ½ mile south of Main Street and two miles west of Highway 99 in Turlock, this comparable represents four contiguous lots within a small newer industrial development. The lots were originally marketed separately for \$55,000 each; the buyer plans to develop all four as a single owner-user property. All offsite improvements were in place at the time of sale.

Sales Comparison Approach



	Sold Comp 3
	North Side of Technology Drive, East of Ward Road, Los Banos, CA
Buyer	Elizabeth Laplante (et al)
Seller	Carlos & Julia Orta
Confirmation	Public records
Document Number	39891
APN	084-250-016
Sale Date	10/13/2010
Sale Price	\$210,000 (\$2.42 psf)
Land Area	1.99± acres

This comparable is located in the eastern portion of Los Banos, one block south of Highway 152. The property has all offsite improvements in place. The buyers have now listed the property for sale at \$237,000 (\$2.73 per square foot).



	Sold Comp 4
	South Side of Bridget Street, East of Winton Way, Winton, CA
Buyer	Central Valley Opportunity Center, Inc.
Seller	Webb Family Trust
Confirmation	Buyer representative3
Document Number	27297
APN	147-190-019
Sale Date	7/20/2010
Sale Price	\$425,000 (\$3.61 psf)
Land Area	2.70± acres

Located just south of Santa Fe Drive in Winton, this comparable is zoned industrial but is located adjacent to commercial development. The buyers intend to construct a learning center on the property, which is allowable within the industrial zone but more of a commercial/industrial use. All offsite improvements were in place at the time of sale.

Sales Comparison Approach



List Comp 1

North Side of Wardrobe Avenue, East of Beechcraft Avenue, Merced, CA

Buyer N/Ap (Listing)
Seller Melton & Olmsted, Inc.
Confirmation Listing broker
Document Number N/Ap (Listing)
APN 059-132-006
Sale Date Listing
List Price \$450,000 (\$1.95 psf)
Land Area 5.30± acres

This comparable is located in a large industrial area near the Merced Airport and approximately one mile south of Highway 99. The property is currently being listed for sale for \$1.95 per square foot; the list price was recently reduced from \$494,000 (\$2.14 psf) after receiving minimal interest. The sellers purchased the property in July 2004 for \$1.80 per square foot. All offsite improvements are installed at the property.

Sales Comparison Approach

Discussion of Adjustments

Property Rights Conveyed

The fee simple market value of the subject is estimated in this appraisal. To the best of our knowledge, all of the comparables represent similar fee simple transactions. No adjustments are necessary for property rights conveyed.

Financing Terms

The market valuation of the subject property assumes cash or cash equivalent financing. All of the comparable sales were all cash to the seller or cash equivalent transactions. No favorable financing was involved with any of the sales. As a result, none of the comparables is adjusted for financing.

Conditions of Sale

The confirming parties stated all of the closed sales represent arm's-length market transactions, with no unusual circumstances or motivations. However, Sale 2 was lender-owned at the time of transfer and was adjusted upward to account for the additional risk associated with REO properties (as-is sale, limited or no contingency period, etc). It is noted that the local industrial market is dominated by bank-owned properties. As such, the adjustment for this factor is relatively small.

Market Conditions

An adjustment for changes in market conditions was analyzed. In recent quarters there has been some decline in industrial land values in the Central Valley region, following a period of strong growth from 2001 through 2006 (as discussed earlier in this report). Sale 1 transferred four months prior to the date of value and did not require a market conditions adjustment. However, Sales 2, 3 and 4 transferred between July 2010 and June 2011, and were adjusted downward to reflect the superior market conditions at the time of sale. As the current listing price of Sale 3 indicates, the industrial land market has seen fairly significant declines over the past two years. As such, the 2010 sales received a large downward adjustment. List Comp 1 was adjusted downward as most similar properties sell at a discount relative to their asking price.

Location

The subject property is considered to possess an average location for industrial land in comparison to the larger regional area. The subject is located amongst primarily industrial development, but is in a small town with minimal industrial uses. Most of the comparables are considered to have generally superior locations amongst larger industrial developments in larger cities; Sales 1, 2, 4 and 5 were all adjusted downward for their superior locations.

Accessibility/Visibility

The subject property has average accessibility/visibility along L Street in Newman. Sales 2, 3 and List Comp 1 have generally similar accessibility/visibility near major transportation routes and along secondary roadways. However, Sales 1 and 4 have superior visibility along primary roadways and/or adjacent to highly visible commercial uses. The two comparables were adjusted downward for their superior visibility.

Land Area

Land area differences between properties affect the prices per square foot due to the economies of scale associated with larger parcels. That is, all else being equal, larger parcels tend to sell for less per square foot than smaller parcels. The subject property contains 3.36± acres of land area. While the comparables range from 1.99± to 5.30± acres, they are all relatively similar to the subject and did not require adjustment.

Offsite Improvements

The subject has all necessary offsite improvements in place, including underground utilities in L Street, paved roads, curbs and gutters. All of the comparables are similarly finished industrial sites, ready for development. No adjustments were required for this factor.

Onsite Improvements

Neither the subject nor the comparables have onsite improvements; no adjustments were necessary.

Zoning

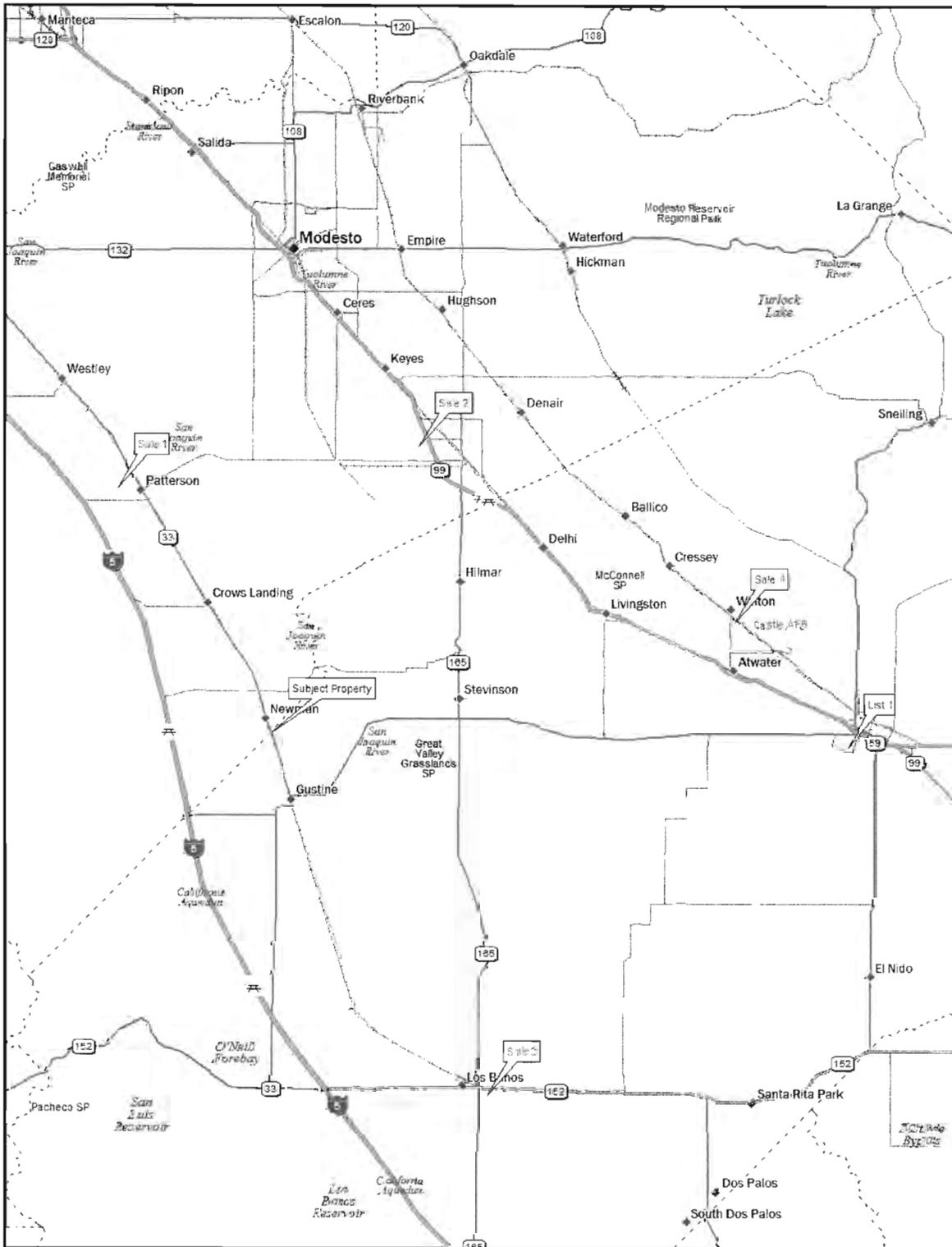
The subject is zoned HI, Heavy Industrial by the city of Newman. All of the comparable have similar industrial zoning and were not adjusted for this factor.

Market Value Conclusion

The market data set involves four closed sales and one current listing of properties considered to be reasonable indicators of value for the subject property. The adjustment grid on the preceding page illustrates the quantitative adjustments applied to the market data in order to equate with the subject. The adjusted value range narrowed in comparison to the unadjusted range, to \$1.75 to \$2.12 per square foot. All of the sales required adjustment; however, they were all located in relatively close proximity to the subject and resulted in a narrow adjusted range.

Considering the adjusted range of the value set, a unit value of \$2.00 per square foot is considered reasonable for the subject property. This results in a market value estimate via the sales comparison approach of **\$290,000** (\$2.00 psf x 146,362 SF = \$292,724, rounded to \$290,000).

Comparables Map



Certification Statement

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have not performed any valuation services for the subject property during the three years prior to the date of value noted in this report.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I certify that my State of California general real estate appraisal license has never been revoked, suspended, cancelled or restricted.
- I have the knowledge and expertise to complete this appraisal assignment and have appraised similar properties in the past.



Erik B. Lundquist, Appraiser
State Certification No: AG036734 (Expires: March 17, 2013)

General Assumptions and Limiting Conditions

- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- No responsibility is assumed for matters of law or legal interpretation.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- The information and data furnished by others in preparation of this report is believed to be reliable, but no warranty is given for its accuracy.
- It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- It is assumed the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
- It is assumed the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
- It is assumed all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed the use of the land and improvements is confined within the boundaries or property lines of the property described and there is no encroachment or trespass unless noted in the report.
- The appraiser is not qualified to determine the existence of mold, the cause of mold, the type of mold or whether mold might pose any risk to the property or its inhabitants. Additional inspection by a qualified professional is recommended.
- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the subject's physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.
- The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.
- The liability of the appraiser in this work is limited to the amount of compensation for the work performed in this assignment.
- Acceptance and/or use of the appraisal report constitutes acceptance of all assumptions and limiting conditions stated in this report.
- This appraisal report is prepared for the exclusive use of the appraiser's client. No third parties are authorized to rely upon this report without the express consent of the appraiser.

Glossary of Terms

Definitions are from the following sources: Dictionary of Real Estate Appraisal, 4th Edition ('Dictionary'); Urban Land Institute ('ULI'); Appraisal of Real Estate, 13th Edition ('13th Edition'); Marshall Valuation Service ('MVS').

Accrued Depreciation

The difference between the reproduction or replacement cost of the improvements on the effective date of the appraisal and the market value of the improvements on the same date. (*Dictionary*)

Common Area

The total area within the shopping center that is not designed for rental to tenants but that is available for common use by all tenants or groups of tenants, their invitees, and adjacent stores. Parking and its appurtenances, malls, sidewalks, landscaped areas, public toilets, truck and service facilities, and the like are included in the common area. (*ULI*)

Common Area Charges

Income collected from tenants for operating and maintenance items pertaining to the common areas. (*ULI*)

Deferred Maintenance

Curable, physical deterioration that should be corrected immediately, although work has not commenced; denotes the need for immediate expenditures, but does not necessarily suggest inadequate maintenance in the past. (*Dictionary*)

Direct Capitalization

The capitalization method used to convert an estimate of a single year's income expectancy or an annual average of several years' income expectancies into an indication of value in one step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor. (*Dictionary*)

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams as well as the quantity and timing of the reversion and discounts each to its present value at a specified yield rate. DCF analysis can be applied with any yield capitalization technique and may be performed on either a lease-by-lease or aggregate basis. (*Dictionary*)

Disposition Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale will occur within a limited future marketing period specified by the client;
2. The actual market conditions currently prevailing are those to which the appraised property interest is subject;
3. The buyer and seller is each acting prudently and knowledgeably;
4. The seller is under compulsion to sell;
5. The buyer is typically motivated;
6. Both parties are acting in what they consider their best interests;
7. An adequate marketing effort will be made in the limited time allowed for the completion of a sale;
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto;
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (*Dictionary*)

Effective Date

The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. (*Dictionary*)

Entrepreneurial Incentive

The amount that an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is an amount anticipated, prior to development, whereas entrepreneurial profit is an amount earned, estimated after completion. (*13th Edition*)

Glossary of Terms

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. *(Dictionary)*

Excess Land; Surplus Land *(Dictionary)*

Excess Land: In regard to an improved site, the land not needed to serve or support the existing improvement. In regard to a vacant site or a site considered as though vacant, the land not needed to accommodate the site's primary highest and best use. Such land may be separated from the larger site and have its own highest and best use, or it may allow for future expansion of the existing or anticipated improvement.

Surplus Land: Land not necessary to support the highest and best use of the existing improvement but, because of physical limitations, building placement, or neighborhood norms, cannot be sold off separately. Such land may or may not contribute positively to value and may or may not accommodate future expansion of an existing or anticipated improvement.

Exposure Time

The time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. *(Dictionary)*

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. *(Dictionary)*

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. *(Dictionary)*

Gross Building Area (GBA)

The total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls; includes both the superstructure floor area and substructure or basement area. *(Thirteenth Edition)*

Gross Leasable Area (GLA)

The total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines, and measured from the center of interior partitioning to outside wall surfaces; the standard measure for determining the size of shopping centers where rent is calculated based on the GLA occupied. The area for which tenants pay rent. *(Dictionary)*

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. *(Dictionary)*

Glossary of Terms

Insurable Value

Value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and noninsurable items. Sometimes cash value or market value, but often entirely a cost concept. *(MVS)*

Leased Fee Interest

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease. *(Dictionary)*

Leasehold Interest

The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions. *(Dictionary)*

Liquidation Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale will occur within a severely limited future marketing period specified by the client;
2. The actual market conditions currently prevailing are those to which the appraised property interest is subject;
3. The buyer is acting prudently and knowledgeably;
4. The seller is under extreme compulsion to sell;
5. The buyer is typically motivated;
6. The buyer is acting in what he or she considers his or her best interest;
7. A limited marketing effort and time will be allowed for the completion of a sale;
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto;
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the typical lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). *(Thirteenth Edition)*

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Dictionary; 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Glossary of Terms

Marketing Time

The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. *(Dictionary)*

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(Dictionary)*

Percentage Rent

Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a percentage of their retail sales. *(Dictionary)*

Prospective Value Opinion

A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written. *(Dictionary)*

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a building with utility equivalent to the building being appraised, using modern materials and current standards, design and layout. *(Dictionary)*

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

Stabilized Occupancy

Occupancy at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; the optimum range of long-term occupancy which an income-producing real estate project is expected to achieve under competent management, after exposure for leasing in the open market for a reasonable period of time at terms and conditions comparable to competitive offerings. *(Dictionary)*

Value As Is

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. *(Dictionary)*

Yield Capitalization

A capitalization method used to convert future benefits to present value by discounting each future benefit at an appropriate yield rate or by developing an overall rate that reflects the investment's income pattern, value change, and yield rate. *(Dictionary)*