



The City of Oakdale recognizes and supports the Choose Civility program, an initiative of the Stanislaus County Office of Education.

CITY OF OAKDALE CITY COUNCIL REGULAR MEETING AGENDA

City Council Chambers
277 North Second Avenue
Oakdale, CA 95361

Tuesday, February 16, 2021

7:00 PM

City Council Chambers

NOTICE

This meeting will be open to the public. Effective June 22, 2020, pursuant to the order issued by Governor Newsom and consistent with guidance issued by the California Department of Public Health, social distancing and face coverings are required for in person attendance at the meeting. The chamber's audience seating capacity will be limited to approximately 16 persons. If you would like to provide public comment on an agenda item at the regular meeting, you may fill out a Speaker's Card and submit it to the Deputy City Clerk at least five (5) minutes before the meeting is to begin. If commenting on a specific agenda item, please include the agenda item number in the subject line (example: Agenda Item 11.1). You will be notified when it is your time to speak. You may also submit your written comment (limited to 250 words or less) via email to publiccomment@oakdalegov.com until 4:00 p.m. Tuesday, February 16, 2021. A copy of each timely submitted e-mail will be provided to the City Council prior to the start of the meeting and will be made a part of the public record of the meeting but will not be read aloud during the meeting unless specifically requested to do so at the beginning of your email. The meeting will be televised on Comcast Channel 7 and available for public viewing on Livestream at <https://livestream.com/cityofOakdale.com>.

Welcome to your City of Oakdale City Council Regular meeting.

Your City Council are:

Mayor Cherilyn Bairos
Mayor Pro Tem Christopher Smith
Council Member Ericka Chiara
Council Member Fred Smith
Council Member Curtis Haney

Note: California law prohibits the City Council from taking action on any matter that is not on the posted agenda unless it is determined to be an emergency by the Council. All items will be referred to staff for follow-up and placed on a future agenda.

- 1. Call to Order – 7:00 p.m.**
- 2. City Council Members Present/Absent**
- 3. Pledge of Allegiance**
- 4. Invocation Provided by Pastor Jesse Fernandez of River Oak Grace.**
- 5. Presentations/Acknowledgements**
 - 5.1: [Certificate of Recognition to Mr. Vincent "Bud" Edward Urban in Honor of his 100th Birthday.](#)
- 6. Additions/Deletions**
- 7. Public Comments**



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING AGENDA
Tuesday, February 16, 2021**

Next City Council Resolution: 2021-005

Next Ordinance: 1275

Pursuant to Government Code section 54954.3, the City Council may adopt reasonable regulations to ensure that the business on the agenda can be conducted, therefore all members of the public will be given 3 minutes for their public comments. Individuals may not defer their time to another person. A maximum of 30 minutes will be allotted for general public comment. For agenda items, a maximum of 30 minutes will be allotted for public comment on each specific agenda item. California law prohibits the City Council from taking action on any item not appearing on the posted agenda except that Council may refer the matter to staff for follow-up or request it be placed on a future agenda.

8. Appointment to Boards, Commissions, Committees

9. City Council Consent Agenda

The consent agenda is comprised of Items 9.1 through 9.6. Unless there is discussion by a member of the audience/Council they may be approved in one motion.

- 9.1: Approve the Special and Regular City Council Meeting Minutes of February 1, 2021 and Special City Council Meeting Minutes of February 10, 2021.
- 9.2: Receive and File the Warrant List for the Period January 28, 2021 through February 7, 2021.
- 9.3: By Motion, Waive all Readings of Ordinances and Resolutions, except by Title.
- 9.4: Adopt City Council Resolution 2021-__, A Resolution of the City of Oakdale City Council Declaring Property Surplus and Authorizing the Release of the Property to California Auction Company for Sale in an upcoming Auction, or Permanent Disposal through Gilton Solid Waste Management or Covanta Energy.
- 9.5: Adopt City Council Resolution 2021-__, A Resolution of the City of Oakdale City Council Approving a Grant Deed to Grant Property (1,064 sq. ft.) to the City of Oakdale from Brian and Kelly Lemons for the purposes of placing a Pump Station for landscape irrigation needs.
- 9.6: Accept by Minute Order, the January 2021 Treasurer's Report.

10. Public Hearings

- 10.1: (Continued from the February 1, 2021 Meeting) Consider a Resolution Declaring Intent to Annex Additional Territory to City of Oakdale Community Facilities District No. 2007-1 (Public Safety Services) Annexation No. 14 (Senior Housing). Public Hearing Notice published in the Oakdale Leader on January 27, 2021 and February 10, 2021.

Recommended Action: Adopt Resolution 2021-__, a Resolution of the City Council of the City of Oakdale Declaring Intent to Annex Additional Territory to City of Oakdale Community Facilities District No. 2007-1 (Public Safety Services) Annexation No. 14 (Senior Housing).

11. Staff Reports

- 11.1: Discussion on the City of Oakdale's two (2) Cannabis Development Agreements between JDI Farms, Inc. and MDS Business Services, Inc., and the City of Oakdale.



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING AGENDA
Tuesday, February 16, 2021**

Next City Council Resolution: 2021-005

Next Ordinance: 1275

12. City Manager's Report

12.1: [February 2021 Department Reports](#)

12.2: [Update on COVID-19 Response in Oakdale \(Verbal Report\).](#)

13. City Council Items

13.1: [Consider City Council Appointments to City Boards, Commissions and Committees; and Regional Boards, Commissions and Committees for Calendar Year 2021.](#)

Recommended Action: By Roll Call Vote, Ratify the Appointments for the Year 2021.

13.2: [Review Calendar to Schedule Dates to hold City Council Workshops.](#)

14. Adjournment

The next Regular meeting of the Oakdale City Council will be held Monday, March 1, 2021 at 7:00 p.m. in the City Council Chambers.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Hall, 209-845-3571. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28CFR 35.102-35.104 ADA Title II).

Any documents produced by the City and distributed to a majority of the City Council regarding any item on this agenda will be made available in the City Clerk's office at City Hall located at 280 North Third Avenue, Oakdale, California.

DECLARATION OF POSTING

I, Julie Christel, Council Services and Legislative Records Manager/Deputy City Clerk for the City of Oakdale, certify that I caused to be posted a copy of the City of Oakdale City Council Agenda for the Regular Meeting of Tuesday, February 16, 2021 at the City Council Chambers, 277 North Second Avenue, Oakdale, CA, 95361 on Thursday, February 11, 2021.

Dated: February 11, 2021

/s/ Julie Christel

Julie Christel

Council Services and Legislative Records Manager

Deputy City Clerk

MAYOR'S OFFICE
CITY OF OAKDALE



A PROCLAMATION
by the Mayor of the City of Oakdale

Honoring Vincent "Bud" Edward Urban
on the Occasion of his 100th Birthday

Whereas, Longevity of life is a blessing for an individual and for a community which benefits from the knowledge, creativity, and experiences this individual brings to all. The City of Oakdale recognizes with respect and admiration the contribution of Bud Urban to our community; and,

Whereas, Bud was born and raised in the city of Des Moines, Iowa on February 18, 1921. His parents, Joe and Mary Kreceus, moved to the Bay Area in the early 1940s and Bud lived in the cities of San Francisco, San Carlos and Los Altos for the majority of his life; and,

Whereas, While in college, Bud married his wife Florence on March 7, 1942. That same year, he left college to serve his country in the United States Navy where he worked in Naval Intelligence in the Marshal Islands. After his time in the military, Bud worked in sales, owned his own grocery store in the mid-1950s and food brokerage company in the 1960s; and,

Whereas, Bud and Florence eventually retired to Pine Mountain Lake and then moved to the city of Oakdale in the mid-1990s. During retirement, they were avid golfers and bridge players. After his beloved Florence passed away in 2009, Bud continued to play bridge at the Senior Center. Nowadays, he enjoys processing and canning fruit from his various fruit trees in his backyard; and,

Whereas, Bud and Florence were married for 67 years and had three children together, Ed Urban, Judy VanDerford and Nancy Smith, four grandchildren, Joe, Jeannie and Edie Urban and Laura Street, four great-grandchildren, Jim and McKenna Urban, Jenny and Brandon Street, and two great, great-grandchildren, Miles and Gracie Street; and,

Whereas, Bud is described by others as being very friendly and generous. Those who meet him enjoy hearing stories of his life; and

Whereas, Bud is much loved by his family and everyone who knows him and is honored and respected by all for the many contributions to his family, his church and his community.

NOW, THEREFORE, I, Cherilyn Bairos, Mayor of the City of Oakdale, do hereby honor Vincent "Bud" Edward Urban on the occasion of his 100th birthday and congratulate him on his many years of community involvement in Oakdale.

IN WITNESS WHEREOF, I have set my hand this 16th day of February, 2021.

Cherilyn Bairos
Cherilyn Bairos, Mayor



The City of Oakdale recognizes and supports the Choose Civility program, an initiative of the Stanislaus County Office of Education.

CITY OF OAKDALE

CITY COUNCIL

SPECIAL MEETING MINUTES

City Council Chambers
277 North Second Avenue
Oakdale, CA 95361

Monday, February 1, 2021

6:30 PM

City Council Chambers

1. CALL TO ORDER:

Mayor Bairos called the meeting to order at 6:30 p.m.

Council Services Manager Christel conducted roll call with Council Member Fred Smith, Council Member Chiara, Council Member Christopher Smith, and Mayor Bairos responding they were present.

2. COUNCIL/AGENCY MEMBERS PRESENT/ABSENT:

Present: Mayor Cherilyn Bairos
Mayor Pro Tem Christopher Smith
Council Member Chiara
Council Member Fred Smith
Council Member Vacant

Staff Present: City Manager Whitemyer
City Attorney Hallinan
Police Chief Heller
Finance Director Avila
Public Services Director Gravel
Council Services Manager Christel
City Clerk Roberts
Assistant to the City Manager Mondragon

Absent: None

3. PUBLIC COMMENTS

After roll call, City Manager Whitemyer read aloud the official notice of the meeting:

This meeting will be held in accordance with Executive Order N-29-20, issued by California Governor Gavin Newsom on March 17, 2020, the Ralph M. Brown Act (California Government Code Section 54950, et seq.), and the Federal Americans with Disabilities Act.

This meeting will be held via teleconference and will not be physically open to the public. All members of the public may participate in the meeting via teleconferencing at the following address: <https://us02web.zoom.us/j/87053758028> and via teleconference by calling (888)788-0099, meeting ID: 870 5375 8028 and will be given the opportunity to provide public comment. This meeting will be televised on Comcast channel 7 and available for public viewing on Oakdale's Livestream channel, <https://livestream.com/cityofOakdale>.

He also provided viewing and participation instructions for Public Comment.



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES
Monday, February 1, 2021**

Next City Council Resolution: 2020-003

Next Ordinance: 1275

Mayor Bairos opened public comment at 6:33 p.m.

With no public comment, Mayor Bairos closed public comment at 6:33 p.m.

4. Closed Session

- 4.1: CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(California Government Code Section 54956.8)
APN: 130-009-005; Stanislaus County
Negotiating Parties: Bryan Whitemyer, Oakdale City Manager
Mark Hawley & Susan Schultz
Under Negotiation: Price and Terms of Payment

Mayor Bairos announced that City Council would be moving to closed session for this item.

City Clerk Roberts moved the members of the City Council, City Manager Whitemyer, City Attorney Hallinan and staff to a breakout room where they held closed session.

Once the Council was done with closed session, they returned from their breakout room to the main meeting.

5. REPORT OUT OF CLOSED SESSION

Mayor Bairos stated that City Council provided direction to staff regarding Special Agenda Item 4.1.

6. ADJOURNMENT

There being no further business, Mayor Bairos adjourned the meeting at 6:59 p.m.

ATTEST:

APPROVED:

Julie Christel
Council Services and Legislative
Records Manager

Cherilyn Bairos
Mayor



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CITY OF OAKDALE

CITY COUNCIL

REGULAR MEETING MINUTES

City Council Chambers
277 North Second Avenue
Oakdale, CA 95361

Monday, February 1, 2021

7:00 PM

City Council Chambers

1. CALL TO ORDER:

Mayor Bairos called the meeting to order at 7:04 p.m.

Council Services Manager Christel conducted roll call with Council Member Fred Smith, Council Member Chiara, Council Member Christopher Smith and Mayor Bairos responding they were present.

2. COUNCIL MEMBERS PRESENT/ABSENT:

Present: Mayor Cherilyn Bairos
Council Member Christopher Smith
Council Member Ericka Chiara
Council Member Fred Smith
Council Member - Vacant

Staff Present: City Manager Whitemyer
City Attorney Hallinan
Finance Director Avila
Public Services Director Gravel
Public Works Superintendent Bridgewater
Council Services Manager Christel
City Clerk Roberts
Assistant to the City Manager Mondragon

Absent: None

3. PLEDGE OF ALLEGIANCE

Mayor Bairos asked everyone to stand for the pledge of allegiance and asked everyone to continue standing for the invocation.

4. INVOCATION

Pastor Jeremy Peugh of Oakdale Family Church of the Nazarene provided the invocation.

After the invocation City Manager Whitemyer read aloud the official notice of the meeting:

This meeting will be held in accordance with Executive Order N-29-20, issued by California Governor Gavin Newsom on March 17, 2020, the Ralph M. Brown Act (California Government Code Section 54950, et seq.), and the Federal Americans with Disabilities Act.

This meeting will be held via teleconference and will not be physically open to the public.

All members of the public may participate in the meeting via teleconferencing at the following address: <https://us02web.zoom.us/j/84287913936> and via teleconference by calling (888)788-0099, meeting



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES
Monday, February 1, 2021**

Next City Council Resolution: 2021-003

Next Ordinance: 1275

ID: 842 8791 3936 and will be given the opportunity to provide public comment. This meeting will be televised on Comcast channel 7 and available for public viewing on Oakdale's Livestream channel, <https://livestream.com/cityofOakdale>. He also provided viewing and participation instructions during Public Comment.

5. PRESENTATION AND ACKNOWLEDGEMENTS

None

6. ADDITIONS/DELETIONS

Mayor Bairos asked whether there were any additions or deletions to the City Council agenda. City Manager Whitemyer advised there were none.

7. PUBLIC COMMENTS

City Manager Whitemyer provided instructions on how to participate in public comment via teleconferencing, calling in or via email.

Mayor Bairos opened public comment at 7:09 p.m.

With no further public comment, Mayor Bairos closed public comment at 7:09 p.m.

8. APPOINTMENT TO BOARDS AND COMMISSIONS

None.

9. CITY COUNCIL CONSENT AGENDA

Mayor Bairos asked if the City Council had any questions regarding or requests to remove items from the Consent Agenda. There were none.

- 9.1: Approve the Special City Council Meeting Minutes of January 7, 2021 and the Special and Regular City Council Meeting Minutes of January 19, 2021.
- 9.2: Receive and File the Warrant List for the Period January 9, 2021 through January 27, 2021.
- 9.3: By Motion, Waive all Readings of Ordinances and Resolutions, except by Title.
- 9.4: Accept by Minute Order, the Removal of One (1) Tulip Tree located at 1104 Magnolia Avenue.
- 9.5: Accept by Minute Order, the December 2020 Treasurer's Report.
- 9.6: Adopt City Council Resolution 2021-003, A Resolution of the City of Oakdale City Council Approving the Revisions to the Salary Schedule for Part-Time and Temporary Employees.



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES
Monday, February 1, 2021**

Next City Council Resolution: 2021-003

Next Ordinance: 1275

MOTION

To approve the City of Oakdale City Council Consent Agenda Items 9.1 through 9.6 for February 1, 2021.

Moved by Council Member C. Smith and seconded by Council Member Chiara and PASSED AND ADOPTED this 1st day of February, 2021, by the following vote:

AYES: COUNCIL MEMBERS: C. Smith, Chiara, F. Smith, Bairos	(4)
NOES: COUNCIL MEMBERS: None	(0)
ABSENT: COUNCIL MEMBERS: None	(0)
ABSTAINED: COUNCIL MEMBERS: None	(0)

Motion carried 4/0 by City Council roll call vote.

10. PUBLIC HEARINGS

- 10.1: Consider a Resolution Declaring Intent to Annex Additional Territory to City of Oakdale Community Facilities District No. 2007-1 (Public Safety Services) Annexation No. 14 (Senior Housing).

Mayor Bairos declared that it was the time and place for the public hearing for Community Facilities District no. 2007-1 (Public Safety Services), Annexation No. 14 (Senior Housing) and that the hearing was to inquire into the annexation of territory into the District and levy of special taxes for public safety services within the annexed area. With no property owners or registered voters in the District filing written protest, she opened the public hearing at 7:10 p.m. City Manager Whitemyer requested the hearing be continued to the February 16, 2021 City Council meeting. Mayor Bairos acknowledged City Manager Whitemyer and opened the item for public comment at 7:12 p.m. With no public comment, Mayor Bairos closed public comment and asked for a motion to be made to continue the public hearing to the February 16, 2021 City Council meeting.

MOTION

To continue Item 10.1: Consider a Resolution Declaring Intent to Annex Additional Territory to City of Oakdale Community Facilities District No. 2007-1 (Public Safety Services) Annexation No. 14 (Senior Housing) to the February 16, 2021 City Council meeting.

Moved by Council Member C. Smith and seconded by Council Member F. Smith and PASSED AND ADOPTED this 1st day of February, 2021, by the following vote:

AYES: COUNCIL MEMBERS: C. Smith, F. Smith, Chiara, Bairos	(4)
NOES: COUNCIL MEMBERS: None	(0)
ABSENT: COUNCIL MEMBERS: None	(0)
ABSTAINED: COUNCIL MEMBERS: None	(0)

Motion carried 4/0 by City Council roll call vote.



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES
Monday, February 1, 2021**

Next City Council Resolution: 2021-003

Next Ordinance: 1275

11. STAFF REPORTS

None.

12. CITY MANAGERS REPORT

12.1: Update on COVID-19 Response in Oakdale.

City Manager Whitemyer provided an update on the COVID-19 response in Oakdale and stated that staff continues to monitor the situation regarding testing sites and vaccine distribution. He provided an update on the recent vaccination clinic in Oakdale and stated we anticipate hosting another clinic sometime in the very near future. This clinic will be for those in the Phase 1A category.

City Manager Whitemyer also provided an update on the RAD card program.

13. CITY COUNCIL ITEMS

13.1: Update on the appointment process to fill the vacant City Council Member seat, created by the appointment of Council Member Bairos to the Mayoral seat, to complete the Term ending in 2022, and request to schedule a Special Meeting on Wednesday, February 10, 2021 at 6:00 p.m. for the purpose of interviewing all invited applicants to fill the City Council vacancy.

City Manager Whitemyer provided an update on the recruitment process for the vacant City Council seat. The deadline for submitting an application is Friday, February 5, 2021 at 4:00 p.m. He requested the City Council, approve by Minute Order, a request to schedule a Special Meeting of the City Council for Wednesday, February 10, 2021 at 6:00 p.m. for the purpose of interviewing all invited applicants to fill the City Council vacancy.

City Manager Whitemyer brought up the option of having this meeting in person and all meetings going forward.

Mayor Bairos agreed stating she very much wants to conduct meetings in person. Council Member Fred Smith agreed saying he is looking forward to meeting in person. Council Member Chiara agreed as well. Council Member Christopher Smith was opposed to meeting in person.

Staff responded to questions from the City Council.

Mayor Bairos opened the item for public comment and with no public comment, Mayor Bairos asked the City Council for a motion to be made on this item.

MOTION

To schedule a Special Meeting of the City Council for Wednesday, February 10, 2021 at 6:00 p.m. for the purpose of interviewing all invited applicants to fill the City Council vacancy and to meet in person.



**CITY OF OAKDALE
CITY COUNCIL
REGULAR MEETING MINUTES
Monday, February 1, 2021**

Next City Council Resolution: 2021-003

Next Ordinance: 1275

Moved by Council Member F. Smith and seconded by Council Member Chiara and PASSED AND ADOPTED this 1st day of February, 2021, by the following vote:

AYES: COUNCIL MEMBERS: F. Smith, Chiara, Bairos	(3)
NOES: COUNCIL MEMBERS: C. Smith	(1)
ABSENT: COUNCIL MEMBERS: None	(0)
ABSTAINED: COUNCIL MEMBERS: None	(0)

Motion carried 3/1 by City Council roll call vote.

Council Member Christopher Smith thanked staff for all their work during the last storm and requested the City Council consider a review for City Manager Whitemyer.

Council Member Fred Smith stated he was happy to be part of the team.

Council Member Chiara announced that school board meeting was happening after the Council meeting and encouraged those with students to attend that meeting.

Mayor Bairos asked City Whitemyer to find out how much the lighted crosswalks cost and bring that information back at another meeting.

14. ADJOURNMENT

There being no further business, Mayor Bairos adjourned the meeting at 7:33 p.m.

ATTEST:

Julie Christel
Council Services and Legislative
Records Manager

APPROVED:

Cherilyn Bairos
Mayor



CITY OF OAKDALE CITY COUNCIL SPECIAL MEETING MINUTES



The City of Oakdale recognizes and supports the Choose Civility program, an initiative of the Stanislaus County Office of Education.

City Council Chambers
277 North Second Avenue
Oakdale, CA 95361

Wednesday, February 10, 2021

6:00 PM

City Council Chambers

1. CALL TO ORDER:

Mayor Bairos called the meeting to order at 6:00 p.m.

Deputy City Clerk Christel conducted roll call with Council Member Fred Smith, Council Member Chiara, Council Member Christopher Smith, and Mayor Bairos responding they were present.

2. COUNCIL MEMBERS PRESENT/ABSENT:

Present: Mayor Cherilyn Bairos
Mayor Pro Tem Christopher Smith
Council Member Chiara
Council Member Fred Smith
Council Member Vacant

Staff Present: City Manager Whitemyer
City Attorney Hallinan
Police Chief Heller
Finance Director Avila
Public Services Director Gravel
Council Services Manager Christel
City Clerk Roberts
Assistant to the City Manager Mondragon

Absent: None

3. PLEDGE OF ALLEGIANCE

Mayor Bairos led the pledge of allegiance.

4. PUBLIC COMMENT

Mayor Bairos opened public comment at 6:01 p.m. and asked Deputy City Clerk Christel if there was anyone wishing to provide public comment. Deputy Clerk Christel called the names of the following people who provided public comment:

Jamie Bell spoke in support of the City Council selecting Curtis Haney.

Rosalio Parra provided written comment expressing support for the City Council to select Cecilia Suarez.

Toby Stime provided written comment expressing support for the City Council to select Anthony Pratt.



**CITY OF OAKDALE
CITY COUNCIL
SPECIAL MEETING MINUTES
Wednesday, February 10, 2021**

Next City Council Resolution: 2020-004

Next Ordinance: 1275

Constance Robinson spoke in favor of the City Council selecting Curtis Haney.

Bob Amaral spoke thanked the City Council for opening-up the Council meetings and voiced his support for Curtis Haney.

With no further comments, Mayor Bairos closed public comment at 6:06

5. CITY COUNCIL INIATED ITEM

5.1: Conduct City Council Applicant Interviews for City Council vacancy.

City Manager Whitemyer provided a brief staff report recommending that the City Council review the applications, allow each applicant three minutes to briefly present their qualifications and why they would be the best candidate to fill the vacant Council seat, and ask questions of the applicants if they so choose.

Mayor Bairos thanked City Manager Whitemyer for his presentation and asked Deputy City Clerk Christel to begin the random draw.

6. Interview Order by Random Draw

Deputy City Clerk Christel drew the names of the applicants in the order they would interview for the vacant Council seat.

The applicant names were drawn in the following order:

1. Cecilia Suarez
2. Anthony Pratt
3. Marco Camacho Jr.
4. Curtis Haney
5. Melissa Brewer
6. Erika Nichols

Following the random draw of applicants, Mayor Bairos explained the interview process to the applicants and the audience then asked staff to escort all the applicants to a waiting room with the exception of the applicant selected to go first by the random draw.

Each applicant was provided three minutes to present their opening statements and qualifications followed by City Council Member questions, and concluded with each applicant providing any final remarks. When the final applicant interview was concluded, staff escorted all the applicants back into the main chambers.

The City Council discussed the applicant interviews and thanked all the applicants for submitting applications. Mayor Bairos then asked if any Council Member would like to make a motion for the appointment.



**CITY OF OAKDALE
CITY COUNCIL
SPECIAL MEETING MINUTES
Wednesday, February 10, 2021**

Next City Council Resolution: 2020-004

Next Ordinance: 1275

7. Appointment of new City Council Member

- 7.1: Make Appointment to the Vacant City Council Seat for the remainder of the term through the date of certification of the November 2022 General Municipal Election.

MOTION

To adopt Resolution 2021-004, a resolution of the City Council of the City of Oakdale appointing Curtis Haney to the City Council Seat vacated by Council Member Bairos when appointed to the Mayor seat, for the remainder of the term through date of certification of the November 2020 Election.

Moved by Council Member F. Smith, seconded by Council Member Chiara and PASSED AND ADOPTED this 10th day of February 2021, by the following vote:

AYES:	F. Smith, Chiara, Bairos	(3)
NOES:	C. Smith	(1)
ABSENT:	None	(0)
ABSTAINED:	None	(0)

Motion carried 3/1 by City Council roll call vote.

8. Oath of Office

City Clerk Roberts delivered the oath of office to appointed City Council Member Curtis Haney.

9. Roll Call of New City Council

After the oath of office, Mayor Bairos asked Council Member Haney to please take their seat at the dias and ask Deputy City Clerk Christel to call roll.

Deputy City Clerk Christel conducted roll call with Council Member Fred Smith, Council Member Christopher Smith, Council Member Chiara, Council Member Curtis Haney and Mayor Bairos responding they were present.

6. ADJOURNMENT

There being no further business, Mayor Bairos adjourned the meeting at 7:31 p.m.

ATTEST:

APPROVED:

Julie Christel
Deputy City Clerk

Cherilyn Bairos
Mayor



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
Vendor: 5555555 - *						
01/27/2021	TILLIS, ALEX 1/25/21	TILLIS, ALEX	147461	110-2110-416003	MILEAGE REIMBURSEMENT/T	400.32
Vendor 5555555 - * Total:						400.32
Vendor: 9999999 - *						
01/14/2021	HUFF CONSTRUCTION	HUFF CONSTRUCTION	147460	645-4160-377300	WATER METER FEE REFUND	860
Vendor 9999999 - * Total:						860
Vendor: 504 - ABS DIRECT, INC.						
01/13/2021	125754	ABS DIRECT, INC.	147462	110-1310-425003	BL RENEWAL	487.96
01/13/2021	125754	ABS DIRECT, INC.	147462	110-1310-429000	BL RENEWAL	678.34
Vendor 504 - ABS DIRECT, INC. Total:						1166.3
Vendor: 1445 - AIRMERGENCY						
01/22/2021	8968	AIRMERGENCY	147463	117-7440-424002	HVAC MAINTENANCE	65
Vendor 1445 - AIRMERGENCY Total:						65
Vendor: 558 - ALARMCO OF MODESTO						
12/28/2020	278768	ALARMCO OF MODESTO	147464	110-4120-425003	ALARM MONITORING	45
12/28/2020	278768	ALARMCO OF MODESTO	147464	119-4110-425003	ALARM MONITORING	45
12/28/2020	278768	ALARMCO OF MODESTO	147464	120-3110-425003	ALARM MONITORING	45
12/28/2020	278768	ALARMCO OF MODESTO	147464	622-4152-425003	ALARM MONITORING	45
12/28/2020	278768	ALARMCO OF MODESTO	147464	645-4160-425003	ALARM MONITORING	45
Vendor 558 - ALARMCO OF MODESTO Total:						225
Vendor: 01197 - ALLPRO PEST SERVICES						
01/05/2021	50949	ALLPRO PEST SERVICES	147465	117-7460-425003	PEST CONTROL	50
01/05/2021	50950	ALLPRO PEST SERVICES	147465	110-7413-425003	PEST CONTROL	60
01/05/2021	50951	ALLPRO PEST SERVICES	147465	110-7413-425003	PEST CONTROL	60
01/05/2021	50952	ALLPRO PEST SERVICES	147465	110-7413-425003	PEST CONTROL	70
01/05/2021	50953	ALLPRO PEST SERVICES	147465	110-7413-425003	PEST CONTROL	70
01/05/2021	50954	ALLPRO PEST SERVICES	147465	117-7430-425003	PEST CONTROL	45
Vendor 01197 - ALLPRO PEST SERVICES Total:						355
Vendor: 1469 - ALPHA ANALYTICAL LABORATORIES INC.						
12/21/2020	0124126-SFL	ALPHA ANALYTICAL LABORAT	147466	622-4151-425003	ROUTINE TESTING	223
12/28/2020	0124734-SFL	ALPHA ANALYTICAL LABORAT	147466	622-4151-425003	ROUTINE TESTING	41
12/31/2020	0125215-SFL	ALPHA ANALYTICAL LABORAT	147466	622-4151-425003	ROUTINE TESTING	223
01/05/2021	1011356-SFL	ALPHA ANALYTICAL LABORAT	147466	622-4151-425003	ROUTINE TESTING	41
Vendor 1469 - ALPHA ANALYTICAL LABORATORIES INC. Total:						528
Vendor: 01185 - ASI						
01/26/2021	A1008102	ASI	147467	110-1910-425003	ADMIN	90
Vendor 01185 - ASI Total:						90
Vendor: 942 - AT&T						
01/24/2021	9391053299 1/24/21	AT&T	147468	110-2210-425003	TELEPHONE	45.59
01/25/2021	9391064580 1/25/21	AT&T	147468	110-2110-420003	TELEPHONE	301.86
Vendor 942 - AT&T Total:						347.45



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
Vendor: 1406 - AZCO						
12/14/2020	291077	AZCO	147469	110-4142-427006	STREET LIGHT POLES AND ARM	11642.73
Vendor 1406 - AZCO Total:						11642.73
Vendor: 686 - BADGER METER						
01/14/2021	1410932	BADGER METER	147470	645-4160-427006	METERS	3064.85
Vendor 686 - BADGER METER Total:						3064.85
Vendor: 1443 - BAY ALARM COMPANY						
01/15/2021	18133866	BAY ALARM COMPANY	147471	110-2130-427023	MONITORING SERVICES	150.96
01/15/2021	18136239	BAY ALARM COMPANY	147471	110-2140-427010	MONITORING SERVICES	248.07
01/15/2021	18137592	BAY ALARM COMPANY	147471	110-2160-425003	MONITORING SERVICES	75.49
01/15/2021	18137592	BAY ALARM COMPANY	147471	110-2161-425003	MONITORING SERVICES	75.5
01/15/2021	18140254	BAY ALARM COMPANY	147471	110-2160-425003	MONITORING SERVICES	99.24
01/15/2021	18140254	BAY ALARM COMPANY	147471	110-2161-425003	MONITORING SERVICES	99.24
Vendor 1443 - BAY ALARM COMPANY Total:						748.5
Vendor: 01321 - BAY CITY ELECTRIC WORKS						
10/19/2020	W231724	BAY CITY ELECTRIC WORKS	147472	645-4160-427006	GENERATOR SERVICE WELL 8	848.12
12/17/2020	W235225	BAY CITY ELECTRIC WORKS	147472	622-4152-427006	GENERATOR SERVICE HOLLEN	888.84
Vendor 01321 - BAY CITY ELECTRIC WORKS Total:						1736.96
Vendor: 01081 - BC LABORATORIES, INC.						
12/31/2020	B402404	BC LABORATORIES, INC.	147473	622-4151-425003	ROUTINE TESTING	600
Vendor 01081 - BC LABORATORIES, INC. Total:						600
Vendor: 1544 - BEAR ELECTRICAL SOLUTIONS						
12/31/2020	11974	BEAR ELECTRICAL SOLUTIONS	147474	110-4142-425003	T/S MAINTENANCE	680
Vendor 1544 - BEAR ELECTRICAL SOLUTIONS Total:						680
Vendor: 1537 - BLACKWATER CONSULTING ENGINEERS INC						
12/08/2020	4152	BLACKWATER CONSULTING EI	147475	622-4151-425003	PROFESSIONAL SERVICES	1530
12/08/2020	4153	BLACKWATER CONSULTING EI	147475	645-4160-441027	PROFESSIONAL SERVICES	8366.25
12/08/2020	4154	BLACKWATER CONSULTING EI	147475	622-4151-425003	PROFESSIONAL SERVICES	6100
Vendor 1537 - BLACKWATER CONSULTING ENGINEERS INC Total:						15996.25
Vendor: 01077 - BUDGET TAX FORMS						
01/25/2021	1/25/21	BUDGET TAX FORMS	147476	110-1310-427006	2020 TAX FORMS	13.12
01/25/2021	1/25/21	BUDGET TAX FORMS	147476	622-4153-427006	2020 TAX FORMS	13.13
01/25/2021	1/25/21	BUDGET TAX FORMS	147476	645-4161-427006	2020 TAX FORMS	13.13
Vendor 01077 - BUDGET TAX FORMS Total:						39.38
Vendor: 1361 - CALIFORNIA STATE DISBURSEMENT UNIT						
02/05/2021	INV00902	CALIFORNIA STATE DISBURSEI	147542	110-219-1900	GARNISHMENT CHILD SUPPOI	480.38
Vendor 1361 - CALIFORNIA STATE DISBURSEMENT UNIT Total:						480.38
Vendor: 232 - CAR WASH PARTNERS, INC.						
12/31/2020	177354	CAR WASH PARTNERS, INC.	147477	110-2110-424003	CAR WASHES	124
12/31/2020	177354	CAR WASH PARTNERS, INC.	147477	110-7413-424003	CAR WASHES	4
Vendor 232 - CAR WASH PARTNERS, INC. Total:						128



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
Vendor: 1452 - CENTRAL VALLEY FIRE PROTECTION, INC						
01/20/2021	21-9623	CENTRAL VALLEY FIRE PROTEC	147478	117-7460-427002	FIRE SYSTEM PHONE UPGRAD	1087.69
01/20/2021	21-9624	CENTRAL VALLEY FIRE PROTEC	147478	117-7460-427002	FIRE SYSTEM PHONE UPGRAD	1087.69
Vendor 1452 - CENTRAL VALLEY FIRE PROTECTION, INC Total:						2175.38
Vendor: 1577 - CINTAS CORPORATION						
01/08/2021	4072545129	CINTAS CORPORATION	147479	622-4151-425016	UNIFORM SERVICES	71.48
01/08/2021	4072545169	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	17.5
01/08/2021	4072545169	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	5.94
01/08/2021	4072545169	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	3.34
01/08/2021	4072545169	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	3.13
01/08/2021	4072545169	CINTAS CORPORATION	147479	110-7210-425016	UNIFORM SERVICES	3.5
01/08/2021	4072545169	CINTAS CORPORATION	147479	110-7413-425016	UNIFORM SERVICES	9.53
01/08/2021	4072545169	CINTAS CORPORATION	147479	120-3130-425016	UNIFORM SERVICES	5.72
01/08/2021	4072545169	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	8.03
01/08/2021	4072545169	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	49
01/08/2021	4072545169	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	30.5
01/08/2021	4072545169	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	17.5
01/08/2021	4072545169	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	8.13
01/08/2021	4072545169	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	12.25
01/08/2021	4072545169	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	1.98
01/08/2021	4072545169	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	3.96
01/08/2021	4072545169	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	2.96
01/08/2021	4072545169	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	2.77
01/08/2021	4072545169	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	2.77
01/08/2021	4072545169	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	12.25
01/08/2021	4072545169	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	17.5
01/08/2021	4072545169	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	30.43
01/08/2021	4072545169	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	30.5
01/08/2021	4072545169	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	3.96
01/08/2021	4072545169	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	2.96
01/08/2021	4072545169	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	5.79
01/08/2021	4072545169	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	8.12
01/15/2021	4073192335	CINTAS CORPORATION	147479	622-4151-425016	UNIFORM SERVICES	71.48
01/15/2021	4073192443	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	3.13
01/15/2021	4073192443	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	17.5
01/15/2021	4073192443	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	5.94
01/15/2021	4073192443	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	3.34
01/15/2021	4073192443	CINTAS CORPORATION	147479	110-7210-425016	UNIFORM SERVICES	3.5
01/15/2021	4073192443	CINTAS CORPORATION	147479	110-7413-425016	UNIFORM SERVICES	9.53
01/15/2021	4073192443	CINTAS CORPORATION	147479	120-3130-425016	UNIFORM SERVICES	5.72
01/15/2021	4073192443	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	57.02
01/15/2021	4073192443	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	8.03



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
01/15/2021	4073192443	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	30.5
01/15/2021	4073192443	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	8.13
01/15/2021	4073192443	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	2.77
01/15/2021	4073192443	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	2.96
01/15/2021	4073192443	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	12.25
01/15/2021	4073192443	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	1.98
01/15/2021	4073192443	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	3.96
01/15/2021	4073192443	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	17.5
01/15/2021	4073192443	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	2.77
01/15/2021	4073192443	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	2.96
01/15/2021	4073192443	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	3.96
01/15/2021	4073192443	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	5.79
01/15/2021	4073192443	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	8.12
01/15/2021	4073192443	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	12.25
01/15/2021	4073192443	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	17.5
01/15/2021	4073192443	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	30.5
01/15/2021	4073192443	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	35.96
01/22/2021	4073860769	CINTAS CORPORATION	147479	622-4151-425016	UNIFORM SERVICES	71.48
01/22/2021	4073860844	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	5.94
01/22/2021	4073860844	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	3.13
01/22/2021	4073860844	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	3.34
01/22/2021	4073860844	CINTAS CORPORATION	147479	110-4140-425016	UNIFORM SERVICES	17.5
01/22/2021	4073860844	CINTAS CORPORATION	147479	110-7210-425016	UNIFORM SERVICES	3.5
01/22/2021	4073860844	CINTAS CORPORATION	147479	110-7413-425016	UNIFORM SERVICES	9.53
01/22/2021	4073860844	CINTAS CORPORATION	147479	120-3130-425016	UNIFORM SERVICES	5.72
01/22/2021	4073860844	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	12.25
01/22/2021	4073860844	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	8.03
01/22/2021	4073860844	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	3.96
01/22/2021	4073860844	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	2.96
01/22/2021	4073860844	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	30.5
01/22/2021	4073860844	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	49.52
01/22/2021	4073860844	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	2.77
01/22/2021	4073860844	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	1.98
01/22/2021	4073860844	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	8.13
01/22/2021	4073860844	CINTAS CORPORATION	147479	622-4152-425016	UNIFORM SERVICES	17.5
01/22/2021	4073860844	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	2.77
01/22/2021	4073860844	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	8.12
01/22/2021	4073860844	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	3.96
01/22/2021	4073860844	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	5.79
01/22/2021	4073860844	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	12.25
01/22/2021	4073860844	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	17.5
01/22/2021	4073860844	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	30.5



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
01/22/2021	4073860844	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	30.96
01/22/2021	4073860844	CINTAS CORPORATION	147479	645-4160-425016	UNIFORM SERVICES	2.96
Vendor 1577 - CINTAS CORPORATION Total:						1129.1
Vendor: 346 - CITY OF OAKDALE CITYHALL ASSN						
02/05/2021	INV00897	CITY OF OAKDALE CITYHALL A 10323		110-219-0800	CITY OF OAKDALE CITYHALL A	44
Vendor 346 - CITY OF OAKDALE CITYHALL ASSN Total:						44
Vendor: 1507 - CITY OF OAKDALE FSA ACCOUNT						
02/05/2021	INV00901	CITY OF OAKDALE FSA ACCOU 10324		512-1910-374120	CITY OF OAKDALE FSA ACCOU	724.62
Vendor 1507 - CITY OF OAKDALE FSA ACCOUNT Total:						724.62
Vendor: 50 - CLARK PEST CONTROL						
11/25/2020	27187625	CLARK PEST CONTROL	147482	622-4151-427009	PEST CONTROL	180
12/29/2020	27358058	CLARK PEST CONTROL	147482	657-4170-427009	WEED ABATEMENT	391
12/30/2020	27362870	CLARK PEST CONTROL	147482	622-4151-427009	PEST CONTROL	180
01/19/2021	27603314	CLARK PEST CONTROL	147482	110-2160-425003	PEST CONTROL	41
01/19/2021	27603314	CLARK PEST CONTROL	147482	110-2161-425003	PEST CONTROL	41
01/21/2021	27540281	CLARK PEST CONTROL	147482	284-6210-425003	Clark Pest Control - Weed Con	780
Vendor 50 - CLARK PEST CONTROL Total:						1613
Vendor: 1059 - COLONIAL PROCESSING CENTER						
02/05/2021	INV00900	COLONIAL PROCESSING CENTI 147543		110-219-1700	COLONIAL LIFE	27.41
Vendor 1059 - COLONIAL PROCESSING CENTER Total:						27.41
Vendor: 54 - CONLIN SUPPLY						
12/10/2020	K55843	CONLIN SUPPLY	147483	110-246-4600	MISC SUPPLIES	99.68
12/10/2020	K55846	CONLIN SUPPLY	147483	110-246-4600	MISC SUPPLIES	49.84
12/29/2020	K56560	CONLIN SUPPLY	147483	110-246-4600	MISC SUPPLIES	49.84
Vendor 54 - CONLIN SUPPLY Total:						199.36
Vendor: 59 - CRESCENT SUPPLY CO						
12/15/2020	062595	CRESCENT SUPPLY CO	147484	110-2160-427006	UNIFORMS	113.25
12/22/2020	062643	CRESCENT SUPPLY CO	147484	110-2160-427006	UNIFORMS	117.02
12/23/2020	062646	CRESCENT SUPPLY CO	147484	110-2110-427004	UNIFORMS	143.43
12/23/2020	062647	CRESCENT SUPPLY CO	147484	110-2110-427004	UNIFORMS	-143.43
12/26/2020	062657	CRESCENT SUPPLY CO	147484	110-2110-427004	UNIFORMS	167.16
12/26/2020	062658	CRESCENT SUPPLY CO	147484	110-2110-427004	UNIFORMS	8.62
12/31/2020	062699	CRESCENT SUPPLY CO	147484	110-2161-427006	UNIFORMS	15.96
12/31/2020	282264	CRESCENT SUPPLY CO	147484	110-2160-427006	UNIFORMS	108.41
Vendor 59 - CRESCENT SUPPLY CO Total:						530.42
Vendor: 1315 - DATA PATH INC.						
12/23/2020	149131	DATA PATH INC.	147485	525-1910-441005	TECH SUPPORT	4861.3
12/30/2020	149221	DATA PATH INC.	147485	525-1910-425003	TECH SUPPORT	3815.7
12/31/2020	149347	DATA PATH INC.	147485	525-1910-425003	TECH SUPPORT	1523.75
01/01/2021	149296	DATA PATH INC.	147485	525-1910-425003	TECH SUPPORT	4250
Vendor 1315 - DATA PATH INC. Total:						14450.75



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
Vendor: 330 - DEL-TECH GEOTECHNICAL SUPPORT						
12/29/2020	5282	DEL-TECH GEOTECHNICAL SUI	147486	622-4151-425003	ROUTINE TESTING	2440
Vendor 330 - DEL-TECH GEOTECHNICAL SUPPORT Total:						2440
Vendor: 1127 - DEPT OF JUSTICE						
01/10/2021	488707	DEPT OF JUSTICE	147487	110-2110-425003	LIVESCAN	292
Vendor 1127 - DEPT OF JUSTICE Total:						292
Vendor: 926 - DON'S MOBILE GLASS						
01/08/2021	WMOD435136	DON'S MOBILE GLASS	147488	622-4152-424003	VEHICLE MAINTENANCE	434
Vendor 926 - DON'S MOBILE GLASS Total:						434
Vendor: 01227 - DRYCO CONTSTRUCTION, INC.						
07/14/2020	1 RET	DRYCO CONTSTRUCTION, INC	147489	216-4149-442001	2020 SLURRY PROJECT AREA 2	10602.25
08/31/2020	2 RET	DRYCO CONTSTRUCTION, INC	147489	216-4149-442001	SLURRY SEAL PROJECT AREA 2	1302.25
10/26/2020	26740 RET	DRYCO CONTSTRUCTION, INC	147489	216-4149-442001	SLURRY SEAL PROJECT AREA 2	1084.36
Vendor 01227 - DRYCO CONTSTRUCTION, INC. Total:						12988.86
Vendor: 1456 - ENGINEERED FIRE SYSTEMS, INC.						
01/01/2021	17117	ENGINEERED FIRE SYSTEMS, II	147490	120-3130-425003	FIRE PLAN CHECK	350
Vendor 1456 - ENGINEERED FIRE SYSTEMS, INC. Total:						350
Vendor: 1235 - EXPRESS SERVICES, INC.						
12/02/2020	24724166	EXPRESS SERVICES, INC.	147491	110-7210-410013	TEMP SERVICES	3023.28
12/16/2020	24784764	EXPRESS SERVICES, INC.	147491	110-7210-410013	TEMP SERVICES	3035.52
12/29/2020	24852254	EXPRESS SERVICES, INC.	147491	110-7210-410013	TEMP SERVICES	2680.56
Vendor 1235 - EXPRESS SERVICES, INC. Total:						8739.36
Vendor: 85 - FAR WEST LABORATORIES						
12/16/2020	98484	FAR WEST LABORATORIES	147492	645-4160-425003	ROUTINE TESTING	1325
12/16/2020	98485	FAR WEST LABORATORIES	147492	622-4151-425003	ROUTINE TESTING	670
Vendor 85 - FAR WEST LABORATORIES Total:						1995
Vendor: 1428 - FIRST CHOICE INDUSTRIAL SUPPLY INC.						
10/19/2020	071354	FIRST CHOICE INDUSTRIAL SU	147493	110-2110-427004	MISC SUPPLIES	270.94
12/21/2020	072667	FIRST CHOICE INDUSTRIAL SU	147493	110-7210-427006	SAFETY WINTER GEAR	645.84
12/21/2020	072667	FIRST CHOICE INDUSTRIAL SU	147493	565-7215-441005	SAFETY WINTER GEAR	751.76
12/21/2020	072850	FIRST CHOICE INDUSTRIAL SU	147493	622-4152-427006	MISC SUPPLIES	357.64
12/21/2020	072850	FIRST CHOICE INDUSTRIAL SU	147493	645-4160-427006	MISC SUPPLIES	357.64
12/28/2020	072835	FIRST CHOICE INDUSTRIAL SU	147493	622-4151-427006	MISC SUPPLIES	530.6
12/28/2020	072835	FIRST CHOICE INDUSTRIAL SU	147493	622-4152-427006	MISC SUPPLIES	937.6
12/28/2020	072835	FIRST CHOICE INDUSTRIAL SU	147493	645-4160-427006	MISC SUPPLIES	1046.8
12/30/2020	072835-01	FIRST CHOICE INDUSTRIAL SU	147493	622-4152-427006	MISC SUPPLIES	50.39
01/07/2021	073032	FIRST CHOICE INDUSTRIAL SU	147493	645-4160-427006	MISC SUPPLIES	46.06
Vendor 1428 - FIRST CHOICE INDUSTRIAL SUPPLY INC. Total:						4995.27
Vendor: 1584 - FONTES PRO SOUND & LIGHT						
01/20/2021	98367135	FONTES PRO SOUND & LIGHT	147494	270-1910-425003	COUNCIL MEETING BROADCAST	300
01/20/2021	98367679	FONTES PRO SOUND & LIGHT	147494	270-1910-425003	COUNCIL MEETING BROADCAST	300
Vendor 1584 - FONTES PRO SOUND & LIGHT Total:						600



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
Vendor: 01224 - INTELLISITE, LLC						
12/31/2020	18247	INTELLISITE, LLC	147495	525-1910-425003	SUPPORT	780
Vendor 01224 - INTELLISITE, LLC Total:						780
Vendor: 01042 - INTERWEST CONSULTING GROUP						
12/17/2020	65359	INTERWEST CONSULTING GRC	147496	245-1910-442001	PROFESSIONAL SERVICES	275
01/13/2021	65830	INTERWEST CONSULTING GRC	147496	245-1910-442001	PROFESSIONAL SERVICES	260
Vendor 01042 - INTERWEST CONSULTING GROUP Total:						535
Vendor: 964 - ITRON INC.						
11/11/2020	573024	ITRON INC.	147497	645-4160-427006	MAINTENANCE CONTRACT	4855.85
Vendor 964 - ITRON INC. Total:						4855.85
Vendor: 1437 - J.B. ANDERSON						
01/01/2021	010121GPS	J.B. ANDERSON	147498	120-3110-410013	PLANNING SERVICES	3752.13
01/01/2021	010121GPS	J.B. ANDERSON	147498	212-3110-425003	PLANNING SERVICES	298
01/01/2021	010121GPS	J.B. ANDERSON	147498	720-3110-425003	PLANNING SERVICES	447
01/01/2021	010121GPS	J.B. ANDERSON	147498	720-3110-425003	PLANNING SERVICES	4309.5
01/01/2021	010121GPS	J.B. ANDERSON	147498	720-3110-425003	PLANNING SERVICES	193.7
01/01/2021	010121GPS	J.B. ANDERSON	147498	720-3110-425003	PLANNING SERVICES	1470.5
01/01/2021	010121GPS	J.B. ANDERSON	147498	720-3110-425003	PLANNING SERVICES	1166.75
01/01/2021	010121GPS	J.B. ANDERSON	147498	720-3110-425003	PLANNING SERVICES	74.5
Vendor 1437 - J.B. ANDERSON Total:						11712.08
Vendor: 01072 - JONES & MAYER						
12/31/2020	101361	JONES & MAYER	147499	515-1910-425003	PROFESSIONAL SERVICES	535.5
Vendor 01072 - JONES & MAYER Total:						535.5
Vendor: 804 - KIMBALL MIDWEST						
10/28/2020	8343810	KIMBALL MIDWEST	147500	110-2110-424003	MISC SUPPLIES	146.47
10/28/2020	8343810	KIMBALL MIDWEST	147500	110-7210-424003	MISC SUPPLIES	146.46
10/28/2020	8343810	KIMBALL MIDWEST	147500	622-4152-424003	MISC SUPPLIES	146.46
10/28/2020	8343810	KIMBALL MIDWEST	147500	645-4160-424003	MISC SUPPLIES	146.47
Vendor 804 - KIMBALL MIDWEST Total:						585.86
Vendor: 01236 - KOEFRAN						
12/31/2020	0000437994	KOEFRAN	147501	110-2160-425003	ANIMAL SERVICES	219.5
12/31/2020	0000437994	KOEFRAN	147501	110-2161-425003	ANIMAL SERVICES	219.5
Vendor 01236 - KOEFRAN Total:						439
Vendor: 01131 - L2 LIGHTING LLC						
01/04/2021	2917A	L2 LIGHTING LLC	147502	110-7210-427006	LIGHTS FOR KERR PARK	963.61
01/15/2021	2965A	L2 LIGHTING LLC	147502	645-4160-427006	WELL 8 PARKING LOT	713.95
Vendor 01131 - L2 LIGHTING LLC Total:						1677.56
Vendor: 1292 - LEAGUE OF CALIFORNIA CITIES						
01/01/2021	640807	LEAGUE OF CALIFORNIA CITIES	147503	110-1910-416005	MEMBERSHIP DUES	8896
Vendor 1292 - LEAGUE OF CALIFORNIA CITIES Total:						8896



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
Vendor: 01031 - MAINLINE PLUMBING INC.						
11/05/2020	4264249	MAINLINE PLUMBING INC.	147504	622-4152-425003	PW YARD	685
11/05/2020	4264249	MAINLINE PLUMBING INC.	147504	645-4160-425003	PW YARD	685
11/05/2020	4271403	MAINLINE PLUMBING INC.	147504	117-7440-425003	SENIOR CENTER	3549
01/25/2021	5672233	MAINLINE PLUMBING INC.	147504	110-7413-424001	SENIOR CENTER	985
Vendor 01031 - MAINLINE PLUMBING INC. Total:						5904
Vendor: 158 - MCR ENGINEERING INC.						
09/24/2020	15460	MCR ENGINEERING INC.	147505	720-3110-425003	ENGINEERING SERVICES	4375
Vendor 158 - MCR ENGINEERING INC. Total:						4375
Vendor: 01242 - METER VALVE & CONTROL INC.						
01/14/2021	19469	METER VALVE & CONTROL INC.	147506	645-4160-427006	METER SUPPLIES	1237.03
Vendor 01242 - METER VALVE & CONTROL INC. Total:						1237.03
Vendor: 1504 - METLIFE - GROUP BENEFITS						
01/14/2021	KM05931316 1/14/21	METLIFE - GROUP BENEFITS	147507	110-219-1104	BENEFITS	838.24
Vendor 1504 - METLIFE - GROUP BENEFITS Total:						838.24
Vendor: 830 - MODESTO WELDING PRODUCTS, INC.						
12/25/2020	75498	MODESTO WELDING PRODUCTS	147508	110-4140-427006	CYLINDER RENTAL	28
Vendor 830 - MODESTO WELDING PRODUCTS, INC. Total:						28
Vendor: 01241 - NC CHILD SUPPORT						
02/05/2021	INV00904	NC CHILD SUPPORT	147544	110-219-1900	GARNISHMENT CHILD SUPPORT	92.31
Vendor 01241 - NC CHILD SUPPORT Total:						92.31
Vendor: 01023 - NICKERSON INVESTIGATIVE SERVICES						
12/22/2020	20-018	NICKERSON INVESTIGATIVE SERVICES	147509	110-2110-425006	PRE EMPLOYMENT	1594.6
01/06/2021	21-001	NICKERSON INVESTIGATIVE SERVICES	147509	110-2110-425006	PRE EMPLOYMENT	1541.8
01/06/2021	21-002	NICKERSON INVESTIGATIVE SERVICES	147509	110-2110-425006	PRE EMPLOYMENT	1122
01/14/2021	21-003	NICKERSON INVESTIGATIVE SERVICES	147509	110-2110-425006	PRE EMPLOYMENT	600
Vendor 01023 - NICKERSON INVESTIGATIVE SERVICES Total:						4858.4
Vendor: 01015 - NORTHSTAR CHEMICAL						
01/11/2021	186437	NORTHSTAR CHEMICAL	147510	645-4160-427006	CHLORINATION	696.46
01/21/2021	187194	NORTHSTAR CHEMICAL	147510	117-7430-427002	POOL MAINTENANCE	1392.94
01/21/2021	187196	NORTHSTAR CHEMICAL	147510	117-7430-427002	POOL MAINTENANCE	680.55
Vendor 01015 - NORTHSTAR CHEMICAL Total:						2769.95
Vendor: 191 - OAK VALLEY HOSPITAL						
01/05/2021	CL0000004150 1/5/21	OAK VALLEY HOSPITAL	147511	110-4120-425003	EMPLOYMENT	75.75
01/05/2021	CL0000004150 1/5/21	OAK VALLEY HOSPITAL	147511	622-4152-425003	EMPLOYMENT	113.63
01/05/2021	CL0000004150 1/5/21	OAK VALLEY HOSPITAL	147511	645-4160-425003	EMPLOYMENT	113.62
Vendor 191 - OAK VALLEY HOSPITAL Total:						303
Vendor: 198 - OAKDALE EMPLOYEES ASSOCIATION						
02/05/2021	INV00899	OAKDALE EMPLOYEES ASSOCIATION	10325	110-219-0800	OAKDALE EMPLOYEES ASSOCIATION	42
Vendor 198 - OAKDALE EMPLOYEES ASSOCIATION Total:						42



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
Vendor: 206 - OAKDALE LEADER						
11/25/2020	278092	OAKDALE LEADER	147512	110-1130-425011	PUBLIC NOTICE	103
Vendor 206 - OAKDALE LEADER Total:						103
Vendor: 208 - OAKDALE POLICE OFFICERS ASSOCIATION						
02/05/2021	INV00898	OAKDALE POLICE OFFICERS ASSOCIATION	10326	110-219-0800	ASSOCIATION DUES	675
Vendor 208 - OAKDALE POLICE OFFICERS ASSOCIATION Total:						675
Vendor: 209 - OAKDALE POLICE OFFICERS ASSOCIATION						
02/05/2021	INV00903	OAKDALE POLICE OFFICERS ASSOCIATION	10327	110-219-0900	OAKDALE PD LTD	526.5
Vendor 209 - OAKDALE POLICE OFFICERS ASSOCIATION Total:						526.5
Vendor: 01114 - OAKDALE TOURISM & VISITORS						
01/27/2021	10/1-12/31 2020	OAKDALE TOURISM & VISITORS	147513	110-207-0000	QUARTERLY REPORTING	19379.59
Vendor 01114 - OAKDALE TOURISM & VISITORS Total:						19379.59
Vendor: 219 - OPERATING ENGINEERS LOCAL #3						
02/05/2021	INV00906	OPERATING ENGINEERS LOCAL #3	147545	110-219-0800	UNION DUES - OAKDALE POLICE	780
02/05/2021	INV00907	OPERATING ENGINEERS LOCAL #3	147545	110-219-0800	UNION DUES - OAKDALE MISC	726
Vendor 219 - OPERATING ENGINEERS LOCAL #3 Total:						1506
Vendor: 62 - O'REILLY AUTOMOTIVE STORES, INC.						
12/30/2020	2721-197345	O'REILLY AUTOMOTIVE STORE	147514	110-4120-427006	MISC SUPPLIES	199.02
01/04/2021	2721-198653	O'REILLY AUTOMOTIVE STORE	147514	110-2110-424003	MISC SUPPLIES	87.34
01/04/2021	2721-198657	O'REILLY AUTOMOTIVE STORE	147514	119-4110-424003	MISC SUPPLIES	34.35
01/05/2021	2721-198928	O'REILLY AUTOMOTIVE STORE	147514	110-4140-424003	MISC SUPPLIES	121.6
01/06/2021	2721-199245	O'REILLY AUTOMOTIVE STORE	147514	110-4140-424003	MISC SUPPLIES	14.52
01/08/2021	2721-199763	O'REILLY AUTOMOTIVE STORE	147514	110-2110-424003	MISC SUPPLIES	62.99
01/11/2021	2721-200529	O'REILLY AUTOMOTIVE STORE	147514	110-2110-424003	MISC SUPPLIES	81.94
01/13/2021	2721-201091	O'REILLY AUTOMOTIVE STORE	147514	622-4152-424003	MISC SUPPLIES	23.82
Vendor 62 - O'REILLY AUTOMOTIVE STORES, INC. Total:						625.58
Vendor: 01216 - PACIFIC SHREDDING/PACIFIC STORAGE CO.						
01/16/2021	5052353	PACIFIC SHREDDING/PACIFIC STORAGE CO.	147515	110-2110-425003	SHREDDING SERVICES	60
Vendor 01216 - PACIFIC SHREDDING/PACIFIC STORAGE CO. Total:						60
Vendor: 01322 - PARK PLANET/NSP3						
01/14/2021	IN-2100021	PARK PLANET/NSP3	147516	110-7210-427006	MISC SUPPLIES	727.91
01/14/2021	IN-2100022	PARK PLANET/NSP3	147516	110-7210-425003	MISC SUPPLIES	2001
Vendor 01322 - PARK PLANET/NSP3 Total:						2728.91
Vendor: 01309 - PEZZONI ENGINEERING, INC.						
01/14/2021	20-533-002	PEZZONI ENGINEERING, INC.	147517	540-1910-442001	PROFESSIONAL SERVICES	2080
Vendor 01309 - PEZZONI ENGINEERING, INC. Total:						2080
Vendor: 226 - PG&E						
01/27/2021	JAN 2021 2	PG&E	147518	110-1910-420001	29735943408	84.2
01/27/2021	JAN 2021 2	PG&E	147518	110-1910-420001	18246929329	3598.38
01/27/2021	JAN 2021 2	PG&E	147518	110-1910-420002	18246929329	1772.03
01/27/2021	JAN 2021 2	PG&E	147518	110-2160-420001	18246929329	2141.66
01/27/2021	JAN 2021 2	PG&E	147518	110-7210-420001	56060120856	14.54



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
01/27/2021	JAN 2021 2	PG&E	147518	110-7210-420001	25332532271	104.52
01/27/2021	JAN 2021 2	PG&E	147518	110-7210-420001	02411052901	108.11
01/27/2021	JAN 2021 2	PG&E	147518	110-7210-420001	18246929329	260.09
01/27/2021	JAN 2021 2	PG&E	147518	110-7210-420001	63695829133	676.79
01/27/2021	JAN 2021 2	PG&E	147518	117-7460-420001	71493181177	2391.82
01/27/2021	JAN 2021 2	PG&E	147518	117-7470-420001	63063551012	32.59
01/27/2021	JAN 2021 2	PG&E	147518	119-4110-420001	07228975343	104.85
01/27/2021	JAN 2021 2	PG&E	147518	119-4110-420002	07228975343	103.46
01/27/2021	JAN 2021 2	PG&E	147518	285-6220-420001	16364492971	813.13
01/27/2021	JAN 2021 2	PG&E	147518	285-6220-420001	98085099004	499.86
01/27/2021	JAN 2021 2	PG&E	147518	286-6230-420001	98085099004	24.55
01/27/2021	JAN 2021 2	PG&E	147518	288-6241-420001	29646608462	47.27
01/27/2021	JAN 2021 2	PG&E	147518	288-6242-420001	79258195720	10.84
01/27/2021	JAN 2021 2	PG&E	147518	622-4150-420001	45427294660	762.73
01/27/2021	JAN 2021 2	PG&E	147518	622-4150-420001	44172864934	37.38
01/27/2021	JAN 2021 2	PG&E	147518	622-4151-420001	529290	1002.9
01/27/2021	JAN 2021 2	PG&E	147518	622-4151-420001	529288	230.94
01/27/2021	JAN 2021 2	PG&E	147518	622-4152-420001	44133562536	1956.39
01/27/2021	JAN 2021 2	PG&E	147518	622-4152-420001	07228975343	416.65
01/27/2021	JAN 2021 2	PG&E	147518	645-4160-420001	07228975343	416.64
01/27/2021	JAN 2021 2	PG&E	147518	657-4170-420001	44024983676	58.98
01/27/2021	JAN 2021 2	PG&E	147518	657-4170-420001	86502703126	209.99
01/27/2021	JAN 2021 2	PG&E	147518	657-4170-420001	07028519473	721.24
Vendor 226 - PG&E Total:						18602.53
Vendor: 01056 - POWER SERVICES						
12/11/2020	6355	POWER SERVICES	147519	645-4160-427006	METER CERTIFICATION	2225
Vendor 01056 - POWER SERVICES Total:						2225
Vendor: 1429 - R & B COMPANY						
01/08/2021	N563288	R & B COMPANY	147520	645-4160-427006	METER BOXES	746.13
Vendor 1429 - R & B COMPANY Total:						746.13
Vendor: 242 - RANDIK PAPER CO						
01/13/2021	181404	RANDIK PAPER CO	147521	110-7413-427002	JANITORIAL SUPPLIES	812.32
01/20/2021	181404-01	RANDIK PAPER CO	147521	110-7413-427002	JANITORIAL SUPPLIES	32.36
Vendor 242 - RANDIK PAPER CO Total:						844.68
Vendor: 1278 - RAY MORGAN COMPANY						
01/08/2021	3191587	RAY MORGAN COMPANY	147522	110-1910-423000	COPIER LEASE	304.21
01/08/2021	3191587	RAY MORGAN COMPANY	147522	110-2110-423000	COPIER LEASE	608.43
01/08/2021	3191587	RAY MORGAN COMPANY	147522	119-4110-423000	COPIER LEASE	152.1
01/08/2021	3191587	RAY MORGAN COMPANY	147522	120-3110-423000	COPIER LEASE	152.1
01/08/2021	3191587	RAY MORGAN COMPANY	147522	622-4152-423000	COPIER LEASE	152.1
01/08/2021	3191587	RAY MORGAN COMPANY	147522	645-4160-423000	COPIER LEASE	152.1
Vendor 1278 - RAY MORGAN COMPANY Total:						1521.04



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
Vendor: 292 - ROLAND, JOCELYN E., PHD ABPP						
01/22/2021	18679	ROLAND, JOCELYN E., PHD AB	147523	110-2110-425006	PRE EMPLOYMENT	450
01/25/2021	18676	ROLAND, JOCELYN E., PHD AB	147523	110-2110-425006	PRE EMPLOYMENT	450
Vendor 292 - ROLAND, JOCELYN E., PHD ABPP Total:						900
Vendor: 1233 - ROLFE CONSTRUCTION INC.						
01/20/2021	20141	ROLFE CONSTRUCTION INC.	147524	222-4149-442001	ROLFE CONSTRUCTION (POPL	24212.4
01/20/2021	20141	ROLFE CONSTRUCTION INC.	147524	621-4159-442001	ROLFE CONSTRUCTION (POPL	16066.85
01/20/2021	20141	ROLFE CONSTRUCTION INC.	147524	644-4169-442001	ROLFE CONSTRUCTION (POPL	32061.35
Vendor 1233 - ROLFE CONSTRUCTION INC. Total:						72340.6
Vendor: 1126 - SHERIFF'S CIVIL DIVISION						
02/05/2021	INV00905	SHERIFF'S CIVIL DIVISION	147546	110-219-1900	WAGE GARNISHMENT	118.64
Vendor 1126 - SHERIFF'S CIVIL DIVISION Total:						118.64
Vendor: 01198 - SIERRA VIEW BUILDERS, INC.						
12/22/2020	12/22/20	SIERRA VIEW BUILDERS, INC.	147525	657-4170-424001	DOOR REPAIR	1045.5
12/22/2020	12/22/20	SIERRA VIEW BUILDERS, INC.	147525	657-4170-424001	DOOR REPAIR	1387.58
Vendor 01198 - SIERRA VIEW BUILDERS, INC. Total:						2433.08
Vendor: 275 - STANISLAUS COUNTY						
01/20/2021	OCT - DEC 2020	STANISLAUS COUNTY	147526	120-203-0000	COUNTY DEVELOPER FEES	81977
01/20/2021	OCT - DEC 2020	STANISLAUS COUNTY	147526	120-3110-330300	COUNTY DEVELOPER FEES	-819.77
Vendor 275 - STANISLAUS COUNTY Total:						81157.23
Vendor: 1368 - STANISLAUS FOUNDATION						
01/04/2021	47957	STANISLAUS FOUNDATION	147527	510-1910-436001	BENEFITS	659
01/11/2021	47974	STANISLAUS FOUNDATION	147527	510-1910-436001	BENEFITS	217
Vendor 1368 - STANISLAUS FOUNDATION Total:						876
Vendor: 1163 - STAPLES BUSINESS ADVANTAGE						
01/09/2021	3466577729	STAPLES BUSINESS ADVANTAGE	147528	622-4153-427001	OFFICE SUPPLIES	23.1
01/09/2021	3466577729	STAPLES BUSINESS ADVANTAGE	147528	645-4161-427001	OFFICE SUPPLIES	23.09
01/13/2021	3466830776	STAPLES BUSINESS ADVANTAGE	147528	110-2110-427001	OFFICE SUPPLIES	186.34
01/14/2021	3466911639	STAPLES BUSINESS ADVANTAGE	147528	110-2110-427001	OFFICE SUPPLIES	42.37
01/15/2021	3467012740	STAPLES BUSINESS ADVANTAGE	147528	110-2110-427001	OFFICE SUPPLIES	200.44
01/16/2021	3467187876	STAPLES BUSINESS ADVANTAGE	147528	110-1310-427001	OFFICE SUPPLIES	32.01
01/16/2021	3467187876	STAPLES BUSINESS ADVANTAGE	147528	622-4153-427001	OFFICE SUPPLIES	32.01
01/16/2021	3467187876	STAPLES BUSINESS ADVANTAGE	147528	645-4161-427001	OFFICE SUPPLIES	32.01
Vendor 1163 - STAPLES BUSINESS ADVANTAGE Total:						571.37
Vendor: 1556 - SUTTER HEALTH PLUS						
01/05/2021	1469074	SUTTER HEALTH PLUS	147529	110-219-1100	BENEFITS	58866.99
Vendor 1556 - SUTTER HEALTH PLUS Total:						58866.99
Vendor: 498 - TNT TOWING						
01/15/2021	1/15/21	TNT TOWING	147530	110-2110-427004	VEHICLE TOW	160
Vendor 498 - TNT TOWING Total:						160



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
Vendor: 291 - TROMBETTA ELECTRICS DISTRIBUTORS						
01/12/2021	178065	TROMBETTA ELECTRICS DISTR	147531	110-4142-427006	MISC SUPPLIES	127.3
Vendor 291 - TROMBETTA ELECTRICS DISTRIBUTORS Total:						127.3
Vendor: 1583 - TYLER TECHNOLOGIES, INC.						
12/31/2020	025-319948	TYLER TECHNOLOGIES, INC.	147532	110-1310-425003	SOFTWARE SUPPORT	3540.83
12/31/2020	025-319948	TYLER TECHNOLOGIES, INC.	147532	622-4153-425003	SOFTWARE SUPPORT	3540.83
12/31/2020	025-319948	TYLER TECHNOLOGIES, INC.	147532	645-4161-425003	SOFTWARE SUPPORT	3540.84
12/31/2020	025-320348	TYLER TECHNOLOGIES, INC.	147532	622-4153-425003	SOFTWARE SUPPORT	37.3
12/31/2020	025-320348	TYLER TECHNOLOGIES, INC.	147532	645-4161-425003	SOFTWARE SUPPORT	37.3
Vendor 1583 - TYLER TECHNOLOGIES, INC. Total:						10697.1
Vendor: 978 - U.S. BANK						
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	110-1310-427006	TYLER	225.53
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	117-7460-420003	COMCAST	116.15
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	268-2110-441006	AMAZON	970.1
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	270-1910-425003	LIVESTREAM	49
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	622-4153-427001	AMAZON	92.95
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	622-4153-427001	AMAZON	10.81
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	622-4153-427001	AMAZON	160.47
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	622-4153-427006	TYLER	225.53
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	622-4153-441006	AMAZON	194.86
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	645-4160-427001	AMAZON	160.47
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	645-4160-427001	AMAZON	92.96
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	645-4160-427001	AMAZON	10.81
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	645-4160-427006	TYLER	225.53
12/22/2020	ADM-1 1899 122220	U.S. BANK	147533	645-4160-441006	AMAZON	194.85
12/22/2020	ADM-2 4894 122220	U.S. BANK	147533	110-1910-427006	UBERCONFERENCE	20
12/22/2020	ADM-2 4894 122220	U.S. BANK	147533	110-1910-429000	NEOPOST	21.22
12/22/2020	ADM-3 2821 122220	U.S. BANK	147533	110-1130-416002	LCC	500
12/22/2020	ADM-3 2821 122220	U.S. BANK	147533	110-1130-416005	CCAC	55
12/22/2020	ADM-3 2821 122220	U.S. BANK	147533	110-1130-425003	MISC SUPPLIE	411.09
12/22/2020	ADM-3 2821 122220	U.S. BANK	147533	110-1130-425003	GVA	195.08
12/22/2020	ADM-3 2821 122220	U.S. BANK	147533	110-1130-427001	AMAZON	117.3
12/22/2020	ADM-3 2821 122220	U.S. BANK	147533	110-1910-427006	MISC SUPPLIES	326.57
12/22/2020	ADM-4 6505 122220	U.S. BANK	147533	110-1120-416002	MISC SUPPLIES	43.43
12/22/2020	ADM-4 6505 122220	U.S. BANK	147533	110-1120-416002	MISC SUPPLIES	175
12/22/2020	FAC-1 1563 122220	U.S. BANK	147533	118-7340-427006	SC SUPPLIES	61.21
12/22/2020	FAC-1 1563 122220	U.S. BANK	147533	744-7340-427004	SC SUPPLIES	767.35
12/22/2020	FAC-1 1563 122220	U.S. BANK	147533	744-7340-427004	SC SUPPLIES	113.82
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424001	HOME DEPOT	107.13
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424001	HOME DEPOT	139.13
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424001	HOME DEPOT	162.83
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424001	AMAZON	63.93



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424001	OAKDALE ACE	21.32
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424001	OAKDALE ACE	19.02
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424001	HOME DEPOT	86.18
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424001	OAKDALE ACE	194.5
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424002	AMAZON	74.72
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424002	AMAZON	144.12
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424002	AMAZON	28.17
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-424002	AMAZON	86.69
12/22/2020	FAC-2 6423 122220	U.S. BANK	147533	110-7413-427006	AMAZON	62.29
12/22/2020	PD-1 0210 122220	U.S. BANK	147533	110-2110-424003	MISC SUPPLIES	279.21
12/22/2020	PD-1 0210 122220	U.S. BANK	147533	110-2110-429000	USPS	4.65
12/22/2020	PD-1 0210 122220	U.S. BANK	147533	110-2140-427010	MISC SUPPLIES	242.41
12/22/2020	PD-1 0210 122220	U.S. BANK	147533	746-2110-425003	MISC SUPPLIES	212.27
12/22/2020	PD-2 5779 122220	U.S. BANK	147533	110-2110-416003	TRAINING/LODGING	1224.16
12/22/2020	PD-3 9825 122220	U.S. BANK	147533	110-2140-427010	RANGE SUPPLIES	328.35
12/22/2020	PD-4 9866 122220	U.S. BANK	147533	110-2110-427004	OAKDALE LOCKSMITH	4.25
12/22/2020	PD-4 9866 122220	U.S. BANK	147533	110-2110-427004	MISC. SUPPLIES	102.47
12/22/2020	PD-4 9866 122220	U.S. BANK	147533	110-2110-427004	MISC. SUPPLIES	221.09
12/22/2020	PD-5 6477 122220	U.S. BANK	147533	110-2110-416003	TRAVEL/LODGING	734.5
12/22/2020	PD-6 2787 122220	U.S. BANK	147533	110-2110-416005	MODESTO BEE	20
12/22/2020	PD-6 2787 122220	U.S. BANK	147533	110-2110-425003	ATLAS	180
12/22/2020	PD-6 2787 122220	U.S. BANK	147533	110-2110-425003	DROPBOX	45
12/22/2020	PD-6 2787 122220	U.S. BANK	147533	110-2110-425006	INNOVATIVE CREDIT	45
12/22/2020	PD-6 2787 122220	U.S. BANK	147533	110-2110-427001	STAPLES	42.61
12/22/2020	PD-6 2787 122220	U.S. BANK	147533	110-2110-427004	ZOOM	14.99
12/22/2020	PD-6 2787 122220	U.S. BANK	147533	110-2110-427004	READY FRESH	66.93
12/22/2020	PD-6 2787 122220	U.S. BANK	147533	110-2110-429000	USPS	18.03
12/22/2020	PD-6 2787 122220	U.S. BANK	147533	110-2160-425003	READY FRESH	42.15
12/22/2020	PD-6 2787 122220	U.S. BANK	147533	110-2161-425003	READY FRESH	42.16
12/22/2020	PD-6 2787 122220	U.S. BANK	147533	743-2110-425003	EMBRACE	113.44
12/22/2020	PD-7 7622 122220	U.S. BANK	147533	110-2110-416005	CALPAC MEMBERSHIP	150
12/22/2020	PD-8 8974 122220	U.S. BANK	147533	110-2110-427001	MISC SUPPLIES	191.94
12/22/2020	PW-1 8837 122220	U.S. BANK	147533	622-4152-427001	STAPLES	35.77
12/22/2020	PW-1 8837 122220	U.S. BANK	147533	622-4152-427001	STAPLES	28.47
12/22/2020	PW-1 8837 122220	U.S. BANK	147533	622-4152-427001	AMAZON	40.05
12/22/2020	PW-1 8837 122220	U.S. BANK	147533	622-4152-427001	UPS	9.59
12/22/2020	PW-1 8837 122220	U.S. BANK	147533	645-4160-427001	UPS	9.6
12/22/2020	PW-1 8837 122220	U.S. BANK	147533	645-4160-427001	STAPLES	35.75
12/22/2020	PW-1 8837 122220	U.S. BANK	147533	645-4160-427001	AMAZON	40.06
12/22/2020	PW-1 8837 122220	U.S. BANK	147533	645-4160-427001	STAPLES	28.46
12/22/2020	PW-2 8860 122220	U.S. BANK	147533	110-7210-425003	COMCAST	88.92
12/22/2020	PW-3 0327 122220	U.S. BANK	147533	110-4142-427006	OAKDALE ACE	19.54



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
12/22/2020	PW-3 0327 122220	U.S. BANK	147533	110-4142-427006	CERES PIPE & METAL	86.89
12/22/2020	PW-3 0327 122220	U.S. BANK	147533	110-4142-427006	CONLIN SUPPLY	185.31
12/22/2020	PW-3 0327 122220	U.S. BANK	147533	622-4152-427006	USA BLUEBOOK	774.49
12/22/2020	PW-4 0335 122220	U.S. BANK	147533	645-4160-427006	OAKDALE ACE	3.65
12/22/2020	PW-4 0335 122220	U.S. BANK	147533	645-4160-427006	AMAZON	110.15
12/22/2020	PW-5 0368 122220	U.S. BANK	147533	110-7210-416005	DEPT OF PESTICIDE	60
12/22/2020	PW-5 0368 122220	U.S. BANK	147533	110-7210-427006	SIGNS BY RANDY	487.69
12/22/2020	PW-5 0368 122220	U.S. BANK	147533	110-7210-427006	ANDERSON TREE EXPERTS	3200
12/22/2020	PW-5 0368 122220	U.S. BANK	147533	110-7210-427006	AMAZON	300
12/22/2020	PW-6 8872 122220	U.S. BANK	147533	622-4151-424002	UPS	44.52
12/22/2020	PW-7 1392 122220	U.S. BANK	147533	110-4140-427006	MODESTO BEE	70.44
12/22/2020	PW-7 1392 122220	U.S. BANK	147533	120-3110-427006	MODESTO BEE	70.44
12/22/2020	PW-7 1392 122220	U.S. BANK	147533	622-4152-427006	MODESTO BEE	70.45
12/22/2020	PW-7 1392 122220	U.S. BANK	147533	645-4160-427006	MODESTO BEE	70.45
12/22/2020	PW-8 6435 122220	U.S. BANK	147533	645-4160-427006	AMERINE SYSTEMS	168.55
12/22/2020	PW-8 6435 122220	U.S. BANK	147533	645-4160-427006	OAKDALE ACE	79.82
12/22/2020	PW-8 6435 122220	U.S. BANK	147533	645-4160-427006	OAKDALE ACE	11.35
12/22/2020	PW-9 2438 122220	U.S. BANK	147533	110-4140-427006	OAKDALE ACE	8.19
12/22/2020	PW-9 2438 122220	U.S. BANK	147533	110-4140-427006	PESTICIDE COURSE	120
12/22/2020	PW-9 2438 122220	U.S. BANK	147533	622-4152-427006	OAKDALE ACE	22.73
12/22/2020	PW-9 2438 122220	U.S. BANK	147533	622-4152-427006	OAKDALE ACE	38.09
12/22/2020	PW-9-1 7025 122220	U.S. BANK	147533	110-7210-427006	OAKDALE ACE	215.48
12/22/2020	PW-9-2 7041 122220	U.S. BANK	147533	110-7210-427006	WESTURF NURSERY	70.38
12/22/2020	PW-9-2 7041 122220	U.S. BANK	147533	110-7210-427006	CONLIN SUPPLY	26
12/22/2020	PW-9-2 7041 122220	U.S. BANK	147533	110-7210-427006	OAKDALE ACE	40.89
12/22/2020	PW-9-2 7041 122220	U.S. BANK	147533	284-6210-427006	CONLIN SUPPLY	165.49
12/22/2020	PW-9-2 7041 122220	U.S. BANK	147533	284-6210-427006	TRACTOR SUPPLY	95.14
12/22/2020	PW-9-2 7041 122220	U.S. BANK	147533	565-7215-441005	WESTURF NURSERY	648.65
12/22/2020	PW-9-3 1092 122220	U.S. BANK	147533	110-4140-427006	OAKDALE ACE	62.15
12/22/2020	PW-9-3 1092 122220	U.S. BANK	147533	110-4140-427006	HOME DEPOT	70.31
12/22/2020	PW-9-3 1092 122220	U.S. BANK	147533	110-4140-427006	OAKDALE ACE	23.58
12/22/2020	PW-9-3 1092 122220	U.S. BANK	147533	110-4140-427006	HOME DEPOT	141.21
12/22/2020	PW-9-3 1092 122220	U.S. BANK	147533	622-4152-427006	OAKDALE AUTO PARTS	57.09
12/22/2020	PW-9-3 1092 122220	U.S. BANK	147533	622-4152-427022	FUEL	20.14
12/22/2020	PW-9-3 1092 122220	U.S. BANK	147533	645-4160-427006	OAKDALE ACE	22.3
12/22/2020	PW-9-3 1092 122220	U.S. BANK	147533	645-4160-427006	OAKDALE AUTO PARTS	38.06
12/22/2020	PW-9-4 4029 122220	U.S. BANK	147533	284-6210-427006	CENTRAL VALLEY AG	30.21
12/22/2020	PW-9-4 4029 122220	U.S. BANK	147533	565-7215-427006	OAKDALE ACE	63.35
12/22/2020	PW-9-5 9951 122220	U.S. BANK	147533	622-4152-427006	OAKDALE AUTO PARTS	21.12
12/22/2020	PW-9-6 0267 122220	U.S. BANK	147533	565-7215-427006	OAKDALE ACE	102.9
12/22/2020	PW-9-6 0267 122220	U.S. BANK	147533	565-7215-427006	AMAZON	78
12/22/2020	PW-9-7 6972 122220	U.S. BANK	147533	110-4140-427006	O'REILLYS	15.16



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
12/22/2020	PW-9-7 6972 122220	U.S. BANK	147533	286-6230-424007	LOWES	147.98
12/22/2020	PW-9-7 6972 122220	U.S. BANK	147533	622-4152-427006	OAKDALE ACE	38.95
12/22/2020	PW-9-7 6972 122220	U.S. BANK	147533	622-4152-427006	OAKDALE ACE	21.1
12/22/2020	PW-9-8 1731 122220	U.S. BANK	147533	622-4151-427006	O'REILLYS	76.15
12/22/2020	PW-9-8 1731 122220	U.S. BANK	147533	622-4151-427006	O'REILLYS	272.79
12/22/2020	PW-9-9 5782 122220	U.S. BANK	147533	565-7215-427006	OAKDALE ACE	240.5
12/22/2020	PW-9-A 8282 122220	U.S. BANK	147533	622-4151-424002	PROMOTION ENGINEERING	5185.1
12/22/2020	PW-9-A 8282 122220	U.S. BANK	147533	622-4151-424002	WESTECH	1089.09
12/22/2020	PW-9-A 8282 122220	U.S. BANK	147533	622-4151-424003	O'REILLYS	77.62
12/22/2020	PW-9-A 8282 122220	U.S. BANK	147533	622-4151-424003	O'REILLYS	102.44
12/22/2020	PW-9-A 8282 122220	U.S. BANK	147533	622-4151-427006	HOME DEPOT	181.22
12/22/2020	PW-9-B 1240 122220	U.S. BANK	147533	110-4140-427006	OAKDALE AUTOMOTIVE REPA	52.72
12/22/2020	PW-9-B 1240 122220	U.S. BANK	147533	110-4140-427006	OAKDALE ACE	38.33
12/22/2020	PW-9-C 9837 122220	U.S. BANK	147533	284-6210-424007	FRANTZ NURSERY	702.81
12/22/2020	PW-9-C 9837 122220	U.S. BANK	147533	284-6210-424007	CONLIN SUPPLY	111.56
12/22/2020	PW-9-C 9837 122220	U.S. BANK	147533	284-6210-424007	CENTRAL VALLEY AG	30.21
12/22/2020	PW-9-C 9837 122220	U.S. BANK	147533	284-6210-424009	AMAZON	118.82
12/22/2020	PW-9-C 9837 122220	U.S. BANK	147533	284-6210-424009	CONLIN SUPPLY	42.11
12/22/2020	PW-9-C 9837 122220	U.S. BANK	147533	284-6210-424009	CONLIN SUPPLY	14.08
12/22/2020	PW-9-C 9837 122220	U.S. BANK	147533	286-6230-424009	CONLIN SUPPLY	81.26
12/22/2020	PW-9-C 9837 122220	U.S. BANK	147533	565-7215-427006	URGENT CARE	249
12/22/2020	PW-9-C 9837 122220	U.S. BANK	147533	565-7215-427006	CONLIN SUPPLY	81.11
12/22/2020	PW-9-D 2106 122220	U.S. BANK	147533	110-4142-427006	OAKDALE ACE	36.36
12/22/2020	PW-9-D 2106 122220	U.S. BANK	147533	110-4142-427006	GRAINGER	430.68
12/22/2020	PW-9-D 2106 122220	U.S. BANK	147533	110-4142-427006	HOME DEPOT	28.89
12/22/2020	PW-9-D 2106 122220	U.S. BANK	147533	110-4142-427006	TRACTOR SUPPLY	15.44
12/22/2020	PW-9-E 7993 122220.	U.S. BANK	147533	622-4151-427006	AMAZON	48.53
12/22/2020	PW-9-E 7993 122220.	U.S. BANK	147533	622-4151-427006	LOU'S GLOVES	338
12/22/2020	PW-9-E 7993 122220.	U.S. BANK	147533	622-4151-427006	AMAZON	12.93
12/22/2020	PW-9-E 7993 122220.	U.S. BANK	147533	622-4151-427006	AMAZON	24.79
12/22/2020	PW-9-E 7993 122220.	U.S. BANK	147533	622-4151-427006	AMAZON	26.32
12/22/2020	PW-9-E 7993 122220.	U.S. BANK	147533	622-4151-427006	AMAZON	32.35
12/22/2020	PW-9-E 7993 122220.	U.S. BANK	147533	622-4151-427006	OAKDALE ACE	42.75
12/22/2020	PW-9-E 7993 122220.	U.S. BANK	147533	622-4151-427006	HOME DEPOT	293.91
12/22/2020	PW-9-E 7993 122220.	U.S. BANK	147533	622-4151-427006	AMAZON	89.32
12/22/2020	PW-9-E 7993 122220.	U.S. BANK	147533	622-4151-427006	AMAZON	247.07
12/22/2020	PW-9-F 9383 122220	U.S. BANK	147533	622-4152-427006	EPA FEE	207.5
12/22/2020	PW-9-F 9383 122220	U.S. BANK	147533	645-4160-427006	EPA FEE	207.5
12/22/2020	PW-9-G 4382 122220	U.S. BANK	147533	645-4160-427006	7/11 MATERIALS	350.59
12/22/2020	PW-9-G 4382 122220	U.S. BANK	147533	645-4160-427006	OAKDALE ACE	54.15
12/22/2020	PW-9-G 4382 122220	U.S. BANK	147533	645-4160-427006	U.S. TAPE	27.37
12/22/2020	PW-9-G 4382 122220	U.S. BANK	147533	645-4160-427006	UTILITY TECHNOLOGIES	541.13



City of Oakdale, CA

WARRANT LIST

By Vendor Name

Payment Dates 1/28/2021 - 2/7/2021

Post Date	Payable Number	Vendor Name	Payment Number	Account Number	Description (Item)	Amount
12/22/2020	PW-9-G 4382 122220	U.S. BANK	147533	645-4160-427006	OAKDALE ACE	25.1
Vendor 978 - U.S. BANK Total:						31415.39
Vendor: 01166 - UNITED PAVEMENT MAINTENANCE INC.- HUGHSON						
07/14/2020	10404 RET	UNITED PAVEMENT MAINTEN	147539	316-4149-442001	MAAG & E STREET REHAB	11832.69
09/30/2020	10500 RET	UNITED PAVEMENT MAINTEN	147539	316-4149-442001	MAAG & E ST REHAB	1782
Vendor 01166 - UNITED PAVEMENT MAINTENANCE INC.- HUGHSON Total:						13614.69
Vendor: 299 - UNITED WAY OF STANISLAUS						
02/05/2021	INV00908	UNITED WAY OF STANISLAUS	147547	110-219-1300	UNITED WAY OF STANISLAUS	2
Vendor 299 - UNITED WAY OF STANISLAUS Total:						2
Vendor: 308 - VERIZON WIRELESS						
01/18/2021	270617885-00001 1/18/21	VERIZON WIRELESS	147540	110-7210-420004	TELEPHONE	100.85
01/18/2021	270617885-00001 1/18/21	VERIZON WIRELESS	147540	565-7215-420004	TELEPHONE	195.36
01/19/2021	570628357-00001 1/19/21	VERIZON WIRELESS	147540	110-2110-420004	TELEPHONE	1074.18
01/19/2021	970617907-00001 1/19/21	VERIZON WIRELESS	147540	110-7413-420004	TELEPHONE	192.26
01/19/2021	970617907-00001 1/19/21	VERIZON WIRELESS	147540	118-7320-420004	TELEPHONE	33.37
Vendor 308 - VERIZON WIRELESS Total:						1596.02
Vendor: 312 - W.B. TAYLOR & SONS						
12/23/2020	60382	W.B. TAYLOR & SONS	147541	110-4140-427006	MISC SUPPLIES	33.4
Vendor 312 - W.B. TAYLOR & SONS Total:						33.4
Grand Total:						469881.2

AGENDA ITEM 9.3:

By Motion, Waive all Readings of Ordinances and Resolutions, except by Title.



CITY OF OAKDALE
CITY COUNCIL STAFF REPORT

Date: February 16th, 2021

To: Mayor Bairos and Members of the City Council

From: Dan Hilgen, Police Services Coordinator

Reviewed by: Scott Heller, Chief of Police

Subject: Adopt a Resolution Declaring Property Surplus and Authorizing the Release of the Property to California Auction Company for Sale in an Upcoming Auction, or Permanent Disposal through Gilton Solid Waste Management or Covanta Energy.

I. BACKGROUND

Staff has identified items of property that are no longer needed or has reached the end of its useable service life and is requesting authorization to releasing the property that has been identified as surplus and is no longer needed. This property has no real value or the need to be held further for the owners or unknown owners to make claim to the items.

II. DISCUSSION

Staff has identified property that is no longer needed, and/or is not in good working or safe condition, and is recommending said property be declared as surplus property. The property proposed for this sale/disposition consists of items from the Property and Evidence Unit subject to purging and disposition where the property has been unclaimed and/or the owner is unknown after reasonable and diligent efforts have been made to identify owners. For items that do not have any monetary value, permanent disposal through Gilton Solid Waste Management or Covanta Energy will be conducted. Additionally, the Oakdale Animal Shelter has a washer and dryer that had been previously replaced and the old units need to be disposed.

For property that has potential monetary value, Staff has developed a procedure for handling Surplus, Found or Safekeeping Property value by a contract with California Auction Company. California Auction Company provides an inventory of property for sale, transportation of the property to the auction site, and advertises the auction. The City has used California Auction Company in a previous auction of property. For items that do not

have any monetary value, permanent disposal through Gilton Solid Waste Management or Covanta Energy will be conducted.

Section 33-6 of the Oakdale City Code states, "Property received and not delivered to the true owner or finder shall be disposed of by public auction or appropriation to the use of the city..." Following the attached listed property being declared surplus, the police department will confer with the purchasing officer of the City to determine any items that may be appropriated to City use (OCC 33-8). All remaining items of value will be auctioned and all proceeds deposited into the City's General Fund (OCC 33-9). Items without monetary value will be disposed through Gilton Solid Waste Management or Covanta Energy.

III. FISCAL IMPACTS

Proceeds from sales will be used as additional revenues and returned to the City General Fund.

IV. RECOMMENDATION

Staff recommends that the City Council adopt a Resolution declaring property surplus and authorizing the release of the property to California Auction Company for sale in an upcoming auction, or permanent disposal through Gilton Solid Waste Management or Covanta Energy.

V. ATTACHMENTS

Attachment A: Resolution
Attachment B: Property List



IN THE CITY COUNCIL
OF THE CITY OF OAKDALE
STATE OF CALIFORNIA
CITY COUNCIL RESOLUTION 2021-____

**ADOPT A RESOLUTION DECLARING PROPERTY SURPLUS AND AUTHORIZING
THE RELEASE OF THE PROPERTY TO CALIFORNIA AUCTION COMPANY FOR
SALE IN AN UPCOMING AUCTION, OR PERMANENT DISPOSAL THROUGH
GILTON SOLID WASTE MANAGEMENT OR COVANTA ENERGY**

THE CITY OF OAKDALE CITY COUNCIL DOES HEREBY RESOLVE THAT:

WHEREAS, the police department has developed a procedure consistent with the Oakdale City Code for handling safekeeping and found Property by either contracting with California Auction Company or permanent disposal through Gilton Solid Waste Management or Covanta Energy; and,

WHEREAS, for items with monetary value, California Auction Company conducts Public Auctions in Stockton, California and any proceeds are deposited into the General Fund; and,

WHEREAS, items without any monetary value are permanently disposed through Gilton Solid Waste Management or Covanta Energy;

NOW, THEREFORE, BE IT RESOLVED that the **CITY COUNCIL** hereby authorizes the attached list of property to be released from the Police Department's Property and Evidence custody and authorization is granted for the release of property with monetary value to California Auction Company for sale in an auction with proceeds to be deposited into the General Fund and any items without monetary value to be permanently disposed through Gilton Solid Waste Management or Covanta Energy.

THE FOREGOING RESOLUTION IS HEREBY ADOPTED THIS 16th DAY OF FEBRUARY, 2021, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAINED: COUNCIL MEMBERS:

SIGNED:

ATTEST:

Cherilyn Barrios, Mayor

Rouzé Roberts, City Clerk

ATTACHMENT B

OP17001998	#5	Misc. bag of clothing
OP16002349	#1	Fishing pole
OP16002349	#1	Cane
OP17002065	#2	Backpack
OP15003484	#4	Backpack
OP17000364	#2	Purse
OP15002182	#6 -13	Misc. property
OP15002796	#5	Backpack
OP17001657	#1	Misc. bags
OP19003447	#1	Tattoo gun
OP19001923	#1	Hammer drill
OP19001923	#2	Hammer
OP19001923	#3	Red/gray cap
OP20000270	#5	Gun Stock (pellet)
OP19000878	#1	Black backpack
OP19001495	#1	Snap back hat
OP17003674	#8 – 10, 12	Misc. cards
OP17003674	#15	Make up kit
OP17001998	#4, 5	Misc. bags of clothing
OP19001969	!, 2	Misc. property
OP17003999	#1, 3	Jacket, sunglasses
OP16004472	#7	Night vision optics
OP17002099	#1	Knife
OP17003647	#1	Thumb drive
OP15002741	#1	Black bag with rocks
OP17001414	#2,3,4	Keys, gps unit, cd holder
OP17000752	#1	Keys
OP16003706	#1	Keys
OP18000080	#1	Key
OP17000084	#1	Keys
OP16004442	#1	Tablet
OP16004426	#1	Phone
OP17000685	#1	Keys
OP17001219	#1	Nintendo DS
OP17001217	#1	Black pouch
OP15004227	#1	BB gun
OP17000980	#20-23	Misc papers
OP17001716	#2	Speakers
OP17002421	#11-14	Misc keys, USB cords
OP17000898	#1	Key
OP17001606	#17	Keys
OP17001784	#1	Sunglasses
OP17002496	#1	Key
OP17002238	#1	White metal ring
OP17002202	#2	Knife

ATTACHMENT B

OP17002242	#3, 4	Phones
OP18000166	#1	Keys with Master lock
OP17001757	#1	Knife
OP15002798	#1	Keys
OP18000329	#1	Keys
OP16000252	#1	Men's yellow ring
OP18000207	#6	Keys
OP17003994	#1	Phone
OP17002426	#1	Phone
OP17001821	#4-7	Misc cables, gloves,
OP2000919	#1	cologne, tools
		Misc.
OP19001965	#1-3	Bike, misc bags
OP19000853	#1	Ca. License plate
OP17002011	#1	Comforter
OP16003865	#1	Motorcycle helmet
OP17003003	#1	Vehicle valves
OP16002374	#1	Backpack
OP20000257	#2, 3	Backpack, key
OP20001009	#1	Backpack
OP19000287	#2	Brown purse
OP17002448	#1	BB gun
OP19001477	#1	Blue bag
OP20000286	#1	Wheel with tire
OP15002707	#1	Black bag misc
		property
OP19002759	#1	Blue duffle bag
OP20001163	#1-4	Radio, flashlight,
		gloves, bike
OP19002063	#6, 10	Medication, metal box
OP20000553	#2	Purse personal hygiene
		items
OP20001296	#13, 15-17	Ca. license plate, UAV,
		(2) safes
OP20000032	#5	Medications
OP20000281	#3,4	Bike, Backpack
OP20000910	#5-7	Batteries
OP20001176	#5	Pink purse
OP20000723	#1,2	Cart, Fog lamp
OP19003299	#13	Mason jar glasses
OP20000718	#1,2	Backpack, suitcase
OP20000022	1-11	Misc cards
OP19003764	#4	Purse
OP20000510	#1,4,6	Backpack, knives, box
OP19000832	#6,7	Backpack, scooter
OP19003490	#2	Blanket
OP19003937	#2	Backpack
OP19002872	#2,3	Bike, Trash bag

ATTACHMENT B

OP19002430	#1	Purse
OP19002278	#1	Blue duffle bag
OP19001598	#1	Backpack
OP19002379	#1	Backpack
OP18003382	#1	Clothing
OP18003691	#6	Purse
OP15002953	#2	Backpack
OP19001377	#3	Clothing
OP19002294	#1,2	Bike, clothing
OP19001383	#1	Trash can, misc property
OP19001146	#1,3	Ca. DL, card
OP18003546	#3	12 gauge rounds
OP19002113	#1,6,7,8	Bike, drill, measure tape, knives
OP16001095	#3,4,5,9,10	Power inverter, CD discs, misc. cards
OP19002026	#1	Personal hygiene
OP19003386	#3	Shoe
OP19003633	#1	Misc personal items
OP16001768	#5	Jar
OP19003338	#1	Backpack
OP19003289	#1	Notebook
OP17002274	#3,4	Bike, backpack
OP19002302	#2	Purse
OP16004438	#6	Backpack
OP17002168	#1	Blue bag
OP19003582	#1	Books/magazines
OP20000723	#1	Wire cart
OP19003539	#2	Books/magazines
OP20000276	#1	Boot flower pot



CITY OF OAKDALE
CITY COUNCIL STAFF REPORT

Date: February 16, 2021

To: Mayor Bairos and Members of the Oakdale City Council

From: Jeff Gravel, Public Services Director

Subject: **CONSIDER A RESOLUTION APPROVING A GRANT DEED TO GRANT PROPERTY (1,064 SQ. FT.) TO THE CITY OF OAKDALE FROM BRIAN AND KELLY LEMONS FOR THE PURPOSES OF PLACING A FUTURE PUMP STATION FOR LANDSCAPE IRRIGATION NEEDS.**

I. BACKGROUND/DISCUSSION

In preparation of a potential irrigation pump station location, for future landscape irrigation, a small parcel of land (1,064 sq.ft.) located adjacent to the southeast terminus of Bascule Way is needed for a pump site. The location is attractive due to its proximity to Oakdale Irrigation District (OID) facilities (Crane Lateral). The goal is to develop this site with a pump station, taking water from the Crane Lateral water supply and apply the water to irrigated landscape areas such as the Dog Park and basin located near the corner of Greger and Crane Road.

This parcel is located adjacent to the Icon at Bridle Ridge subdivision, currently under construction by Florsheim Homes. The parcel is a 1,064 square foot portion of land currently owned by Brian and Kelly Lemons is within an OID easement. The Lemons have agreed to Deed the property to the City for pump placement purposes in exchange of placing base rock, not to exceed \$4,400.00, on the dirt road leading to their property and house.

The irrigation pump project will be proposed and brought to the City Council for consideration at a future date.

II. FISCAL IMPACT

The cost of road base rock is not to exceed \$4,400.00 This cost will be funded from Fund 645 Water Fund (645-4160-425003)

III. RECOMMENDATION

Staff recommends that the City Council adopt a Resolution approving a Grant Deed to Grant Property (1,064 Sq. Ft.) to the City of Oakdale From Brian and Kelly Lemons for the purpose of placing a future Pump Station for Landscape Irrigation Needs.

IV. ATTACHMENTS

Attachment A: Draft City Council Resolution 2021-__
Attachment B: Grant Deed
Attachment C: Vicinity Map



IN THE CITY COUNCIL
OF THE CITY OF OAKDALE
STATE OF CALIFORNIA
CITY COUNCIL RESOLUTION 2021-__

RESOLUTION OF THE CITY OF OAKDALE CITY COUNCIL APPROVING A GRANT DEED TO GRANT PROPERTY (1,064 SQ. FT.) TO THE CITY OF OAKDALE FROM BRIAN AND KELLY LEMONS FOR THE PURPOSES OF PLACING A FUTURE PUMP STATION FOR LANDSCAPE IRRIGATION NEEDS.

THE CITY OF OAKDALE CITY COUNCIL DOES HEREBY RESOLVE THAT:

WHEREAS, the City of Oakdale desires to reduce the cost to produce water and pursue the potential option of receiving water from the Oakdale Irrigation District for landscape irrigation purposes; and,

WHEREAS, it is necessary to create a parcel providing a location to develop a pump station; and,

WHEREAS, the appropriate location for the pump station is currently owned by Brian and Kelly Lemons; and,

WHEREAS, the Lemon's have agreed to grant the 1,064 sq. ft parcel for the pump location in exchange of the City placing base rock in the road leading to the Lemons house; and

WHEREAS, the cost of the base rock will not exceed \$4,400;

NOW, THEREFORE, BE IT RESOLVED that the **CITY COUNCIL** hereby approves **A RESOLUTION OF THE CITY OF OAKDALE CITY COUNCIL APPROVING A GRANT DEED TO GRANT PROPERTY (1,064 SQ. FT.) TO THE CITY OF OAKDALE FROM BRIAN AND KELLY LEMONS FOR THE PURPOSES OF PLACING A FUTURE PUMP STATION FOR LANDSCAPE IRRIGATION NEEDS.**

THE FOREGOING RESOLUTION IS HEREBY ADOPTED THIS 16th DAY OF FEBURARY, 2021, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAINED: COUNCIL MEMBERS:

SIGNED:

Cherilyn Bairos, Mayor

ATTEST:

Rouzé Roberts, City Clerk

RECORDING REQUESTED BY

CITY OF OAKDALE

AND WHEN RECORDED MAIL TO:

CITY OF OAKDALE

ATTN: ROUZE' ROBERTS, CITY CLERK

280 N. THIRD AVENUE

OAKDALE, CA 95361

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.: PORTION OF 063-025-010-000

GRANT DEED

The undersigned grantor(s) declare(s):

Documentary Transfer Tax is \$0.00 R & T 11911

() computed on full value of property conveyed, or

() computed on full value less of liens and encumbrances remaining at time of sale.

() Unincorporated area: (X) City of Oakdale

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
that **Brian J. Lemons and Kelly M. Lemons, husband and wife as community property**

hereby GRANTS to

City of Oakdale, a municipal corporation, all rights, fee title and interests to the following parcel of land, all in the City of Oakdale, County of Stanislaus, State of California, described as follows:

***** See Exhibit "A" and Exhibit "B" attached hereto and made a part hereof for full legal description and Exhibit "C" attached hereto and made a part hereof for City Council approval by Resolution *****

Dated: _____

Dated: _____

By: _____
Brian J. Lemons, Co-Owner

By: _____
Kelly M. Lemons, Co-Owner

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE; IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE.

SAME AS ABOVE

Name

Street Address

City & State

GENERAL ACKNOWLEDGEMENT

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

State of California)ss
County of Stanislaus)

On this _____ day of _____, 2021,

before me, _____, a Notary Public, personally appeared

_____ ,

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

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

WITNESS my hand and official seal.

(This area for official notarial seal)

Notary's Signature

My Commission Expires: _____

GENERAL ACKNOWLEDGEMENT

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

State of California)ss
County of Stanislaus)

On this _____ day of _____ 2021,

before me, _____, a Notary Public, personally appeared

_____ ,

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

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

WITNESS my hand and official seal.

(This area for official notarial seal)

Notary's Signature

My Commission Expires: _____

EXHIBIT "A"

LEGAL DESCRIPTION

A portion of the land deeded to Brian J. Lemons and Kelly M. Lemons, husband and wife as community property, as described in that certain Grant Deed recorded April 17, 2009 in Document No. 2009-0037770-00 of Official Records, hereinafter referred to as the Lemons Parcel, Stanislaus County Records, lying within a portion of the south half (S 1/2) of Section 21, Township 2 South, Range 10 East, Mount Diablo Base and Meridian, situate in the City of Oakdale, Stanislaus County, State of California, being more particularly described as follows:

BEGINNING at the southeast (SE) corner of Lot "C", as shown on that certain map entitled "ICON AT BRIDLE RIDGE", filed for record October 1, 2020 in Book 44 of Maps, Page 88, Stanislaus County Records, also being the northeast (NE) corner of the southeasterly terminus of Bascule Drive as shown on last said map, also being a point on the westerly line of said Lemons Parcel; thence leaving said point, South 26°21'39" West, 85.77 feet to the northeast (NE) corner of Lot "E" as shown on last said map, also being a point on the south line of said Lemons Parcel; thence along the common line between said Lot "E" and the Lemons Parcel, North 89°04'22" West, 27.48 feet to the northwest (NW) corner of said Lot "E", also being the southwest (SW) corner of said Lemons Parcel, also being the southerly corner of Lot "D" as shown on last said map, also being a point on the easterly right-of-way line of Arlington Way; thence along the common line between said Lemons Parcel, said Lot "D" and the southeasterly terminus of said Bascule Drive, North 40°37'55" East, 100.68 feet to the POINT OF BEGINNING.

Containing 1,064 square feet, more or less.

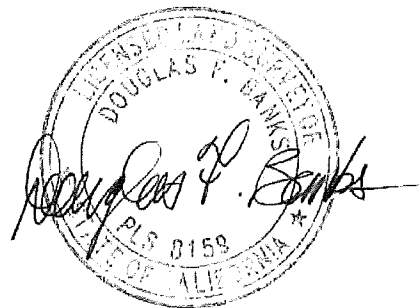
Subject to all easements and/or rights-of-way of record.

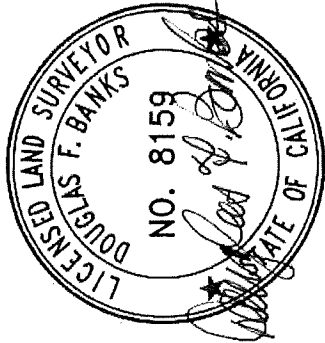
A plat (Exhibit "B") showing the above described area is attached hereto and made a part thereof.

The basis of all bearings used in this description and exhibit plat are the same as shown on the map entitled "ICON AT BRIDLE RIDGE", filed for record October 1, 2020 in Book 44 of Maps, Page 88, Stanislaus County Records.

END OF DESCRIPTION

Dated: | · 29 · 2021





BASCULE DRIVE

ICON AT BRIDLE RIDGE
44-M-88

155

LOT 'C'

POINT OF
BEGINNING

LEMONS
DOC. NO. 2009-0037770

CONTAINING 1,064 S.F.,
MORE OR LESS

100.68'

85.77'

N40°37'55"E

LOT 'D'

ARLINGTON WAY

136

ICON AT BRIDLE RIDGE
44-M-88

154

LOT 'B'

27.48'
N89°04'22"W

S26°21'39"W

LOT 'E'

McKEON INST. NO. 76-34066
VOL. 2863 O.R. PG. 193

135

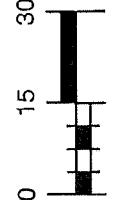
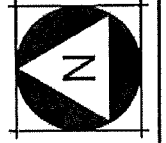
SHEET 1 OF 1 SHEET

1 Oakdale\1-CP Public Projects\Completed Projects\CP-0000 Greger & Crane ROW\3-Survey\Lemons to City.dwg

EXHIBIT "B"

DATE: JANUARY, 2021

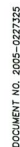
PROPERTY DEDICATION TO THE
CITY OF OAKDALE FROM LEMONS
CITY OF OAKDALE, CALIFORNIA



mcr
ENGINEERING
www.mcreng.com

MCR ENGINEERING, INC.
1242 DUPONT COURT
MANTECA, CA 95336
TEL: (209) 239-6229
FAX: (209) 239-8839

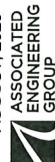
44 M 88



..... INDICATES SLOPE EASEMENT AREA

BEING A PORTION OF THE SOUTH HALF OF
SECTION 21, T. 2 S., R. 10 E., M.D.M.

SECTION 21, P. 2, C. 10, M.D.M.
CITY OF OAKDALE, COUNTY OF STANISLAUS,
STATE OF CALIFORNIA

E OF CALIFOR
AUGUST, 2020

206 TECHNOLOGY DRIVE, SUITE 4, MODESTO, CA 95356

SHEET 6 OF 6



CITY OF OAKDALE
CITY COUNCIL STAFF REPORT

Report Date: February 10, 2021

To: Mayor Bairos and Members of the City Council

**From: Albert Avila, Finance Director
Maria Wilson, City Treasurer**

Subject: January 31, 2021 Treasurer's Report

I. BACKGROUND

The Treasurer's Report for the month of January 2021 is attached.

II. DISCUSSION

The Treasurer's Report represent the schedule of cash and investments for the City. The schedule reflects the reconciled cash balances at the end of each month for checking, savings, investments, customer service cash drawers and petty cash.

III. RECOMMENDATION

Staff recommends that the City Council accept the Treasurer Report as presented.

IV. ATTACHMENTS

Treasurer's Report dated January 31, 2021

**CITY OF OAKDALE
TREASURER'S REPORT
SCHEDULE OF CASH AND INVESTMENTS
1/31/2021**

Type of Investment	Interest Rate	Maturity Date	
Cash and Cash Equivalents			
Oak Valley Bank / Checking		Due on Demand	\$ 1,901,929.73
Oak Valley Bank / Payroll Checking		Due on Demand	20,319.72
Oak Valley Bank / FSA Checking		Due on Demand	3,064.53
Oak Valley Bank / Savings		Due on Demand	11,084,459.79
Oak Valley Bank / Savings-Direct Deposits		Due on Demand	1,892.14
Cash on Hand		Due on Demand	<u>2,300.00</u>
Total Checking and Savings Accounts			\$ <u>13,013,965.91</u>
Managed Pool Accounts			
Local Agency Investment Fund	1.9340%	Due on Demand	6,370,018.19
Chandler Asset Management	3.5300%	Due on Demand	<u>32,981,627.55</u>
Total Investments			\$ <u>39,351,645.74</u>
Total Cash & Investments			<u><u>52,365,611.65</u></u>

I certify that this report reflects all government agency pooled investments and is in conformity with the investment policy of the City of Oakdale as stated in Resolution 01-04 dated January 16, 2001.

A copy of this resolution is available at the office of the City Clerk and Finance Director.

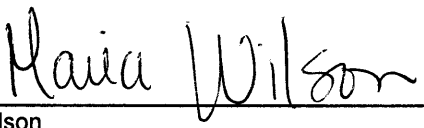
The City currently maintains its investments in the following instruments:

Chandler Asset Management	62.98%
Local Agency Investment Fund (LAIF)	<u>12.16%</u>
Total	<u><u>75.15%</u></u>

The investment program herein shown provides sufficient cash flow liquidity to meet next month's estimated expenditures.

Report Prepared by Finance Department

Signed:



Maria Wilson

**CITY OF OAKDALE
TREASURERS REPORT
JANUARY 31 2021**

	CHECKING	PAYROLL	TOTAL
BANK STATEMENT BALANCE	2,410,879.59	21,115.43	2,431,995.02
OUTSTANDING DEPOSITS	132,105.49	-	132,105.49
OUTSTANDING CHECKS	(641,055.35)	(795.71)	(641,851.06)
ADJUSTED TOTAL	1,901,929.73	20,319.72	1,922,249.45
CASH DRAWERS			2,300.00
EMPLOYEE FSA CHECKING			3,064.53
SAVINGS - DIRECT DEPOSIT			1,892.14
SAVINGS			11,084,459.79
INVESTMENTS - CHANDLER ASSET MANAGEMENT			32,981,627.55
INVESTMENTS - LAIF			6,370,018.19
			52,365,611.65

	All Funds	January 2020	January 2021
110	GENERAL FUND	4,569,481.04	4,327,031.34
114	CANNABIS FUND	397,643.52	679,546.43
115	MEASURE Y	337,610.83	270,315.45
117	FACILITIES	76,904.09	(4,194.98)
118	RECREATION	(24,355.94)	84,433.39
119	ENGINEER & PW ADMIN	14,314.48	89,509.20
120	DEVELOPMENT SERVICES	451,840.00	499,641.56
201	ALCOHOL BEV CONTROL GRANT	(2,938.01)	-
203	SUPPLEMENTAL LAW ENFORCEMENT	188,069.39	280,952.00
205	OTS-DUI GRANT	684.93	-
206	OTS-ENFORCEMENT GRANT	323.46	-
210	AB109 PUBLIC SAFETY REALING	10,400.44	10,400.44
211	ASSET FORFEITURE	23,662.78	26,671.53
212	SB 2 PLANNING GRANT	-	(596.00)
214	SAFETY SALES TAX	135,624.45	35,650.11
215	GAS TAX	424,815.61	531,196.67
216	SB1-ROAD MAINTENANCE	392,221.47	503,984.67
217	TRAFFIC CONGESTION RELIEF	26,764.29	26,930.62
221	LOCAL TRANSPORTATION	54,242.13	29,350.72
222	MEASURE L	345,534.15	1,338,181.90
229	SOLID WASTE	54,611.29	54,396.85
230	GENERAL PLAN UPDATE	(191,288.79)	(74,174.93)
231	SOUTH INDUSTRIAL SPECIFIC PLAN	-	(71,000.00)
235	CA FISH WILDLIFE RESTORATION GRANT	-	11,827.60
237	CARES ACT - (COUNTY) - FUND	-	68,639.25
241	LOW/MODERATE HOUSING	185,304.25	2,439.02
242	HOME - CONSORTIUM	3,897.80	3,715.95
243	HOME LOAN REUSE	23,893.73	40,210.44
244	HOME LOAN CONSORTIUM REUSE	33,279.42	-
245	ECONOMIC DEVELOPMENT FUND	373,986.07	359,358.39
248	CAL HOME LOAN REUSE	84,577.79	84,577.79
252	BRIDLE RIDGE STREET MAINTENANCE	(95,703.89)	(61,519.37)
265	NEIGHBORHOOD STABILIZATION PROG	44,029.10	44,609.19
266	CDBG FUND -REUSE	102,861.60	103,948.66
267	CDBG	13,034.83	12,743.47

**CITY OF OAKDALE
TREASURERS REPORT
JANUARY 31 2021**

	All Funds	January 2020	January 2021
268	ABANDONED VEHICLE ABATEMENT	135,589.54	147,362.15
270	EDUCATION / GOVERNMENT CTV	61,198.94	91,188.57
284	BRIDLE RIDGE LLD	(205,451.37)	(234,997.64)
285	BURCHELL HILL LLD	54,209.05	41,047.00
286	VINEYARD LLD	421,454.38	401,099.92
288	LIGHT & LANDSCAPE 2003-1	204,157.71	225,933.11
291	FIRE SERVICES CFD	109,792.63	(6,862.89)
292	PUBLIC SAFETY CFD	104,168.46	(2,165.53)
293	MAINTENANCE SERVICES CFD 2015-01	226,504.94	313,262.35
316	SURFACE TRANSPORTATION GRANTS	(2,149.68)	(170,088.08)
317	ENERGY EFFICIENCY & CONSERVATION FUND	-	(1,068,204.78)
360	EAST F PLAN AREA FEE	393,562.79	(7,248.26)
465	2005 LEASE BONDS DEBT SERVICE	9,514.15	23,959.04
467	2015 PENSION DEBT SERVICE	49,888.78	74,453.64
510	DENTAL INSURANCE	66,581.79	85,535.95
512	EMPLOYEE FSA FUND	4,067.64	1,718.19
515	RISK MANAGEMENT	370,224.18	646,714.80
520	EMPLOYEE LIABILITY	933,187.63	959,395.95
525	INFORMATION TECHNOLOGY	88,396.99	79,477.95
530	VEHICLE MAINTENANCE	69,206.97	165,054.18
532	FIRE EQUIPMENT REPLACEMENT	999,041.07	360,108.40
535	PERS LIABILITY FUND	2,530,032.56	2,403,709.63
540	FACILITY MAINTENANCE FUND	1,614,957.10	2,023,864.18
542	EQUIPMENT REPLACEMENT	(1,099.62)	3,026.94
545	POLICE EQUIP REPLACEMENT	152,118.79	74,809.93
547	ANIMAL CONTROL EQUIP FUND-RIVERBANK	49,522.94	33,376.00
549	PARKS REPLACEMENT FUND	485,809.95	570,304.55
565	LLD MAINT SERVICES	(40,370.28)	54,826.84
620	SRF LOAN RESERVE	783,219.67	920,812.34
621	SEWER CAPITAL IMPROVEMENT	7,987,476.93	10,089,062.43
622	SEWER SANITATION	4,653,887.14	3,934,942.73
631	DOWN TOWN PARKING FUND	55,164.44	44,659.81
644	WATER CAPITAL REPLACEMENT	1,996,359.75	3,591,167.29
645	WATER	3,479,531.31	4,525,923.66
657	AVIATION FUND	27,652.97	41,267.61
658	AIRPORT CAPITAL IMPROVEMENT	(299,689.58)	(173,265.43)
659	AIRPORT CAPITAL REPLACEMENT	37,090.33	45,474.94
720	DEVELOPMENT ACTIVITY TRUST	88,084.41	129,441.98
722	SIERRA POINT PLAN	(71,155.26)	(71,155.26)
730	HERITAGE OAKS	35,862.56	17,949.73
740	BRIDLE RIDGE S. TRAIL DEP	1,116,623.87	1,131,877.12
741	CRANE/PATTERSON SIGNAL	207,654.00	207,288.29
742	ANIMAL CONTROL TRUST	44,830.01	48,740.81
743	K-9 UNIT TRUST FUND	1,275.72	520.85
744	SENIOR CENTER TRUST	8,669.30	3,625.96
745	POLICE RANGE TRUST	41,066.11	47,852.67
746	SENIOR OUTREACH TRUST	66,778.07	66,236.49

**CITY OF OAKDALE
TREASURERS REPORT
JANUARY 31 2021**

	All Funds	January 2020	January 2021
747	POLICE EQUESTRIAN UNIT	1,489.78	1,011.78
769	SENIOR HOUSING FUND	20,615.07	20,896.69
784	G & J STREET BOND	(1.10)	-
790	BRIDLE RIDGE CFD 2003-2	217,433.56	225,126.48
791	BRIDLE RIDGE CFD 2004-1	78,437.00	74,231.05
792	BRIDLERIDGE CFD 2005-1	157,381.17	159,650.75
799	REFUSE COLLECTION	185,225.87	182,677.78
	REDEVELOPMENT AGENCY	2,677,388.74	1,906,448.53
	DEVELOPER IMPACT FEES	7,418,767.64	8,593,705.12
		47,956,563.82	52,365,611.65

	All Funds	January 2020	January 2021
BREAK DOWN OF REDEVELOPMENT AGENCY ***			
363	RDA SUCCESSOR AGENCY	230,060.98	(17,299.13)
460	REDEVELOPMENT DEBT SERVICE	2,447,327.76	1,923,747.66
		2,677,388.74	1,906,448.53

	BREAKDOWN OF IMPACT FEES ***		
343	SYSTEM DEV-PARKS	3,827,717.01	4,444,855.28
344	SYSTEM DEV-STREETS	(486,651.62)	(317,816.83)
349	SYSTEM DEV -STORM DRN	381,181.44	94,936.22
354	SYS DEV - ADMINISTRATION	110,465.54	125,042.32
355	SYSTEM DEV - FIRE	(698,917.31)	(646,828.29)
356	SYSTEM DEV - POLICE	147,212.58	98,952.87
357	SYSTEM DEV - GEN GOVT	743,213.92	776,110.77
623	SYSTEM DEV - SEWER	978,904.75	1,081,361.02
646	SYSTEM DEV - WATER	2,415,641.33	2,937,091.76
		7,418,767.64	8,593,705.12

	LOANS TO REDEVELOPMENT AGENCY		
542	EQUIPMENT REPLACEMENT	69,134.82	56,250.81
343	SYSTEM DEVELOP - PARKS	263,580.50	225,380.09
349	SYSTEM DEV STORM DRN-OLD	262,194.01	223,993.60
646	WATER CAPITAL FACILITIES	527,161.13	450,760.32
		1,122,070.46	956,384.82



OAK VALLEY COMMUNITY BANK
MAIN OFFICE/OAKDALE
125 N THIRD AVE
OAKDALE CA 95361
(209) 848-2265

CITY OF OAKDALE
FLEXIBLE SPENDING ACCOUNT
280 N 3RD AVE
OAKDALE CA 95361-3042

ACCOUNT NUMBER: [REDACTED] 720
STATEMENT DATE: 1/29/21
PAGE: 1 OF 2

WEB SITE: www.ovcb.com
www.escbank.com
TOLL FREE NUMBER: 866-844-7500

ECONOMY CHECKING-PUBLIC

CITY OF OAKDALE
FLEXIBLE SPENDING ACCOUNT

Acct [REDACTED] 720

Beginning Balance	1/01/21	4,925.23	
Deposits / Misc Credits	2	1,449.24	
Withdrawals / Misc Debits	4	3,309.94	
** Ending Balance	1/31/21	3,064.53	**
Service Charge		.00	

DEPOSITS/CREDITS

Date	Deposits	Withdrawals	Activity Description
1/08	724.62		CITY OF OAKDALE/PRS010821
1/22	724.62		CITY OF OAKDALE/PRS012221

OTHER WITHDRAWALS/DEBITS

Date	Deposits	Withdrawals	Activity Description
1/05		72.46	BANCORPSV/BANCORPSV WH-ADMINISTRATIVE SOLUTIONS INC-99994-SE TTLE PURCHASE
1/12		2,552.60	BANCORPSV/BANCORPSV WH-ADMINISTRATIVE SOLUTIONS INC-99994-SE TTLE PURCHASE
1/20		655.34	BANCORPSV/BANCORPSV WH-ADMINISTRATIVE SOLUTIONS INC-99994-SE TTLE PURCHASE
1/26		29.54	BANCORPSV/BANCORPSV WH-ADMINISTRATIVE SOLUTIONS INC-99994-SE TTLE PURCHASE

DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
1/05	4,852.77	1/08	5,577.39	1/12	3,024.79



OAK VALLEY COMMUNITY BANK
MAIN OFFICE/OAKDALE
125 N THIRD AVE
OAKDALE CA 95361
(209)848-2265

CITY OF OAKDALE

ACCOUNT NUMBER: [REDACTED] 720
STATEMENT DATE: 1/29/21
PAGE: 2 OF 2

WEB SITE: www.ovcb.com
www.escbank.com
TOLL FREE PHONE: 866-844-7500

- - ACCOUNT CONTINUED - -

DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
1/20	2,369.45	1/22	3,094.07	1/26	3,064.53

EASTERN SIERRA COMMUNITY BANK

A DIVISION OF OAK VALLEY COMMUNITY BANK



OAK VALLEY COMMUNITY BANK



OAK VALLEY COMMUNITY BANK
MAIN OFFICE/OAKDALE
125 N THIRD AVE
OAKDALE CA 95361
(209) 848-2265

CITY OF OAKDALE
280 N 3RD AVE
OAKDALE CA 95361-3042

ACCOUNT NUMBER: [REDACTED] 689
STATEMENT DATE: 1/29/21
PAGE: 1 OF 2

WEB SITE: www.ovcb.com
www.escbank.com
TOLL FREE NUMBER: 866-844-7500

OAK TREE CHECKING-PUBLIC

CITY OF OAKDALE

Acct [REDACTED] 689

Beginning Balance	1/01/21	8,994,761.17	
Deposits / Misc Credits	11	2,459,223.22	
Withdrawals / Misc Debits	3	369,524.60	
** Ending Balance	1/31/21	11,084,459.79	**
Service Charge		.00	
Interest Paid Thru 1/31/21		2,875.34	
Interest Paid Year To Date		2,875.34	
Minimum Balance		8,924,498	

DEPOSITS/CREDITS

Date	Deposits	Withdrawals	Activity Description
1/06	1,750,031.27		Trnsfr from Checking Acct Ending in 9479
1/07	65,449.34		Trnsfr from Checking Acct Ending in 9479
1/11	89,438.29		Trnsfr from Checking Acct Ending in 9479
1/12	8,141.87		Trnsfr from Checking Acct Ending in 9479
1/13	122,990.33		Trnsfr from Checking Acct Ending in 9479
1/14	13,170.72		Trnsfr from Checking Acct Ending in 9479
1/15	51,062.56		Trnsfr from Checking Acct Ending in 9479
1/19	211,431.14		Trnsfr from Checking Acct Ending in 9479
1/20	107,299.85		Trnsfr from Checking Acct Ending in 9479
1/21	37,332.51		Trnsfr from Checking Acct Ending in 9479
1/29	2,875.34		INTEREST EARNED

OTHER WITHDRAWALS/DEBITS

Date	Deposits	Withdrawals	Activity Description
1/04		12,102.60	Trnsfr to Checking Acct Ending in 9479
1/05		58,160.38	Trnsfr to Checking Acct Ending in 9479
1/08		299,261.62	Trnsfr to Checking Acct Ending in 9479



OAK VALLEY COMMUNITY BANK
MAIN OFFICE/OAKDALE
125 N THIRD AVE
OAKDALE CA 95361
(209)848-2265

CITY OF OAKDALE

ACCOUNT NUMBER: [REDACTED] 689
STATEMENT DATE: 1/29/21
PAGE: 2 OF 2

WEB SITE: www.ovcb.com
www.escbank.com
TOLL FREE PHONE: 866-844-7500

- - ACCOUNT CONTINUED - -

DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
1/04	8,982,658.57	1/11	10,530,155.47	1/19	10,936,952.09
1/05	8,924,498.19	1/12	10,538,297.34	1/20	11,044,251.94
1/06	10,674,529.46	1/13	10,661,287.67	1/21	11,081,584.45
1/07	10,739,978.80	1/14	10,674,458.39	1/29	11,084,459.79
1/08	10,440,717.18	1/15	10,725,520.95		

EASTERN SIERRA COMMUNITY BANK
A DIVISION OF OAK VALLEY COMMUNITY BANK





OAK VALLEY COMMUNITY BANK
MAIN OFFICE/OAKDALE
125 N THIRD AVE
OAKDALE CA 95361
(209) 848-2265

CITY OF OAKDALE
UTILITY ACCOUNT
280 N 3RD AVE
OAKDALE CA 95361-3042

ACCOUNT NUMBER: [REDACTED] 487
STATEMENT DATE: 1/29/21
PAGE: 1 OF 1

WEB SITE: www.ovcb.com
www.escbank.com
TOLL FREE NUMBER: 866-844-7500

ECONOMY CHECKING-PUBLIC

CITY OF OAKDALE
UTILITY ACCOUNT

Acct [REDACTED] 487

Beginning Balance	1/01/21	134,226.63	
Deposits / Misc Credits	2	120,043.51	
Withdrawals / Misc Debits	5	252,378.00	
** Ending Balance	1/31/21	1,892.14	**
Service Charge		.00	

DEPOSITS/CREDITS

Date	Deposits	Withdrawals	Activity Description
1/11	542.67		CITY OF OAKDALE/janhngr
1/20	119,500.84		CITY OF OAKDALE/janach

OTHER WITHDRAWALS/DEBITS

Date	Deposits	Withdrawals	Activity Description
1/06		130,000.00	Internet Transfer To 9479
1/21		122,000.00	Internet Transfer To 9479
1/26		117.96	RTN ACH ORIGINATED ENTRY - B. AGUILAR
1/26		194.54	RTN ACH ORIGINATED ENTRY - G DICKENS
1/28		65.50	ACH ORIGINATED RTN - NICHOLAS LANG

DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
1/06	4,226.63	1/20	124,270.14	1/26	1,957.64
1/11	4,769.30	1/21	2,270.14	1/28	1,892.14

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

February 09, 2021

[LAIF Home](#)
[PMIA Average](#)
[Monthly Yields](#)

CITY OF OAKDALE

DIRECTOR OF FINANCE
280 NORTH THIRD AVENUE
OAKDALE, CA 95361

[Tran Type](#)
[Definitions](#)

Account Number: [REDACTED] 94

January 2021 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
1/15/2021	1/14/2021	QRD	1665777	N/A	SYSTEM	10,055.91

Account Summary

Total Deposit:	10,055.91	Beginning Balance:	6,359,962.28
Total Withdrawal:	0.00	Ending Balance:	6,370,018.19



City of Oakdale - Account # [REDACTED]

MONTHLY ACCOUNT STATEMENT

JANUARY 1, 2021 THROUGH JANUARY 31, 2021

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.

Portfolio Summary

As of January 31, 2021



PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	0.00%
Average Purchase YTM	0.00%
Average Market YTM	0.00%
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

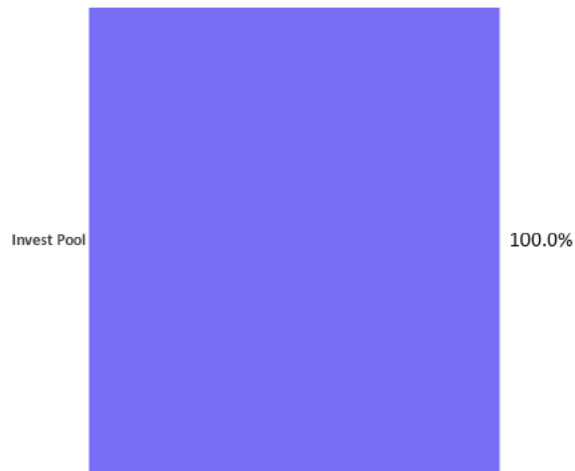
ACCOUNT SUMMARY

	Beg. Values as of 12/31/20	End Values as of 1/31/21
Market Value	33,907,757	33,913,537
Accrued Interest	44,421	42,956
Total Market Value	33,952,178	33,956,493
Income Earned	44,421	42,956
Cont/WD		0
Par	3,071,026	3,075,049
Book Value	32,937,207	32,981,628
Cost Value	32,937,207	32,981,628

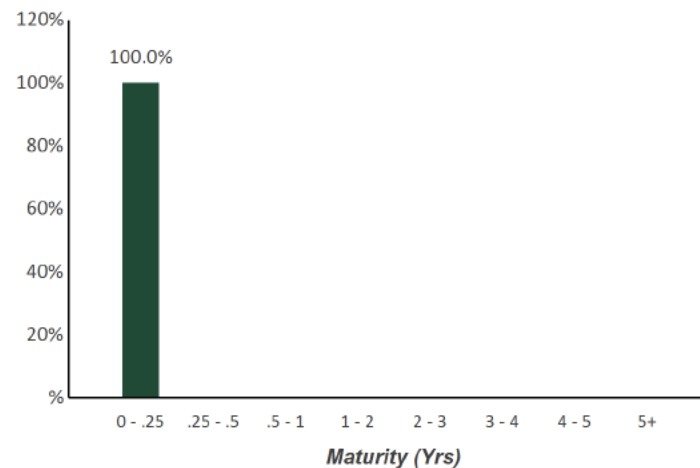
TOP ISSUERS

CSJVRMA Investment Pool	100.0%
Total	100.0%

SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	4/30/2014
City of Oakdale	0.01%	0.29%	0.01%	3.53%	4.19%	3.59%	2.30%	N/A	2.10%
ICE BAML 1-5 Year US Treasury/Agency Index	-0.04%	0.10%	-0.04%	3.28%	4.01%	3.48%	2.10%	N/A	1.97%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.05%	0.15%	-0.05%	3.42%	4.16%	3.59%	2.25%	N/A	2.08%

Holdings Report

As of January 31, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
INVESTMENT POOL									
99CAMBX\$1	CSJVRMA Inv Pool Investment Pool	3,075,048.83	Various 0.00%	32,981,627.55 32,981,627.55	11.03 0.00%	33,913,537.03 42,956.08	100.00% 931,909.48	NR / NR NR	0.00 0.00
Total Investment Pool		3,075,048.83	0.00%	32,981,627.55 32,981,627.55	0.00%	33,913,537.03 42,956.08	100.00% 931,909.48	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		3,075,048.83	0.00%	32,981,627.55 32,981,627.55	0.00%	33,913,537.03 42,956.08	100.00% 931,909.48	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						33,956,493.11			

Transaction Ledger

As of January 31, 2021



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	01/04/2021	99CAMBX\$1	4,023.19	CSJVRMA Inv Pool Investment Pool	11.041		44,420.81	0.00	44,420.81	0.00
Subtotal			4,023.19				44,420.81	0.00	44,420.81	0.00
TOTAL ACQUISITIONS			4,023.19				44,420.81	0.00	44,420.81	0.00
OTHER TRANSACTIONS										
Dividend	01/04/2021	99CAMBX\$1	3,071,025.64	CSJVRMA Inv Pool Investment Pool	0.000		44,420.81	0.00	44,420.81	0.00
Subtotal			3,071,025.64				44,420.81	0.00	44,420.81	0.00
TOTAL OTHER TRANSACTIONS			3,071,025.64				44,420.81	0.00	44,420.81	0.00

Income Earned

As of January 31, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
INVESTMENT POOL						
99CAMBX\$1	CSJVRMA Inv Pool	Various	32,937,206.74	44,420.86	0.00	42,956.03
	Investment Pool	Various	44,420.81	44,420.81	0.00	
		3,075,048.83	0.00	42,956.08	0.00	
			32,981,627.55	42,956.03	42,956.03	
			32,937,206.74	44,420.86	0.00	
			44,420.81	44,420.81	0.00	
			0.00	42,956.08	0.00	
Total Investment Pool		3,075,048.83	32,981,627.55	42,956.03	42,956.03	42,956.03
			32,937,206.74	44,420.86	0.00	
			44,420.81	44,420.81	0.00	
			0.00	42,956.08	0.00	
TOTAL PORTFOLIO		3,075,048.83	32,981,627.55	42,956.03	42,956.03	42,956.03

Cash Flow Report

As of January 31, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
02/01/2021	Dividend	99CAMBX\$1	6,150,097.66	CSJVRMA Inv Pool Investment Pool	0.00	42,956.03	42,956.03
FEB 2021					0.00	42,956.03	42,956.03
TOTAL					0.00	42,956.03	42,956.03



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Custody: Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

Valuation: Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance: Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Ratings: Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.



Benchmark Index	Disclosure
ICE BAML 1-5 Year US Treasury/Agency Index	The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody’s, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit www.mlindex.ml.com for more information)
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	The ICE BAML US Issuers 1-5 Year AAA-A US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must issued from US issuers and be rated AAA through A3 (based on an average of Moody’s, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: GU10. Please visit www.mlindex.ml.com for more information)



**CITY OF OAKDALE
CITY COUNCIL STAFF REPORT**

Meeting Date: February 16, 2021

To: Mayor Bairos and Members of the City Council

From: Albert Avila, Finance Director

Subject: 1) Adopt Resolution No. 2021-XX Determining Validity of Prior Proceedings, Declaring Results of Special Annexation Election and Directing the Recording of a twelfth Amendment to Notice of Special Tax Lien (Annexation No. 14); 2) Direct the City Clerk to request the Amended Notice of Tax Lien is filed for Annexation No. 14.

I. BACKGROUND:

In 2007, the City established the City of Oakdale Community Facilities District No. 2007-1 (Public Safety Services) (CFD No. 2007-1), for the purpose of establishing a special tax, paid by new residential property owners, to help off-set the additional costs of providing Public safety services to new residents.

II. DISCUSSION:

The proposed CFD No. 2007-1 Annexation No. 14 will provide funding for public safety including, fire services, law enforcement, code enforcement and animal control. Funding will also include the costs of personnel, equipment replacement, maintenance and professional contract services and services related thereto, including collection and accumulation of funds to pay for anticipated operating cost shortfalls and reserves for repair and replacement of facilities, improvements, vehicles and equipment. The property owner has voted to approve the annexation.

III. FISCAL IMPACT:

The maximum annual special tax rates for Fiscal Year 2020/21 are as follow:

Single Family Residential – \$575.42 per unit

Multi-Family Residential – \$383.62 per unit

IV. RECOMMENDATION:

The City Council adopt the Resolution of the City Council of the City of Oakdale 2021-XX Declaring Results of Special Annexation No. 14 Election, Determining Validity of Prior Proceedings and Directing the Recording of an Amendment to Notice of Special Tax Lien for Annexation No. 14.

V. ATTACHMENTS:

Attachment A: Resolution 2021-XX ordering the Annexation of Additional Territory to City of Oakdale Community Facilities District No. 2007-1, the levy of special taxes therein and submitting levy of special taxes to qualified elector (Annexation No. 14).



CITY OF OAKDALE
City Council Staff Report (Continued)

SUBJECT: CFD 2007-1, Annexation No. 14
MEETING DATE: February 16, 2021

Attachment B: A sample of the ballot prepared and mailed to the property owner for Annexation No. 14). The sample is to be attached to the Resolution as Exhibit A.

Attachment C: The Canvass and Statement of Result of Election (Annexation No. 14). The Canvass and Statement of Result of Election is to be attached to the Resolution as Exhibit B.

Attachment D: The Amended Notice of Special Tax Lien (Annexation No. 14).

Attachment E: Rate and Method of Apportionment for CFD 2007-1 is to be attached to the Amended Notice of Special Tax Lien (Annexation No. 14).



IN THE CITY COUNCIL
OF THE CITY OF OAKDALE
STATE OF CALIFORNIA
CITY COUNCIL RESOLUTION 2021-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKDALE OF ANNEXATION OF
TERRITORY TO THE CITY OF OAKDALE COMMUNITY FACILITIES DISTRICT NO. 2007-1
(PUBLIC SAFETY SERVICES), AUTHORIZING THE LEVY OF SPECIAL TAXES THEREIN
AND SUBMITTING LEVY OF SPECIAL TAXES TO QUALIFIED ELECTORS
ANNEXATION NO. 14**

**THE CITY COUNCIL (THE "COUNCIL") OF THE CITY OF OAKDALE (THE "CITY") DOES
HEREBY RESOLVE THAT:**

WHEREAS, the Council, on December 7th, 2020, adopted Resolution No. 2020-141 entitled, "A Resolution of the City Council of the City of Oakdale Declaring Intent to Annex Territory to the City of Oakdale Community Facilities District No. 2007-1 (Public Safety Services) and to Authorize the Levy of Special Taxes Therein – Annexation No. 14" (the "Resolution of Intention") stating its intention to annex territory to the City of Oakdale Community Facilities District No. 2007-1 (Public Safety Services) (the "District"), pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311 of the California Government Code (the "Act"); and

WHEREAS, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the territory to be annexed into the District, and describing the services to be funded by the District, and the rate and method of apportionment of the special tax to be levied within the District to pay for the services is on file with the City Clerk and the provisions thereof are fully incorporated herein by this reference as if fully set forth herein; and

WHEREAS, on February 1st, 2021 this Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed annexation of territory into the District; and

WHEREAS, at the public hearing all interested persons were afforded the opportunity to hear and be heard on all matters pertaining to the annexation of territory to the District and the levy of special taxes within the area annexed; and

WHEREAS, Annexation Map No. 14 to the District has been filed with the County Recorder of the County of Stanislaus, which map shows the territory to be annexed in these proceedings, and a copy of the map is on file with the City Clerk.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE
COUNCIL AS FOLLOWS:**

Section 1. Findings. The Council finds that:

- (a) **Recitals:** The foregoing recitals are true and correct;
- (b) **No Majority Protest:** The proposed special tax to be levied within the territory to be annexed has not been precluded by majority protest, pursuant to Section 53324 of the Act;



CITY OF OAKDALE
City Council Resolution 2021-

(c) **Prior Proceedings Valid:** All prior proceedings taken by the Council with respect to the District and the proposed annexation of territory thereto have been duly considered and are hereby determined to be valid and in conformity with the Act, and the District has been validly established pursuant to the Act;

(d) **Boundaries of the District:** The boundaries of the territory to be annexed into the District, as described in Annexation Map No. 14 to the District is on file with the City Clerk and heretofore recorded on January 20, 2021 in the Stanislaus County Recorder's Office in Volume 6 at Page 16 of Maps of Assessment and Community Facilities Districts (Document No. 2021-0005401-00), are hereby finally approved, are incorporated herein by reference, and shall be included within the boundaries of the District, and said territory is hereby ordered annexed into the District, subject to voter approval of the levy of special taxes herein as hereinafter provided.

(e) **Issue Submitted:** Pursuant to the provisions of the Act, the proposition of the levy of the special tax within the territory to be annexed into the District shall be submitted to the qualified electors of the area to be annexed into the District at an election called therefore as hereinafter provided;

(f) **Qualified Electors:** This Council hereby finds that fewer than 12 persons have been registered to vote within the territory proposed to be annexed into the District for each of the 90 days preceding the close of the public hearing held on February 16th, 2021 heretofore conducted and concluded by this Council for the purposes of these annexation proceedings. Accordingly, and pursuant to Section 53326 of the Act, this Council finds that the qualified electors, for purposes of this annexation, are the sole landowners within the territory proposed to be annexed into the District and that the vote shall be by said landowners, having one vote for each acre or portion thereof said landowners own in the territory proposed to be annexed into the District;

(g) **Conduct of Election:** This Council called a special election to consider the measure described in Section (f) above, which election was held immediately following adoption of Resolution No. 2020-XX. The City Clerk was designated as the official to conduct said election. It is hereby acknowledged that the City Clerk has on file the Resolution of Intention, a certified map of the proposed boundaries of the territory to be annexed into the District, and a sufficient description to allow the City Clerk to determine the boundaries of the territory to be annexed into the District.

The voted ballot was returned to the City Clerk; and when the qualified electors returned such voted ballot, the election closed on February 1st 2021.

Pursuant to Section 53327 of the Act, the election was conducted by messenger or mail-delivered ballot pursuant to the California Elections Code.

(h) **Ballot:** This Council acknowledges that the City Clerk has caused to be delivered to the qualified electors of the territory to be annexed, a ballot in the form set forth in Exhibit A, attached hereto;

The ballot was accompanied by all supplies and written instruction necessary for the use and return of the ballot. The envelope used to return the ballot was enclosed with the ballot, had the postage prepaid, and contained the following: (i) the name and address of the landowners, (ii) a declaration, under penalty of perjury, stating that the voters are the owners of record or the



CITY OF OAKDALE
City Council Resolution 2021-

authorized representatives of the landowners entitled to vote and are the persons whose names appear on the envelope, (iii) the printed names, signatures and address of the voters, (iv) the date of signing and place of execution of the declaration pursuant to clause (ii) above, and (v) a notice that the envelope contains an official ballot and was opened only by the canvassing Council's designated official as described in Section (g) above.

Analysis and arguments with respect to the ballot measure is hereby waived, as provided in Section 53327 of the Act.

(i) **Receipt of Ballot:** The City Clerk accepted the ballot of the qualified electors prior to the adoption of this Resolution, personally delivered or received via the U.S. Postal Service. The City Clerk had available a ballot marked at said location on the Election Day by the qualified electors;

(j) **Waivers:** This Council further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution to lapse before said special election is for the protection of the qualified electors of the territory to be annexed into the District. A petition and waiver executed by the qualified electors, and on file with the City Clerk, of the area to be annexed into the District contains a waiver of any time limit pertaining to the conduct of the election and a waiver of any requirement for ballot measure analysis and arguments in connection with the election. Accordingly, this Council finds and determines that the qualified electors have been fully appraised of and have agreed to the shortened time for the election and waiver of ballot measure analysis and arguments, and will have hereby been fully protected in these proceedings. This Council also finds and determines that the City Clerk has concurred in the shortened time for the election; and

(k) **Effective Date:** This Resolution shall take effect upon its adoption by the Council.

Section 2. Annexation. The Council declares that it authorizes the annexation of territory of Annexation No. 14 to the District.

Section 3. Authorization. The Council declares that it authorizes the levy of Special Taxes therein.

THE FOREGOING RESOLUTION IS HEREBY ADOPTED THIS 16th day of FEBRUARY, 2021.

Cherilyn Bairos, Mayor
City of Oakdale

Rouze Roberts, City Clerk
City of Oakdale

I, Rouze Roberts, City Clerk of the City of Oakdale, County of Stanislaus, State of California, do hereby certify that the foregoing Resolution No. 2021-XX was adopted by the City Council of



CITY OF OAKDALE
City Council Resolution 2021-

the City of Oakdale at a regular meeting held on the 16th day of February, 2021 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAINED: COUNCIL MEMBERS:

Rouze Roberts, City Clerk
City of Oakdale

OFFICIAL BALLOT

SPECIAL LANDOWNER ELECTION

NUMBER OF VOTES ENTITLED TO BE CAST: 6 (5.16 acres)

**CITY OF OAKDALE
COMMUNITY FACILITIES DISTRICT NO. 2007-1
(PUBLIC SAFETY SERVICES)**

ANNEXATION NO. 14

This official ballot is for a special landowner election. You must return this ballot prior to the close of the Public Hearing on Monday, February 1, 2021. You have two options for returning the ballot: firstly, you may mail it back to the office of the City Clerk of the City of Oakdale, located at 280 N. Third Avenue. If you choose this option, please be aware that the ballot must be received by Monday, February 1, 2021. Post marked envelopes received after that date cannot be accepted. Secondly, you may hand deliver the ballot, either to the office of the City Clerk, prior to 5:00 p.m. on Monday, February 1, 2021, or you may hand it in at the Public Hearing.

To cast your ballot properly, please sign and mark "X" on the line after the word "Yes" or after the word "No". Please make only one choice. All marks otherwise made are forbidden and shall render the ballot void. If you wrongly mark, tear or deface the ballot, return it to the City Clerk's office and obtain a replacement.

APN(s):	063-035-018, 063-010-039	
Land Owner(s):	Thrive Masters, LLC	(Contact) Pat Corrigan
Address:	1010 Cass St, Ste B4	1010 Cass St, Ste B4
	Monterey, CA 93940	Monterey, CA 93940

Declaration of Authorization

The undersigned certifies under penalty of perjury that he/she is entitled to complete and submit this waiver.

Signature of Land Owner(s) (or authorized representative)

Printed Name

Date

BALLOT MEASURE: Shall the City of Oakdale be authorized to annually levy a special tax on taxable parcels within Community Facilities District No. 2007-1 (Public Safety Services), (the "District") and specifically within the boundaries of Annexation No. 14, in accordance with the Rate and Method of Apportionment of Special Tax, as detailed in the "Resolution of Intention to Annex Territory" into the District - Annexation No. 14, and to Authorize the Annexation and Levy of Special Taxes Therein", to be adopted by the City Council on December 7, 2020, to commence in Fiscal Year 2021/22 or later.

YES: _____

NO: _____



IN THE CITY COUNCIL
OF THE CITY OF OAKDALE
STATE OF CALIFORNIA
CITY COUNCIL RESOLUTION 2021-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKDALE
DECLARING RESULTS OF SPECIAL ANNEXATION ELECTION, DETERMINING VALIDITY
OF PRIOR PROCEEDINGS AND DIRECTING THE RECORDING OF AN AMENDED
NOTICE OF SPECIAL TAX LIEN FOR COMMUNITY FACILITIES DISTRICT NO. 2007-1,
ANNEXATION NO. 14**

**THE CITY COUNCIL (THE “COUNCIL”) OF THE CITY OF OAKDALE (THE “CITY”) DOES
HEREBY RESOLVE THAT:**

WHEREAS, in proceedings conducted by this Council pursuant to the provisions of the “Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), , on the date hereof, this Council adopted a resolution titled “Resolution of the City Council of the City of Oakdale of Annexation of Territory to the City of Oakdale Community Facilities District No. 2007-1 (Public Safety Services) (the “District”), Authorizing the Levy of Special Taxes and Submitting Levy of Special Taxes to Qualified Elector(s) – Annexation No. 13” (the Resolution of Annexation”), which called for a special election of the qualified elector(s) within the territory of land proposed to be annexed to the District; and

WHEREAS, pursuant to the terms of the Resolution of Annexation, which is by this reference incorporated herein, the special election has been held and the City Clerk has filed a Canvass and Statement of Result of Election, a copy of which is attached hereto as Exhibit A; and.

WHEREAS, this Council has reviewed said canvass and hereby approves it.

NOW, THEREFORE, IT IS ORDERED as follows:

1. Issues Presented: The issue presented at the special election was the levy of special taxes within the territory annexed to the District, to be levied in accordance with the formula heretofore approved by this Council, all as described in Resolution No. 2020-XX, titled “A Resolution of the City Council of the City of Oakdale of Intention to Annex Territory into the City of Oakdale’s Community Facilities District No. 2007-1 (Public Safety Services) and to Authorize the Levy of Special Taxes Therein – Annexation No. 14.”

2. Canvass and Issues Approved: Pursuant to the Canvass on file with the City Clerk, the issue presented at the special election was approved by the sole landowner of the territory annexed into the District at the special election.

3. Proceedings Approved: Pursuant to voter approval, the annexed territory is hereby declared to be fully annexed to and part of the District, and this Council may levy special taxes therein as heretofore provided in these proceedings.

4. Prior Proceedings Valid: It is hereby found that all prior proceedings and actions taken by this Council, with respect to the District and territory annexed thereto, were valid and in conformance with the Act.



CITY OF OAKDALE
City Council Resolution 2021-

5. Amended Notice of Special Tax Lien: Within 15 days of the date of the adoption of this Resolution, the City Clerk shall execute and cause to be recorded in the Office of the County Recorder of Stanislaus County, a Notice of Special Tax Lien, as required by Section 3117.5 of the California Streets and Highways Code.

6. Effective Date: This Resolution shall take effect upon its adoption by the Council.

THE FOREGOING RESOLUTION IS HEREBY ADOPTED THIS 16TH day of FEBRUARY, 2021.

Cherilyn Bairos, Mayor
City of Oakdale

Rouzé Roberts, City Clerk
City of Oakdale

I, Rouze Roberts, City Clerk of the City of Oakdale, County of Stanislaus, State of California, do hereby certify that the foregoing Resolution No. 2021-XX was adopted by the City Council of the City of Oakdale at a regular meeting held on the 16th day of February, 2021 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAINED: COUNCIL MEMBERS:

Rouzé Roberts, City Clerk
City of Oakdale

**NOTICE OF SPECIAL TAX LIEN
CITY OF OAKDALE COMMUNITY FACILITIES DISTRICT NO. 2007-1
(PUBLIC SAFETY SERVICES)
ANNEXATION NO. 14**

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code, the undersigned clerk of the legislative body of the City of Oakdale, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the City Council of the City of Oakdale, County of Stanislaus, State of California. The special tax secured by this lien is authorized to be levied for the purpose of providing for public safety services including, fire services, law enforcement, code enforcement and animal control. Funding will also include the costs of personnel, equipment replacement, maintenance, and professional contract services and services related thereto, including collection and accumulation of funds to pay for anticipated operating cost shortfalls and reserves for repair and replacement of facilities, improvements, vehicles and equipment.

The special tax is authorized to be levied within Community Facilities District No. 2007-1, Annexation No. 14, (Public Safety Services) that has been officially formed and the lien of the special tax is a continuing lien that shall secure each annual levy of the special tax and that shall continue in force and effect until the special tax obligation ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is as follows: (please refer to the attached Rate and Method of Apportionment, as taken from the Resolution of Formation, City of Oakdale Community Facilities District No. 2007-1, Annexation No. 14, (Public Safety Services)). Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as follows: The Special Tax may not be prepaid.

Notice is further given that upon the recording of this notice in the office of the county recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within City of Oakdale Community Facilities District No. 2007-1, Annexation No. 14, (Public Safety Services) in accordance with Section 3115.5 of the Streets and Highways Code.

The name of the owner and the assessor's tax parcel numbers of the real property included within this community facilities district and not exempt from the special tax are as follows:

Thrive Masters, LLC
APN(s): 063-035-018, 063-010-039

Reference is made to the amended boundary map of the community facilities district recorded at Volume 6 of Maps of Assessment and Community Facilities Districts at Page 16, in the office of the County Recorder for the County of Stanislaus, State of California which map is now the final boundary map of the community facilities district.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Finance Department of the City of Oakdale, 280 N. Third Avenue, 95361, (209) 845-3570.

Attest:

Rouzé Roberts: City Clerk, City of Oakdale



**CITY OF OAKDALE
STAFF REPORT**

Date: February 16, 2021

To: Bryan Whitemyer, City Manager

From: Mark Niskanen, Contract Planner

Reviewed by: Jeff Gravel, Public Services Director

Subject: Discussion on the City of Oakdale's two (2) Cannabis Development Agreements between JDI Farms, Inc. and MDS Business Services, Inc., and the City of Oakdale

I. BACKGROUND

The purpose of this item is to discuss with the City Council the status of each respective Development Agreement and receive direction from the City Council as it relates to a potential amendment and extension of each Development Agreement.

On February 20, 2018, the Oakdale City Council adopted Ordinance No. 2018-1255 which established a Cannabis Business Pilot Program to regulate all cannabis businesses within the City. At the same, the City Council formally entered into Development Agreements with JDI Farms, Inc. and MDS Business Services, Inc., respectively, to allow each company to open and operate a retail cannabis dispensary and associated commercial cannabis activities within the City. The Development Agreements went into effect on March 23, 2018. Each Development Agreement consists of a three (3) year term and both are set to expire on March 23, 2021.

JDI Farms, Inc. (Empire Health and Wellness) currently operates a retail cannabis dispensary at 633 Armstrong Way (Assessor Parcel No. 064-039-069), and MDS Business Services, Inc. (The People's Remedy) currently operates a retail cannabis dispensary at 570 Armstrong Way (Assessor Parcel No. 064-039-055). The illustrative location of each retail cannabis dispensary is provided below:



CITY OF OAKDALE
STAFF REPORT

SUBJECT: Discussion on the City's Development Agreements between MDS Business Services, Inc. and JDI Farms, Inc.

MEETING DATE: February 16, 2021

REPORT DATE: February 5, 2021

Location Map



Each respective Development Agreement allowed both JDI Farms, Inc. and MDS Business Services, Inc. to operate a retail cannabis dispensary within the City, as well as open and operate a cannabis microbusiness, which is generally defined as a commercial cannabis business focused on cultivation, manufacturing, and distribution. It is important to note that while each cannabis retailer currently operates their respective retail cannabis dispensary, their respective microbusiness operation has yet to be established. City staff is currently working with both parties on the processing of Major Use Permit amendments to allow for the commercial cultivation, manufacturing, and distribution of cannabis.

The terms of each respective Development Agreement focused primarily on the following: Development Agreement "life" and financial terms as it relates to a one-time Law Enforcement Cannabis Impact Fee and a Monthly Public Benefit Fee. The intent of the one-time Law Enforcement Cannabis Impact Fee is to assist in the funding for additional law enforcement services related to the retail cannabis dispensary operation. This fee is defined in Section 1.12 of each Development Agreement. The intent of the monthly Public Benefit Fee is to offset the burden placed on existing City infrastructure, services, and neighborhoods. This fee is defined in Section 4.2 of each Development Agreement.



CITY OF OAKDALE
STAFF REPORT

SUBJECT: Discussion on the City's Development Agreements between MDS Business Services, Inc. and JDI Farms, Inc.

MEETING DATE: February 16, 2021

REPORT DATE: February 5, 2021

As it relates to the retail cannabis dispensaries, these terms are summarized below:

	Term	One-Time Law Enforcement Cannabis Impact Fee	Monthly Cannabis Dispensary Public Benefit Fee
JDI Farms, Inc.	Three (3) Years	\$50,000.00	Year 1 - \$15,000 or 5% of Gross Receipts from Operations, whichever is greater
			Year 2 - \$25,000 or 5% of Gross Receipts from Operations, whichever is greater
			Year 3 - \$40,000 or 5% of Gross Receipts from Operations, whichever is greater
MDS Business Services, Inc.	3-Years	\$50,000.00	Year 1 - \$15,000 or 5% of Gross Receipts from Operations, whichever is greater
			Year 2 - \$27,500 or 5% of Gross Receipts from Operations, whichever is greater
			Year 3 - \$43,000 or 5% of Gross Receipts from Operations, whichever is greater

In regard to the monthly Public Benefit Fee, Section 4.2(a) of the Development Agreements required that the fee be imposed once both JDI Farms, Inc. and MDS Business Services, Inc. received approval of their respective Major Use Permit from the City's Planning Commission. Both JDI Farms, Inc. and MDS Business Services, Inc. received approval of their respective Major Use Permit on June 6, 2018. As such, payment of the monthly Public Benefit Fee commenced in on July 1, 2018. City records show payment of the monthly Public Benefit Fee was initiated by both parties in September 2018.

Each Development Agreement also requires a monthly Public Benefit Fee for the microbusiness component of the commercial cannabis business, which is defined in Section 4.2(c) of each Development Agreement. The table below depicts the Public Benefit Fee as defined in the Development Agreement.

	Monthly Cannabis Microbusiness Public Benefit Fee
JDI Farms, Inc.	\$10,000 or 5% of Gross Receipts from Operations, whichever is greater
MDS Business Services, Inc.	\$8,000 or 8% of Gross Receipts from Operations, whichever is greater

It is important to note that in regard to the monthly Public Benefit Fee, the fee structure adopted via each Development Agreement is the fee structure proposed by both JDI Farms, Inc. and MDS Business Services, Inc.



CITY OF OAKDALE
STAFF REPORT

SUBJECT: Discussion on the City's Development Agreements between MDS Business Services, Inc. and JDI Farms, Inc.

MEETING DATE: February 16, 2021

REPORT DATE: February 5, 2021

II. DISCUSSION

The purpose of this item is to discuss with the City Council the status of each respective Development Agreement and receive direction from the City Council as it relates to the proposed amendment and extension of each Development Agreement.

To date, based on records provided by the Finance Department, JDI Farms, Inc. has contributed \$395,000.00 to the City of Oakdale in the form of the one-time Law Enforcement Cannabis Impact Fee and the monthly Public Benefit Fee. MDS Business Services, Inc. has contributed \$405,000.00 to the City of Oakdale in the form of the one-time Law Enforcement Cannabis Impact Fee and the monthly Public Benefit Fee. However, both retail cannabis dispensary operators have advised City staff that sales projections have not been as high as originally projected. This has caused each party to contribute only the Year 1 base amount (\$15,000.00) to the City per month within Years 2 and 3. This is less than what is required per the respective Development Agreements.

The Public Benefit Fees required for the microbusiness component are not required until said component is in operation.

The City has had recent correspondence with both JDI Farms, Inc. and MDS Business Services, Inc. and they would like to extend their Development Agreements and continue to operate in the City of Oakdale. JDI Farms, Inc. has informed the City that they will continue to pursue developing manufacturing and cultivation operations.

MDS Business Services, Inc. has advised City staff their desire to no longer pursue the microbusiness component of their cannabis business. The City has initiated discussions with a separate cannabis business operator to allow them to operate a cannabis cultivation and distribution business on the same parcel (570 Armstrong Way) which includes a complete redevelopment of the property including new buildings, site improvements, etc. This operator will be required to file a formal Application for a Development Agreement and Major Use Permit which would be the subject of an independent review and consideration by the City's Planning Commission and City Council, respectively.

The City has had conversations with both JDI Farms, Inc. and MDS Business Services regarding the potential financial terms of proposed amendments to their respective Development Agreements. Based on these discussions, a tentative agreement has been reached for the Cannabis Dispensary operations for both operators. Discussions are still ongoing related to the public benefit fee for the Manufacturing and Cultivation operations.

Development Agreement Term	Public Benefit Fee for Cannabis Dispensary*
Five (5) years	\$15,000 or 5% of Gross Receipts, whichever is greater

*Will include an escalator based on the Consumer Price Index (CPI) per year for the term of the Development Agreement. The CPI escalator will be applied annually and cumulatively for Years two (2) through five (5).



CITY OF OAKDALE
STAFF REPORT

SUBJECT: Discussion on the City's Development Agreements between MDS Business Services, Inc. and JDI Farms, Inc.

MEETING DATE: February 16, 2021

REPORT DATE: February 5, 2021

Any amendment to the Development Agreements will require future review and consideration by the City's Planning Commission and City Council in accordance with Section 36-23.20 of the Municipal Code.

In accordance with Section 4.3 of each Development Agreement, the City Council also has the option of revoking or suspending each approved Major Use Permit due to non-payment of the Public Benefit Fee amounts provided above. Revoking the Major Use Permit would result in each dispensary closing business operations until the terms of the Development Agreements have been satisfied.

III. RECOMMENDATION

Based on the analysis contained in this Staff Report, City staff recommends the following to the City Council:

1. By minute order, direct staff to initiate proceedings to amend the current Development Agreements between the City and JDI Farms, Inc. and MDS Business Services, Inc. based on the terms provided in this Staff Report.
2. By minute order, authorize an extension of each Development Agreement for a period of ninety (90) days to allow staff and both JDI Farms, Inc. and MDS Business Services, Inc. to formalize amended Development Agreements for future consideration by the Planning Commission and City Council.

As an alternative, the City Council may also direct staff the following:

1. By minute order, direct staff to initiate proceedings to revoke or suspend the adopted Major Use Permits for both JDI Farms, Inc. and MDS Business Services, Inc. in accordance with Section 4.3 of their respective Development Agreements for failure to comply with the agreements' financial terms.

IV. ATTACHMENTS

- A. Ordinance No. 1257 – Development Agreement between the City of Oakdale and JDI Farms, Inc.
- B. Ordinance No. 1258 – Development Agreement between the City of Oakdale and MDS Business Services, Inc.
- C. Letter from City of Oakdale to MDS Business Services, Inc., dated November 30, 2020.
- D. Letter from City of Oakdale to JDI Farms, Inc., dated November 30, 2020.
- E. Letter from JDI Farms, Inc., dated November 10, 2020.
- F. Letter from MDS Business Services, Inc., dated December 1, 2020



CITY OF OAKDALE
STAFF REPORT

SUBJECT: Discussion on the City's Development Agreements between MDS Business Services, Inc. and JDI Farms, Inc.

MEETING DATE: February 16, 2021

REPORT DATE: February 5, 2021

Attachment A

Ordinance No. 1257 – Development Agreement between the City of Oakdale and JDI Farms, Inc.



**IN THE CITY COUNCIL
OF THE CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1257**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OAKDALE
APPROVING A DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF OAKDALE AND JDI FARMS INC.,
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION**

WHEREAS, on October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643), which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA established the first statewide regulatory system for medical cannabis businesses; and

WHEREAS, in 2016, the voters of California approved Proposition 64 entitled the "Control, Regulate and Tax Adult Use of Marijuana" ("AUMA"). AUMA legalized the adult-use and possession of cannabis by persons 21 years of age and older and the personal cultivation of up to six cannabis plants within a private residence; and

WHEREAS, on June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medical and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction; and

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 *et seq.*, which authorizes the City of Oakdale (the "City") and an individual with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application; and

WHEREAS, the City adopted Oakdale Municipal Code Chapter 36-23.20 *et seq.*, authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City; and

WHEREAS, Oakdale Municipal Code section 36-23.22 requires a written application with specified data to be submitted to the Oakdale Community Development Director for consideration of any development agreement. JDI Farms submitted an application to the Oakdale Community Development Director for consideration of a development agreement for a cannabis business; and

WHEREAS, JDI Farms, Inc. intends to improve, develop, and use real property to operate a cannabis dispensary (the "Dispensary Project") and cannabis microbusiness (the "Microbusiness Project") within the City in strict compliance with MAUCRSA and Oakdale Municipal Code Chapter 37; and



**IN THE CITY COUNCIL
OF THE CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1257**

WHEREAS, JDI Farms has an agreement to lease that certain real property located at 633 Armstrong Way, Oakdale, CA, identified as Stanislaus County Assessor's Parcel Number 064-039-069 (the "Dispensary Property"). JDI intends to operate the Dispensary Project on the Dispensary Property; and

WHEREAS, JDI Farms, Inc. also has an agreement to purchase and develop that certain real property located at 517 Armstrong Way, Oakdale, CA, identified as Stanislaus County Assessor's Parcel Numbers 064-039-086, 064-039-087, 064-039-059, and 064-039-060 (the "Microbusiness Property"). JDI Farms, Inc. intends to operate the Microbusiness Project on the Microbusiness Property; and

WHEREAS, the City and JDI Farms, Inc. seek to enter into a development agreement for the Dispensary Project and the Microbusiness Project (the "Development Agreement") pursuant to Government Code section 65864 et seq. and all applicable local and state laws; and

WHEREAS, the Planning Commission held a duly noticed public hearing on February 7, 2018, to consider the Development Agreement and make recommendations to the Oakdale City Council ("City Council"); and

WHEREAS, on February 12, 2018, and February 28, 2018, the City Council held duly noticed public hearings to consider the Development Agreement; and

WHEREAS, the City Council, based on its independent review and analysis of staff's recommendations, oral and written testimony, and the record as a whole, finds, after due study, deliberation, and public hearing and based on its independent judgment, that the following circumstances exist:

1. The Project is consistent with the goals, policies, and standards of the City's General Plan and all other applicable standards and ordinances of the City.
2. In accordance with Government Code section 65864 et seq., the City Council finds that the Development Agreement:
 - a. Is consistent with the objectives, policies, general land uses, and programs specified in the City's General Plan and any applicable specific plan;
 - b. Will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area nor detrimental to the general welfare of the residents of the City as a whole;
 - c. Will not adversely affect the orderly development of property or the preservation of property values;

Ordinance 1257
Effective March 23, 2018



**IN THE CITY COUNCIL
OF THE CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1257**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OAKDALE
APPROVING A DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF OAKDALE AND JDI FARMS INC.,
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION**

WHEREAS, on October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643), which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA established the first statewide regulatory system for medical cannabis businesses; and

WHEREAS, in 2016, the voters of California approved Proposition 64 entitled the "Control, Regulate and Tax Adult Use of Marijuana" ("AUMA"). AUMA legalized the adult-use and possession of cannabis by persons 21 years of age and older and the personal cultivation of up to six cannabis plants within a private residence; and

WHEREAS, on June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medical and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction; and

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 *et seq.*, which authorizes the City of Oakdale (the "City") and an individual with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application; and

WHEREAS, the City adopted Oakdale Municipal Code Chapter 36-23.20 *et seq.*, authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City; and

WHEREAS, Oakdale Municipal Code section 36-23.22 requires a written application with specified data to be submitted to the Oakdale Community Development Director for consideration of any development agreement. JDI Farms submitted an application to the Oakdale Community Development Director for consideration of a development agreement for a cannabis business; and

WHEREAS, JDI Farms, Inc. intends to improve, develop, and use real property to operate a cannabis dispensary (the "Dispensary Project") and cannabis microbusiness (the "Microbusiness Project") within the City in strict compliance with MAUCRSA and Oakdale Municipal Code Chapter 37; and



**IN THE CITY COUNCIL
OF THE CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1257**

WHEREAS, JDI Farms has an agreement to lease that certain real property located at 633 Armstrong Way, Oakdale, CA, identified as Stanislaus County Assessor's Parcel Number 064-039-069 (the "Dispensary Property"). JDI intends to operate the Dispensary Project on the Dispensary Property; and

WHEREAS, JDI Farms, Inc. also has an agreement to purchase and develop that certain real property located at 517 Armstrong Way, Oakdale, CA, identified as Stanislaus County Assessor's Parcel Numbers 064-039-086, 064-039-087, 064-039-059, and 064-039-060 (the "Microbusiness Property"). JDI Farms, Inc. intends to operate the Microbusiness Project on the Microbusiness Property; and

WHEREAS, the City and JDI Farms, Inc. seek to enter into a development agreement for the Dispensary Project and the Microbusiness Project (the "Development Agreement") pursuant to Government Code section 65864 et seq. and all applicable local and state laws; and

WHEREAS, the Planning Commission held a duly noticed public hearing on February 7, 2018, to consider the Development Agreement and make recommendations to the Oakdale City Council ("City Council"); and

WHEREAS, on February 12, 2018, and February 28, 2018, the City Council held duly noticed public hearings to consider the Development Agreement; and

WHEREAS, the City Council, based on its independent review and analysis of staff's recommendations, oral and written testimony, and the record as a whole, finds, after due study, deliberation, and public hearing and based on its independent judgment, that the following circumstances exist:

1. The Project is consistent with the goals, policies, and standards of the City's General Plan and all other applicable standards and ordinances of the City.
2. In accordance with Government Code section 65864 et seq., the City Council finds that the Development Agreement:
 - a. Is consistent with the objectives, policies, general land uses, and programs specified in the City's General Plan and any applicable specific plan;
 - b. Will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area nor detrimental to the general welfare of the residents of the City as a whole;
 - c. Will not adversely affect the orderly development of property or the preservation of property values;

Ordinance 1257
Effective March 23, 2018



**IN THE CITY COUNCIL
OF THE CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1257**

- d. Is consistent with the provisions of Government Code sections 65864 through 65869.5; and
- e. Contains a legal description of the property.

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

SECTION 1. The City Council approves a Development Agreement by and between JDI Farms Inc., a California nonprofit mutual benefit corporation, and the City for the development of the Dispensary Project and the Microbusiness Project, and instructs the City Manager to execute the Development Agreement subject to final, technical revisions as required and approved by the City Attorney.

SECTION 2. The City shall review the Development Agreement for compliance with its terms and conditions not less than once every twelve (12) months from the effective date of the Development Agreement; or as otherwise required pursuant to the terms of the Development Agreement.

SECTION 3. Notice of the public hearing on the proposed Development Agreement was published in the Oakdale Leader and Modesto Bee, newspapers of general circulation, printed and published in the City, and notices of the public hearing on the proposed Development Agreement were mailed to all interested parties and property owners within 300 feet of the property, according to the most recent assessor's roll.

SECTION 4. Environmental impacts for the Project have been reviewed and assessed by the City pursuant to CEQA (Public Resources Code section 21000 et seq.; California Code of Regulations, title 14, section 15000 et seq.).

The Dispensary Project site is categorically exempt from CEQA pursuant to section 15301 of title 14 of the California Code of Regulations applicable to existing facilities involving no expansion of the facility.

The Microbusiness Project site is categorically exempt from CEQA pursuant to section 15332 of title 14 of the California Code of Regulations, applicable to in-fill development projects of no more than five (5) acres substantially surrounded by urban uses.

SECTION 5. If any section, subsection, sentence, clause, phrase, or word of this Ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

Ordinance 1257
Effective March 23, 2018



**IN THE CITY COUNCIL
OF THE CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1257**


SECTION 6. This Ordinance shall become effective thirty (30) days from and after its final passage and adoption, and publication of the Ordinance shall occur in a newspaper of general circulation at least fifteen (15) days prior to its effective date, or a summary of the Ordinance published in a newspaper of general circulation at least five (5) days prior to adoption and again at least fifteen (15) days prior to its effective date.

The foregoing Ordinance was introduced at a meeting of the City Council held on the 12th day of February 2018, by Mayor Pro Tem Dunlop who moved its introduction, which motion being duly seconded by Council Member McCarty. Said Ordinance was given a second reading at a regular meeting of the City Council held on the 20th day of February 2018, and after such reading, Council Member McCarty moved its adoption, seconded by Mayor Pro Tem Dunlop and said Ordinance was thereupon adopted by the following roll call vote:

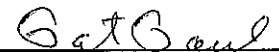
AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

ATTEST:

SIGNED:




Bryan Whitemyer, Deputy City Clerk



Pat Paul, Mayor

APPROVED AS TO FORM:



Tom Hallinan, City Attorney

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Oakdale
Attention: City Clerk
280 North Third Avenue
Oakdale, CA 95361



Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2018-0019365-00

Wednesday, MAR 21, 2018 08:17:33
Ttl Pd \$0.00 Rcpt # 0004101914
JLO/R2/1-52

(Space Above Provided for Recorder)

Development Agreement by and between **CITY OF OAKDALE**, a California municipal corporation ("City") and **JDI FARMS**, a California nonprofit mutual benefit corporation ("Developer").

This document replaces the Development Agreement recorded as DOC-2018-0016028-00 attached hereto for reference.

Total Number of Pages including title Page: 52

52/50

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2018-0016028-00
Wednesday, MAR 07, 2018 14:24:48
Ttl Pd \$0.00 Rcpt # 0004096215
OJC/R2/1-50

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:

City of Oakdale
280 North Third Avenue
Oakdale, CA 95361
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §6103

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this (20th) day of February, 2018, by and between the **CITY OF OAKDALE**, a California municipal corporation ("City") and **JDI Farms**, a California nonprofit mutual benefit corporation ("Developer"). City and Developer may be referred to herein individually as a "Party" or collectively as the "Parties." There are no other parties to this Agreement.

RECITALS

- A. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.
- B. On November 8, 2016, California voters enacted Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act, also known as the Adult Use of Marijuana Act ("AUMA"), which establishes a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis, including cannabis products, for use by adults 21 years and older, and to tax the growth and retail sale of cannabis for nonmedical use.
- C. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which creates a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in Commercial Cannabis

Activity, as defined in Section 1.4 of this Agreement, may operate in a particular jurisdiction.

- D. Developer proposes to improve, develop, and use real property to operate a Cannabis Dispensary (the "Cannabis Dispensary Project") and a cannabis microbusiness (the "Microbusiness Project"), in strict accordance with California Cannabis Laws, and the Municipal Code of the City of Oakdale, as each may be amended from time to time.
- E. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 *et seq.* (the "Development Agreement Statute"), which authorizes City and an individual with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application.
- F. Consistent with the requirements of the Development Agreement Statute, City adopted Oakdale Municipal Code Section 36-23.20 *et seq.*, ("City Development Agreement Ordinance") authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City.
- G. Oakdale Municipal Code section 36-23.22 requires a written application with specified data be submitted to the Department of Planning for consideration of any development agreement.
- H. Developer submitted an application to the City Department of Planning for consideration of a development agreement for two cannabis businesses.
- I. Developer has an agreement to lease that certain real property located at 633 Armstrong Way in the City of Oakdale, County of Stanislaus, State of California, Assessor's Parcel Number 064-039-069, of which Developer intends to improve approximately thirty-nine hundred (3,900) square feet of space (the "Cannabis Dispensary Site") to operate the Cannabis Dispensary, more particularly described in the Location Map attached hereto as **Exhibit A** ("Cannabis Dispensary Location Map").
- J. Developer also has an agreement to purchase and develop that certain real property located at 517 Armstrong Way in the City of Oakdale, identified as Stanislaus County Assessor's Parcel Numbers 064-039-086, 064-039-087, 064-039-059, and 064-039-060 (the "Microbusiness Site"), more particularly described in the Location Map attached hereto as **Exhibit A** attached hereto ("Microbusiness Location Map"). Developer intends to improve approximately twenty thousand (20,000) square feet of space, as provided on the Microbusiness Location Map attached hereto as **Exhibit A**, and operate the Microbusiness Project on the Microbusiness Site.

- K. Government Code section 65865 and Oakdale Municipal Code section 36-23.22 require that an applicant for a development agreement hold a legal or equitable interest in the real property that is the subject of the development agreement.
- L. Developer has leased the Cannabis Business Site for the purpose of carrying out the Cannabis Dispensary Project. A copy of the lease is attached hereto as **Exhibit B**, within satisfaction of the requirement of Oakdale Municipal Code Chapter 37 and the City Development Agreement Ordinance. The legal owner of the Cannabis Dispensary Site is aware of, and agrees to, the Cannabis Dispensary Project operating at the Cannabis Dispensary Site.
- M. Developer has purchased the Microbusiness Site for the purpose of carrying out the Microbusiness Project. A copy of the grant deed to the Microbusiness Site is attached hereto as **Exhibit C**, within satisfaction of the requirement of Oakdale Municipal Code Chapter 37 and the City Development Agreement Ordinance.
- N. On February 7, 2018, the Oakdale Planning Commission ("Planning Commission") adopted Resolution No. 2018-004 recommending the Oakdale City Council ("City Council") adopt an ordinance establishing zoning limitations and requirements for all cannabis businesses.
- O. On February 20, 2018, the City Council adopted Ordinance No. 2018-1255 to revise Oakdale Municipal Code Chapter 37 to establish a Cannabis Business Pilot Program to regulate all cannabis businesses within the City.
- P. Government Code section 65867.5 and Oakdale Municipal Code section 36-23.24 requires the Planning Commission hold a public hearing to review an application for a development agreement.
- Q. On February 7, 2018, the Planning Commission, in a duly noticed and conducted public hearing, considered Developer's application for this Agreement.
- R. On February 7, 2018, the Planning Commission recommended the City Council adopt Ordinance No. 2018-1256, which would allow Developer to operate the Cannabis Dispensary Project and Microbusiness Project at the respective site.
- S. On February 20, 2018, pursuant to Government Code section 65867.5 and the City Development Agreement Ordinance, and following a duly noticed and conducted public hearing, the City Council reviewed, considered, adopted, and entered into this Agreement pursuant to Ordinance No. 2018-1257.
- T. This Agreement is entered into pursuant to the Development Agreement Statute and the Oakdale Municipal Code.

- U. City and Developer desire to enter into this Agreement to (i) facilitate the orderly development of the Site; (ii) create a physical environment that is consistent with and complements City's goals and visions; (iii) protect natural resources from adverse impacts; (iv) improve, upgrade, and create additional community facilities and infrastructure, enhance services, and assist in implementing the goals of the General Plan; and (vi) reduce the economic risk of development of the Site to both City and Developer.
- V. The Parties intend, through this Agreement, to allow Developer to develop and operate the Cannabis Dispensary Project and Microbusiness Project in accordance with the terms of this Agreement.
- W. The City Council has determined that this Agreement is consistent with City's General Plan and have conducted all necessary proceedings in accordance with the Oakdale Municipal Code for the approval of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

AGREEMENT

ARTICLE 1 GENERAL PROVISIONS

Section 1.1. Findings. City hereby finds and determines that entering into this Agreement furthers the public health, safety, and general welfare and is consistent with City's General Plan, including all text and maps in the General Plan.

Section 1.2. Recitals. The Recitals above are true and correct and are hereby incorporated into and made a part of this Agreement. In the event of any inconsistency between the Recitals and the provisions of Articles 1 through 10 of this Agreement, the provisions of Articles 1 through 10 shall prevail.

Section 1.3. Exhibits. The following "Exhibits" are attached hereto and incorporated into this Agreement:

<u>Designation</u>	<u>Description</u>
Exhibit A	Cannabis Dispensary and Potential Microbusiness Location Map
Exhibit B	Cannabis Dispensary Final Settlement Statement
Exhibit C	Microbusiness Site Lease

Exhibit D	Notice of Non-Performance Penalty
Exhibit E	Indemnification Agreement
Exhibit F	Notice of Termination
Exhibit G	Assignment and Assumption Agreement

Section 1.4. Definitions. In this Agreement, unless the context otherwise requires, the terms below have the following meaning:

- (a) "Additional Insureds" has the meaning set forth in Section 6.1.
- (b) "Additional Licenses" has the meaning set forth in Section 2.4.
- (c) "Adult-use cannabis" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended for use by adults 21 years of age or older in California pursuant to the California Cannabis Laws.
- (d) "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.
- (e) "Application" means the application for a development agreement required by Oakdale Municipal Code section 36-36.22.
- (f) "Assignment and Assumption Agreement" has the meaning set forth in Section 10.1.
- (g) "AUMA" means the Adult Use of Marijuana Act (Proposition 64) approved by California voters on November 8, 2016.
- (h) "Authorized License" has the meaning set forth in Section 2.3.
- (i) "California Building Standards Codes" means the California Building Code, as amended from time to time, in Part 2, Volumes 1 and 2, as part of Title 24 of the California Code of Regulations, as may be adopted by the Oakdale Municipal Code.
- (j) "California Cannabis Laws" includes AUMA, MAUCRSA, CUA (as defined below), the Medical Marijuana Program Act of 2004 codified as Health and Safety Code sections 11362.7 through 11.62.83, and any other applicable laws that may be enacted or approved.
- (k) "Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from

cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. Cannabis and the term "marijuana" may be used interchangeably.

(l) "Cannabis Business Pilot Program" means the cannabis business program established and authorized by Oakdale Municipal Code Chapter 37.

(m) "Cannabis Dispensary Site" has the meaning set forth in Recital I.

(n) "Cannabis Dispensary" means a business that engages in Commercial Cannabis Activity, as defined below, related to the retail sale and delivery of cannabis or cannabis products pursuant to a Type 10 license.

(o) "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(p) "CEQA" means the California Environmental Quality Act, as set forth in Division 13 (Commencing with Section 21000) of the California Public Resources Code, and the CEQA Guidelines, as set forth in Title 14 (Commencing with Section 15000) of the California Code of Regulations.

(q) "City" means the City of Oakdale, a municipal corporation having general police powers.

(r) "City Council" means the City of Oakdale City Council, as described in Oakdale Municipal Code Section 1-2.

(s) "City Development Agreement Ordinance" has the meaning set forth in Recital F.

(t) "City Manager" means the City Manager of the City of Oakdale, or his or her designee, as described in Oakdale Municipal Code Section 2-4.

(u) "Charged Party" has the meaning set forth in Section 8.1.

(v) "Charging Party" has the meaning set forth in Section 8.1.

(w) "Commercial Cannabis Activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution,

delivery, or sale of cannabis or a cannabis product that requires a state license pursuant to MAUCRSA.

(x) "Conditional Use Permit" means a conditional use permit issued by City pursuant to Oakdale Municipal Code Section 36-23.24.

(y) "CUA" means the Compassionate Use Act (Proposition 215) approved by California voters on November 5, 1996.

(z) "Developer" means JDI Farms, a California nonprofit mutual benefit corporation. Developer also has the meaning set forth in Section 6.1.

(aa) "Development Agreement Statute" has the meaning set forth in Recital E.

(bb) "Exhibits" has the meaning set forth in Section 1.3.

(cc) "Gross Receipts from Operations" means total revenue actually received or receivable from operation of the Cannabis Dispensary Project and Microbusiness Project, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed whether or not such act or service is done as part of or in connection with the sale of materials, goods, wares, or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

1. Cash discounts allowed and taken on sales;
2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";
3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
4. Such part of the sale price of property returned by purchasers upon rescission of a contract of sale as is refunded either in cash or by credit;
5. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded.

The intent of this definition is to ensure that in calculating the payment required under Section 4.2, all sales of cannabis products through the Cannabis Dispensary Project and Microbusiness Project are captured. This definition shall therefore be given the broadest possible interpretation consistent with this intent.

- (dd) "Indemnification Agreement" has the meaning set forth in Section 6.3.
- (ee) "Major Amendment" means an amendment that shall have a material effect on the terms of this Agreement. A Major Amendment also has the meaning set forth in Section 2.4. Major Amendments shall require approval by the City Council.
- (ff) "Marijuana" has the same meaning as cannabis and those terms may be used interchangeably.
- (gg) "MAUCRSA" means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified as Business and Professions Code section 26000 *et seq.*, as may be amended from time to time.
- (hh) "MCRSA" has the meaning set forth in Recital A.
- (ii) "Microbusiness" means a business that engages in Commercial Cannabis Activity pursuant to a Type 12 license.
- (jj) "Microbusiness Site" has the meaning set forth in Recital J.
- (kk) "Ministerial Fee" or "Ministerial Fees" has the meanings set forth in Section 4.1.
- (ll) "Minor Amendment" means a clerical amendment to this Agreement that shall not materially affect the terms of this Agreement and any amendment described as minor herein. A Minor Amendment also has the meaning set forth in Section 1.7.
- (mm) "Mortgage" has the meaning set forth in Article 7.
- (nn) "Non-Performance Penalty" has the meaning set forth in Section 4.3.
- (oo) "Notice of Non-Performance Penalty" has the meaning set forth in Section 4.3.
- (pp) "Notice of Termination" has the meaning set forth in Section 9.1.
- (qq) "Planning Commission" means the City of Oakdale Planning Commission, as established by Oakdale Municipal Code Section 2-27.
- (rr) "Processing Costs" has the meaning set forth in Section 1.11.
- (ss) "Project" means the Cannabis Dispensary Project and the Microbusiness Project collectively, as those terms are defined in Recital D.
- (tt) "Project Litigation" has the meaning set forth in Section 10.7.
- (uu) "Public Benefit" has the meaning set forth in Section 4.2.

(vv) "Public Benefit Amount" has the meaning set forth in Section 4.2.

(ww) "State Licensing Authority" means the state agency responsible for the issuance, renewal, or reinstatement of a state cannabis license, or the state agency authorized to take disciplinary action against a business licensed under the California Cannabis Laws.

(xx) "State Cannabis Regulations" means the regulations promulgated by the State Licensing Authority pursuant to the California Cannabis Laws.

(yy) "State Taxing Authority" has the meaning set forth in Section 4.2.

(zz) "Subsequent City Approvals" has the meaning set forth in Section 3.1.

(aaa) "Term" has the meaning set forth in Section 1.7.

(bbb) "Type 10 license" or "Retailer" means a state license issued by the Bureau pursuant to the California Cannabis Laws for the retail sale of cannabis and cannabis products.

(ccc) "Type 12 license" or "Microbusiness" means a state license issued by a State Licensing Authority pursuant to the California Cannabis Laws relating to cannabis cultivation, manufacturing, and distribution.

Section 1.5. Project is a Private Undertaking. The Parties agree that the Cannabis Dispensary Project and Microbusiness Project are private developments and that City has no interest therein, except as authorized in the exercise of its governmental functions. City shall not for any purpose be considered an agent of Developer, the Cannabis Dispensary Project, or Microbusiness Project.

Section 1.6. Effective Date of Agreement. This Agreement shall become effective upon the date that the ordinance approving this Agreement becomes effective (the "Effective Date").

Section 1.7. Term.

(a) **Government Tolling or Termination.** City may provide written notice to Developer to cease all Commercial Cannabis Activity, upon which Developer shall immediately comply, if City is required, directed, or believes, in its sole and absolute discretion, it must temporarily halt or terminate Commercial Cannabis Activity within the City to comply with federal or state law. If City temporarily halts this Agreement to comply with federal or state law, this Agreement shall be tolled for no longer than one calendar (1) year (the "Tolling Period"). Developer shall not accrue or be liable to City for any Ministerial Fees or Public Benefit Amount during the Tolling Period. Developer shall resume paying any applicable fees after the Tolling Period ends. City and Developer shall

discuss in good faith the termination of this Agreement if the Tolling period exceeds one (1) calendar year to comply with federal or state law.

(b) **Developer Tolling or Termination.** Developer may not temporarily halt or terminate this Agreement for any purpose without causing a default of this Agreement, except as otherwise allowed by this Agreement or by mutual agreement of the Parties.

Section 1.8. Priority of Enactment. In the event of a conflict between the various land use documents referenced in this Agreement, the Parties agree that the following sequence of approvals establishes the relative priority of the approvals, each approval superior to the approvals listed thereafter: (a) General Plan, (b) Agreement, (d) Conditional Use Permit, (e) Indemnification Agreement, and (f) Subsequent City Approvals.

Section 1.9. Amendment of Agreement. This Agreement shall be amended only by mutual consent of the Parties. All amendments shall be in writing. The City Council hereby expressly authorizes the City Manager to approve a Minor Amendment to this Agreement, upon notification of the City Council. A Major Amendment to this Agreement shall be approved by the City Council. The City Manager shall, on behalf of City, have sole discretion for City to determine if an amendment is a Minor Amendment or a Major Amendment. Nothing in this Agreement shall be construed as requiring a noticed public hearing, unless required by law.

Section 1.10. Recordation of Development Agreement. The City Clerk shall cause a copy of this Agreement to be recorded against the title of the Dispensary Site and the Microbusiness Site within ten (10) business days of the Effective Date.

Section 1.11. Funding Agreement for Processing Costs. Developer has deposited Twenty-Five Thousand Dollars (\$25,000) with City to pay for the Application, all actual fees and expenses incurred by City that are related to the preparation and processing of this Agreement, including recording fees, publishing fees, staff time, and consultant and attorney fees and costs (collectively, "Processing Costs"). The Processing Costs are refundable solely to the extent of non-expended Processing Costs. Developer shall be entitled to a refund of available Processing Costs only after City determines all financial obligations associated with the Cannabis Dispensary Project and Microbusiness Project have been received and paid by City.

(a) **Apportionment of Processing Costs.** If the amount deposited for purposes of Processing Costs is insufficient to cover all Processing Costs, Developer shall deposit with City such additional funds necessary to pay for all Processing Costs within thirty (30) days. The failure to timely pay any such additional amounts requested by City shall be considered a material default of this Agreement and City may terminate this Agreement.

(b) **Accounting.** Developer may request, and City shall issue within a reasonable time not to exceed thirty (30) days, an accounting and written acknowledgement of Processing Costs paid to City.

Section 1.12. Law Enforcement Cannabis Impact Fee. Developer shall pay Fifty Thousand Dollars (\$50,000) to City due with the first installment of the Cannabis Dispensary Public Benefit, as specified in Section 4.2, to pay for additional law enforcement services related to this Agreement.

ARTICLE 2 DEVELOPMENT OF PROPERTY

Section 2.1. Vested Right of Developer. During the Term, in developing the Dispensary Site and the Microbusiness Site consistent with the Cannabis Dispensary Project and Microbusiness Project described herein, Developer is assured that the development rights, obligation terms, and conditions specified in this Agreement, including, without limitation, the terms, conditions, and limitations set forth in the Exhibits, are fully vested in Developer and may not be modified or terminated by City except as set forth in this Agreement or with Developer's written consent.

Section 2.2. Vested Right to Develop. In accordance with Section 2.1, Developer shall have the vested right to develop and use the Cannabis Dispensary Project and Microbusiness Project consistent with this Agreement, the Conditional Use Permit, and Subsequent City Approvals.

Section 2.3. Permitted Uses and Development Standards. Developer shall be authorized to develop, construct, and use the Dispensary Site for Commercial Cannabis Activity consistent with the following license type:

Type 10	Retailer
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Developer shall be authorized to develop, construct, and use the Microbusiness Site for Commercial Cannabis Activity consistent with the following license type, provided that Developer shall not engage in the retail sale of cannabis or cannabis products:

Type 12	Microbusiness
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The Retailer and Microbusiness license types shall be collectively referred to as the "Authorized License".

Developer shall be permitted to use each site consistent with the related Authorized License for the Term of this Agreement and during the time Developer is applying for the Authorized License with the applicable State Licensing Authority. Notwithstanding the foregoing, Developer is required to apply for and obtain the Authorized License from the State of California. If the State Licensing Authority does not grant the Type 10 license or

the Type 12 license to Developer, Developer shall immediately cease Commercial Cannabis Activity and any other operations on the respective site. Developer shall also, within thirty (30) days of receiving notice from the State Licensing Authority, notify City of the State Licensing Authority's denial or rejection of any license. In this situation, this Agreement shall terminate immediately. The Parties intend for this Agreement and the Conditional Use Permit to serve as the definitive and controlling documents for all subsequent actions, discretionary or ministerial, relating to development of the Dispensary Site, the Microbusiness Site, the Cannabis Dispensary Project, and the Microbusiness Project.

Section 2.4. Major Amendment to Permitted Uses. Developer may request to add to the Authorized Licenses additional license types once that license is applied for or obtained from the appropriate State Licensing Authority (the "Additional Licenses").

Section 2.5. Conditional Use Permit. Prior to commencing operation of any Commercial Cannabis Activity on the Dispensary Site or the Microbusiness Site, Developer shall obtain a Conditional Use Permit and any applicable Subsequent City Approvals for each location. Developer shall be required to comply with all provisions of the Oakdale Municipal Code and any City rules and administrative guidelines associated with implementation of the Cannabis Business Pilot Program. Nothing in this Agreement shall be construed as limiting the ability of City to amend the Oakdale Municipal Code or issue rules or administrative guidelines associated with implementation of the Cannabis Business Pilot Program or Developer's obligation to strictly comply with the same.

Section 2.6. Subsequent Entitlements, Approvals, and Permits. Successful implementation of the Cannabis Dispensary Project and the Microbusiness Project shall require Developer to obtain additional approvals and permits from City and other local and state agencies. City shall comply with CEQA in the administration of all Subsequent City Approvals. In acting upon any Subsequent City Approvals, City's exercise of discretion and permit authority shall conform to this Agreement. Notwithstanding the foregoing, in the course of taking action on the Subsequent City Approvals, City will exercise discretion in adopting mitigation measures as part of the Conditional Use Permit. The exercise of this discretion is not prohibited or limited in any way by this Agreement. Nothing in this Agreement shall preclude the evaluation of impacts or consideration of mitigation measures or alternatives, as required by CEQA.

(a) Contemplated City Rules and Guidelines. City anticipates issuing additional rules and administrative guidelines associated with implementation of the Cannabis Business Pilot Program. City may establish requirements that are identical to or place a higher standard of care as existing provisions of the California Cannabis Laws, State Cannabis Regulations, or any amendments thereto. City reserves the right to adopt additional categories of rules or guidelines that are not listed in this section as part of the Cannabis Business Pilot Program. Developer shall comply with any and all administrative

guidelines adopted by City that govern or pertain to the Cannabis Dispensary Project or the Microbusiness Project.

Section 2.7. Initiatives and Referenda. If any City ordinance, rule or regulation, or addition to the Oakdale Municipal Code is enacted or imposed by a citizen-sponsored initiative or referendum after the Effective Date that would conflict with this Agreement, an associated Conditional Use Permit, Subsequent City Approvals, or reduce the development rights or assurances provided to Developer in this Agreement, such Oakdale Municipal Code changes shall not be applied to the Dispensary Site, the Microbusiness Site, the Cannabis Dispensary Project, or the Microbusiness Project; provided, however, the Parties acknowledge that City's approval of this Agreement is a legislative action subject to referendum. City shall cooperate with Developer and shall undertake such reasonable actions as may be appropriate to ensure this Agreement remains in full force and effect and is implemented in accordance with its terms to the fullest extent permitted by state or federal law.

Section 2.8. Regulation by Other Government Entities. Developer acknowledges that City does not have authority or jurisdiction over any other government entities' ability to grant governmental approvals or permits or to impose a moratorium or other limitations that may negatively affect the Cannabis Dispensary Project or the Microbusiness Project or the ability of City to issue a permit to Developer or comply with the terms of this Agreement. Any moratorium imposed by another government entity, including the State Licensing Authority, on City shall not cause City to be in breach of this Agreement.

Section 2.9. Developer's Right to Rebuild. Developer may renovate portions of the Dispensary Site or the Microbusiness Site any time within the Term of this Agreement consistent with the Oakdale Municipal Code. Any such renovation or rebuild shall be subject to all design, building code, and other requirements imposed on the Cannabis Dispensary Project and Microbusiness Project by this Agreement.

Section 2.10. Changes in California Building Standards Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Cannabis Dispensary Project or the Microbusiness Project shall be subject to changes occurring from time to time to the California Building Standards Codes.

Section 2.11. Changes Mandated by Federal or State Law. The Dispensary Site, Microbusiness Site, the Cannabis Dispensary Project, and the Microbusiness Project shall be subject to subsequently enacted state or federal laws or regulations that may preempt the Oakdale Municipal Code, or mandate the adoption or amendment of local regulations, or are in conflict with this Agreement or local rules or guidelines associated with the Cannabis Business Pilot Program. As provided in Section 65869.5 of the Development Agreement Statute, in the event state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Upon discovery of a subsequently

enacted federal or state law meeting the requirements of this Section, City or Developer shall provide the other Party with written notice of the state or federal law or regulation, and a written statement of the conflicts thereby raised with the provisions of the Oakdale Municipal Code or this Agreement. Promptly thereafter, City and Developer shall meet and confer in good faith in a reasonable attempt to modify this Agreement, as necessary, to comply with such federal or state law or regulation provided City shall not be obligated to agree to any modification materially increasing its obligations or materially adversely affecting its rights and benefits hereunder. In such discussions, City and Developer will attempt to preserve the terms of this Agreement and the rights of Developer derived from this Agreement to the maximum feasible extent while resolving the conflict. If City, in its judgment, determines it necessary to modify this Agreement to address such conflict, City shall have the right and responsibility to do so, and shall not have any liability to Developer for doing so or be considered in breach or default of this Agreement. City also agrees to process, in accordance with the provisions of this Agreement, Developer's proposed changes to the Cannabis Dispensary Project and Microbusiness Project that are necessary to comply with such federal or state law and that such proposed changes shall be conclusively deemed to be consistent with this Agreement without further need for any amendment to this Agreement.

Section 2.12. Health and Safety Emergencies. In the event that any future public health and safety emergencies arise with respect to the Cannabis Dispensary Project or the Microbusiness Project contemplated by this Agreement, City agrees that it shall attempt, if reasonably possible as determined by City in its discretion, to address such emergency in a way that does not have a material adverse impact on the Cannabis Dispensary Project and Microbusiness Project. If City determines, in its discretion, that it is not reasonably possible to so address such health and safety emergency in a way that does not have a material adverse impact on the Cannabis Dispensary Project and Microbusiness Project, City may select an option which, in its discretion, minimizes, so far as reasonably possible, the impact on development and use of the Cannabis Dispensary Project or the Microbusiness Project in accordance with this Agreement, while still addressing such health and safety emergency in a manner acceptable to City.

ARTICLE 3

ENTITLEMENT AND PERMIT PROCESSING, INSPECTIONS

Section 3.1. Subsequent City Approvals. City shall permit the development, construction, and conditionally permitted use contemplated in this Agreement. City agrees to timely grant, pursuant to the terms of this Agreement, the Oakdale Municipal Code, and any Subsequent City Approvals reasonably necessary to complete the goals, objectives, policies, standards, and plans described in this Agreement. The Subsequent City Approvals shall include any applications, permits, and approvals required to complete the improvements necessary to develop the Dispensary Site or the Microbusiness Site, in general accordance with this Agreement ("Subsequent City Approvals"). Nothing herein shall require City to provide Developer with Subsequent City Approvals prior to, or without

complying with, all of the requirements in this Agreement, the Oakdale Municipal Code, and any applicable state law.

Section 3.2. Timely Processing. City shall use its reasonable best efforts to process and approve, within a reasonable time, any Subsequent City Approvals or environmental review requested by Developer during the Term of this Agreement.

Section 3.3. Cooperation Between City and Developer. Consistent with the terms set forth herein, City agrees to cooperate with Developer, on a timely basis, in securing all permits or licenses that may be required by City or any other government entity with permitting or licensing jurisdiction over the Cannabis Dispensary Project and Microbusiness Project.

Section 3.4. Further Consistent Discretionary Actions. The exercise of City's authority and independent judgment is recognized under this Agreement, and nothing in this Agreement shall be interpreted as limiting City's discretion or obligation to hold legally required public hearings. Except as otherwise set forth herein, such discretion and action taken by City shall, however, be consistent with the terms of this Agreement and not prevent, hinder, or compromise development or use of the Dispensary Site or the Microbusiness Site as contemplated by the Parties in this Agreement.

ARTICLE 4 PUBLIC BENEFIT, PROCESSING, AND OVERSIGHT

Section 4.1. Processing Fees and Charges. Developer shall pay to City those processing, inspection, plan checking, and monitoring fees and charges required by City which are in force and effect at the time those fees and charges are incurred (including any post-Effective Date increases in such fees and charges) for processing applications and requests for building permits, inspections, other permits, approvals and actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions (each a "Ministerial Fee" and collectively, the "Ministerial Fees").

Section 4.2. Public Benefit.

(a) The Parties acknowledge and agree that this Agreement confers substantial private benefits upon Developer that will place burdens upon City infrastructure, services, and neighborhoods. Accordingly, the Parties intend to provide consideration to City to offset these impacts that commensurate with the private benefits conferred on Developer (the "Public Benefit"). In consideration of the foregoing, for the Cannabis Dispensary Project Developer shall remit to City as follows (the "Cannabis Dispensary Public Benefit"):

Effective Date	No Cannabis Dispensary Public Benefit Due.
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First (1 st) Business Day of 1 st Month Following Issuance of the Conditional Use Permit.	\$15,000 or 5% of Gross Receipts from Operations each month, whichever is greater (" <u>Tier 1 Amount</u> ").
1 st Business Day of the Thirteenth (13 th) Month Following Issuance of the Conditional Use Permit.	\$25,000 or 5% of Gross Receipts from Operations each month, whichever is greater (" <u>Tier 2 Amount</u> ").
1 st Business Day of the Twenty-fifth (25 th) Month Following Issuance of the Conditional Use Permit Through the End of the Term.	\$40,000 or 5% of Gross Receipts from Operations each month, whichever is greater (" <u>Tier 3 Amount</u> ").

(b) Collectively, these tier amounts shall be known as the "Cannabis Dispensary Public Benefit Amount".

(c) For the Microbusiness Project, Developer shall remit to City as follows (the "Microbusiness Public Benefit Amount"):

Effective Date	No Microbusiness Public Benefit Amount Due.
First (1 st) Business Day of 1 st Month Following Issuance of the Conditional Use Permit.	\$10,000 or 5% of Gross Receipts from Operations each month, whichever is greater.

(d) Collectively, the Cannabis Dispensary Public Benefit Amount and the Microbusiness Public Benefit Amount shall be known as the "Public Benefit Amount".

(e) Developer shall file an applicable statement that complies with the California State Board of Equalization, California Department of Tax and Fee Administration, or either's successor agency (the "State Taxing Authority") for sales tax purposes showing the true and correct amount of Gross Receipts from Operations of the Cannabis Dispensary Project and Microbusiness Project during the applicable time period. Developer shall provide a copy of such statement to City upon request by City.

Section 4.3. Reporting. Developer shall provide City with copies of any reports provided to a State Licensing Authority within forty-five (45) days of that submission.

Any failure or refusal of Developer to provide any statement or report to City, the State Taxing Authority, or any other State Licensing Authority, as required within the time required, or to pay such sums due hereunder when the same are due and payable in accordance with the provisions of this Agreement, may constitute full and sufficient grounds for the revocation or suspension of the Conditional Use Permit.

Section 4.4. Records. Developer shall keep records of all Commercial Cannabis Activity in accordance with Chapter 16 (commencing with Section 26160) of Division 10 of the Business and Professions Code and the applicable State Cannabis Regulations. All records required by this Section shall be maintained and made available for City's examination and duplication (physical or electronic) at the Dispensary Site or the Microbusiness Site or at an alternate facility as approved in writing by the City Manager or his or her designee.

Section 4.5. Penalty. Developer acknowledges that to ensure proper compliance with the terms of this Agreement and any applicable laws, City must engage in costly compliance review, inspections, and, if necessary, enforcement actions to protect the health, safety, and welfare of its residents. Penalty and interest provisions are necessary to assist City in compliance review and enforcement actions. If Developer fails to make any payment when due, as required by this Agreement, including the Public Benefit Amount, City may impose a "Non-Performance Penalty." A Non-Performance Penalty of one percent (1%) shall be applied to all past due payments. City shall deliver to Developer a "Notice of Non-Performance Penalty," attached hereto as **Exhibit D**. Payment of the Non-Performance Penalty shall be in a single installment due on or before a date fifteen (15) days following delivery of the Notice of Non-Performance Penalty.

Section 4.6. Interest on Unpaid Non-Performance Penalty. If Developer fails to pay the Non-Performance Penalty after City has delivered the Notice of Non-Performance Penalty, then, in addition to the principal amount of the Non-performance Penalty, Developer shall pay City interest at the rate of eighteen percent (18%) per annum, computed on the principal amount of the Non-Performance Penalty, from a date fifteen (15) days following delivery of the Notice of Non-performance Penalty.

Section 4.7. Protections from City Tax. Notwithstanding Section 4.2, for the Term of this Agreement, Developer shall be exempt from any City tax, including a business license tax, on commercial cannabis businesses. Notwithstanding the foregoing, Developer and Project shall be subject to any and all taxes, assessments, or similar charges or fees of general applicability enacted by the federal government, state government, or County of Stanislaus, including any tax applicable to an area greater than the City limits to which City may be a party (i.e., county tax sharing agreement).

ARTICLE 5 PUBLIC FACILITIES, SERVICES, AND UTILITIES

City shall use the Public Benefit Amount to pay for the impact on and maintenance or improvement of City neighborhoods and the existing level of service of City infrastructure and services to accommodate for the Cannabis Dispensary Project and Microbusiness Project.

ARTICLE 6 INSURANCE AND INDEMNITY

Section 6.1. Insurance. Developer shall require all persons doing work on the Cannabis Dispensary Project and Microbusiness Project, including its contractors and subcontractors (collectively, "Developer" for purposes of this Article 6 only), to obtain and maintain insurance of the types and in the amounts described in this Article with carriers reasonably satisfactory to City.

(a) **General Liability Insurance.** Developer shall maintain commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars (\$2,000,000) (or as otherwise approved, in writing, by City) per claim and Two Million Dollars (\$2,000,000) each occurrence. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as "Additional Insureds" by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed additional insured.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(b) **Automotive Liability Insurance.** Developer shall maintain business automobile liability insurance or equivalent form with a limit of not less than One Million Dollars (\$1,000,000) for each accident. Such insurance shall include coverage for owned, hired, and non-owned automobiles. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as Additional Insureds by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed Additional Insureds.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(c) **Workers' Compensation Insurance.** Developer shall take out and maintain during the Term of this Agreement, workers' compensation insurance for all of Developer's employees employed at or on the Cannabis Dispensary Project and Microbusiness Project and, should any of the work be subcontracted, Developer shall require any general contractor or subcontractor similarly to provide workers'

compensation insurance for such contractor's or subcontractor's employees, unless such employees are covered by the protection afforded by Developer. In case any class of employee engaged in work on the Cannabis Dispensary Project and Microbusiness Project is not protected under any workers' compensation law, Developer shall provide and shall cause each contractor and subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Developer hereby indemnifies City for any damage resulting from failure of Developer, its agents, employees, contractors, or subcontractors to take out or maintain such insurance. Workers' compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) for each accident shall be maintained by Developer.

Section 6.2. Other Insurance Requirements. Developer shall do all of the following:

(a) Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance that clearly evidence all insurance required in this Article, including evidence that such insurance will not be canceled, allowed to expire, or materially reduced in coverage without thirty (30) days prior written notice to City.

(b) Provide to City, upon request, and within seven (7) days of said request, certified copies of endorsements and policies, and properly executed certificates of insurance evidencing the insurance required herein.

(c) Replace or require the replacement of certificates, policies, and endorsements for any insurance required herein expiring prior to the termination of this Agreement.

(d) Maintain all insurance required herein from the Effective Date of this Agreement to the earlier of the expiration of the Term or the mutual written termination of this Agreement.

(e) Place all insurance required herein with insurers licensed to do business in California with a current Best's Key Rating Guide reasonably acceptable to City.

Section 6.3. Indemnity. To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, consultants, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City, or City's Agents, to attack, set aside, void, or annul an approval concerning the Cannabis Dispensary Project and Microbusiness Project, this Agreement, any applicable Conditional Use Permit, or Subsequent City Approvals. Developers shall execute the indemnification agreement ("Indemnification Agreement") attached hereto as **Exhibit E**.

Section 6.4. Failure to Indemnify; Waiver. Failure by Developer to indemnify City, when required by this Agreement and the Indemnification Agreement, shall constitute a material breach of this Agreement and of any applicable Conditional Use Permit and

Subsequent City Approvals, which shall entitle City to all remedies available under law, including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of any applicable Conditional Use Permit. Developer's failure to indemnify City shall be a waiver by Developer of any right to proceed with the Cannabis Dispensary Project and Microbusiness Project, or any portion thereof, and a waiver of Developer's right to file a claim, action, or proceeding against City or City's Agents based on City's rescission or revocation of any Conditional Use Permit, Subsequent City Approvals, or City's failure to defend any claim, action, or proceeding based on Developer's failure to indemnify City.

Section 6.5. Waiver of Damages. Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that City would not have entered into this Agreement had it been exposed to liability for damages from Developer and, therefore, Developer hereby waives all claims for damages against City for breach of this Agreement. Developer further acknowledges that under the Development Agreement Statute, land use approvals (including development agreements) must be approved by the City Council and that, under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waives all claims for damages against City in the event that this Agreement or any Project approval is: (1) not approved by the City Council or (2) is approved by the City Council, but with new changes, amendments, conditions, or deletions to which Developer is opposed. Developer further acknowledges that, as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that, under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waives all claims for damages against City in this regard.

ARTICLE 7 MORTGAGEE PROTECTION

This Agreement, once executed and recorded, shall be superior and senior to any lien placed upon the Dispensary Site or the Microbusiness Site or any portion thereof following recording of this Agreement, including the lien of any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value. This Agreement shall immediately be deemed in default and immediately terminate upon the foreclosure or transfer of any interest in the Dispensary Site or the Microbusiness Site or Project, whether by operation of law or any other method of interest change or transfer, unless the City Manager has authorized such change or transfer in advance, in writing. City agrees to not unreasonably withhold its authorization.

ARTICLE 8 DEFAULT

Section 8.1. General Provisions.

(a) Subject only to any extensions of time by mutual consent in writing, or as otherwise provided herein, the failure or delay by any Party to perform in accordance with the terms and provisions of this Agreement shall constitute a default. Any Party alleging a default or breach of this Agreement ("Charging Party") shall give the other Party ("Charged Party") not less than ten (10) days written notice, which shall specify the nature of the alleged default and the manner in which the default may be cured. During any such ten (10) calendar day period, the Charged Party shall not be considered in default for purposes of termination of this Agreement or institution of legal proceedings for the breach of this Agreement.

(b) After expiration of the ten (10) calendar day period, if such default has not been cured or is not in the process of being diligently cured in the manner set forth in the notice, or if the breach cannot reasonably be cured within ten (10) days, the Charging Party may, at its option, institute legal proceedings pursuant to this Agreement, and give notice of its intent to terminate this Agreement pursuant to Government Code section 65868. In the event City is the Charging Party, City may, in its sole discretion, give notice, as required by law, to the Charged Party of its intent to revoke or rescind any operable Conditional Use Permit related to or concerning the Cannabis Dispensary Project and Microbusiness Project.

(c) Prior to the Charging Party giving notice to the Charged Party of its intent to terminate, or prior to instituting legal proceedings, the matter shall be scheduled for consideration and review by City in the manner set forth in Government Code sections 65865, 65867, and 65868 within thirty (30) days from the expiration of the ten (10) day notice period.

(d) Following consideration of the evidence presented and said review before City, and after providing the Charged Party an additional five (5) calendar day period to cure, the Charging Party may institute legal proceedings against the Charged Party or may give written notice of termination of this Agreement to the Charged Party.

(e) Evidence of default may arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code section 65865.1, as set forth in Section 8.2. If any Party determines that another Party is in default following the completion of the normally scheduled periodic review, without reference to the procedures specified in Section 8.1(c), said Party may give written notice of termination of this Agreement, specifying in the notice the alleged nature of the default and potential actions to cure said default where appropriate. If the alleged default is not cured in ten (10) days or within such longer period specified in the notice or the defaulting Party is not diligently pursuing a cure or if the breach cannot reasonably be cured within the period or the defaulting party waives its right to cure such alleged default, this Agreement may be terminated by the non-defaulting Party by giving written notice. An extension of the 10-day cure period may be given by mutual consent of the Parties.

(f) In the event Developer is in default under the terms and conditions of this Agreement, no permit application shall be accepted by City nor will any permit be issued to Developer until the default is cured, or the Agreement is terminated.

Section 8.2. Annual Review. City shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith, substantial compliance of Developer and City with the terms of this Agreement. Such periodic review by City shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. City shall deposit in the mail or fax to Developer a copy of all staff reports and, to the extent practical, related exhibits concerning this Agreement or the Cannabis Dispensary Project and Microbusiness Project's performance, at least seven (7) days prior to such periodic review. Developer shall be entitled to appeal a determination of City or the City Manager to the City Council. Any appeal must be filed within ten (10) days of the decision of City or the City Manager, respectively. Developer shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before City, the City Manager, or the City Council, as applicable. The reasonable cost for City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by City in connection with the review.

Section 8.3. Estoppel Certificates.

(a) City shall, with at least twenty (20) days prior written notice, execute, acknowledge, and deliver to Developer, Developer's lender, potential investors, or assignees an Estoppel Certificate in writing which certifies that this Agreement is in full force and effect, that there are no breaches or defaults under the Agreement, and that the Agreement has not been modified or terminated and is enforceable in accordance with its terms and conditions.

(b) At Developer's option, City's failure to deliver such Estoppel Certificate within the stated time period shall be conclusive evidence that the Agreement is in full force and effect, that there are no uncured breaches or defaults in Developer's performance of the Agreement or violation of any City ordinances, regulations, and policies regulating the use and development of the Dispensary Site, Microbusiness Site, Cannabis Dispensary Project, or the Microbusiness Project subject to this Agreement.

Section 8.4. Default by City. In the event City does not accept, review, approve, or issue any permits or approvals in a timely fashion, as defined by this Agreement, or if City otherwise defaults under the terms of this Agreement, City agrees that Developer shall not be obligated to proceed with or complete the Cannabis Dispensary Project and Microbusiness Project, and shall constitute grounds for termination or cancellation of this Agreement by Developer.

Section 8.5. Cumulative Remedies of Parties. In addition to any other rights or remedies, City or Developer may institute legal or equitable proceedings to cure, correct,

or remedy any default, enforce any covenant, or enjoin any threatened or attempted violation of the provisions of this Agreement, so long as any such action conforms to section 9.1(c) of this Agreement.

Section 8.6. Forced Delay, Extension of Times of Performance. Delays in performance, by either Party, shall not be deemed a default if such delays or defaults are due to war, terrorism, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed where mandated by governmental entities other than City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations enacted by the state or federal government, litigation, or other force majeure events. An extension of time for such cause shall be in effect for the period of forced delay or longer, as may be mutually agreed upon.

Section 8.7. Appeals. Developer may appeal any adverse decision or action of City pursuant to Oakdale Municipal Section 36-23.29.

ARTICLE 9 TERMINATION

Section 9.1. Termination Upon Completion of Development. This Agreement shall terminate upon the expiration of the Term, unless it is terminated earlier pursuant to the terms of this Agreement. Upon termination of this Agreement, City shall record a notice of such termination in substantial conformance with the "Notice of Termination" attached hereto as **Exhibit F**, and this Agreement shall be of no further force or effect except as otherwise set forth in this Agreement.

Section 9.2. Effect of Termination on Developer's Obligations. Termination of this Agreement shall eliminate any further obligation of Developer to comply with this Agreement, or some portion thereof, if such termination relates to only part of the Dispensary Site or the Microbusiness Site or Project. Termination of this Agreement, in whole or in part, shall not, however, eliminate the rights of Developer to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.3. Effect of Termination on City's Obligations. Termination of this Agreement shall eliminate any further obligation of City to comply with this Agreement, or some portion thereof. Termination of this Agreement shall not, however, eliminate the rights of City to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.4. Survival After Termination. The rights and obligations of the Parties set forth in this Section 9.4, Section 2.8, Section 6.3, Section 10.3, Section 10.4, Section 10.5, Section 10.7, Section 10.10, and any right or obligation of the Parties in this

Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, will survive any such termination.

ARTICLE 10 OTHER GENERAL PROVISIONS

Section 10.1. Assignment and Assumption. Developer shall not have the right to sell, assign, or transfer all or any part of its rights, title, and interests in all or a portion of the Dispensary Site or the Microbusiness Site or Project, subject to or a part of this Agreement, to any person, firm, corporation, or entity during the Term of this Agreement without the advance written consent of the City Manager. This assignment prohibition applies to the corporate and business entities of Developer that are a Party to this Agreement. Any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement. If the City Manager approves an assignment or transfer of any interest detailed in this Section 10.1, City and Developer shall execute an "Assignment and Assumption Agreement" in the form attached hereto as **Exhibit G**.

Section 10.2. Covenants Running with the Land. All of the provisions contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of interest in the Dispensary Site or the Microbusiness Site or Project, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law, including California Civil Code Section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Cannabis Dispensary Project and Microbusiness Project, as appropriate, runs with the Dispensary Site or the Microbusiness Site, and is binding upon Developer.

Section 10.3. Notices. Any notice or communication required hereunder between City and Developer must be in writing, and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday, or holiday shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have

jurisdiction, that performance under this Agreement is not required because the Agreement is invalid, unenforceable, or illegal.

Section 10.6. Cumulative Remedies. In addition to any other rights or remedies, City and Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of the provisions of this Agreement. The prevailing party in any such action shall be entitled to reasonable attorneys' fees and costs. Notwithstanding the foregoing or any other provision of this Agreement, in the event of City default under this Agreement, Developer agrees that Developer may not seek, and shall forever waive any right to, monetary damages against City, but excluding therefrom the right to recover any fees or charges paid by Developer in excess of those permitted hereunder.

Section 10.7. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity challenging this Agreement or any associated entitlement, permit, or approval granted by City to Developer for the Cannabis Dispensary Project and Microbusiness Project (collectively, "Project Litigation"), the Parties agree to cooperate with each other as set forth herein. City may elect to tender the defense of any lawsuit filed and related in whole or in part to Project Litigation with legal counsel selected by City. Developer will indemnify, hold City harmless from, and defend City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees, and expenses of litigation awarded to the prevailing party or parties in such litigation. Developer shall pay all litigation fees to City within thirty (30) days of receiving a written request and accounting of such fees and expenses from City. Notwithstanding the aforementioned, City may request, and Developer will provide to City within seven (7) days of any such request, a deposit to cover City's reasonably anticipated Project Litigation fees and costs.

Section 10.8. Constructive Notice and Acceptance. Every person who, after the Effective Date and recording of this Agreement, owns or acquires any right, title, or interest to any portion of the Dispensary Site or the Microbusiness Site is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Dispensary Site or the Microbusiness Site, and all rights and interests of such person in the Dispensary Site or the Microbusiness Site shall be subject to the terms, requirements, and provisions of this Agreement.

Section 10.9. Statute of Limitations and Laches. City and Developer agree that each Party will undergo a change in position in detrimental reliance upon this Agreement from the time of its execution and subsequently. The Parties agree that section 65009(c)(1)(D) of the California Government Code, which provides for a ninety (90) day statute of limitations to challenge the adoption of this Agreement, is applicable to this Agreement. In addition, any person who may challenge the validity of this Agreement is hereby put on notice that, should the legality or validity of this Agreement be challenged by any third

party in litigation, which is filed and served more than ninety (90) days after the execution of this Agreement, City and Developer shall each assert the affirmative defense of laches with respect to such challenge, in addition to all other available defenses. This Section in no way limits the right of a Party, claiming that the other Party breached the terms of this Agreement, to bring a claim against the other Party within the four (4) year statute of limitations set forth in Section 337 of the California Civil Code.

Section 10.10. Joint and Several Liability. Developer shall be jointly and severally liable for any amount due under this Agreement, and any breach of this Agreement or failure to pay by one Party shall also constitute a breach of this Agreement by the other Party. Developer agrees that City may impose a lien and seek foreclosure on any parcel of the Dispensary Site or the Microbusiness Site due to any default by Developer.

Section 10.11. Change in State Regulations. In no event shall Developer operate the Cannabis Dispensary Project and Microbusiness Project in violation of the Agreement, or State Cannabis Regulations, as may be amended from time to time.

Section 10.12. Standard Terms and Conditions.

(a) **Venue.** Venue for all legal proceedings shall be the JAMS Resolution Center in Sacramento, California.

(b) **Waiver.** A waiver by any Party of any breach of any term, covenant, or condition herein contained or a waiver of any right or remedy of such Party available hereunder, at law or in equity, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained or of any continued or subsequent right to the same right or remedy. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

(c) **Completeness of Instrument.** This Agreement, together with its specific references, attachments, and Exhibits, constitutes all of the agreements, understandings, representations, conditions, warranties, and covenants made by and between the Parties hereto. Unless set forth herein, no Party to this Agreement shall be liable for any representations made, express or implied.

(d) **Supersedes Prior Agreement.** It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, written, electronic, or oral, between the Parties hereto with respect to the Dispensary Site, Microbusiness Site, Cannabis Dispensary Project, or the Microbusiness Project.

(e) **Captions.** The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

(f) **Number and Gender.** In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, and the word "person" includes corporations, partnerships, firms, or associations, wherever the context requires.

(g) **Mandatory and Permissive.** "Shall" and "will" and "agrees" are mandatory. "May" or "can" are permissive.

(h) **Term Includes Extensions.** All references to the Term of this Agreement shall include any extensions of such Term.

(i) **Counterparts.** This Agreement may be executed simultaneously and, in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(j) **Other Documents.** The Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and, to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

(k) **Time is of the Essence.** Time is of the essence in this Agreement in each covenant, term, and condition herein.

(l) **Authority.** All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

(m) **Document Preparation.** This Agreement will not be construed against the Party preparing it, but will be construed as if prepared by all Parties.

(n) **Advice of Legal Counsel.** Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement.

(o) **Attorney's Fees and Costs.** If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

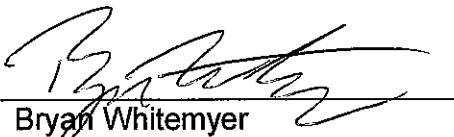
(p) **Calculation of Time Periods.** All time referenced in this Agreement shall be calendar days, unless the last day falls on a legal holiday, Saturday, or Sunday, in which case the last day shall be the next business day.

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and City as of the Effective Date of the Agreement, as defined above.

"CITY"

Dated: March 5, 2018


CITY OF OAKDALE, CA
a California Municipal Corporation

By: 
Its: City Manager


"DEVELOPER"

Dated: 03/01, 2018

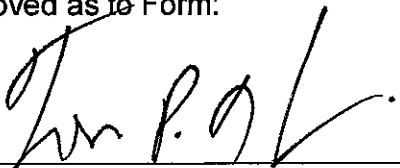
JDI Farms, a California nonprofit mutual
benefit corporation

By: 
Its: President

Attest:

By: 
Its: Kathy Teixeira, CMC
City Clerk

Approved as to Form:

By: 
Its: Thomas P. Hallinan
City Attorney

California All-Purpose Acknowledgment

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

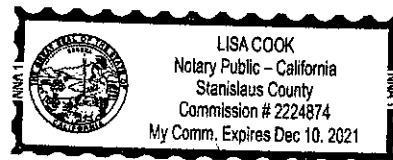
State of California)
County of Stanislaus)

On 3-1-18, before me Lisa Cook, a Notary Public, personally appeared Darron Silva who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity~~(ies)~~, and that by his/~~her~~/their signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

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

Witness my hand and official seal.

Lisa Cook
(Signature)



(Seal)

California All-Purpose Acknowledgment

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

State of California)
)
County of Stanislaus)

On March 6, 2018, before me Kathy L. Teixeira, a Notary Public, personally appeared Bryan Whitemyer who proved to me on the basis of satisfactory evidence to be the person(s)-whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

Witness my hand and official seal.

Kathy L. Teixeira
(Signature)



(Seal)

Exhibit A

Cannabis Dispensary and Potential Microbusiness Location Map

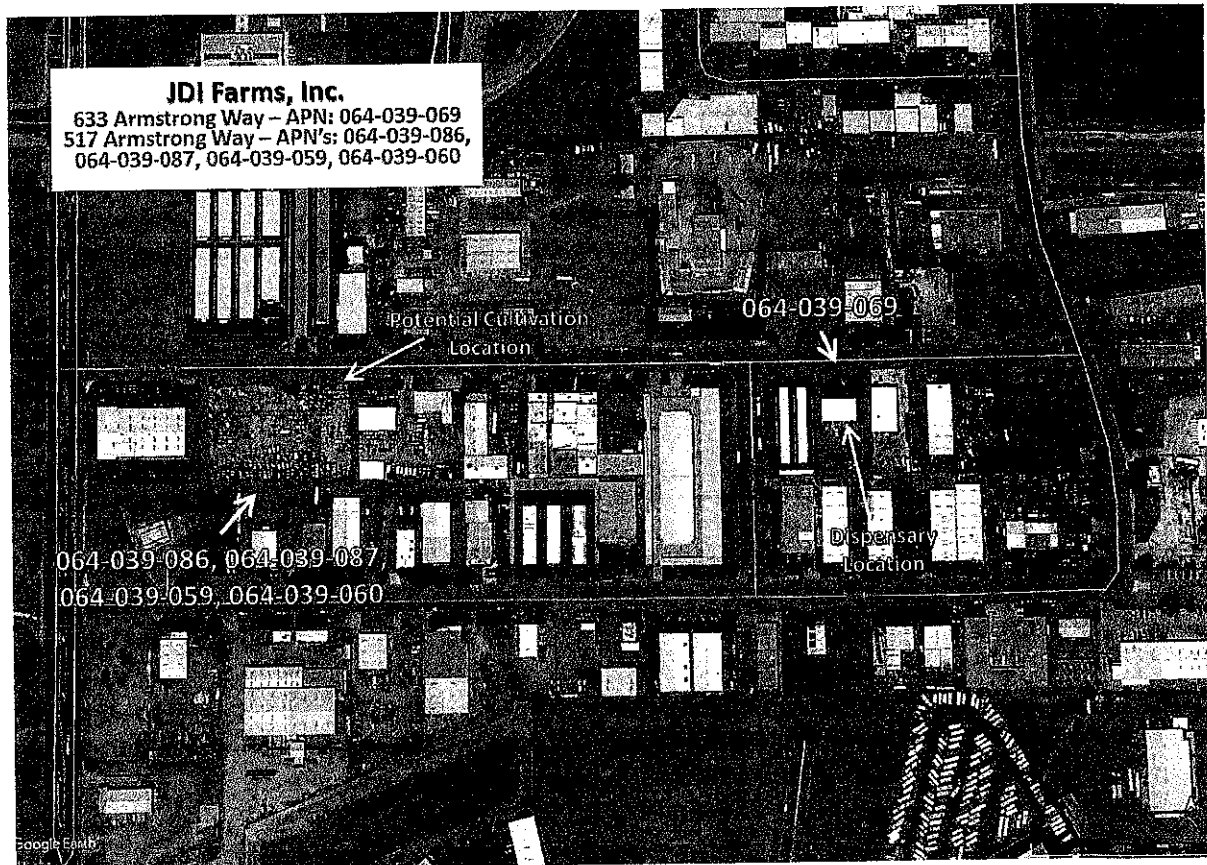


Exhibit B

Cannabis Dispensary Final Settlement Statement

 NORTH AMERICAN TITLE COMPANY <i>Like Clockwork</i>		North American Title Company, Inc. 810 Standford Ave., Suite 5 • Modesto, CA 95350 Office Phone: (209) 236-1014 Office Fax: (209) 390-4723 Final Settlement Statement	
Property Address: 633 Armstrong Way, Oakdale, CA 95361		File No: 55704-1542770-17 Officer: Susy Eng/gb Settlement Date: 12/29/2017 Disbursement Date: 12/28/2017 Print Date: 01/02/2018, 1:35 PM	
Buyer: Darron T Silva Address: Seller: James Sheelz Address: Lender: Cary Hahn Address: Loan No.:		This is to certify that this is a true and correct copy of the original. NORTH AMERICAN TITLE COMPANY, INC. BY:  Gabriela Biedinger	

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
500,000.00		Consideration: Total Consideration		500,000.00
		Deposits in Escrow: Receipt No. 5570413222 on 12/19/2017 by Darron T Silva Receipt No. 5570413318 on 12/28/2017 by Darron T Silva		
18.06		Prorations: County Taxes 12/29/17 to 01/01/18 @ \$1,445.56/acmi		18.06
		Commission: Real Estate Commission to Allison James Estalela Homes Allison James Estalela Homes Credit to Setar Agent credit to setar \$5,000.00	30,000.00	5,000.00
		Now Loan(s): Lender Cary Hahn Loan Amount - Cary Hahn		
	400,000.00			
		Payoff(s) and Payment(s): Bank of the West Commercial Loan Servicing Principal Balance to Bank of the West Commercial Loan Servicing Interest on Payoff Loan 12/28/17 to 01/05/18 @ \$1,400.00/day to Bank of the West Commercial Loan Servicing Statement/Forwarding Fee to Bank of the West Commercial Loan Servicing Reconveyance Fee to Bank of the West Commercial Loan Servicing Prepayment Penalty to Bank of the West Commercial Loan Servicing Interest Per Demand to 12.29.17 to Bank of the West Commercial Loan Servicing	8,760.42 11.68 30.00 45.00 50.00 18.61	
650.00		Title/Escrow Charges to: Escrow Fee to North American Title Company, Inc.	650.00	
150.00		Document Preparation Fee to North American Title Company, Inc.		
25.00		Recording Process Service Fee to North American Title Company, Inc.		
175.00		Notary-External DocPro's to North American Title Company, Inc.		
		Notary-External Signatures Ink to North American Title Company, Inc.	200.00	
100.00		(NATIC) CLTA Standard Loan Policy to North American Title Company, Inc.		
		(NATIC) CLTA Owner's Standard 1990 to North American Title Company, Inc.	1,338.00	
30.00		Recording of Grant Deed to Stanislaus County Recorder		
43.00		Recording Trust Deed to Stanislaus County Recorder		
		Transfer Tax-County Calculated to Stanislaus County Recorder	560.00	

Continued From Page 1

Final Settlement Statement

Settlement Date: 12/29/2017
Print Date: 01/02/2018

File No: 55704-1542770-17
Officer: Susy Eng/b

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
		Disbursements Paid:		
		Natural Hazard Disclosure to Disclosure Source	129.00	
		3.33% withholding to Franchise Tax Board	18,659.00	
155.03		Cash (From) (X To) Buyer		
		Cash (X To) (From) Seller	445,584.15	
501,344.09	501,344.09	Totals	505,018.05	505,018.05

Exhibit C

Microbusiness Lease / Rental Agreement

RESIDENTIAL LEASE/RENTAL AGREEMENT

PARTIES:

LANDLORD:

CARY HAHN; 600 Walnut Woods Ct., Modesto, CA 95358

TENANT(S)

JDI FARMS; 1631 Fig Ave., Patterson, CA 95363

PROPERTY ADDRESS:

517 Armstrong Way, Oakdale, CA 95361

1. RENTAL AMOUNT: Beginning January 1, 2018 TENANT agrees to pay LANDLORD the sum of \$5,000.00 per month in advance on the 1st day of each calendar month. Said rental payment shall be delivered by TENANT to LANDLORD or his designated agent to the following location: 600 Walnut Woods Ct., Modesto, CA 95358. Rent must be actually received by LANDLORD, or designated agent, in order to be considered in compliance with the terms of this agreement.

2. TERM: The premises are leased on the following lease term: January 1, 2018 until January 1, 2021.

3. SECURITY DEPOSITS: TENANT shall deposit with landlord the sum of \$5,000.00 as a security deposit to secure TENANT'S faithful performance of the terms of this lease.

4. INITIAL PAYMENT: TENANT shall pay the first month rent of \$5,000.00 and the security deposit in the amount of \$5,000.00 for a total of \$10,000.00. Said payment shall be made in the form of cash or cashier's check and is all due prior to occupancy.

5. SUBLETTING OR ASSIGNING: TENANT agrees not to assign or sublet the premises or any part thereof, without first obtaining written permission from LANDLORD.

6. UTILITIES: TENANT shall pay for all utilities and/or services supplied to the premises.

7. CONDITION OF PREMISES: TENANT acknowledges that the premises have been inspected. TENANT agrees to pay for all upgrades and construction to property.

8. ALTERATIONS: TENANT will make a necessary alterations in compliance with State and City requirements. TENANT will construct necessary utility improvements in compliance with all applicable codes.

9. TENANT ACTIVITIES: LANDLORD agrees and acknowledges TENANT intends to use property to conduct a cannabis retail business in accordance with the State of California and City of Oakdale regulations.

10. LANDLORD'S RIGHT OF ENTRY: LANDLORD may enter and inspect the premises during normal business hours and upon reasonable advance notice of at least 24 hours to TENANT. In addition LANDLORD has all right to enter pursuant to Civil Code Section 1954. TENANT agrees that in such event that TENANT for any reason must vacate due to no fault of his own, TENANT will be compensated by a corresponding reduction in rent or direct payment for those many days that TENANT was temporarily displaced.

11. REPAIRS BY LANDLORD: Where a repair is the responsibility of the LANDLORD, TENANT must notify LANDLORD with a written notice stating what item needs servicing or repair. TENANT must give LANDLORD

a reasonable opportunity to service or repair said item. TENANT acknowledges that rent will not be withheld unless a written notice has been served on LANDLORD giving LANDLORD a reasonable time to fix said item within the meaning of Civil Code Section 1942. Under no circumstances may TENANT withhold rent unless said item constitutes a substantial breach of the warrantee of habitability as stated in Code of Civil Procedure Section 1174.2.

12. INSURANCE: TENANT must maintain a property insurance policy to cover any losses sustained to TENANT'S personal property or vehicle.

It is acknowledged that LANDLORD is not liable for these occurrences. It is acknowledged that TENANT'S insurance policy shall solely indemnify TENANT for any losses sustained. TENANT'S failure to maintain said policy shall be a complete waiver of TENANT'S right to seek damages against LANDLORD for the above stated losses. The parties acknowledge that the premises are not to be considered a security building which would hold LANDLORD to a higher degree of care.

13. TERMINATION OF LEASE/RENTAL AGREEMENT: If this lease is based on a fixed term, pursuant to paragraph 2, then at the expiration of said fixed term this lease shall become a month to month tenancy upon the approval of LANDLORD. Where said term is a month to month tenancy, either party may terminate this tenancy by the serving of a 30 day written notice. This lease will automatically terminate in the event TENANT no longer possesses a cannabis permit issued through the State of California or the City of Patterson.

14. POSSESSION: LANDLORD will provide possession to TENANT on the date of payment of rent and deposit or N/A

15. WAIVER: LANDLORD'S failure to require compliance with the conditions of this agreement, or to exercise any right provided herein, shall not be deemed a waiver by LANDLORD of such condition or right. LANDLORD'S acceptance of rent with knowledge of any default under agreement by TENANT shall not be deemed a waiver of such default, nor shall it limit LANDLORD'S rights with respect to that or any subsequent right. If it is further agreed between the parties that the payment of rent at any time shall not be a waiver to any UNLAWFUL DETAINER action unless LANDLORD in writing specifically acknowledges that this constitutes a waiver to the UNLAWFUL DETAINER action.

16. VALIDITY/SEVERABILITY: If any provision of this agreement is held to be invalid, such invalidity shall not affect the validity or enforceability of any other provision of this agreement.

17. ATTORNEY FEES: In the event action is brought by any party to enforce any terms of this agreement or to recover possession of the premises, the prevailing party shall recover from the other party reasonable attorney fees.

It is acknowledged, between the parties, that jury trials significantly increase the costs of any litigation between the parties. It is also acknowledged that jury trials require a longer length of time to adjudicate the controversy. On this basis, all parties waive their rights to have any matter settled by jury trial.

18. PERSONAL PROPERTY OF TENANT: Once TENANT vacates the premises, the LANDLORD shall store all personal property left in the unit for 18 days. If within that time period, TENANT does not claim said property, LANDLORD may dispose of said items in any manner LANDLORD chooses.

19. ADDITIONAL RENT: All items owed under this lease shall be deemed additional rent.

20. ENTIRE AGREEMENT: The foregoing agreement, including any attachments incorporated by reference, constitute the entire agreement between the parties and supersedes any oral or written representations or agreements that may have been made by either party. Further, TENANT represents that TENANT has relied solely on TENANT'S judgment in entering into this agreement. TENANT acknowledges having been advised to consult with independent legal counsel before entering into this Agreement and has decided to waive such representation and advice. TENANT acknowledges that TENANT has read and understood this agreement and has been furnished a duplicate original.

 LANDLORD/AGENT

1-2-18 DATE

 TENANT

1-2-18 DATE

Exhibit D

Notice of Non-Performance Penalty

DATE: _____, 2018

PARTIES: CITY OF OAKDALE, a California municipal corporation
280 North Third Avenue
Oakdale, California 95361

JDI Farms, Inc., a California nonprofit mutual benefit corporation

THIS NOTICE OF NON-PERFORMANCE PENALTY ("Penalty Notice") is being executed by the City of Oakdale, a California municipal corporation ("City"), with reference to the following.

- A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 2018, City recorded a development agreement between City and _____, dated _____, 2018 (the "Development Agreement"), relating to the development and operation of a cannabis dispensary and microbusiness.
- B. Pursuant to Section 4.2 of the Development Agreement, Developer agrees to pay to City a Public Benefit on the first business day of each month during the term of the Development Agreement.
- C. On _____, 20__, the Public Benefit was due to City by Developer. City did not receive payment.
- D. Pursuant to Section 4.5 of the Development Agreement, if Developer fails to make payment when it is due, City may impose a penalty of one percent (1%) of the total of the past due amounts ("Penalty"). As of _____, 20__, the past due amount equals \$ _____. The Penalty owed by Developer equals \$ _____ ("Penalty Amount").
- E. Pursuant to Section 4.5 of the Development Agreement, Developer shall make payment of the Penalty Amount in a single installment due within fifteen (15) days of delivery of this Penalty Notice ("Penalty Due Date").
- F. Pursuant to Section 4.6 of the Development Agreement, if Developer fails to pay the Penalty Amount before the Penalty Due Date, then, in addition to the Penalty Amount

specified in subdivision (D), Developer shall pay City interest on the Penalty Amount, at the rate of eighteen percent (18%) per annum ("Penalty Interest Payment"), computed from the Penalty Due Date specified in subdivision (E). The Penalty Interest Payment is due fifteen (15) days following delivery of the Penalty Due Date. As of _____, 20__, the Penalty Interest Payment amount equals \$_____.

- G. Nothing contained herein shall constitute a waiver of City's future claims for the Public Benefit, Penalty, or interest on the Penalty.

NOW, THEREFORE, City hereby provides Developer the Penalty Notice required by Section 4.5 of the Development Agreement. This Penalty Notice shall be effective upon notice pursuant to Section 10.3 of the Development Agreement.

CITY OF OAKDALE,
a California municipal corporation

By: _____
City Manager

Exhibit E

INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING

THIS INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING ("Agreement") is made and entered into on this ____ day of _____ 2018, ("Effective Date") by and between the City of Oakdale, a municipal corporation, ("City") and JDI Farms, Inc., a California non-profit mutual benefit corporation (collectively, "Applicant"). City and Applicant may be referred to herein individually as a "Party" or collectively as the "Parties". There are no other parties to this Agreement.

RECITALS

A. In 1996, the people of the state of California approved Proposition 215, the Compassionate Use Act of 1996 ("CUA"). The CUA enables seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law. In 2003, the California Legislature adopted Senate Bill 420, entitled the Medical Marijuana Program ("MMP"), which authorizes qualified patients and their primary caregivers to cultivate marijuana for medical purposes without being subject to criminal prosecution under the California Penal Code.

B. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.

C. On November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act ("AUMA"). AUMA legalizes the cultivation, commercial sale, and possession of recreational cannabis for adults age 21 and older.

D. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in the MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction.

E. On December 7, 2017, California state cannabis licensing authorities issued emergency regulations that apply to AUMA and MAUCRA and further regulate businesses engaged in commercial cannabis activity.

F. Oakdale Municipal Code ("O.M.C.") Chapter 37 authorizes cannabis businesses to operate within the City under specified restrictions pursuant to a Cannabis Pilot Program.

G. Applicant intends to improve, develop, and use real property to operate a cannabis dispensary (the "Dispensary Project") and cannabis microbusiness (the "Microbusiness Project") within the City in strict compliance with MAUCRSA and O.M.C. chapter 37.

H. Applicant has an agreement to lease that certain real property located at 633 Armstrong Way in the City of Oakdale, identified as Stanislaus County Assessor's Parcel Number 064-039-069 (the "Dispensary Property"). Applicant intends to improve approximately 3,900 hundred (3,900) square feet of space and operate the Dispensary Project on the Dispensary Property.

I. Applicant also has an agreement to purchase and develop that certain real property located at 517 Armstrong Way in the City of Oakdale, identified as Stanislaus County Assessor's Parcel Numbers 064-039-086, 064-039-087, 064-039-059, and 064-039-060 (the "Microbusiness Property"). Applicant intends to improve approximately twenty thousand (20,000) square feet of space and operate the Microbusiness Project on the Microbusiness Property.

J. The Dispensary Project and the Microbusiness Project shall be referred to collectively as the "Project".

K. As a condition of approval of the Land Use Entitlements, City has required Applicant to enter into this Agreement.

L. It is in the public interest for City and Applicant to enter into this Agreement, as Applicant will benefit from City's processing of the Project.

M. Applicant desires to enter into this Agreement to fulfill a condition of approval of the Project, which is a prerequisite for construction of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth below, the Parties agree as follows:

Section 1. Recitals. The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 19 of this Agreement, Sections 1 through 19 shall prevail.

Section 2. Applicant's Indemnification Obligations.

2.1. Indemnification for Land Use Entitlements. To the fullest extent permitted by law, Applicant shall indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against the City, or City's Agents, to attack, set aside, void, or annul, an approval concerning the Land Use Entitlements by reason of the action or inaction of City, or City's Agents. Applicant's duty to indemnify and hold harmless shall not extend to any claim, action or proceeding arising from the gross negligence or willful misconduct of City, or City's Agents.

Applicant's obligations under this Agreement to indemnify City shall apply to any claim, lawsuit or challenge against City brought against the Project, specifically including, but not limited to, any legal challenge based on the California Environmental Quality Act, codified in California Public Resources Code section 21000 et seq.; actions or proceedings brought to challenge the validity of environmental documents prepared in conjunction with the approval of the Project or Land Use Entitlements, or the requirements of any other federal, state, or local laws, including, but not limited to, general plan, specific plan, and zoning requirements.

2.2. Tender of Defense. Upon receiving notice of a claim and pursuant to Article 6 of the Land Use Entitlements, Applicant shall assume the defense of the claim, action, or proceeding through the prompt payment of all attorneys' fees and costs, incurred in good faith and in the exercise of reasonable discretion, of City's counsel in defending such an action. Regardless of whether Applicant chooses to defend City pursuant to Section 6.4 of the Land Use Entitlements, City shall have the absolute and sole authority to control the litigation and make litigation decisions, including, but not limited to, selecting counsel to defend City and settlement or other disposition of the matter.

2.3. Deposit for Costs. Applicant shall make a refundable deposit to the City within thirty (30) days of written notification from the City ("Cost Deposit"), to cover the estimated fees and costs associated with the City's defense of any claim, action or proceeding. Applicant shall make any and all additional payments to City to replenish the Cost Deposit within thirty (30) days of written notice from City.

2.4. Failure to Indemnify; Waiver. Failure to indemnify City, when required by this Agreement, shall constitute a material breach of this Agreement and of the Land Use Entitlements, which shall entitle City to all remedies available under law including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of the Land Use Entitlements. Applicant's failure to indemnify City shall be a waiver by Applicant of any right to proceed with the Project, or any portion thereof, and a waiver of Applicant's right to file a claim, action or proceeding against City or City's Agents based on City's rescission or revocation of the Land Use Entitlements, or City's failure to defend any claim, action or proceeding based on Applicant's failure to indemnify City.

2.5. Satisfaction of Judgment. With respect to any claims, demands, acts, causes of action, damages, costs, expenses, settlements, losses or liabilities which Applicant has indemnified City against, Applicant shall pay and satisfy any judgment, award, settlement or decree that may be rendered or agreed against City and City's Agents arising out of any final, non-appealable judicial or administrative action.

2.6. Payment of Costs and Fees. Applicant's obligations under this Agreement to defend and indemnify City shall include, but not be limited to, payment of all court costs and attorneys' fees, all litigation-related costs, all costs of any judgments or awards against City, or all settlement costs which arise out of City's processing or approval of the Project.

2.7. Continuing Obligation. Applicant shall be and remain personally obligated to all of the terms of this Agreement, notwithstanding any attempt to assign, delegate or otherwise transfer all or any of the rights or obligations of this Agreement, and notwithstanding a change in or transfer of ownership of the real property upon which the Project is located (or any interest therein). However, Applicant may be released from such obligations if Applicant obtains City's prior written consent to such transfer, which consent shall not be unreasonably withheld.

Section 3. City's Obligations. City shall notify Applicant of any claim, action or proceeding within ten (10) business days of receiving service of any claim, action or proceeding. If City fails to notify Applicant of any claim, action, or proceeding, Applicant shall not, thereafter, be responsible to defend, indemnify, or hold harmless City. City shall have and retain, in its sole discretion, the right to not participate in the defense of any claim, action, or proceeding. At its sole discretion, the City may participate at its own expense in the defense, but such participation shall not relieve Applicant of any obligation imposed by this Agreement.

Section 4. Notice. Any notice or communication required hereunder between City and Applicant must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Party hereto, designate any other address in substitution of the

address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Oakdale
280 North Third Avenue
Oakdale, California 95361
Attention: City Clerk

With copy to City of Oakdale
280 North Third Avenue
Oakdale, California 95361
Attn: City Manager
bwhitemyer@ci.oakdale.ca.us

and Churchwell White, LLP
1414 K Street, 3rd Floor
Sacramento, California 95814
Attention: Douglas L. White, Esq.
doug@churchwellwhite.com

If to Applicant: JDI Farms, Inc.
1631 Fig Avenue
Patterson, CA 95363

Section 5. Modification of Agreement. This Agreement may be supplemented, amended, or modified only by a writing signed by the City and Applicant.

Section 6. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the action and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

Section 7. Agreement is Voluntary. The Parties acknowledge that they have entered into this Agreement voluntarily, on the basis of their own judgment and without coercion, and not in reliance on any promises, representations, or statements made by the other Party other than those contained in this Agreement. This Agreement incorporates the entire understanding of the Parties and recites the sole consideration of the promises and agreements contained within it. The Parties have read this Agreement and are fully aware of its contents and legal effect.

Section 8. Time of Essence. Time is of the essence for this Agreement, and each section contained within this Agreement is made and declared to be a material, necessary, and essential part of this Agreement.

Section 9. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

Section 10. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement, and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by the state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 11. Noninterference. No Party will do anything to interfere with or inhibit the ability of the other to comply with their respective obligations under the terms of this Agreement.

Section 12. Ambiguities. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

Section 13. Headings. The headings in this Agreement are included for convenience only, and neither affect the construction or interpretation of any section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

Section 14. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement. The Parties will act in good faith to carry out the intent of this Agreement.

Section 15. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 16. Venue. Venue for all legal proceedings shall be in the Superior Court of California, in and for the County of Stanislaus.

Section 17. Attorney's Fees and Costs. If any action at law or in equity, including action for

declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

Section 18. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

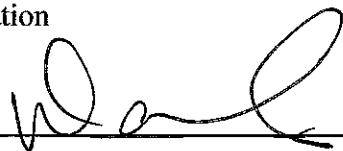
Section 19. Counterparts. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the Parties have executed this Agreement on the day, month and year first above written.

APPLICANT

JDI Farms, a California non-profit mutual benefit corporation

By: 

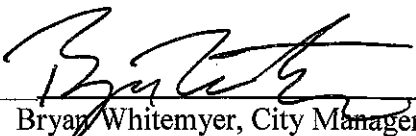
Name: Darron Silva

Its: President

Date: 03/01/18

CITY

City of Oakdale, a California municipal corporation

By: 
Bryan Whitemyer, City Manager

Date: 3/12/18

APPROVED-AS TO FORM:

By: 
Thomas P. Hallinan, City Attorney

ACKNOWLEDGMENT

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

State of California
County of Stanislaus)

On March 12, 2018 before me, Kathy L. Teixeira, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.



Signature Kathy L. Teixeira (Seal)

Exhibit F

Notice of Termination

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Oakdale
280 North Third Avenue
Oakdale, CA 95361
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §
6103

NOTICE OF TERMINATION AND RELEASE OF DEVELOPMENT AGREEMENT

DATE: _____, 2018

PARTIES: CITY OF OAKDALE, a California municipal corporation
280 North Third Avenue
Oakdale, California 95361

JDI Farms, Inc., a California nonprofit mutual benefit corporation
1631 Fig Avenue
Patterson, CA 95363

THIS NOTICE OF TERMINATION AND RELEASE (the "Release") is being executed by the City of Oakdale, a California municipal corporation ("City"), with reference to the following.

- A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 2018, City recorded a development agreement between City and _____, dated _____, 2018 (the "Development Agreement"), relating to the development and operation of a cannabis dispensary and microbusiness.
- B. Pursuant to Sections 1.7 and 9.1 of the Development Agreement, the term of the Development Agreement expires three (3) years from _____, 2018, on _____, 2020.

C. Pursuant to Section 9.1 of the Development Agreement, once terminated, the Development Agreement has no further force or effect, unless otherwise set forth in the Development Agreement.

NOW, THEREFORE, City hereby terminates, cancels, and otherwise releases Developer and Developer's heirs, executives, administrators, successors, and assigns from their obligations in the Development Agreement on this ____ (day) of ____ (month), 2020, and relinquishes any right it may hereafter have to enforce any of the terms and provisions set forth in the Development Agreement, unless otherwise set forth in the Development Agreement. This termination, cancellation, and release shall be effective upon the recordation of this Release in the office of the County Recorder for the County of Stanislaus, State of California.

CITY OF OAKDALE,
a California municipal corporation

By: _____
City Manager

Exhibit G

Assignment and Assumption Agreement

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Oakdale
280 North Third Avenue
Oakdale, CA 95361
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §
6103

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is entered into this _____ day of _____, 20____, by and between JDI Farms, Inc., a California nonprofit mutual benefit corporation ("Assignors"), and _____ ("Assignee").

RECITALS

A. On _____, 2018, Assignor and the City of Oakdale (the "City") entered into that certain agreement entitled "Development Agreement by and between the City of Oakdale, a municipal corporation of the State of California, _____, a California nonprofit mutual benefit corporation," relating to the improvement, development, and use of real property to operate a cannabis dispensary business and microbusiness (the "Development Agreement"), originally recorded upon Stanislaus County Assessor's Parcel Number _____ (the "Property").

B. Section 10.1 of the Development Agreement prohibits the sale, assignment, or transfer by Assignor of any portion of Assignor's interests, rights, or titles described in that section of the Development Agreement ("Assignable Rights") to a third party without prior written approval by the City Manager of the City of Oakdale (the "City Manager").

C. Assignor intends to assign, and Assignee intends to assume, the Assignable Rights under the Development Agreement.

D. In accordance with the terms of the Development Agreement, Assignor has provided to the City Manager a written request for consent to assignment. The City Manager has received the information he or she deems appropriate and consulted with the City Attorney for the purpose of determining that Assignee is a qualified applicant for purposes of the foregoing terms of the Development Agreement. This Agreement is intended to meet the requirements Section 10.1

of the Development Agreement for an Assignment and Assumption Agreement, and is executed with the consent of the City Manager as contemplated in the Development Agreement.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. The foregoing Recitals are true and incorporated herein by this reference as though set forth in full.
2. Assignor hereby assigns to Assignee all of the Assignable Rights of Assignor under the Development Agreement.
3. Assignee hereby assumes all of the burdens and obligations of Assignor under the Development Agreement, and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement, and to be subject to all the terms and conditions thereof, with respect to the Property and Assignable Rights. It is the express intention of Assignor and Assignee that, upon the execution of this Agreement, Assignee shall become substituted for Assignor as the "Developer" under the Development Agreement.
4. This Agreement shall take effect and be binding only upon the City Manager's consent to and approval of the Agreement.
5. Assignee represents and warrants that it has reviewed and is familiar with the terms and conditions of the Development Agreement. Assignee acknowledges that the Assignable Rights are as set forth in Section 10.1 of the Development Agreement, and the duties of Assignor thereunder and the duties of Assignee hereunder, as between Assignee and City, shall be without reference to any underlying agreements or understandings that may exist between Assignee, Assignor, or any other party with respect to the subject matter hereof, and that City is not party to such other agreements.
6. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, and assigns.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[Signatures on the following page]

JDI Farms, a California nonprofit mutual
benefit corporation

Its:

President

Turlock, a
California 03/01/18

By:

Darren Silva

CITY OF OAKDALE
a California municipal corporation

City Manager



Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2018-0016028-00

Wednesday, MAR 07, 2018 14:24:48
Ttl Pd \$0.00 Rcpt # 0004096215
OJC/R2/1-50

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:

City of Oakdale
280 North Third Avenue
Oakdale, CA 95361
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §6103

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this (20th) day of February, 2018, by and between the **CITY OF OAKDALE**, a California municipal corporation ("City") and **JDI Farms**, a California nonprofit mutual benefit corporation ("Developer"). City and Developer may be referred to herein individually as a "Party" or collectively as the "Parties." There are no other parties to this Agreement.

RECITALS

- A. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.
- B. On November 8, 2016, California voters enacted Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act, also known as the Adult Use of Marijuana Act ("AUMA"), which establishes a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis, including cannabis products, for use by adults 21 years and older, and to tax the growth and retail sale of cannabis for nonmedical use.
- C. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which creates a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in Commercial Cannabis

Activity, as defined in Section 1.4 of this Agreement, may operate in a particular jurisdiction.

- D. Developer proposes to improve, develop, and use real property to operate a Cannabis Dispensary (the "Cannabis Dispensary Project") and a cannabis microbusiness (the "Microbusiness Project"), in strict accordance with California Cannabis Laws, and the Municipal Code of the City of Oakdale, as each may be amended from time to time.
- E. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 *et seq.* (the "Development Agreement Statute"), which authorizes City and an individual with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application.
- F. Consistent with the requirements of the Development Agreement Statute, City adopted Oakdale Municipal Code Section 36-23.20 *et seq.*, ("City Development Agreement Ordinance") authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City.
- G. Oakdale Municipal Code section 36-23.22 requires a written application with specified data be submitted to the Department of Planning for consideration of any development agreement.
- H. Developer submitted an application to the City Department of Planning for consideration of a development agreement for two cannabis businesses.
- I. Developer has an agreement to lease that certain real property located at 633 Armstrong Way in the City of Oakdale, County of Stanislaus, State of California, Assessor's Parcel Number 064-039-069, of which Developer intends to improve approximately thirty-nine hundred (3,900) square feet of space (the "Cannabis Dispensary Site") to operate the Cannabis Dispensary, more particularly described in the Location Map attached hereto as **Exhibit A** ("Cannabis Dispensary Location Map").
- J. Developer also has an agreement to purchase and develop that certain real property located at 517 Armstrong Way in the City of Oakdale, identified as Stanislaus County Assessor's Parcel Numbers 064-039-086, 064-039-087, 064-039-059, and 064-039-060 (the "Microbusiness Site"), more particularly described in the Location Map attached hereto as **Exhibit A** attached hereto ("Microbusiness Location Map"). Developer intends to improve approximately twenty thousand (20,000) square feet of space, as provided on the Microbusiness Location Map attached hereto as **Exhibit A**, and operate the Microbusiness Project on the Microbusiness Site.

- K. Government Code section 65865 and Oakdale Municipal Code section 36-23.22 require that an applicant for a development agreement hold a legal or equitable interest in the real property that is the subject of the development agreement.
- L. Developer has leased the Cannabis Business Site for the purpose of carrying out the Cannabis Dispensary Project. A copy of the lease is attached hereto as **Exhibit B**, within satisfaction of the requirement of Oakdale Municipal Code Chapter 37 and the City Development Agreement Ordinance. The legal owner of the Cannabis Dispensary Site is aware of, and agrees to, the Cannabis Dispensary Project operating at the Cannabis Dispensary Site.
- M. Developer has purchased the Microbusiness Site for the purpose of carrying out the Microbusiness Project. A copy of the grant deed to the Microbusiness Site is attached hereto as **Exhibit C**, within satisfaction of the requirement of Oakdale Municipal Code Chapter 37 and the City Development Agreement Ordinance.
- N. On February 7, 2018, the Oakdale Planning Commission ("Planning Commission") adopted Resolution No. 2018-004 recommending the Oakdale City Council ("City Council") adopt an ordinance establishing zoning limitations and requirements for all cannabis businesses.
- O. On February 20, 2018, the City Council adopted Ordinance No. 2018-1255 to revise Oakdale Municipal Code Chapter 37 to establish a Cannabis Business Pilot Program to regulate all cannabis businesses within the City.
- P. Government Code section 65867.5 and Oakdale Municipal Code section 36-23.24 requires the Planning Commission hold a public hearing to review an application for a development agreement.
- Q. On February 7, 2018, the Planning Commission, in a duly noticed and conducted public hearing, considered Developer's application for this Agreement.
- R. On February 7, 2018, the Planning Commission recommended the City Council adopt Ordinance No. 2018-1256, which would allow Developer to operate the Cannabis Dispensary Project and Microbusiness Project at the respective site.
- S. On February 20, 2018, pursuant to Government Code section 65867.5 and the City Development Agreement Ordinance, and following a duly noticed and conducted public hearing, the City Council reviewed, considered, adopted, and entered into this Agreement pursuant to Ordinance No. 2018-1257.
- T. This Agreement is entered into pursuant to the Development Agreement Statute and the Oakdale Municipal Code.

- U. City and Developer desire to enter into this Agreement to (i) facilitate the orderly development of the Site; (ii) create a physical environment that is consistent with and complements City's goals and visions; (iii) protect natural resources from adverse impacts; (iv) improve, upgrade, and create additional community facilities and infrastructure, enhance services, and assist in implementing the goals of the General Plan; and (vi) reduce the economic risk of development of the Site to both City and Developer.
- V. The Parties intend, through this Agreement, to allow Developer to develop and operate the Cannabis Dispensary Project and Microbusiness Project in accordance with the terms of this Agreement.
- W. The City Council has determined that this Agreement is consistent with City's General Plan and have conducted all necessary proceedings in accordance with the Oakdale Municipal Code for the approval of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

AGREEMENT

ARTICLE 1 GENERAL PROVISIONS

Section 1.1. Findings. City hereby finds and determines that entering into this Agreement furthers the public health, safety, and general welfare and is consistent with City's General Plan, including all text and maps in the General Plan.

Section 1.2. Recitals. The Recitals above are true and correct and are hereby incorporated into and made a part of this Agreement. In the event of any inconsistency between the Recitals and the provisions of Articles 1 through 10 of this Agreement, the provisions of Articles 1 through 10 shall prevail.

Section 1.3. Exhibits. The following "Exhibits" are attached hereto and incorporated into this Agreement:

<u>Designation</u>	<u>Description</u>
Exhibit A	Cannabis Dispensary and Potential Microbusiness Location Map
Exhibit B	Cannabis Dispensary Final Settlement Statement
Exhibit C	Microbusiness Site Lease

Exhibit D	Notice of Non-Performance Penalty
Exhibit E	Indemnification Agreement
Exhibit F	Notice of Termination
Exhibit G	Assignment and Assumption Agreement

Section 1.4. Definitions. In this Agreement, unless the context otherwise requires, the terms below have the following meaning:

- (a) "Additional Insureds" has the meaning set forth in Section 6.1.
- (b) "Additional Licenses" has the meaning set forth in Section 2.4.
- (c) "Adult-use cannabis" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended for use by adults 21 years of age or older in California pursuant to the California Cannabis Laws.
- (d) "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.
- (e) "Application" means the application for a development agreement required by Oakdale Municipal Code section 36-36.22.
- (f) "Assignment and Assumption Agreement" has the meaning set forth in Section 10.1.
- (g) "AUMA" means the Adult Use of Marijuana Act (Proposition 64) approved by California voters on November 8, 2016.
- (h) "Authorized License" has the meaning set forth in Section 2.3.
- (i) "California Building Standards Codes" means the California Building Code, as amended from time to time, in Part 2, Volumes 1 and 2, as part of Title 24 of the California Code of Regulations, as may be adopted by the Oakdale Municipal Code.
- (j) "California Cannabis Laws" includes AUMA, MAUCRSA, CUA (as defined below), the Medical Marijuana Program Act of 2004 codified as Health and Safety Code sections 11362.7 through 11.62.83, and any other applicable laws that may be enacted or approved.
- (k) "Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from

cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. Cannabis and the term "marijuana" may be used interchangeably.

(l) "Cannabis Business Pilot Program" means the cannabis business program established and authorized by Oakdale Municipal Code Chapter 37.

(m) "Cannabis Dispensary Site" has the meaning set forth in Recital I.

(n) "Cannabis Dispensary" means a business that engages in Commercial Cannabis Activity, as defined below, related to the retail sale and delivery of cannabis or cannabis products pursuant to a Type 10 license.

(o) "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(p) "CEQA" means the California Environmental Quality Act, as set forth in Division 13 (Commencing with Section 21000) of the California Public Resources Code, and the CEQA Guidelines, as set forth in Title 14 (Commencing with Section 15000) of the California Code of Regulations.

(q) "City" means the City of Oakdale, a municipal corporation having general police powers.

(r) "City Council" means the City of Oakdale City Council, as described in Oakdale Municipal Code Section 1-2.

(s) "City Development Agreement Ordinance" has the meaning set forth in Recital F.

(t) "City Manager" means the City Manager of the City of Oakdale, or his or her designee, as described in Oakdale Municipal Code Section 2-4.

(u) "Charged Party" has the meaning set forth in Section 8.1.

(v) "Charging Party" has the meaning set forth in Section 8.1.

(w) "Commercial Cannabis Activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution,

delivery, or sale of cannabis or a cannabis product that requires a state license pursuant to MAUCRSA.

(x) "Conditional Use Permit" means a conditional use permit issued by City pursuant to Oakdale Municipal Code Section 36-23.24.

(y) "CUA" means the Compassionate Use Act (Proposition 215) approved by California voters on November 5, 1996.

(z) "Developer" means JDI Farms, a California nonprofit mutual benefit corporation. Developer also has the meaning set forth in Section 6.1.

(aa) "Development Agreement Statute" has the meaning set forth in Recital E.

(bb) "Exhibits" has the meaning set forth in Section 1.3.

(cc) "Gross Receipts from Operations" means total revenue actually received or receivable from operation of the Cannabis Dispensary Project and Microbusiness Project, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed whether or not such act or service is done as part of or in connection with the sale of materials, goods, wares, or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

1. Cash discounts allowed and taken on sales;
2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";
3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
4. Such part of the sale price of property returned by purchasers upon rescission of a contract of sale as is refunded either in cash or by credit;
5. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded.

The intent of this definition is to ensure that in calculating the payment required under Section 4.2, all sales of cannabis products through the Cannabis Dispensary Project and Microbusiness Project are captured. This definition shall therefore be given the broadest possible interpretation consistent with this intent.

- (dd) "Indemnification Agreement" has the meaning set forth in Section 6.3.
- (ee) "Major Amendment" means an amendment that shall have a material effect on the terms of this Agreement. A Major Amendment also has the meaning set forth in Section 2.4. Major Amendments shall require approval by the City Council.
- (ff) "Marijuana" has the same meaning as cannabis and those terms may be used interchangeably.
- (gg) "MAUCRSA" means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified as Business and Professions Code section 26000 *et seq.*, as may be amended from time to time.
- (hh) "MCRSA" has the meaning set forth in Recital A.
- (ii) "Microbusiness" means a business that engages in Commercial Cannabis Activity pursuant to a Type 12 license.
- (jj) "Microbusiness Site" has the meaning set forth in Recital J.
- (kk) "Ministerial Fee" or "Ministerial Fees" has the meanings set forth in Section 4.1.
- (ll) "Minor Amendment" means a clerical amendment to this Agreement that shall not materially affect the terms of this Agreement and any amendment described as minor herein. A Minor Amendment also has the meaning set forth in Section 1.7.
- (mm) "Mortgage" has the meaning set forth in Article 7.
- (nn) "Non-Performance Penalty" has the meaning set forth in Section 4.3.
- (oo) "Notice of Non-Performance Penalty" has the meaning set forth in Section 4.3.
- (pp) "Notice of Termination" has the meaning set forth in Section 9.1.
- (qq) "Planning Commission" means the City of Oakdale Planning Commission, as established by Oakdale Municipal Code Section 2-27.
- (rr) "Processing Costs" has the meaning set forth in Section 1.11.
- (ss) "Project" means the Cannabis Dispensary Project and the Microbusiness Project collectively, as those terms are defined in Recital D.
- (tt) "Project Litigation" has the meaning set forth in Section 10.7.
- (uu) "Public Benefit" has the meaning set forth in Section 4.2.

(vv) "Public Benefit Amount" has the meaning set forth in Section 4.2.

(ww) "State Licensing Authority" means the state agency responsible for the issuance, renewal, or reinstatement of a state cannabis license, or the state agency authorized to take disciplinary action against a business licensed under the California Cannabis Laws.

(xx) "State Cannabis Regulations" means the regulations promulgated by the State Licensing Authority pursuant to the California Cannabis Laws.

(yy) "State Taxing Authority" has the meaning set forth in Section 4.2.

(zz) "Subsequent City Approvals" has the meaning set forth in Section 3.1.

(aaa) "Term" has the meaning set forth in Section 1.7.

(bbb) "Type 10 license" or "Retailer" means a state license issued by the Bureau pursuant to the California Cannabis Laws for the retail sale of cannabis and cannabis products.

(ccc) "Type 12 license" or "Microbusiness" means a state license issued by a State Licensing Authority pursuant to the California Cannabis Laws relating to cannabis cultivation, manufacturing, and distribution.

Section 1.5. Project is a Private Undertaking. The Parties agree that the Cannabis Dispensary Project and Microbusiness Project are private developments and that City has no interest therein, except as authorized in the exercise of its governmental functions. City shall not for any purpose be considered an agent of Developer, the Cannabis Dispensary Project, or Microbusiness Project.

Section 1.6. Effective Date of Agreement. This Agreement shall become effective upon the date that the ordinance approving this Agreement becomes effective (the "Effective Date").

Section 1.7. Term.

(a) **Government Tolling or Termination.** City may provide written notice to Developer to cease all Commercial Cannabis Activity, upon which Developer shall immediately comply, if City is required, directed, or believes, in its sole and absolute discretion, it must temporarily halt or terminate Commercial Cannabis Activity within the City to comply with federal or state law. If City temporarily halts this Agreement to comply with federal or state law, this Agreement shall be tolled for no longer than one calendar (1) year (the "Tolling Period"). Developer shall not accrue or be liable to City for any Ministerial Fees or Public Benefit Amount during the Tolling Period. Developer shall resume paying any applicable fees after the Tolling Period ends. City and Developer shall

discuss in good faith the termination of this Agreement if the Tolling period exceeds one (1) calendar year to comply with federal or state law.

(b) Developer Tolling or Termination. Developer may not temporarily halt or terminate this Agreement for any purpose without causing a default of this Agreement, except as otherwise allowed by this Agreement or by mutual agreement of the Parties.

Section 1.8. Priority of Enactment. In the event of a conflict between the various land use documents referenced in this Agreement, the Parties agree that the following sequence of approvals establishes the relative priority of the approvals, each approval superior to the approvals listed thereafter: (a) General Plan, (b) Agreement, (d) Conditional Use Permit, (e) Indemnification Agreement, and (f) Subsequent City Approvals.

Section 1.9. Amendment of Agreement. This Agreement shall be amended only by mutual consent of the Parties. All amendments shall be in writing. The City Council hereby expressly authorizes the City Manager to approve a Minor Amendment to this Agreement, upon notification of the City Council. A Major Amendment to this Agreement shall be approved by the City Council. The City Manager shall, on behalf of City, have sole discretion for City to determine if an amendment is a Minor Amendment or a Major Amendment. Nothing in this Agreement shall be construed as requiring a noticed public hearing, unless required by law.

Section 1.10. Recordation of Development Agreement. The City Clerk shall cause a copy of this Agreement to be recorded against the title of the Dispensary Site and the Microbusiness Site within ten (10) business days of the Effective Date.

Section 1.11. Funding Agreement for Processing Costs. Developer has deposited Twenty-Five Thousand Dollars (\$25,000) with City to pay for the Application, all actual fees and expenses incurred by City that are related to the preparation and processing of this Agreement, including recording fees, publishing fees, staff time, and consultant and attorney fees and costs (collectively, "Processing Costs"). The Processing Costs are refundable solely to the extent of non-expended Processing Costs. Developer shall be entitled to a refund of available Processing Costs only after City determines all financial obligations associated with the Cannabis Dispensary Project and Microbusiness Project have been received and paid by City.

(a) Apportionment of Processing Costs. If the amount deposited for purposes of Processing Costs is insufficient to cover all Processing Costs, Developer shall deposit with City such additional funds necessary to pay for all Processing Costs within thirty (30) days. The failure to timely pay any such additional amounts requested by City shall be considered a material default of this Agreement and City may terminate this Agreement.

(b) **Accounting.** Developer may request, and City shall issue within a reasonable time not to exceed thirty (30) days, an accounting and written acknowledgement of Processing Costs paid to City.

Section 1.12. Law Enforcement Cannabis Impact Fee. Developer shall pay Fifty Thousand Dollars (\$50,000) to City due with the first installment of the Cannabis Dispensary Public Benefit, as specified in Section 4.2, to pay for additional law enforcement services related to this Agreement.

ARTICLE 2 DEVELOPMENT OF PROPERTY

Section 2.1. Vested Right of Developer. During the Term, in developing the Dispensary Site and the Microbusiness Site consistent with the Cannabis Dispensary Project and Microbusiness Project described herein, Developer is assured that the development rights, obligation terms, and conditions specified in this Agreement, including, without limitation, the terms, conditions, and limitations set forth in the Exhibits, are fully vested in Developer and may not be modified or terminated by City except as set forth in this Agreement or with Developer's written consent.

Section 2.2. Vested Right to Develop. In accordance with Section 2.1, Developer shall have the vested right to develop and use the Cannabis Dispensary Project and Microbusiness Project consistent with this Agreement, the Conditional Use Permit, and Subsequent City Approvals.

Section 2.3. Permitted Uses and Development Standards. Developer shall be authorized to develop, construct, and use the Dispensary Site for Commercial Cannabis Activity consistent with the following license type:

Type 10	Retailer
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Developer shall be authorized to develop, construct, and use the Microbusiness Site for Commercial Cannabis Activity consistent with the following license type, provided that Developer shall not engage in the retail sale of cannabis or cannabis products:

Type 12	Microbusiness
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The Retailer and Microbusiness license types shall be collectively referred to as the "Authorized License".

Developer shall be permitted to use each site consistent with the related Authorized License for the Term of this Agreement and during the time Developer is applying for the Authorized License with the applicable State Licensing Authority. Notwithstanding the foregoing, Developer is required to apply for and obtain the Authorized License from the State of California. If the State Licensing Authority does not grant the Type 10 license or

the Type 12 license to Developer, Developer shall immediately cease Commercial Cannabis Activity and any other operations on the respective site. Developer shall also, within thirty (30) days of receiving notice from the State Licensing Authority, notify City of the State Licensing Authority's denial or rejection of any license. In this situation, this Agreement shall terminate immediately. The Parties intend for this Agreement and the Conditional Use Permit to serve as the definitive and controlling documents for all subsequent actions, discretionary or ministerial, relating to development of the Dispensary Site, the Microbusiness Site, the Cannabis Dispensary Project, and the Microbusiness Project.

Section 2.4. Major Amendment to Permitted Uses. Developer may request to add to the Authorized Licenses additional license types once that license is applied for or obtained from the appropriate State Licensing Authority (the "Additional Licenses").

Section 2.5. Conditional Use Permit. Prior to commencing operation of any Commercial Cannabis Activity on the Dispensary Site or the Microbusiness Site, Developer shall obtain a Conditional Use Permit and any applicable Subsequent City Approvals for each location. Developer shall be required to comply with all provisions of the Oakdale Municipal Code and any City rules and administrative guidelines associated with implementation of the Cannabis Business Pilot Program. Nothing in this Agreement shall be construed as limiting the ability of City to amend the Oakdale Municipal Code or issue rules or administrative guidelines associated with implementation of the Cannabis Business Pilot Program or Developer's obligation to strictly comply with the same.

Section 2.6. Subsequent Entitlements, Approvals, and Permits. Successful implementation of the Cannabis Dispensary Project and the Microbusiness Project shall require Developer to obtain additional approvals and permits from City and other local and state agencies. City shall comply with CEQA in the administration of all Subsequent City Approvals. In acting upon any Subsequent City Approvals, City's exercise of discretion and permit authority shall conform to this Agreement. Notwithstanding the foregoing, in the course of taking action on the Subsequent City Approvals, City will exercise discretion in adopting mitigation measures as part of the Conditional Use Permit. The exercise of this discretion is not prohibited or limited in any way by this Agreement. Nothing in this Agreement shall preclude the evaluation of impacts or consideration of mitigation measures or alternatives, as required by CEQA.

(a) **Contemplated City Rules and Guidelines.** City anticipates issuing additional rules and administrative guidelines associated with implementation of the Cannabis Business Pilot Program. City may establish requirements that are identical to or place a higher standard of care as existing provisions of the California Cannabis Laws, State Cannabis Regulations, or any amendments thereto. City reserves the right to adopt additional categories of rules or guidelines that are not listed in this section as part of the Cannabis Business Pilot Program. Developer shall comply with any and all administrative

guidelines adopted by City that govern or pertain to the Cannabis Dispensary Project or the Microbusiness Project.

Section 2.7. Initiatives and Referenda. If any City ordinance, rule or regulation, or addition to the Oakdale Municipal Code is enacted or imposed by a citizen-sponsored initiative or referendum after the Effective Date that would conflict with this Agreement, an associated Conditional Use Permit, Subsequent City Approvals, or reduce the development rights or assurances provided to Developer in this Agreement, such Oakdale Municipal Code changes shall not be applied to the Dispensary Site, the Microbusiness Site, the Cannabis Dispensary Project, or the Microbusiness Project; provided, however, the Parties acknowledge that City's approval of this Agreement is a legislative action subject to referendum. City shall cooperate with Developer and shall undertake such reasonable actions as may be appropriate to ensure this Agreement remains in full force and effect and is implemented in accordance with its terms to the fullest extent permitted by state or federal law.

Section 2.8. Regulation by Other Government Entities. Developer acknowledges that City does not have authority or jurisdiction over any other government entities' ability to grant governmental approvals or permits or to impose a moratorium or other limitations that may negatively affect the Cannabis Dispensary Project or the Microbusiness Project or the ability of City to issue a permit to Developer or comply with the terms of this Agreement. Any moratorium imposed by another government entity, including the State Licensing Authority, on City shall not cause City to be in breach of this Agreement.

Section 2.9. Developer's Right to Rebuild. Developer may renovate portions of the Dispensary Site or the Microbusiness Site any time within the Term of this Agreement consistent with the Oakdale Municipal Code. Any such renovation or rebuild shall be subject to all design, building code, and other requirements imposed on the Cannabis Dispensary Project and Microbusiness Project by this Agreement.

Section 2.10. Changes in California Building Standards Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Cannabis Dispensary Project or the Microbusiness Project shall be subject to changes occurring from time to time to the California Building Standards Codes.

Section 2.11. Changes Mandated by Federal or State Law. The Dispensary Site, Microbusiness Site, the Cannabis Dispensary Project, and the Microbusiness Project shall be subject to subsequently enacted state or federal laws or regulations that may preempt the Oakdale Municipal Code, or mandate the adoption or amendment of local regulations, or are in conflict with this Agreement or local rules or guidelines associated with the Cannabis Business Pilot Program. As provided in Section 65869.5 of the Development Agreement Statute, in the event state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Upon discovery of a subsequently

enacted federal or state law meeting the requirements of this Section, City or Developer shall provide the other Party with written notice of the state or federal law or regulation, and a written statement of the conflicts thereby raised with the provisions of the Oakdale Municipal Code or this Agreement. Promptly thereafter, City and Developer shall meet and confer in good faith in a reasonable attempt to modify this Agreement, as necessary, to comply with such federal or state law or regulation provided City shall not be obligated to agree to any modification materially increasing its obligations or materially adversely affecting its rights and benefits hereunder. In such discussions, City and Developer will attempt to preserve the terms of this Agreement and the rights of Developer derived from this Agreement to the maximum feasible extent while resolving the conflict. If City, in its judgment, determines it necessary to modify this Agreement to address such conflict, City shall have the right and responsibility to do so, and shall not have any liability to Developer for doing so or be considered in breach or default of this Agreement. City also agrees to process, in accordance with the provisions of this Agreement, Developer's proposed changes to the Cannabis Dispensary Project and Microbusiness Project that are necessary to comply with such federal or state law and that such proposed changes shall be conclusively deemed to be consistent with this Agreement without further need for any amendment to this Agreement.

Section 2.12. Health and Safety Emergencies. In the event that any future public health and safety emergencies arise with respect to the Cannabis Dispensary Project or the Microbusiness Project contemplated by this Agreement, City agrees that it shall attempt, if reasonably possible as determined by City in its discretion, to address such emergency in a way that does not have a material adverse impact on the Cannabis Dispensary Project and Microbusiness Project. If City determines, in its discretion, that it is not reasonably possible to so address such health and safety emergency in a way that does not have a material adverse impact on the Cannabis Dispensary Project and Microbusiness Project, City may select an option which, in its discretion, minimizes, so far as reasonably possible, the impact on development and use of the Cannabis Dispensary Project or the Microbusiness Project in accordance with this Agreement, while still addressing such health and safety emergency in a manner acceptable to City.

ARTICLE 3

ENTITLEMENT AND PERMIT PROCESSING, INSPECTIONS

Section 3.1. Subsequent City Approvals. City shall permit the development, construction, and conditionally permitted use contemplated in this Agreement. City agrees to timely grant, pursuant to the terms of this Agreement, the Oakdale Municipal Code, and any Subsequent City Approvals reasonably necessary to complete the goals, objectives, policies, standards, and plans described in this Agreement. The Subsequent City Approvals shall include any applications, permits, and approvals required to complete the improvements necessary to develop the Dispensary Site or the Microbusiness Site, in general accordance with this Agreement ("Subsequent City Approvals"). Nothing herein shall require City to provide Developer with Subsequent City Approvals prior to, or without

complying with, all of the requirements in this Agreement, the Oakdale Municipal Code, and any applicable state law.

Section 3.2. Timely Processing. City shall use its reasonable best efforts to process and approve, within a reasonable time, any Subsequent City Approvals or environmental review requested by Developer during the Term of this Agreement.

Section 3.3. Cooperation Between City and Developer. Consistent with the terms set forth herein, City agrees to cooperate with Developer, on a timely basis, in securing all permits or licenses that may be required by City or any other government entity with permitting or licensing jurisdiction over the Cannabis Dispensary Project and Microbusiness Project.

Section 3.4. Further Consistent Discretionary Actions. The exercise of City's authority and independent judgment is recognized under this Agreement, and nothing in this Agreement shall be interpreted as limiting City's discretion or obligation to hold legally required public hearings. Except as otherwise set forth herein, such discretion and action taken by City shall, however, be consistent with the terms of this Agreement and not prevent, hinder, or compromise development or use of the Dispensary Site or the Microbusiness Site as contemplated by the Parties in this Agreement.

ARTICLE 4 PUBLIC BENEFIT, PROCESSING, AND OVERSIGHT

Section 4.1. Processing Fees and Charges. Developer shall pay to City those processing, inspection, plan checking, and monitoring fees and charges required by City which are in force and effect at the time those fees and charges are incurred (including any post-Effective Date increases in such fees and charges) for processing applications and requests for building permits, inspections, other permits, approvals and actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions (each a "Ministerial Fee" and collectively, the "Ministerial Fees").

Section 4.2. Public Benefit.

(a) The Parties acknowledge and agree that this Agreement confers substantial private benefits upon Developer that will place burdens upon City infrastructure, services, and neighborhoods. Accordingly, the Parties intend to provide consideration to City to offset these impacts that commensurate with the private benefits conferred on Developer (the "Public Benefit"). In consideration of the foregoing, for the Cannabis Dispensary Project Developer shall remit to City as follows (the "Cannabis Dispensary Public Benefit"):

Effective Date	No Cannabis Dispensary Public Benefit Due.
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First (1 st) Business Day of 1 st Month Following Issuance of the Conditional Use Permit.	\$15,000 or 5% of Gross Receipts from Operations each month, whichever is greater (" <u>Tier 1 Amount</u> ").
1 st Business Day of the Thirteenth (13 th) Month Following Issuance of the Conditional Use Permit.	\$25,000 or 5% of Gross Receipts from Operations each month, whichever is greater (" <u>Tier 2 Amount</u> ").
1 st Business Day of the Twenty-fifth (25 th) Month Following Issuance of the Conditional Use Permit Through the End of the Term.	\$40,000 or 5% of Gross Receipts from Operations each month, whichever is greater (" <u>Tier 3 Amount</u> ").

(b) Collectively, these tier amounts shall be known as the "Cannabis Dispensary Public Benefit Amount".

(c) For the Microbusiness Project, Developer shall remit to City as follows (the "Microbusiness Public Benefit Amount"):

Effective Date	No Microbusiness Public Benefit Amount Due.
First (1 st) Business Day of 1 st Month Following Issuance of the Conditional Use Permit.	\$10,000 or 5% of Gross Receipts from Operations each month, whichever is greater.

(d) Collectively, the Cannabis Dispensary Public Benefit Amount and the Microbusiness Public Benefit Amount shall be known as the "Public Benefit Amount".

(e) Developer shall file an applicable statement that complies with the California State Board of Equalization, California Department of Tax and Fee Administration, or either's successor agency (the "State Taxing Authority") for sales tax purposes showing the true and correct amount of Gross Receipts from Operations of the Cannabis Dispensary Project and Microbusiness Project during the applicable time period. Developer shall provide a copy of such statement to City upon request by City.

Section 4.3. Reporting. Developer shall provide City with copies of any reports provided to a State Licensing Authority within forty-five (45) days of that submission.

Any failure or refusal of Developer to provide any statement or report to City, the State Taxing Authority, or any other State Licensing Authority, as required within the time required, or to pay such sums due hereunder when the same are due and payable in accordance with the provisions of this Agreement, may constitute full and sufficient grounds for the revocation or suspension of the Conditional Use Permit.

Section 4.4. Records. Developer shall keep records of all Commercial Cannabis Activity in accordance with Chapter 16 (commencing with Section 26160) of Division 10 of the Business and Professions Code and the applicable State Cannabis Regulations. All records required by this Section shall be maintained and made available for City's examination and duplication (physical or electronic) at the Dispensary Site or the Microbusiness Site or at an alternate facility as approved in writing by the City Manager or his or her designee.

Section 4.5. Penalty. Developer acknowledges that to ensure proper compliance with the terms of this Agreement and any applicable laws, City must engage in costly compliance review, inspections, and, if necessary, enforcement actions to protect the health, safety, and welfare of its residents. Penalty and interest provisions are necessary to assist City in compliance review and enforcement actions. If Developer fails to make any payment when due, as required by this Agreement, including the Public Benefit Amount, City may impose a "Non-Performance Penalty." A Non-Performance Penalty of one percent (1%) shall be applied to all past due payments. City shall deliver to Developer a "Notice of Non-Performance Penalty," attached hereto as **Exhibit D**. Payment of the Non-Performance Penalty shall be in a single installment due on or before a date fifteen (15) days following delivery of the Notice of Non-Performance Penalty.

Section 4.6. Interest on Unpaid Non-Performance Penalty. If Developer fails to pay the Non-Performance Penalty after City has delivered the Notice of Non-Performance Penalty, then, in addition to the principal amount of the Non-performance Penalty, Developer shall pay City interest at the rate of eighteen percent (18%) per annum, computed on the principal amount of the Non-Performance Penalty, from a date fifteen (15) days following delivery of the Notice of Non-performance Penalty.

Section 4.7. Protections from City Tax. Notwithstanding Section 4.2, for the Term of this Agreement, Developer shall be exempt from any City tax, including a business license tax, on commercial cannabis businesses. Notwithstanding the foregoing, Developer and Project shall be subject to any and all taxes, assessments, or similar charges or fees of general applicability enacted by the federal government, state government, or County of Stanislaus, including any tax applicable to an area greater than the City limits to which City may be a party (i.e., county tax sharing agreement).

ARTICLE 5 PUBLIC FACILITIES, SERVICES, AND UTILITIES

City shall use the Public Benefit Amount to pay for the impact on and maintenance or improvement of City neighborhoods and the existing level of service of City infrastructure and services to accommodate for the Cannabis Dispensary Project and Microbusiness Project.

ARTICLE 6 INSURANCE AND INDEMNITY

Section 6.1. Insurance. Developer shall require all persons doing work on the Cannabis Dispensary Project and Microbusiness Project, including its contractors and subcontractors (collectively, "Developer" for purposes of this Article 6 only), to obtain and maintain insurance of the types and in the amounts described in this Article with carriers reasonably satisfactory to City.

(a) **General Liability Insurance.** Developer shall maintain commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars (\$2,000,000) (or as otherwise approved, in writing, by City) per claim and Two Million Dollars (\$2,000,000) each occurrence. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as "Additional Insureds" by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed additional insured.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(b) **Automotive Liability Insurance.** Developer shall maintain business automobile liability insurance or equivalent form with a limit of not less than One Million Dollars (\$1,000,000) for each accident. Such insurance shall include coverage for owned, hired, and non-owned automobiles. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as Additional Insureds by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed Additional Insureds.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(c) **Workers' Compensation Insurance.** Developer shall take out and maintain during the Term of this Agreement, workers' compensation insurance for all of Developer's employees employed at or on the Cannabis Dispensary Project and Microbusiness Project and, should any of the work be subcontracted, Developer shall require any general contractor or subcontractor similarly to provide workers'

compensation insurance for such contractor's or subcontractor's employees, unless such employees are covered by the protection afforded by Developer. In case any class of employee engaged in work on the Cannabis Dispensary Project and Microbusiness Project is not protected under any workers' compensation law, Developer shall provide and shall cause each contractor and subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Developer hereby indemnifies City for any damage resulting from failure of Developer, its agents, employees, contractors, or subcontractors to take out or maintain such insurance. Workers' compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) for each accident shall be maintained by Developer.

Section 6.2. Other Insurance Requirements. Developer shall do all of the following:

(a) Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance that clearly evidence all insurance required in this Article, including evidence that such insurance will not be canceled, allowed to expire, or materially reduced in coverage without thirty (30) days prior written notice to City.

(b) Provide to City, upon request, and within seven (7) days of said request, certified copies of endorsements and policies, and properly executed certificates of insurance evidencing the insurance required herein.

(c) Replace or require the replacement of certificates, policies, and endorsements for any insurance required herein expiring prior to the termination of this Agreement.

(d) Maintain all insurance required herein from the Effective Date of this Agreement to the earlier of the expiration of the Term or the mutual written termination of this Agreement.

(e) Place all insurance required herein with insurers licensed to do business in California with a current Best's Key Rating Guide reasonably acceptable to City.

Section 6.3. Indemnity. To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, consultants, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City, or City's Agents, to attack, set aside, void, or annul an approval concerning the Cannabis Dispensary Project and Microbusiness Project, this Agreement, any applicable Conditional Use Permit, or Subsequent City Approvals. Developers shall execute the indemnification agreement ("Indemnification Agreement") attached hereto as **Exhibit E**.

Section 6.4. Failure to Indemnify; Waiver. Failure by Developer to indemnify City, when required by this Agreement and the Indemnification Agreement, shall constitute a material breach of this Agreement and of any applicable Conditional Use Permit and

Subsequent City Approvals, which shall entitle City to all remedies available under law, including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of any applicable Conditional Use Permit. Developer's failure to indemnify City shall be a waiver by Developer of any right to proceed with the Cannabis Dispensary Project and Microbusiness Project, or any portion thereof, and a waiver of Developer's right to file a claim, action, or proceeding against City or City's Agents based on City's rescission or revocation of any Conditional Use Permit, Subsequent City Approvals, or City's failure to defend any claim, action, or proceeding based on Developer's failure to indemnify City.

Section 6.5. Waiver of Damages. Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that City would not have entered into this Agreement had it been exposed to liability for damages from Developer and, therefore, Developer hereby waives all claims for damages against City for breach of this Agreement. Developer further acknowledges that under the Development Agreement Statute, land use approvals (including development agreements) must be approved by the City Council and that, under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waives all claims for damages against City in the event that this Agreement or any Project approval is: (1) not approved by the City Council or (2) is approved by the City Council, but with new changes, amendments, conditions, or deletions to which Developer is opposed. Developer further acknowledges that, as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that, under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waives all claims for damages against City in this regard.

ARTICLE 7 MORTGAGEE PROTECTION

This Agreement, once executed and recorded, shall be superior and senior to any lien placed upon the Dispensary Site or the Microbusiness Site or any portion thereof following recording of this Agreement, including the lien of any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value. This Agreement shall immediately be deemed in default and immediately terminate upon the foreclosure or transfer of any interest in the Dispensary Site or the Microbusiness Site or Project, whether by operation of law or any other method of interest change or transfer, unless the City Manager has authorized such change or transfer in advance, in writing. City agrees to not unreasonably withhold its authorization.

ARTICLE 8 DEFAULT

Section 8.1. General Provisions.

(a) Subject only to any extensions of time by mutual consent in writing, or as otherwise provided herein, the failure or delay by any Party to perform in accordance with the terms and provisions of this Agreement shall constitute a default. Any Party alleging a default or breach of this Agreement ("Charging Party") shall give the other Party ("Charged Party") not less than ten (10) days written notice, which shall specify the nature of the alleged default and the manner in which the default may be cured. During any such ten (10) calendar day period, the Charged Party shall not be considered in default for purposes of termination of this Agreement or institution of legal proceedings for the breach of this Agreement.

(b) After expiration of the ten (10) calendar day period, if such default has not been cured or is not in the process of being diligently cured in the manner set forth in the notice, or if the breach cannot reasonably be cured within ten (10) days, the Charging Party may, at its option, institute legal proceedings pursuant to this Agreement, and give notice of its intent to terminate this Agreement pursuant to Government Code section 65868. In the event City is the Charging Party, City may, in its sole discretion, give notice, as required by law, to the Charged Party of its intent to revoke or rescind any operable Conditional Use Permit related to or concerning the Cannabis Dispensary Project and Microbusiness Project.

(c) Prior to the Charging Party giving notice to the Charged Party of its intent to terminate, or prior to instituting legal proceedings, the matter shall be scheduled for consideration and review by City in the manner set forth in Government Code sections 65865, 65867, and 65868 within thirty (30) days from the expiration of the ten (10) day notice period.

(d) Following consideration of the evidence presented and said review before City, and after providing the Charged Party an additional five (5) calendar day period to cure, the Charging Party may institute legal proceedings against the Charged Party or may give written notice of termination of this Agreement to the Charged Party.

(e) Evidence of default may arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code section 65865.1, as set forth in Section 8.2. If any Party determines that another Party is in default following the completion of the normally scheduled periodic review, without reference to the procedures specified in Section 8.1(c), said Party may give written notice of termination of this Agreement, specifying in the notice the alleged nature of the default and potential actions to cure said default where appropriate. If the alleged default is not cured in ten (10) days or within such longer period specified in the notice or the defaulting Party is not diligently pursuing a cure or if the breach cannot reasonably be cured within the period or the defaulting party waives its right to cure such alleged default, this Agreement may be terminated by the non-defaulting Party by giving written notice. An extension of the 10-day cure period may be given by mutual consent of the Parties.

(f) In the event Developer is in default under the terms and conditions of this Agreement, no permit application shall be accepted by City nor will any permit be issued to Developer until the default is cured, or the Agreement is terminated.

Section 8.2. Annual Review. City shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith, substantial compliance of Developer and City with the terms of this Agreement. Such periodic review by City shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. City shall deposit in the mail or fax to Developer a copy of all staff reports and, to the extent practical, related exhibits concerning this Agreement or the Cannabis Dispensary Project and Microbusiness Project's performance, at least seven (7) days prior to such periodic review. Developer shall be entitled to appeal a determination of City or the City Manager to the City Council. Any appeal must be filed within ten (10) days of the decision of City or the City Manager, respectively. Developer shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before City, the City Manager, or the City Council, as applicable. The reasonable cost for City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by City in connection with the review.

Section 8.3. Estoppel Certificates.

(a) City shall, with at least twenty (20) days prior written notice, execute, acknowledge, and deliver to Developer, Developer's lender, potential investors, or assignees an Estoppel Certificate in writing which certifies that this Agreement is in full force and effect, that there are no breaches or defaults under the Agreement, and that the Agreement has not been modified or terminated and is enforceable in accordance with its terms and conditions.

(b) At Developer's option, City's failure to deliver such Estoppel Certificate within the stated time period shall be conclusive evidence that the Agreement is in full force and effect, that there are no uncured breaches or defaults in Developer's performance of the Agreement or violation of any City ordinances, regulations, and policies regulating the use and development of the Dispensary Site, Microbusiness Site, Cannabis Dispensary Project, or the Microbusiness Project subject to this Agreement.

Section 8.4. Default by City. In the event City does not accept, review, approve, or issue any permits or approvals in a timely fashion, as defined by this Agreement, or if City otherwise defaults under the terms of this Agreement, City agrees that Developer shall not be obligated to proceed with or complete the Cannabis Dispensary Project and Microbusiness Project, and shall constitute grounds for termination or cancellation of this Agreement by Developer.

Section 8.5. Cumulative Remedies of Parties. In addition to any other rights or remedies, City or Developer may institute legal or equitable proceedings to cure, correct,

or remedy any default, enforce any covenant, or enjoin any threatened or attempted violation of the provisions of this Agreement, so long as any such action conforms to section 9.1(c) of this Agreement.

Section 8.6. Forced Delay, Extension of Times of Performance. Delays in performance, by either Party, shall not be deemed a default if such delays or defaults are due to war, terrorism, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed where mandated by governmental entities other than City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations enacted by the state or federal government, litigation, or other force majeure events. An extension of time for such cause shall be in effect for the period of forced delay or longer, as may be mutually agreed upon.

Section 8.7. Appeals. Developer may appeal any adverse decision or action of City pursuant to Oakdale Municipal Section 36-23.29.

ARTICLE 9 TERMINATION

Section 9.1. Termination Upon Completion of Development. This Agreement shall terminate upon the expiration of the Term, unless it is terminated earlier pursuant to the terms of this Agreement. Upon termination of this Agreement, City shall record a notice of such termination in substantial conformance with the "Notice of Termination" attached hereto as **Exhibit F**, and this Agreement shall be of no further force or effect except as otherwise set forth in this Agreement.

Section 9.2. Effect of Termination on Developer's Obligations. Termination of this Agreement shall eliminate any further obligation of Developer to comply with this Agreement, or some portion thereof, if such termination relates to only part of the Dispensary Site or the Microbusiness Site or Project. Termination of this Agreement, in whole or in part, shall not, however, eliminate the rights of Developer to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.3. Effect of Termination on City's Obligations. Termination of this Agreement shall eliminate any further obligation of City to comply with this Agreement, or some portion thereof. Termination of this Agreement shall not, however, eliminate the rights of City to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.4. Survival After Termination. The rights and obligations of the Parties set forth in this Section 9.4, Section 2.8, Section 6.3, Section 10.3, Section 10.4, Section 10.5, Section 10.7, Section 10.10, and any right or obligation of the Parties in this

Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, will survive any such termination.

ARTICLE 10 OTHER GENERAL PROVISIONS

Section 10.1. Assignment and Assumption. Developer shall not have the right to sell, assign, or transfer all or any part of its rights, title, and interests in all or a portion of the Dispensary Site or the Microbusiness Site or Project, subject to or a part of this Agreement, to any person, firm, corporation, or entity during the Term of this Agreement without the advance written consent of the City Manager. This assignment prohibition applies to the corporate and business entities of Developer that are a Party to this Agreement. Any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement. If the City Manager approves an assignment or transfer of any interest detailed in this Section 10.1, City and Developer shall execute an "Assignment and Assumption Agreement" in the form attached hereto as **Exhibit G**.

Section 10.2. Covenants Running with the Land. All of the provisions contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of interest in the Dispensary Site or the Microbusiness Site or Project, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law, including California Civil Code Section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Cannabis Dispensary Project and Microbusiness Project, as appropriate, runs with the Dispensary Site or the Microbusiness Site, and is binding upon Developer.

Section 10.3. Notices. Any notice or communication required hereunder between City and Developer must be in writing, and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday, or holiday shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have

been given and received on the date delivered, as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City:

City of Oakdale
280 North Third Avenue
Oakdale, California 95361
Attention: City Manager

and

Churchwell White LLP
1414 K Street, 3rd Floor
Sacramento, California 95814
Attention: Douglas L. White, Esq.

If to Developer:

JDI Farms, Inc.
1631 Fig Avenue
Patterson, CA 95363
Attn: Darron Silva

Section 10.4. Governing Law and Binding Arbitration. The validity, interpretation, and performance of this Agreement shall be controlled by and construed pursuant to the laws of the State of California. Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by binding arbitration in Sacramento, California, before one arbitrator. The arbitration shall proceed pursuant to the Comprehensive Arbitration Rules and Procedures of the Judicial Arbitration and Mediation Services ("JAMS"). Judgment on the award may be entered in any court having jurisdiction thereof.

Section 10.5. Invalidity of Agreement / Severability. If this Agreement in its entirety is determined by an arbitrator or court of competent jurisdiction to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any term or provision of this Agreement shall be determined by an arbitrator or court of competent jurisdiction to be invalid and unenforceable, or if any term or provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, any provisions that are not invalid or unenforceable shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement. The Parties expressly agree that each Party is strictly prohibited from failing to perform any and all obligations under this Agreement on the basis that this Agreement is invalid, unenforceable, or illegal. By entering into this Agreement, each Party disclaims any right to tender an affirmative defense in any arbitration or court of competent

jurisdiction, that performance under this Agreement is not required because the Agreement is invalid, unenforceable, or illegal.

Section 10.6. Cumulative Remedies. In addition to any other rights or remedies, City and Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of the provisions of this Agreement. The prevailing party in any such action shall be entitled to reasonable attorneys' fees and costs. Notwithstanding the foregoing or any other provision of this Agreement, in the event of City default under this Agreement, Developer agrees that Developer may not seek, and shall forever waive any right to, monetary damages against City, but excluding therefrom the right to recover any fees or charges paid by Developer in excess of those permitted hereunder.

Section 10.7. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity challenging this Agreement or any associated entitlement, permit, or approval granted by City to Developer for the Cannabis Dispensary Project and Microbusiness Project (collectively, "Project Litigation"), the Parties agree to cooperate with each other as set forth herein. City may elect to tender the defense of any lawsuit filed and related in whole or in part to Project Litigation with legal counsel selected by City. Developer will indemnify, hold City harmless from, and defend City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees, and expenses of litigation awarded to the prevailing party or parties in such litigation. Developer shall pay all litigation fees to City within thirty (30) days of receiving a written request and accounting of such fees and expenses from City. Notwithstanding the aforementioned, City may request, and Developer will provide to City within seven (7) days of any such request, a deposit to cover City's reasonably anticipated Project Litigation fees and costs.

Section 10.8. Constructive Notice and Acceptance. Every person who, after the Effective Date and recording of this Agreement, owns or acquires any right, title, or interest to any portion of the Dispensary Site or the Microbusiness Site is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Dispensary Site or the Microbusiness Site, and all rights and interests of such person in the Dispensary Site or the Microbusiness Site shall be subject to the terms, requirements, and provisions of this Agreement.

Section 10.9. Statute of Limitations and Laches. City and Developer agree that each Party will undergo a change in position in detrimental reliance upon this Agreement from the time of its execution and subsequently. The Parties agree that section 65009(c)(1)(D) of the California Government Code, which provides for a ninety (90) day statute of limitations to challenge the adoption of this Agreement, is applicable to this Agreement. In addition, any person who may challenge the validity of this Agreement is hereby put on notice that, should the legality or validity of this Agreement be challenged by any third

party in litigation, which is filed and served more than ninety (90) days after the execution of this Agreement, City and Developer shall each assert the affirmative defense of laches with respect to such challenge, in addition to all other available defenses. This Section in no way limits the right of a Party, claiming that the other Party breached the terms of this Agreement, to bring a claim against the other Party within the four (4) year statute of limitations set forth in Section 337 of the California Civil Code.

Section 10.10. Joint and Several Liability. Developer shall be jointly and severally liable for any amount due under this Agreement, and any breach of this Agreement or failure to pay by one Party shall also constitute a breach of this Agreement by the other Party. Developer agrees that City may impose a lien and seek foreclosure on any parcel of the Dispensary Site or the Microbusiness Site due to any default by Developer.

Section 10.11. Change in State Regulations. In no event shall Developer operate the Cannabis Dispensary Project and Microbusiness Project in violation of the Agreement, or State Cannabis Regulations, as may be amended from time to time.

Section 10.12. Standard Terms and Conditions.

(a) **Venue.** Venue for all legal proceedings shall be the JAMS Resolution Center in Sacramento, California.

(b) **Waiver.** A waiver by any Party of any breach of any term, covenant, or condition herein contained or a waiver of any right or remedy of such Party available hereunder, at law or in equity, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained or of any continued or subsequent right to the same right or remedy. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

(c) **Completeness of Instrument.** This Agreement, together with its specific references, attachments, and Exhibits, constitutes all of the agreements, understandings, representations, conditions, warranties, and covenants made by and between the Parties hereto. Unless set forth herein, no Party to this Agreement shall be liable for any representations made, express or implied.

(d) **Supersedes Prior Agreement.** It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, written, electronic, or oral, between the Parties hereto with respect to the Dispensary Site, Microbusiness Site, Cannabis Dispensary Project, or the Microbusiness Project.

(e) **Captions.** The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

(f) **Number and Gender.** In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, and the word "person" includes corporations, partnerships, firms, or associations, wherever the context requires.

(g) **Mandatory and Permissive.** "Shall" and "will" and "agrees" are mandatory. "May" or "can" are permissive.

(h) **Term Includes Extensions.** All references to the Term of this Agreement shall include any extensions of such Term.

(i) **Counterparts.** This Agreement may be executed simultaneously and, in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(j) **Other Documents.** The Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and, to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

(k) **Time is of the Essence.** Time is of the essence in this Agreement in each covenant, term, and condition herein.

(l) **Authority.** All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

(m) **Document Preparation.** This Agreement will not be construed against the Party preparing it, but will be construed as if prepared by all Parties.

(n) **Advice of Legal Counsel.** Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement.

(o) **Attorney's Fees and Costs.** If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

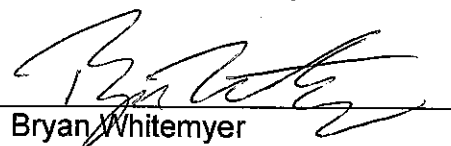
(p) **Calculation of Time Periods.** All time referenced in this Agreement shall be calendar days, unless the last day falls on a legal holiday, Saturday, or Sunday, in which case the last day shall be the next business day.

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and City as of the Effective Date of the Agreement, as defined above.

"CITY"

Dated: March 5, 2018

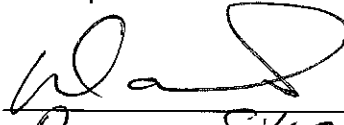
CITY OF OAKDALE, CA
a California Municipal Corporation

By: 
Its: City Manager


"DEVELOPER"

Dated: 03/01, 2018

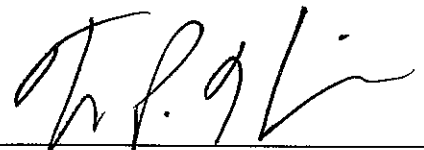
JDI Farms, a California nonprofit mutual
benefit corporation

By: 
Its: President

Attest:

By: 
Its: Kathy Teixeira, CMC
City Clerk

Approved as to Form:

By: 
Its: Thomas P. Hallinan
City Attorney

California All-Purpose Acknowledgment

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

State of California)

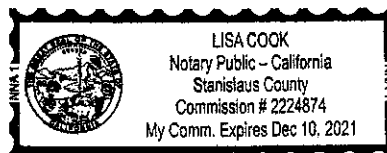
County of Stanislaus)

On 3-18, before me Lisa Cook, a Notary Public, personally appeared Darron Silva who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity~~(ies)~~, and that by his/~~her~~/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

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

Witness my hand and official seal.

Lisa Cook
(Signature)



(Seal)

California All-Purpose Acknowledgment

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

State of California)
)
County of Stanislaus)

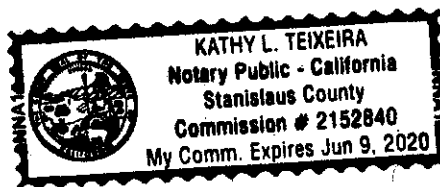
On March 6, 2018, before me Kathy L. Teixeira, a Notary Public,
personally appeared Bryan Whitemyer

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

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

Witness my hand and official seal.

Gaby A. Teixeira
(Signature)



(Seal)

Exhibit A

Cannabis Dispensary and Potential Microbusiness Location Map

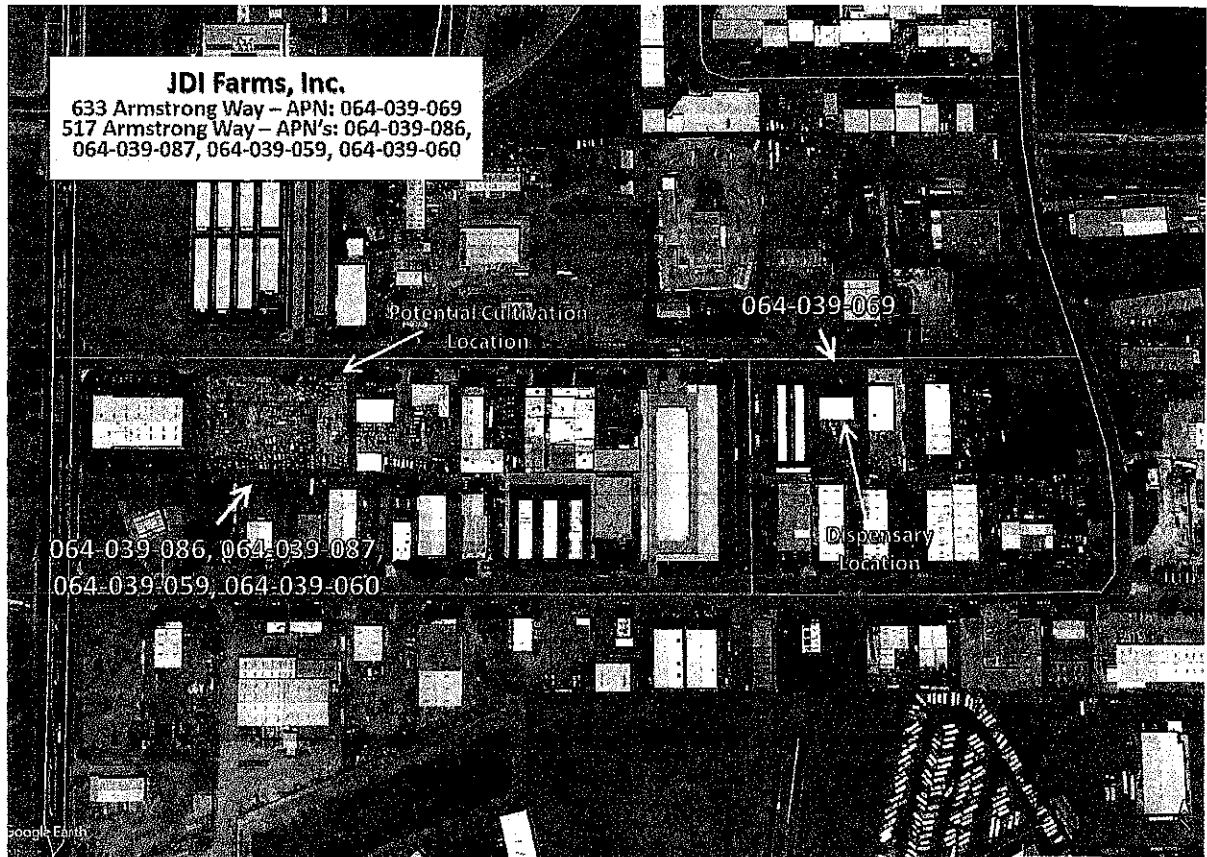


Exhibit B

Cannabis Dispensary Final Settlement Statement

 NORTH AMERICAN TITLE COMPANY <i>Like Clockwork®</i>		North American Title Company, Inc. 810 Stanford Ave., Suite 5 • Modesto, CA 95350 Office Phone: (209) 236-1014 Office Fax: (209) 390-4723 Final Settlement Statement	
Property Address:	633 Armstrong Way, Oakdale, CA 95361	File No:	55704-1542770-17
		Officer:	Susy Eng/gh
		Settlement Date:	12/29/2017
		Disbursement Date:	12/29/2017
		Print Date:	01/02/2018, 1:35 PM
Buyer:	Darron T Silva	This is to certify that this is a true and correct copy of the original. NORTH AMERICAN TITLE COMPANY, INC. BY  Gabriella Biedinger	
Address:			
Seller:	James Sheelz		
Address:			
Lender:	Cary Hahn		
Address:			
Loan No.:			

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
500,000.00		Consideration:		
		Total Consideration		500,000.00
		Deposits in Escrow:		
	100,000.00	Receipt No. 5570413222 on 12/19/2017 by Darron T Silva		
	1,344.08	Receipt No. 5570419318 on 12/28/2017 by Darron T Silva		
		Prorations:		
16.08		County Taxes 12/29/17 to 01/01/18 @ \$1,445.58/semi		16.08
		Commission:		
		Real Estate Commission to Allison James Estates Homes	30,000.00	
		Allison James Estates Homes Credit to Seller Agent credit to seller \$5,000.00		5,000.00
		New Loan(s):		
		Lender Cary Hahn		
	400,000.00	Loan Amount - Cary Hahn		
		Payoff(s) and Payment(s):		
		Bank of the West Commercial Loan Servicing		
		Principal Balance to Bank of the West Commercial Loan Servicing	9,760.42	
		Interest on Payoff Loan 12/29/17 to 01/05/18 @ \$1,400.00/day to Bank of the West Commercial Loan Servicing	11.68	
		Statement/Forwarding Fee to Bank of the West Commercial Loan Servicing	30.00	
		Reconveyance Fee to Bank of the West Commercial Loan Servicing	45.00	
		Prepayment Penalty to Bank of the West Commercial Loan Servicing	50.00	
		Interest Per Demand to 12.29.17 to Bank of the West Commercial Loan Servicing	18.81	
		Title/Escrow Charges to:		
650.00		Escrow Fee to North American Title Company, Inc.	650.00	
150.00		Document Preparation Fee to North American Title Company, Inc.		
25.00		Recording Process Service Fee to North American Title Company, Inc.		
175.00		Notary-External DocPrep to North American Title Company, Inc.		
		Notary-External Signatures Ink to North American Title Company, Inc.	200.00	
100.00		(NATIC) CLTA Standard Loan Policy to North American Title Company, Inc.		
		(NATIC) CLTA Owner's Standard 1990 to North American Title Company, Inc.	1,338.00	
30.00		Recording of Grant Deed to Stanislaus County Recorder		
43.00		Recording Trust Deed to Stanislaus County Recorder		
		Transfer Tax-County Calculated to Stanislaus County Recorder	560.00	

Continued From Page 1

Final Settlement Statement

Settlement Date: 12/29/2017
Print Date: 01/02/2018

File No: 55704-1542770-17
Officer: Susy Eng/gb

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
		Disbursements Paid:		
		Natural Hazard Disclosure to Disclosure Source	129.00	
		3.33% withholding to Franchise Tax Board	16,650.00	
155.03		Cash (From) (X To) Buyer		
		Cash (X To) (From) Seller	445,564.15	
501,344.09	501,344.09	Totals	505,016.05	505,016.05

Exhibit C

Microbusiness Lease / Rental Agreement

RESIDENTIAL LEASE/RENTAL AGREEMENT

PARTIES:

LANDLORD:

CARY HAHN; 600 Walnut Woods Ct., Modesto, CA 95356

TENANT(S)

JDI FARMS; 1631 Fig Ave., Patterson, CA 95363

PROPERTY ADDRESS:

517 Armstrong Way, Oakdale, CA 95361

1. RENTAL AMOUNT: Beginning January 1, 2018 TENANT agrees to pay LANDLORD the sum of **\$5,000.00** per month in advance on the 1st day of each calendar month. Said rental payment shall be delivered by TENANT to LANDLORD or his designated agent to the following location: **600 Walnut Woods Ct., Modesto, CA 95356**. Rent must be actually received by LANDLORD, or designated agent, in order to be considered in compliance with the terms of this agreement.

2. TERM: The premises are leased on the following lease term: **January 1, 2018 until January 1, 2021**.

3. SECURITY DEPOSITS: TENANT shall deposit with landlord the sum of **\$5,000.00** as a security deposit to secure TENANT'S faithful performance of the terms of this lease.

4. INITIAL PAYMENT: TENANT shall pay the first month rent of **\$5,000.00** and the security deposit in the amount of **\$5,000.00** for a total of **\$10,000.00**. Said payment shall be made in the form of cash or cashier's check and is all due prior to occupancy.

5. SUBLETTING OR ASSIGNING: TENANT agrees not to assign or sublet the premises or any part thereof, without first obtaining written permission from LANDLORD.

6. UTILITIES: TENANT shall pay for all utilities and/or services supplied to the premises.

7. CONDITION OF PREMISES: TENANT acknowledges that the premises have been inspected. TENANT agrees to pay for all upgrades and construction to property.

8. ALTERATIONS: TENANT will make a necessary alterations in compliance with State and City requirements. TENANT will construct necessary utility improvements in compliance with all applicable codes.

9. TENANT ACTIVITIES: LANDLORD agrees and acknowledges TENANT intends to use property to conduct a cannabis retail business in accordance with the State of California and City of Oakdale regulations.

10. LANDLORD'S RIGHT OF ENTRY: LANDLORD may enter and inspect the premises during normal business hours and upon reasonable advance notice of at least 24 hours to TENANT. In addition LANDLORD has all right to enter pursuant to Civil Code Section 1954. TENANT agrees that in such event that TENANT for any reason must vacate due to no fault of his own, TENANT will be compensated by a corresponding reduction in rent or direct payment for those many days that TENANT was temporarily displaced.

11. REPAIRS BY LANDLORD: Where a repair is the responsibility of the LANDLORD, TENANT must notify LANDLORD with a written notice stating what item needs servicing or repair. TENANT must give LANDLORD

a reasonable opportunity to service or repair said item. TENANT acknowledges that rent will not be withheld unless a written notice has been served on LANDLORD giving LANDLORD a reasonable time to fix said item within the meaning of Civil Code Section 1942. Under no circumstances may TENANT withhold rent unless said item constitutes a substantial breach of the warranty of habitability as stated in Code of Civil Procedure Section 1174.2.

12. INSURANCE: TENANT must maintain a property insurance policy to cover any losses sustained to TENANT'S personal property or vehicle.

It is acknowledged that LANDLORD is not liable for these occurrences. It is acknowledged that TENANT'S insurance policy shall solely indemnify TENANT for any losses sustained. TENANT'S failure to maintain said policy shall be a complete waiver of TENANT'S right to seek damages against LANDLORD for the above stated losses. The parties acknowledge that the premises are not to be considered a security building which would hold LANDLORD to a higher degree of care.

13. TERMINATION OF LEASE/RENTAL AGREEMENT: If this lease is based on a fixed term, pursuant to paragraph 2, then at the expiration of said fixed term this lease shall become a month to month tenancy upon the approval of LANDLORD. Where said term is a month to month tenancy, either party may terminate this tenancy by the serving of a 30 day written notice. This lease will automatically terminate in the event TENANT no longer possesses a cannabis permit issued through the State of California or the City of Patterson.

14. POSSESSION: LANDLORD will provide possession to TENANT on the date of payment of rent and deposit or N/A

15. WAIVER: LANDLORD'S failure to require compliance with the conditions of this agreement, or to exercise any right provided herein, shall not be deemed a waiver by LANDLORD of such condition or right. LANDLORD'S acceptance of rent with knowledge of any default under agreement by TENANT shall not be deemed a waiver of such default, nor shall it limit LANDLORD'S rights with respect to that or any subsequent right. If it is further agreed between the parties that the payment of rent at any time shall not be a waiver to any UNLAWFUL DETAINER action unless LANDLORD in writing specifically acknowledges that this constitutes a waiver to the UNLAWFUL DETAINER action.

16. VALIDITY/SEVERABILITY: If any provision of this agreement is held to be invalid, such invalidity shall not affect the validity or enforceability of any other provision of this agreement.

17. ATTORNEY FEES: In the event action is brought by any party to enforce any terms of this agreement or to recover possession of the premises, the prevailing party shall recover from the other party reasonable attorney fees.

It is acknowledged, between the parties, that jury trials significantly increase the costs of any litigation between the parties. It is also acknowledged that jury trials require a longer length of time to adjudicate the controversy. On this basis, all parties waive their rights to have any matter settled by jury trial.

18. PERSONAL PROPERTY OF TENANT: Once TENANT vacates the premises, the LANDLORD shall store all personal property left in the unit for 18 days. If within that time period, TENANT does not claim said property, LANDLORD may dispose of said items in any manner LANDLORD chooses.

19. ADDITIONAL RENT: All items owed under this lease shall be deemed additional rent.

20. ENTIRE AGREEMENT: The foregoing agreement, including any attachments incorporated by reference, constitute the entire agreement between the parties and supersedes any oral or written representations or agreements that may have been made by either party. Further, TENANT represents that TENANT has relied solely on TENANT'S judgment in entering into this agreement. TENANT acknowledges having been advised to consult with independent legal counsel before entering into this Agreement and has decided to waive such representation and advice. TENANT acknowledges that TENANT has read and understood this agreement and has been furnished a duplicate original.

[Signature] LANDLORD/AGENT

1-2-18 DATE

[Signature] TENANT

1-2-18 DATE

Exhibit D

Notice of Non-Performance Penalty

DATE: _____, 2018

PARTIES: CITY OF OAKDALE, a California municipal corporation
280 North Third Avenue
Oakdale, California 95361

JDI Farms, Inc., a California nonprofit mutual benefit corporation

THIS NOTICE OF NON-PERFORMANCE PENALTY ("Penalty Notice") is being executed by the City of Oakdale, a California municipal corporation ("City"), with reference to the following.

- A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 2018, City recorded a development agreement between City and _____, dated _____, 2018 (the "Development Agreement"), relating to the development and operation of a cannabis dispensary and microbusiness.
- B. Pursuant to Section 4.2 of the Development Agreement, Developer agrees to pay to City a Public Benefit on the first business day of each month during the term of the Development Agreement.
- C. On _____, 20__, the Public Benefit was due to City by Developer. City did not receive payment.
- D. Pursuant to Section 4.5 of the Development Agreement, if Developer fails to make payment when it is due, City may impose a penalty of one percent (1%) of the total of the past due amounts ("Penalty"). As of _____, 20__, the past due amount equals \$ _____. The Penalty owed by Developer equals \$ _____ ("Penalty Amount").
- E. Pursuant to Section 4.5 of the Development Agreement, Developer shall make payment of the Penalty Amount in a single installment due within fifteen (15) days of delivery of this Penalty Notice ("Penalty Due Date").
- F. Pursuant to Section 4.6 of the Development Agreement, if Developer fails to pay the Penalty Amount before the Penalty Due Date, then, in addition to the Penalty Amount

specified in subdivision (D), Developer shall pay City interest on the Penalty Amount, at the rate of eighteen percent (18%) per annum ("Penalty Interest Payment"), computed from the Penalty Due Date specified in subdivision (E). The Penalty Interest Payment is due fifteen (15) days following delivery of the Penalty Due Date. As of _____, 20__, the Penalty Interest Payment amount equals \$_____.

- G. Nothing contained herein shall constitute a waiver of City's future claims for the Public Benefit, Penalty, or interest on the Penalty.

NOW, THEREFORE, City hereby provides Developer the Penalty Notice required by Section 4.5 of the Development Agreement. This Penalty Notice shall be effective upon notice pursuant to Section 10.3 of the Development Agreement.

CITY OF OAKDALE,
a California municipal corporation

By: _____
City Manager

Exhibit E

INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING

THIS INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING ("Agreement") is made and entered into on this ____ day of _____ 2018, ("Effective Date") by and between the City of Oakdale, a municipal corporation, ("City") and JDI Farms, Inc., a California non-profit mutual benefit corporation (collectively, "Applicant"). City and Applicant may be referred to herein individually as a "Party" or collectively as the "Parties". There are no other parties to this Agreement.

RECITALS

A. In 1996, the people of the state of California approved Proposition 215, the Compassionate Use Act of 1996 ("CUA"). The CUA enables seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law. In 2003, the California Legislature adopted Senate Bill 420, entitled the Medical Marijuana Program ("MMP"), which authorizes qualified patients and their primary caregivers to cultivate marijuana for medical purposes without being subject to criminal prosecution under the California Penal Code.

B. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.

C. On November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act ("AUMA"). AUMA legalizes the cultivation, commercial sale, and possession of recreational cannabis for adults age 21 and older.

D. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in the MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction.

E. On December 7, 2017, California state cannabis licensing authorities issued emergency regulations that apply to AUMA and MAUCRA and further regulate businesses engaged in commercial cannabis activity.

F. Oakdale Municipal Code ("O.M.C.") Chapter 37 authorizes cannabis businesses to operate within the City under specified restrictions pursuant to a Cannabis Pilot Program.

G. Applicant intends to improve, develop, and use real property to operate a cannabis dispensary (the "Dispensary Project") and cannabis microbusiness (the "Microbusiness Project") within the City in strict compliance with MAUCRSA and O.M.C. chapter 37.

H. Applicant has an agreement to lease that certain real property located at 633 Armstrong Way in the City of Oakdale, identified as Stanislaus County Assessor's Parcel Number 064-039-069 (the "Dispensary Property"). Applicant intends to improve approximately 3,900 hundred (3,900) square feet of space and operate the Dispensary Project on the Dispensary Property.

I. Applicant also has an agreement to purchase and develop that certain real property located at 517 Armstrong Way in the City of Oakdale, identified as Stanislaus County Assessor's Parcel Numbers 064-039-086, 064-039-087, 064-039-059, and 064-039-060 (the "Microbusiness Property"). Applicant intends to improve approximately twenty thousand (20,000) square feet of space and operate the Microbusiness Project on the Microbusiness Property.

J. The Dispensary Project and the Microbusiness Project shall be referred to collectively as the "Project".

K. As a condition of approval of the Land Use Entitlements, City has required Applicant to enter into this Agreement.

L. It is in the public interest for City and Applicant to enter into this Agreement, as Applicant will benefit from City's processing of the Project.

M. Applicant desires to enter into this Agreement to fulfill a condition of approval of the Project, which is a prerequisite for construction of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth below, the Parties agree as follows:

Section 1. Recitals. The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 19 of this Agreement, Sections 1 through 19 shall prevail.

Section 2. Applicant's Indemnification Obligations.

2.1. Indemnification for Land Use Entitlements. To the fullest extent permitted by law, Applicant shall indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against the City, or City's Agents, to attack, set aside, void, or annul, an approval concerning the Land Use Entitlements by reason of the action or inaction of City, or City's Agents. Applicant's duty to indemnify and hold harmless shall not extend to any claim, action or proceeding arising from the gross negligence or willful misconduct of City, or City's Agents.

Applicant's obligations under this Agreement to indemnify City shall apply to any claim, lawsuit or challenge against City brought against the Project, specifically including, but not limited to, any legal challenge based on the California Environmental Quality Act, codified in California Public Resources Code section 21000 et seq.; actions or proceedings brought to challenge the validity of environmental documents prepared in conjunction with the approval of the Project or Land Use Entitlements, or the requirements of any other federal, state, or local laws, including, but not limited to, general plan, specific plan, and zoning requirements.

2.2. Tender of Defense. Upon receiving notice of a claim and pursuant to Article 6 of the Land Use Entitlements, Applicant shall assume the defense of the claim, action, or proceeding through the prompt payment of all attorneys' fees and costs, incurred in good faith and in the exercise of reasonable discretion, of City's counsel in defending such an action. Regardless of whether Applicant chooses to defend City pursuant to Section 6.4 of the Land Use Entitlements, City shall have the absolute and sole authority to control the litigation and make litigation decisions, including, but not limited to, selecting counsel to defend City and settlement or other disposition of the matter.

2.3. Deposit for Costs. Applicant shall make a refundable deposit to the City within thirty (30) days of written notification from the City ("Cost Deposit"), to cover the estimated fees and costs associated with the City's defense of any claim, action or proceeding. Applicant shall make any and all additional payments to City to replenish the Cost Deposit within thirty (30) days of written notice from City.

2.4. Failure to Indemnify; Waiver. Failure to indemnify City, when required by this Agreement, shall constitute a material breach of this Agreement and of the Land Use Entitlements, which shall entitle City to all remedies available under law including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of the Land Use Entitlements. Applicant's failure to indemnify City shall be a waiver by Applicant of any right to proceed with the Project, or any portion thereof, and a waiver of Applicant's right to file a claim, action or proceeding against City or City's Agents based on City's rescission or revocation of the Land Use Entitlements, or City's failure to defend any claim, action or proceeding based on Applicant's failure to indemnify City.

2.5. Satisfaction of Judgment. With respect to any claims, demands, acts, causes of action, damages, costs, expenses, settlements, losses or liabilities which Applicant has indemnified City against, Applicant shall pay and satisfy any judgment, award, settlement or decree that may be rendered or agreed against City and City's Agents arising out of any final, non-appealable judicial or administrative action.

2.6. Payment of Costs and Fees. Applicant's obligations under this Agreement to defend and indemnify City shall include, but not be limited to, payment of all court costs and attorneys' fees, all litigation-related costs, all costs of any judgments or awards against City, or all settlement costs which arise out of City's processing or approval of the Project.

2.7. Continuing Obligation. Applicant shall be and remain personally obligated to all of the terms of this Agreement, notwithstanding any attempt to assign, delegate or otherwise transfer all or any of the rights or obligations of this Agreement, and notwithstanding a change in or transfer of ownership of the real property upon which the Project is located (or any interest therein). However, Applicant may be released from such obligations if Applicant obtains City's prior written consent to such transfer, which consent shall not be unreasonably withheld.

Section 3. City's Obligations. City shall notify Applicant of any claim, action or proceeding within ten (10) business days of receiving service of any claim, action or proceeding. If City fails to notify Applicant of any claim, action, or proceeding, Applicant shall not, thereafter, be responsible to defend, indemnify, or hold harmless City. City shall have and retain, in its sole discretion, the right to not participate in the defense of any claim, action, or proceeding. At its sole discretion, the City may participate at its own expense in the defense, but such participation shall not relieve Applicant of any obligation imposed by this Agreement.

Section 4. Notice. Any notice or communication required hereunder between City and Applicant must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Party hereto, designate any other address in substitution of the

address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Oakdale
280 North Third Avenue
Oakdale, California 95361
Attention: City Clerk

With copy to City of Oakdale
280 North Third Avenue
Oakdale, California 95361
Attn: City Manager
bwhitemyer@ci.oakdale.ca.us

and Churchwell White, LLP
1414 K Street, 3rd Floor
Sacramento, California 95814
Attention: Douglas L. White, Esq.
doug@churchwellwhite.com

If to Applicant: JDI Farms, Inc.
1631 Fig Avenue
Patterson, CA 95363

Section 5. Modification of Agreement. This Agreement may be supplemented, amended, or modified only by a writing signed by the City and Applicant.

Section 6. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the action and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

Section 7. Agreement is Voluntary. The Parties acknowledge that they have entered into this Agreement voluntarily, on the basis of their own judgment and without coercion, and not in reliance on any promises, representations, or statements made by the other Party other than those contained in this Agreement. This Agreement incorporates the entire understanding of the Parties and recites the sole consideration of the promises and agreements contained within it. The Parties have read this Agreement and are fully aware of its contents and legal effect.

Section 8. Time of Essence. Time is of the essence for this Agreement, and each section contained within this Agreement is made and declared to be a material, necessary, and essential part of this Agreement.

Section 9. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

Section 10. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement, and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by the state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 11. Noninterference. No Party will do anything to interfere with or inhibit the ability of the other to comply with their respective obligations under the terms of this Agreement.

Section 12. Ambiguities. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

Section 13. Headings. The headings in this Agreement are included for convenience only, and neither affect the construction or interpretation of any section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

Section 14. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement. The Parties will act in good faith to carry out the intent of this Agreement.

Section 15. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 16. Venue. Venue for all legal proceedings shall be in the Superior Court of California, in and for the County of Stanislaus.

Section 17. Attorney's Fees and Costs. If any action at law or in equity, including action for

declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

Section 18. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

Section 19. Counterparts. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the Parties have executed this Agreement on the day, month and year first above written.

APPLICANT

JDI Farms, a California non-profit mutual benefit corporation

By: 

Name: Darron Silva

Its: President

Date: 03/01/18

CITY

City of Oakdale, a California municipal corporation

By: _____
Bryan Whitemyer, City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
Thomas P. Hallinan, City Attorney

Exhibit F

Notice of Termination

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Oakdale
280 North Third Avenue
Oakdale, CA 95361
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §
6103

NOTICE OF TERMINATION AND RELEASE OF DEVELOPMENT AGREEMENT

DATE: _____, 2018

PARTIES: CITY OF OAKDALE, a California municipal corporation
280 North Third Avenue
Oakdale, California 95361

JDI Farms, Inc., a California nonprofit mutual benefit corporation
1631 Fig Avenue
Patterson, CA 95363

THIS NOTICE OF TERMINATION AND RELEASE (the "Release") is being executed by the City of Oakdale, a California municipal corporation ("City"), with reference to the following.

- A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 2018, City recorded a development agreement between City and _____, dated _____, 2018 (the "Development Agreement"), relating to the development and operation of a cannabis dispensary and microbusiness.
- B. Pursuant to Sections 1.7 and 9.1 of the Development Agreement, the term of the Development Agreement expires three (3) years from _____, 2018, on _____, 2020.

C. Pursuant to Section 9.1 of the Development Agreement, once terminated, the Development Agreement has no further force or effect, unless otherwise set forth in the Development Agreement.

NOW, THEREFORE, City hereby terminates, cancels, and otherwise releases Developer and Developer's heirs, executives, administrators, successors, and assigns from their obligations in the Development Agreement on this ____ (day) of ____ (month), 2020, and relinquishes any right it may hereafter have to enforce any of the terms and provisions set forth in the Development Agreement, unless otherwise set forth in the Development Agreement. This termination, cancellation, and release shall be effective upon the recordation of this Release in the office of the County Recorder for the County of Stanislaus, State of California.

CITY OF OAKDALE,
a California municipal corporation

By: _____
City Manager

Exhibit G

Assignment and Assumption Agreement

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Oakdale
280 North Third Avenue
Oakdale, CA 95361
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §
6103

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is entered into this ____ day of _____, 20____, by and between JDI Farms, Inc., a California nonprofit mutual benefit corporation ("Assignors"), and _____ ("Assignee").

RECITALS

A. On _____, 2018, Assignor and the City of Oakdale (the "City") entered into that certain agreement entitled "Development Agreement by and between the City of Oakdale, a municipal corporation of the State of California, _____, a California nonprofit mutual benefit corporation," relating to the improvement, development, and use of real property to operate a cannabis dispensary business and microbusiness (the "Development Agreement"), originally recorded upon Stanislaus County Assessor's Parcel Number _____ (the "Property").

B. Section 10.1 of the Development Agreement prohibits the sale, assignment, or transfer by Assignor of any portion of Assignor's interests, rights, or titles described in that section of the Development Agreement ("Assignable Rights") to a third party without prior written approval by the City Manager of the City of Oakdale (the "City Manager").

C. Assignor intends to assign, and Assignee intends to assume, the Assignable Rights under the Development Agreement.

D. In accordance with the terms of the Development Agreement, Assignor has provided to the City Manager a written request for consent to assignment. The City Manager has received the information he or she deems appropriate and consulted with the City Attorney for the purpose of determining that Assignee is a qualified applicant for purposes of the foregoing terms of the Development Agreement. This Agreement is intended to meet the requirements Section 10.1

of the Development Agreement for an Assignment and Assumption Agreement, and is executed with the consent of the City Manager as contemplated in the Development Agreement.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

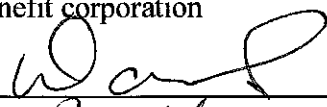
1. The foregoing Recitals are true and incorporated herein by this reference as though set forth in full.
2. Assignor hereby assigns to Assignee all of the Assignable Rights of Assignor under the Development Agreement.
3. Assignee hereby assumes all of the burdens and obligations of Assignor under the Development Agreement, and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement, and to be subject to all the terms and conditions thereof, with respect to the Property and Assignable Rights. It is the express intention of Assignor and Assignee that, upon the execution of this Agreement, Assignee shall become substituted for Assignor as the "Developer" under the Development Agreement.
4. This Agreement shall take effect and be binding only upon the City Manager's consent to and approval of the Agreement.
5. Assignee represents and warrants that it has reviewed and is familiar with the terms and conditions of the Development Agreement. Assignee acknowledges that the Assignable Rights are as set forth in Section 10.1 of the Development Agreement, and the duties of Assignor thereunder and the duties of Assignee hereunder, as between Assignee and City, shall be without reference to any underlying agreements or understandings that may exist between Assignee, Assignor, or any other party with respect to the subject matter hereof, and that City is not party to such other agreements.
6. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, and assigns.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[Signatures on the following page]

ASSIGNOR/ DEVELOPER:

JDI Farms, a California nonprofit mutual
benefit corporation


Its: President

ASSIGNEE

Turlock, a
California 03/01/18

By: Darron Silva

AGREED TO AND ACCEPTED:

CITY OF OAKDALE
a California municipal corporation

City Manager



**IN THE CITY COUNCIL
OF THE CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1257**


SECTION 6. This Ordinance shall become effective thirty (30) days from and after its final passage and adoption, and publication of the Ordinance shall occur in a newspaper of general circulation at least fifteen (15) days prior to its effective date, or a summary of the Ordinance published in a newspaper of general circulation at least five (5) days prior to adoption and again at least fifteen (15) days prior to its effective date.


The foregoing Ordinance was introduced at a meeting of the City Council held on the 12th day of February 2018, by Mayor Pro Tem Dunlop who moved its introduction, which motion being duly seconded by Council Member McCarty. Said Ordinance was given a second reading at a regular meeting of the City Council held on the 20th day of February 2018, and after such reading, Council Member McCarty moved its adoption, seconded by Mayor Pro Tem Dunlop and said Ordinance was thereupon adopted by the following roll call vote:

AYES:	COUNCIL MEMBERS: Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS: None	(0)
ABSENT:	COUNCIL MEMBERS: None	(0)
ABSTAINED:	COUNCIL MEMBERS: None	(0)

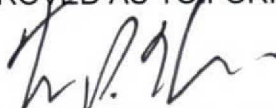
ATTEST:

SIGNED:


Bryan Whitemyer, Deputy City Clerk


Pat Paul, Mayor

APPROVED AS TO FORM:


Tom Hallinan, City Attorney



CITY OF OAKDALE
STAFF REPORT

SUBJECT: Discussion on the City's Development Agreements between MDS Business Services, Inc. and JDI Farms, Inc.

MEETING DATE: February 16, 2021

REPORT DATE: February 5, 2021

Attachment B

Ordinance No. 1258 – Development Agreement between the City of Oakdale and MDS Business Services, Inc.



**IN THE CITY COUNCIL OF THE
CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1258**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OAKDALE
APPROVING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE
CITY OF OAKDALE AND MDS BUSINESS SERVICES, INC.,
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION**

WHEREAS, on October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643), which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("**MCRSA**"). MCRSA established the first statewide regulatory system for medical cannabis businesses; and

WHEREAS, in 2016, the voters of California approved Proposition 64 entitled the "Control, Regulate and Tax Adult Use of Marijuana" ("**AUMA**"). AUMA legalized the adult-use and possession of cannabis by persons 21 years of age and older and the personal cultivation of up to six cannabis plants within a private residence; and

WHEREAS, on June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("**MAUCRSA**"), which created a single regulatory scheme for both medical and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction; and

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 et seq., which authorizes the City of Oakdale (the "**City**"), and an individual with an interest in real property, to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application; and

WHEREAS, the City adopted Oakdale Municipal Code Chapter 36-23.20 et seq., authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City; and

WHEREAS, Oakdale Municipal Code section 36-23.22 requires a written application with specified data to be submitted to the Oakdale Community Development Director for consideration of any development agreement. MDS Business Services, Inc. ("**MDS**") submitted an application to the Oakdale Community Development Director for consideration of a development agreement for a cannabis business; and



**IN THE CITY COUNCIL OF THE
CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1258**

- c. Will not adversely affect the orderly development of property or the preservation of property values;
- d. Is consistent with the provisions of Government Code sections 65864 through 65869.5; and
- e. Contains a legal description of the property.

NOW, THEREFORE THE CITY COUNCIL DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council approves a Development Agreement by and between MDS Inc., a California nonprofit mutual benefit corporation, and the City for the development of the Project and instructs the City Manager to execute the Development Agreement subject to final, technical revisions as required and approved by the City Attorney.

SECTION 2. The City shall review the Development Agreement for compliance with its terms and conditions not less than once every twelve (12) months from the effective date of the Development Agreement, or as otherwise required pursuant to the terms of the Development Agreement.

SECTION 3. Notice of the public hearing on the proposed Development Agreement was published in the Oakdale Leader and Modesto Bee, newspapers of general circulation, printed and published in the City, and notices of the public hearing on the proposed Development Agreement were mailed to all interested parties and property owners within 300 feet of the property, according to the most recent assessor's roll.

SECTION 4. Environmental impacts for the Project have been reviewed and assessed by the City pursuant to CEQA (Public Resources Code section 21000 et seq.; California Code of Regulations, title 14, section 15000 et seq.).

The Project site is categorically exempt from CEQA pursuant to section 15301 of title 14 of the California Code of Regulations, applicable to existing facilities involving no expansion of the facility.

SECTION 5. If any section, subsection, sentence, clause, phrase, or word of this Ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.



**IN THE CITY COUNCIL OF THE
CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1258**

SECTION 6. This Ordinance shall become effective thirty (30) days from and after its final passage and adoption, and publication of the Ordinance shall occur in a newspaper of general circulation at least fifteen (15) days prior to its effective date, or a summary of the Ordinance published in a newspaper of general circulation at least five (5) days prior to adoption and again at least fifteen (15) days prior to its effective date.


The foregoing Ordinance was introduced at a meeting of the City Council held on the 12th day of February 2018, by Mayor Pro Tem Dunlop who moved its introduction, which motion being duly seconded by Council Member McCarty. Said Ordinance was given a second reading at a regular meeting of the City Council held on the 20th day of February 2018, and after such reading, Council Member McCarty moved its adoption, seconded by Mayor Pro Tem Dunlop and said Ordinance was thereupon adopted by the following roll call vote:

AYES:	COUNCIL MEMBERS:	Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS:	None	(0)
ABSENT:	COUNCIL MEMBERS:	None	(0)
ABSTAINED:	COUNCIL MEMBERS:	None	(0)

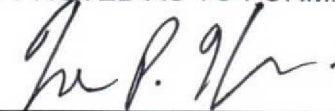
ATTEST:

SIGNED:


Bryan Whitemyer, Deputy City Clerk


Pat Paul, Mayor

APPROVED AS TO FORM:


Tom Hallinan, City Attorney



**IN THE CITY COUNCIL OF THE
CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1258**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OAKDALE
APPROVING A DEVELOPMENT AGREEMENT BY AND BETWEEN THE
CITY OF OAKDALE AND MDS BUSINESS SERVICES, INC.,
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION**

WHEREAS, on October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643), which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA established the first statewide regulatory system for medical cannabis businesses; and

WHEREAS, in 2016, the voters of California approved Proposition 64 entitled the "Control, Regulate and Tax Adult Use of Marijuana" ("AUMA"). AUMA legalized the adult-use and possession of cannabis by persons 21 years of age and older and the personal cultivation of up to six cannabis plants within a private residence; and

WHEREAS, on June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medical and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction; and

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 et seq., which authorizes the City of Oakdale (the "City"), and an individual with an interest in real property, to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application; and

WHEREAS, the City adopted Oakdale Municipal Code Chapter 36-23.20 et seq., authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City; and

WHEREAS, Oakdale Municipal Code section 36-23.22 requires a written application with specified data to be submitted to the Oakdale Community Development Director for consideration of any development agreement. MDS Business Services, Inc. ("MDS") submitted an application to the Oakdale Community Development Director for consideration of a development agreement for a cannabis business; and



**IN THE CITY COUNCIL OF THE
CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1258**

WHEREAS, MDS intends to improve, develop, and use real property to operate a cannabis dispensary (the "Project") within the City in strict compliance with MAUCRSA and Oakdale Municipal Code chapter 37; and

WHEREAS, MDS has an agreement to lease that certain real property located at 570 Armstrong Way, Oakdale, CA, identified as Stanislaus County Assessor's Parcel Number 064-039-055 (the "Property"). MDS intends to operate the Project on the Property; and

WHEREAS, City and MDS seek to enter into a development agreement for the Project and the (the "Development Agreement") pursuant to Government Code section 65864 et seq. and all applicable local and state laws; and

WHEREAS, the Planning Commission held a duly noticed public hearing on February 7, 2018, to consider the Development Agreement and make recommendations to the Oakdale City Council ("City Council"); and

WHEREAS, on February 12, 2018, and February 28, 2018, the City Council held duly noticed public hearings to consider the Development Agreement; and

WHEREAS, the City Council, based on its independent review and analysis of staff's recommendations, oral and written testimony, and the record as a whole, finds after due study, deliberation, and public hearing, and based on its independent judgment, that the following circumstances exist:

1. The Project is consistent with the goals, policies, and standards of the City's General Plan and all other applicable standards and ordinances of the City.
2. In accordance with Government Code section 65864 et seq., the City Council finds that the Development Agreement:
 - a. Is consistent with the objectives, policies, general land uses, and programs specified in the City's General Plan and any applicable specific plan;
 - b. Will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area nor detrimental to the general welfare of the residents of the City as a whole;



**IN THE CITY COUNCIL OF THE
CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1258**

- c. Will not adversely affect the orderly development of property or the preservation of property values;
- d. Is consistent with the provisions of Government Code sections 65864 through 65869.5; and
- e. Contains a legal description of the property.

NOW, THEREFORE THE CITY COUNCIL DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council approves a Development Agreement by and between MDS Inc., a California nonprofit mutual benefit corporation, and the City for the development of the Project and instructs the City Manager to execute the Development Agreement subject to final, technical revisions as required and approved by the City Attorney.

SECTION 2. The City shall review the Development Agreement for compliance with its terms and conditions not less than once every twelve (12) months from the effective date of the Development Agreement, or as otherwise required pursuant to the terms of the Development Agreement.

SECTION 3. Notice of the public hearing on the proposed Development Agreement was published in the Oakdale Leader and Modesto Bee, newspapers of general circulation, printed and published in the City, and notices of the public hearing on the proposed Development Agreement were mailed to all interested parties and property owners within 300 feet of the property, according to the most recent assessor's roll.

SECTION 4. Environmental impacts for the Project have been reviewed and assessed by the City pursuant to CEQA (Public Resources Code section 21000 et seq.; California Code of Regulations, title 14, section 15000 et seq.).

The Project site is categorically exempt from CEQA pursuant to section 15301 of title 14 of the California Code of Regulations, applicable to existing facilities involving no expansion of the facility.

SECTION 5. If any section, subsection, sentence, clause, phrase, or word of this Ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.



**IN THE CITY COUNCIL OF THE
CITY OF OAKDALE
STATE OF CALIFORNIA
ORDINANCE 1258**

SECTION 6. This Ordinance shall become effective thirty (30) days from and after its final passage and adoption, and publication of the Ordinance shall occur in a newspaper of general circulation at least fifteen (15) days prior to its effective date, or a summary of the Ordinance published in a newspaper of general circulation at least five (5) days prior to adoption and again at least fifteen (15) days prior to its effective date.

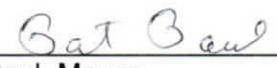
The foregoing Ordinance was introduced at a meeting of the City Council held on the 12th day of February 2018, by Mayor Pro Tem Dunlop who moved its introduction, which motion being duly seconded by Council Member McCarty. Said Ordinance was given a second reading at a regular meeting of the City Council held on the 20th day of February 2018, and after such reading, Council Member McCarty moved its adoption, seconded by Mayor Pro Tem Dunlop and said Ordinance was thereupon adopted by the following roll call vote:

AYES:	COUNCIL MEMBERS:	Bairos, Dunlop, McCarty, Murdoch and Paul	(5)
NOES:	COUNCIL MEMBERS:	None	(0)
ABSENT:	COUNCIL MEMBERS:	None	(0)
ABSTAINED:	COUNCIL MEMBERS:	None	(0)

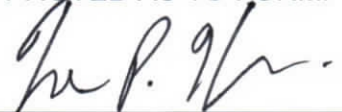
ATTEST:

SIGNED:


Bryan Whitemyer, Deputy City Clerk


Pat Paul, Mayor

APPROVED AS TO FORM:


Tom Hallinan, City Attorney

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:

City of Oakdale
280 North Third Avenue
Oakdale, CA 95361
Attention: City Clerk

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2018-0019366-00

Wednesday, MAR 21, 2018 08:18:41
Ttl Pd \$0.00 Rcpt # 0004101923
JLO/R2/1-56

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §6103

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this (20th) day of February 2018, by and between the CITY OF OAKDALE, a California municipal corporation ("City"), and **MDS Business Services, Inc.**, a California nonprofit mutual benefit corporation ("Developer"). City and Developer may be referred to herein individually as a "Party" or collectively as the "Parties." There are no other parties to this Agreement.

RECITALS

- A. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.
- B. On November 8, 2016, California voters enacted Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act, also known as the Adult Use of Marijuana Act ("AUMA"), which establishes a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis, including cannabis products, for use by adults 21 years and older, and to tax the growth and retail sale of cannabis for nonmedical use.
- C. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which creates a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in Commercial Cannabis Activity, as defined in Section 1.4 of this Agreement, may operate in a particular jurisdiction.

5/10/18

- D. Developer proposes to improve, develop, and use real property to operate a Cannabis Dispensary, as defined in Section 1.4 of this Agreement, in strict accordance with California Cannabis Laws, as defined in Section 1.4, and the Municipal Code of the City of Oakdale, as each may be amended from time to time (the "Project").
- E. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 *et seq.* (the "Development Agreement Statute"), which authorizes City and an individual with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application.
- F. Consistent with the requirements of the Development Agreement Statute, City adopted Oakdale Municipal Code Section 36-23.20 *et seq.* ("City Development Agreement Ordinance") authorizing the use of and establishing the procedures and requirements for the consideration of development agreements within the City.
- G. Oakdale Municipal Code section 36-23.22 requires a written application with specified data be submitted to the City Department of Planning for consideration of any development agreement.
- H. Developer submitted an application to the City Department of Planning for consideration of a development agreement for a cannabis business.
- I. Developer has an agreement to lease that certain real property located at 570 Armstrong Way, in the City of Oakdale, County of Stanislaus, State of California, Assessor's Parcel Number 064-039-055, of which Developer intends to improve (the "Site"), more particularly described in the location map attached hereto as **Exhibit A**.
- J. Government Code section 65865 and Oakdale Municipal Code section 36-23.22 require that an applicant for a development agreement hold a legal or equitable interest in the real property that is the subject of the development agreement.
- K. Developer has leased the Site for the purpose of carrying out the Project. A copy of the lease is attached hereto as **Exhibit B**, within satisfaction of the requirement of Oakdale Municipal Code Chapter 37. The legal owner of the Site is aware of, and agrees to, the Project operating at the Site.
- L. On February 7, 2018, the Oakdale Planning Commission ("Planning Commission") adopted Resolution No. 2018-005 recommending the Oakdale City Council ("City Council") adopt an ordinance establishing zoning limitations and requirements for all cannabis businesses.

- M. On February 20, 2018, the City Council adopted Ordinance No. 2018-1255 to revise Oakdale Municipal Code Chapter 37 to establish a Cannabis Business Pilot Program to regulate all cannabis businesses within the City.
- N. Government Code section 65867.5 and Oakdale Municipal Code section 36-23.24 require the Planning Commission hold a public hearing to review an application for a development agreement.
- O. On February 7, 2018, the Planning Commission, in a duly noticed and conducted public hearing, considered Developer's application for this Agreement.
- P. On February 7, 2018, the Planning Commission recommended the City Council adopt Ordinance No. 2018-1256, which would allow Developer to operate the Project at the Site.
- Q. On February 20, 2018, pursuant to Government Code section 65867.5 and the City Development Agreement Ordinance, and following a duly noticed and conducted public hearing, the City Council reviewed, considered, adopted, and entered into this Agreement pursuant to Ordinance No. 2018-1258.
- R. This Agreement is entered into pursuant to the Development Agreement Statute and the Oakdale Municipal Code.
- S. City and Developer desire to enter into this Agreement to (i) facilitate the orderly development of the Site; (ii) create a physical environment that is consistent with and complements City's goals and visions; (iii) protect natural resources from adverse impacts; (iv) improve, upgrade, and create additional community facilities and infrastructure, enhance services, and assist in implementing the goals of the General Plan; and (vi) reduce the economic risk of development of the Site to both City and Developer.
- T. The Parties intend, through this Agreement, to allow Developer to develop and operate the Project in accordance with the terms of this Agreement.
- U. The City Council has determined that this Agreement is consistent with City's General Plan and has conducted all necessary proceedings in accordance with the Oakdale Municipal Code for the approval of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

AGREEMENT

ARTICLE 1 GENERAL PROVISIONS

Section 1.1. Findings. City hereby finds and determines that entering into this Agreement furthers the public health, safety, and general welfare and is consistent with City's General Plan, including all text and maps in the General Plan.

Section 1.2. Recitals. The Recitals above are true and correct and are hereby incorporated into and made a part of this Agreement. In the event of any inconsistency between the Recitals and the provisions of Articles 1 through 10 of this Agreement, the provisions of Articles 1 through 10 shall prevail.

Section 1.3. Exhibits. The following "Exhibits" are attached hereto and incorporated into this Agreement:

<u>Designation</u>	<u>Description</u>
Exhibit A	Location Map
Exhibit B	Site Lease
Exhibit C	Notice of Non-Performance Penalty
Exhibit D	Indemnification Agreement
Exhibit E	Notice of Termination
Exhibit F	Assignment and Assumption Agreement

Section 1.4. Definitions. In this Agreement, unless the context otherwise requires, the terms below have the following meaning:

- (a) "Additional Insureds" has the meaning set forth in Section 6.1.
- (b) "Additional Licenses" has the meaning set forth in Section 2.4.
- (c) "Additional Licenses Public Benefit Amount" has the meaning set forth in Section 4.2.
- (d) "Adult-use cannabis" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended for use by adults 21 years of age or older in California pursuant to the California Cannabis Laws.
- (e) "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.

(f) "Application" means the application for a development agreement required by Oakdale Municipal Code section 36-36.22.

(g) "Assignment and Assumption Agreement" has the meaning set forth in Section 10.1.

(h) "AUMA" means the Adult Use of Marijuana Act (Proposition 64) approved by California voters on November 8, 2016.

(i) "Authorized License" has the meaning set forth in Section 2.3.

(j) "Bureau" means the Bureau of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.

(k) "California Building Standards Codes" means the California Building Code, as amended from time to time, in Part 2, Volumes 1 and 2, as part of Title 24 of the California Code of Regulations, as may be adopted by the Oakdale Municipal Code.

(l) "California Cannabis Laws" includes AUMA, MAUCRSA, CUA (as defined below), the Medical Marijuana Program Act of 2004 codified as Health and Safety Code sections 11362.7 through 11.62.83, and any other applicable laws that may be enacted or approved.

(m) "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. Cannabis and the term "marijuana" may be used interchangeably.

(n) "Cannabis Business Pilot Program" means the cannabis business program established and authorized by Oakdale Municipal Code Chapter 37.

(o) "Cannabis Dispensary" means a business that engages in Commercial Cannabis Activity, as defined below, related to the retail sale and delivery of cannabis or cannabis products pursuant to a Type 10 license.

(p) "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not

limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(q) "CEQA" means the California Environmental Quality Act, as set forth in Division 13 (Commencing with Section 21000) of the California Public Resources Code, and the CEQA Guidelines, as set forth in Title 14 (Commencing with Section 15000) of the California Code of Regulations.

(r) "City" means the City of Oakdale, a municipal corporation having general police powers.

(s) "City Council" means the City of Oakdale City Council, as described in Oakdale Municipal Code Section 1-2.

(t) "City Development Agreement Ordinance" has the meaning set forth in Recital F.

(u) "City Manager" means the City Manager of the City of Oakdale, or his or her designee, as described in Oakdale Municipal Code Section 2-4.

(v) "Charged Party" has the meaning set forth in Section 8.1.

(w) "Charging Party" has the meaning set forth in Section 8.1.

(x) "Commercial Cannabis Activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis or a cannabis product that requires a state license pursuant to MAUCRSA.

(y) "Major Use Permit" means a Major Use Permit issued by City pursuant to Oakdale Municipal Code Chapter 36.

(z) "CUA" means the Compassionate Use Act (Proposition 215) approved by California voters on November 5, 1996.

(aa) "Developer" means MDS Business Services Inc. Developer also has the meaning set forth in Section 6.1.

(bb) "Development Agreement Statute" has the meaning set forth in Recital C.

(cc) "Exhibits" has the meaning set forth in Section 1.3.

(dd) "Gross Receipts from Operations" means total revenue actually received or receivable from operation of the Project, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed whether or not such act or service is done as part of or in connection with the sale of materials, goods,

wares, or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

1. Cash discounts allowed and taken on sales;
2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";
3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
4. Such part of the sale price of property returned by purchasers upon rescission of a contract of sale as is refunded either in cash or by credit;
5. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded.

The intent of this definition is to ensure that in calculating the payment required under Section 4.2, all sales of cannabis products through the Project are captured. This definition shall therefore be given the broadest possible interpretation consistent with this intent.

(ee) "Indemnification Agreement" has the meaning set forth in Section 6.3.

(ff) "Major Amendment" means an amendment that shall have a material effect on the terms of this Agreement. A Major Amendment also has the meaning set forth in Section 2.4. Major Amendments shall require approval by the City Council.

(gg) "Marijuana" has the same meaning as cannabis and those terms may be used interchangeably.

(hh) "MAUCRSA" means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified as Business and Professions Code section 26000 *et seq.*, as may be amended from time to time.

(ii) "MCRSA" has the meaning set forth in Recital A.

(jj) "Ministerial Fee" or "Ministerial Fees" has the meanings set forth in Section 4.1.

(kk) "Minor Amendment" means a clerical amendment to this Agreement that shall not materially affect the terms of this Agreement and any amendment described as minor herein. A Minor Amendment also has the meaning set forth in Section 1.7.

(ll) "Mortgage" has the meaning set forth in Article 7.

(mm) "Non-Performance Penalty" has the meaning set forth in Section 4.3.

(nn) "Notice of Non-Performance Penalty" has the meaning set forth in Section 4.3.

(oo) "Notice of Termination" has the meaning set forth in Section 9.1.

(pp) "Planning Commission" means the City of Oakdale Planning Commission, as established by Oakdale Municipal Code Section 2-27.

(qq) "Processing Costs" has the meaning set forth in Section 1.11.

(rr) "Project" has the meaning set forth in Recital D.

(ss) "Project Litigation" has the meaning set forth in Section 10.7.

(tt) "Public Benefit" has the meaning set forth in Section 4.2.

(uu) "Public Benefit Amount" has the meaning set forth in Section 4.2.

(vv) "Site" has the meaning set forth in Recital G.

(ww) "State Licensing Authority" means the state agency responsible for the issuance, renewal, or reinstatement of a state cannabis license, or the state agency authorized to take disciplinary action against a business licensed under the California Cannabis Laws.

(xx) "State Cannabis Regulations" means the regulations promulgated by the State Licensing Authority pursuant to the California Cannabis Laws.

(yy) "State Taxing Authority" has the meaning set forth in Section 4.2.

(zz) "Subsequent City Approvals" has the meaning set forth in Section 3.1.

(aaa) "Term" has the meaning set forth in Section 1.7.

(bbb) "Type 10 license" or "Retailer" means a state license issued by the Bureau pursuant to the California Cannabis Laws for the retail sale of cannabis and cannabis products.

Section 1.5. Project is a Private Undertaking. The Parties agree that the Project is a private development and that City has no interest therein, except as authorized in the exercise of its governmental functions. City shall not for any purpose be considered an agent of Developer or the Project.

Section 1.6. Effective Date of Agreement. This Agreement shall become effective upon the date that the ordinance approving this Agreement becomes effective (the "Effective Date").

Section 1.7. Term. The "Term" of this Agreement is three (3) years from the Effective Date, unless terminated or extended earlier, as set forth in this Agreement

(a) **Government Tolling or Termination.** City may provide written notice to Developer to cease all Commercial Cannabis Activity, upon which Developer shall immediately comply, if City is required, directed, or believes, in its sole and absolute discretion, it must temporarily halt or terminate Commercial Cannabis Activity within the City to comply with federal or state law. If City temporarily halts this Agreement to comply with federal or state law, this Agreement shall be tolled for no longer than one (1) calendar year (the "Tolling Period"). Developer shall not accrue or be liable to City for any Ministerial Fees or Public Benefit Amount during the Tolling Period. Developer shall resume paying any applicable fees after the Tolling Period ends. City and Developer shall discuss in good faith the termination of this Agreement if the Tolling period exceeds one (1) calendar year to comply with federal or state law.

(b) **Developer Tolling or Termination.** Developer may not temporarily halt or terminate this Agreement for any purpose without causing a default of this Agreement, except as otherwise allowed by this Agreement or by mutual agreement of the Parties.

Section 1.8. Priority of Enactment. In the event of a conflict between the various land use documents referenced in this Agreement, the Parties agree that the following sequence of approvals establishes the relative priority of the approvals, each approval superior to the approvals listed thereafter: (a) General Plan, (b) Agreement, (d) Major Use Permit, (e) Indemnification Agreement, and (f) Subsequent City Approvals.

Section 1.9. Amendment of Agreement. This Agreement shall be amended only by mutual consent of the Parties. All amendments shall be in writing. The City Council hereby expressly authorizes the City Manager to approve a Minor Amendment to this Agreement, upon notification of the City Council. A Major Amendment to this Agreement shall be approved by the City Council. The City Manager shall, on behalf of City, have sole discretion for City to determine if an amendment is a Minor Amendment or a Major Amendment. Nothing in this Agreement shall be construed as requiring a noticed public hearing, unless required by law.

Section 1.10. Recordation of Development Agreement. The City Clerk shall cause a copy of this Agreement to be recorded against the title of the Site within ten (10) business days of the Effective Date.

Section 1.11. Funding Agreement for Processing Costs. Developer has deposited Twenty-Five Thousand Dollars (\$25,000) with City to pay for the Application, all actual fees and expenses incurred by City that are related to the preparation and processing of this Agreement, including recording fees, publishing fees, staff time, and consultant and attorney fees and costs (collectively, "Processing Costs"). The Processing Costs are refundable solely to the extent of non-expended Processing Costs. Developer shall be entitled to a refund of available Processing Costs only after City determines all financial obligations associated with the Project have been received and paid by City.

(a) **Apportionment of Processing Costs.** If the amount deposited for purposes of Processing Costs is insufficient to cover all Processing Costs, Developer shall deposit with City such additional funds necessary to pay for all Processing Costs within thirty (30) days. The failure to timely pay any such additional amounts requested by City shall be considered a material default of this Agreement and City may terminate this Agreement.

(b) **Accounting.** Developer may request, and City shall issue within a reasonable time not to exceed thirty (30) days, an accounting and written acknowledgement of Processing Costs paid to City.

Section 1.12. Law Enforcement Cannabis Impact Fee. Developer shall pay Fifty Thousand Dollars (\$50,000) to City due with the first installment of the Cannabis Dispensary Public Benefit, as specified in Section 4.2, to pay for additional law enforcement services related to this Agreement.

ARTICLE 2

DEVELOPMENT OF PROPERTY

Section 2.1. Vested Right of Developer. During the Term, in developing the Site consistent with the Project described herein, Developer is assured that the development rights, obligation terms, and conditions specified in this Agreement, including, without limitation, the terms, conditions, and limitations set forth in the Exhibits, are fully vested in Developer and may not be modified or terminated by City except as set forth in this Agreement or with Developer's written consent.

Section 2.2. Vested Right to Develop. In accordance with Section 2.1, Developer shall have the vested right to develop and use the Project consistent with this Agreement, the Major Use Permit, and Subsequent City Approvals.

Section 2.3. Permitted Uses and Development Standards. Developer shall be authorized to develop, construct, and use the Site for Commercial Cannabis Activity consistent with the following license type (the "Authorized License"):

Type 10	Retailer
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Developer shall be permitted to use the Site consistent with the Authorized License for the Term of this Agreement and during the time Developer is applying for the Authorized License with the applicable State Licensing Authority. Notwithstanding the foregoing, Developer is required to apply for and obtain the Authorized License from the State of California. If the State Licensing Authority does not grant the Authorized License to Developer, Developer shall immediately cease Commercial Cannabis Activity on the Site. Developer shall also, within thirty (30) days of receiving notice from the State Licensing Authority, notify City of the State Licensing Authority's denial or rejection of any license. If the Authorized License is not granted by the State of California, Developer shall

immediately cease operations. In this situation, this Agreement shall terminate immediately. The Parties intend for this Agreement and the Major Use Permit to serve as the definitive and controlling documents for all subsequent actions, discretionary or ministerial, relating to development of the Site and Project.

Section 2.4. Major Amendment to Permitted Uses. Developer may request to add to the Authorized License additional license types once that license is applied for or obtained from the appropriate State Licensing Authority (the "Additional Licenses"):

Type 10	Retailer
Type 11	Distributor
Type 6	Manufacturing
Type 1A	Cultivation

Section 2.5. Major Use Permit. Prior to commencing operation of any Commercial Cannabis Activity on the Site, Developer shall obtain a Major Use Permit and any applicable Subsequent City Approvals. Developer shall be required to comply with all provisions of the Oakdale Municipal Code and any City rules and administrative guidelines associated with implementation of the Cannabis Business Pilot Program. Nothing in this Agreement shall be construed as limiting the ability of City to amend the Oakdale Municipal Code or issue rules or administrative guidelines associated with implementation of the Cannabis Business Pilot Program or Developer's obligation to strictly comply with the same.

Section 2.6. Subsequent Entitlements, Approvals, and Permits. Successful implementation of the Project shall require Developer to obtain additional approvals and permits from City and other local and state agencies. City shall comply with CEQA in the administration of all Subsequent City Approvals. In acting upon any Subsequent City Approvals, City's exercise of discretion and permit authority shall conform to this Agreement. Notwithstanding the foregoing, in the course of taking action on the Subsequent City Approvals, City will exercise discretion in adopting mitigation measures as part of the Major Use Permit. The exercise of this discretion is not prohibited or limited in any way by this Agreement. Nothing in this Agreement shall preclude the evaluation of impacts or consideration of mitigation measures or alternatives, as required by CEQA.

(a) Contemplated City Rules and Guidelines. City anticipates issuing additional rules and administrative guidelines associated with implementation of the Cannabis Business Pilot Program. City may establish requirements that are identical to or place a higher standard of care as existing provisions of the California Cannabis Laws, State Cannabis Regulations, or any amendments thereto. City reserves the right to adopt additional categories of rules or guidelines that are not listed in this section as part of the Cannabis Business Pilot Program. Developer will be required to comply with any and all administrative guidelines adopted by City that govern or pertain to the Project.

Section 2.7. Initiatives and Referenda. If any City ordinance, rule or regulation, or addition to the Oakdale Municipal Code is enacted or imposed by a citizen-sponsored initiative or referendum after the Effective Date that would conflict with this Agreement, an associated Major Use Permit, Subsequent City Approvals, or reduce the development rights or assurances provided to Developer in this Agreement, such Oakdale Municipal Code changes shall not be applied to the Site or Project; provided, however, the Parties acknowledge that City's approval of this Agreement is a legislative action subject to referendum. City shall cooperate with Developer and shall undertake such reasonable actions as may be appropriate to ensure this Agreement remains in full force and effect and is implemented in accordance with its terms to the fullest extent permitted by state or federal law.

Section 2.8. Regulation by Other Government Entities. Developer acknowledges that City does not have authority or jurisdiction over any other government entities' ability to grant governmental approvals or permits or to impose a moratorium or other limitations that may negatively affect the Project or the ability of City to issue a permit to Developer or comply with the terms of this Agreement. Any moratorium imposed by another government entity, including the State Licensing Authority, on City shall not cause City to be in breach of this Agreement.

Section 2.9. Developer's Right to Rebuild. Developer may renovate portions of the Site any time within the Term of this Agreement consistent with the Oakdale Municipal Code. Any such renovation or rebuild shall be subject to all design, building code, and other requirements imposed on the Project by this Agreement.

Section 2.10. Changes in California Building Standards Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Project shall be subject to changes occurring from time to time to the California Building Standards Codes.

Section 2.11. Changes Mandated by Federal or State Law. The Site and Project shall be subject to subsequently enacted state or federal laws or regulations that may preempt the Oakdale Municipal Code, or mandate the adoption or amendment of local regulations, or are in conflict with this Agreement or local rules or guidelines associated with the Cannabis Business Pilot Program. As provided in Section 65869.5 of the Development Agreement Statute, in the event state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Upon discovery of a subsequently enacted federal or state law meeting the requirements of this Section, City or Developer shall provide the other Party with written notice of the state or federal law or regulation, and a written statement of the conflicts thereby raised with the provisions of the Oakdale Municipal Code or this Agreement. Promptly thereafter, City and Developer shall meet and confer in good faith in a reasonable attempt to modify this Agreement, as necessary, to comply with such federal or state law or regulation provided City shall not be obligated to agree to any modification materially increasing its obligations or materially adversely

affecting its rights and benefits hereunder. In such discussions, City and Developer will attempt to preserve the terms of this Agreement and the rights of Developer derived from this Agreement to the maximum feasible extent while resolving the conflict. If City, in its judgment, determines it necessary to modify this Agreement to address such conflict, City shall have the right and responsibility to do so, and shall not have any liability to Developer for doing so or be considered in breach or default of this Agreement. City also agrees to process, in accordance with the provisions of this Agreement, Developer's proposed changes to the Project that are necessary to comply with such federal or state law and that such proposed changes shall be conclusively deemed to be consistent with this Agreement without further need for any amendment to this Agreement.

Section 2.12. Health and Safety Emergencies. In the event that any future public health and safety emergencies arise with respect to the Project contemplated by this Agreement, City agrees that it shall attempt, if reasonably possible as determined by City in its discretion, to address such emergency in a way that does not have a material adverse impact on the Project. If City determines, in its discretion, that it is not reasonably possible to so address such health and safety emergency in a way that does not have a material adverse impact on the Project, City may select an option which, in its discretion, minimizes, so far as reasonably possible, the impact on development and use of the Project in accordance with this Agreement, while still addressing such health and safety emergency in a manner acceptable to City.

ARTICLE 3

ENTITLEMENT AND PERMIT PROCESSING, INSPECTIONS

Section 3.1. Subsequent City Approvals. City shall permit the development, construction, and conditionally permitted use contemplated in this Agreement. City agrees to timely grant, pursuant to the terms of this Agreement, the Oakdale Municipal Code, and any Subsequent City Approvals reasonably necessary to complete the goals, objectives, policies, standards, and plans described in this Agreement. The Subsequent City Approvals shall include any applications, permits, and approvals required to complete the improvements necessary to develop the Site, in general accordance with this Agreement ("Subsequent City Approvals"). Nothing herein shall require City to provide Developer with Subsequent City Approvals prior to, or without complying with, all of the requirements in this Agreement, the Oakdale Municipal Code, and any applicable state law.

Section 3.2. Timely Processing. City shall use its reasonable best efforts to process and approve, within a reasonable time, any Subsequent City Approvals or environmental review requested by Developer during the Term of this Agreement.

Section 3.3. Cooperation Between City and Developer. Consistent with the terms set forth herein, City agrees to cooperate with Developer, on a timely basis, in securing all permits or licenses that may be required by City or any other government entity with permitting or licensing jurisdiction over the Project.

Section 3.4. Further Consistent Discretionary Actions. The exercise of City's authority and independent judgment is recognized under this Agreement, and nothing in this Agreement shall be interpreted as limiting City's discretion or obligation to hold legally required public hearings. Except as otherwise set forth herein, such discretion and action taken by City shall, however, be consistent with the terms of this Agreement and not prevent, hinder, or compromise development or use of the Site as contemplated by the Parties in this Agreement.

ARTICLE 4

PUBLIC BENEFIT, PROCESSING, AND OVERSIGHT

Section 4.1. Processing Fees and Charges. Developer shall pay to City those processing, inspection, plan checking, and monitoring fees and charges required by City which are in force and effect at the time those fees and charges are incurred (including any post-Effective Date increases in such fees and charges) for processing applications and requests for building permits, inspections, other permits, approvals and actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions (each a "Ministerial Fee" and collectively, the "Ministerial Fees").

Section 4.2. Public Benefit.

(a) The Parties acknowledge and agree that this Agreement confers substantial private benefits upon Developer that will place burdens upon City infrastructure, services, and neighborhoods. Accordingly, the Parties intend to provide consideration to City to offset these impacts that commensurate with the private benefits conferred on Developer (the "Public Benefit"). In consideration of the foregoing, for the Project, Developer shall remit to City as follows:

Effective Date	No Public Benefit Due.
First (1 st) Business Day of 1 st Month Following Issuance of the Major Use Permit.	\$15,000 or 5.5% of Gross Receipts from Operations each month, whichever is greater (" <u>Tier 1 Amount</u> ").
1 st Business Day of the Thirteenth (13 th) Month Following Issuance of the Major Use Permit.	\$27,500 or 5.5% of Gross Receipts from Operations each month, whichever is greater (" <u>Tier 2 Amount</u> ").
1 st Business Day of the Twenty-fifth (25 th) Month Following Issuance of the Major Use Permit Through the End of the Term.	\$43,000 or 5.5% of Gross Receipts from Operations each month, whichever is greater (" <u>Tier 3 Amount</u> ").

(b) Collectively, these tier amounts shall be known as the "Project Public Benefit Amount".

(c) If Developer obtains any Additional Licenses, Developer shall remit to City as follows ("Additional Licenses Public Benefit Amount"):

Effective Date	No Additional Licenses Public Benefit Amount Due.
First (1 st) Business Day of 1 st Month Following Issuance of the Major Use Permit.	\$8,000 or 8% of Gross Receipts from Operations each month, whichever is greater.

The Additional Licenses Public Benefit Amount shall be the total due from Developer for any and all Additional Licenses.

(d) Collectively, the Project Public Benefit Amount and the Additional Licenses Public Benefit Amount shall be known as the "Public Benefit Amount."

(e) Developer shall file an applicable statement that complies with the California State Board of Equalization, California Department of Tax and Fee Administration, or either's successor agency (the "State Taxing Authority") for sales tax purposes showing the true and correct amount of Gross Receipts from Operations of the Project during the applicable time period. Developer shall provide a copy of such statement to City upon request by City.

Section 4.3. Reporting. Developer shall provide City with copies of any reports provided to a State Licensing Authority within forty-five (45) days of that submission.

Any failure or refusal of Developer to provide any statement or report to City, the State Taxing Authority, or any other State Licensing Authority, as required within the time required, or to pay such sums due hereunder when the same are due and payable in accordance with the provisions of this Agreement, may constitute full and sufficient grounds for the revocation or suspension of the Major Use Permit.

Section 4.4. Records. Developer shall keep records of all Commercial Cannabis Activity in accordance with Chapter 16 (commencing with Section 26160) of Division 10 of the Business and Professions Code and the applicable State Cannabis Regulations. All records required by this Section shall be maintained and made available for City's examination and duplication (physical or electronic) at the Site or at an alternate facility as approved in writing by the City Manager or his or her designee.

Section 4.5. Penalty. Developer acknowledges that to ensure proper compliance with the terms of this Agreement and any applicable laws, City must engage in costly compliance review, inspections, and, if necessary, enforcement actions to protect the health, safety, and welfare of its residents. Penalty and interest provisions are necessary to assist City in compliance review and enforcement actions. If Developer fails to make

any payment when due, as required by this Agreement, including the Public Benefit Amount, City may impose a "Non-Performance Penalty." A Non-Performance Penalty of one percent (1%) shall be applied to all past due payments. City shall deliver to Developer a "Notice of Non-Performance Penalty," attached hereto as **Exhibit C**. Payment of the Non-Performance Penalty shall be in a single installment due on or before a date fifteen (15) days following delivery of the Notice of Non-Performance Penalty.

Section 4.6. Interest on Unpaid Non-Performance Penalty. If Developer fails to pay the Non-Performance Penalty after City has delivered the Notice of Non-Performance Penalty, then, in addition to the principal amount of the Non-performance Penalty, Developer shall pay City interest at the rate of eighteen percent (18%) per annum, computed on the principal amount of the Non-Performance Penalty, from a date fifteen (15) days following delivery of the Notice of Non-performance Penalty.

Section 4.7. Protections from City Tax. Notwithstanding Section 4.2, for the Term of this Agreement, Developer shall be exempt from any City tax, including a business license tax, on commercial cannabis businesses. Notwithstanding the foregoing, Developer and Project shall be subject to any and all taxes, assessments, or similar charges or fees of general applicability enacted by the federal government, state government, or County of Stanislaus, including any tax applicable to an area greater than the City limits to which City may be a party (i.e., county tax sharing agreement).

ARTICLE 5 PUBLIC FACILITIES, SERVICES, AND UTILITIES

City shall use the Public Benefit Amount to pay for the impact on and maintenance or improvement of City neighborhoods and the existing level of service of City infrastructure and services to accommodate for the Project.

ARTICLE 6 INSURANCE AND INDEMNITY

Section 6.1. Insurance. Developer shall require all persons doing work on the Project, including its contractors and subcontractors (collectively, "Developer" for purposes of this Article 6 only), to obtain and maintain insurance of the types and in the amounts described in this Article with carriers reasonably satisfactory to City.

(a) **General Liability Insurance.** Developer shall maintain commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars (\$2,000,000) (or as otherwise approved, in writing, by City) per claim and Two Million Dollars (\$2,000,000) each occurrence. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as "Additional Insureds" by endorsement with respect to performance of this Agreement. The coverage shall contain

no special limitations on the scope of its protection afforded to the above-listed additional insured.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(b) Automotive Liability Insurance. Developer shall maintain business automobile liability insurance or equivalent form with a limit of not less than One Million Dollars (\$1,000,000) for each accident. Such insurance shall include coverage for owned, hired, and non-owned automobiles. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as Additional Insureds by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed Additional Insureds.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(c) Workers' Compensation Insurance. Developer shall take out and maintain during the Term of this Agreement, workers' compensation insurance for all of Developer's employees employed at or on the Project and, should any of the work be subcontracted, Developer shall require any general contractor or subcontractor similarly to provide workers' compensation insurance for such contractor's or subcontractor's employees, unless such employees are covered by the protection afforded by Developer. In case any class of employee engaged in work on the Project is not protected under any workers' compensation law, Developer shall provide and shall cause each contractor and subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Developer hereby indemnifies City for any damage resulting from failure of Developer, its agents, employees, contractors, or subcontractors to take out or maintain such insurance. Workers' compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) for each accident shall be maintained by Developer.

Section 6.2. Other Insurance Requirements. Developer shall do all of the following:

(a) Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance that clearly evidence all insurance required in this Article, including evidence that such insurance will not be canceled, allowed to expire, or materially reduced in coverage without thirty (30) days prior written notice to City.

(b) Provide to City, upon request, and within seven (7) days of said request, certified copies of endorsements and policies, and properly executed certificates of insurance evidencing the insurance required herein.

(c) Replace or require the replacement of certificates, policies, and endorsements for any insurance required herein expiring prior to the termination of this Agreement.

(d) Maintain all insurance required herein from the Effective Date of this Agreement to the earlier of the expiration of the Term or the mutual written termination of this Agreement.

(e) Place all insurance required herein with insurers licensed to do business in California with a current Best's Key Rating Guide reasonably acceptable to City.

Section 6.3. Indemnity. To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, consultants, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City, or City's Agents, to attack, set aside, void, or annul an approval concerning the Project, this Agreement, any applicable Major Use Permit, or Subsequent City Approvals. Developers shall execute the indemnification agreement ("Indemnification Agreement") attached hereto as **Exhibit D**.

Section 6.4. Failure to Indemnify; Waiver. Failure by Developer to indemnify City, when required by this Agreement and the Indemnification Agreement, shall constitute a material breach of this Agreement and of any applicable Major Use Permit and Subsequent City Approvals, which shall entitle City to all remedies available under law, including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of any applicable Major Use Permit. Developer's failure to indemnify City shall be a waiver by Developer of any right to proceed with the Project, or any portion thereof, and a waiver of Developer's right to file a claim, action, or proceeding against City or City's Agents based on City's rescission or revocation of any Major Use Permit, Subsequent City Approvals, or City's failure to defend any claim, action, or proceeding based on Developer's failure to indemnify City.

Section 6.5. Waiver of Damages. Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that City would not have entered into this Agreement had it been exposed to liability for damages from Developer and, therefore, Developer hereby waives all claims for damages against City for breach of this Agreement. Developer further acknowledges that under the Development Agreement Statute, land use approvals (including development agreements) must be approved by the City Council and that, under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waives all claims for damages against City in the event that this Agreement or any Project approval is: (1) not approved by the City Council or (2) is approved by the City Council, but with new changes, amendments,

conditions, or deletions to which Developer is opposed. Developer further acknowledges that, as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that, under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waives all claims for damages against City in this regard.

ARTICLE 7 MORTGAGEE PROTECTION

This Agreement, once executed and recorded, shall be superior and senior to any lien placed upon the Site or any portion thereof following recording of this Agreement, including the lien of any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value. This Agreement shall immediately be deemed in default and immediately terminate upon the foreclosure or transfer of any interest in the Site or Project, whether by operation of law or any other method of interest change or transfer, unless the City Manager has authorized such change or transfer in advance, in writing. City agrees to not unreasonably withhold its authorization.

ARTICLE 8 DEFAULT

Section 8.1. General Provisions.

(a) Subject only to any extensions of time by mutual consent in writing, or as otherwise provided herein, the failure or delay by any Party to perform in accordance with the terms and provisions of this Agreement shall constitute a default. Any Party alleging a default or breach of this Agreement ("Charging Party") shall give the other Party ("Charged Party") not less than ten (10) days written notice, which shall specify the nature of the alleged default and the manner in which the default may be cured. During any such ten (10) calendar day period, the Charged Party shall not be considered in default for purposes of termination of this Agreement or institution of legal proceedings for the breach of this Agreement.

(b) After expiration of the ten (10) calendar day period, if such default has not been cured or is not in the process of being diligently cured in the manner set forth in the notice, or if the breach cannot reasonably be cured within ten (10) days, the Charging Party may, at its option, institute legal proceedings pursuant to this Agreement, and give notice of its intent to terminate this Agreement pursuant to Government Code section 65868. In the event City is the Charging Party, City may, in its sole discretion, give notice, as required by law, to the Charged Party of its intent to revoke or rescind any operable Major Use Permit related to or concerning the Project.

(c) Prior to the Charging Party giving notice to the Charged Party of its intent to terminate, or prior to instituting legal proceedings, the matter shall be scheduled for consideration and review by City in the manner set forth in Government Code sections

65865, 65867, and 65868 within thirty (30) days from the expiration of the ten (10) day notice period.

(d) Following consideration of the evidence presented and said review before City, and after providing the Charged Party an additional five (5) calendar day period to cure, the Charging Party may institute legal proceedings against the Charged Party or may give written notice of termination of this Agreement to the Charged Party.

(e) Evidence of default may arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code section 65865.1, as set forth in Section 8.2. If any Party determines that another Party is in default following the completion of the normally scheduled periodic review, without reference to the procedures specified in Section 8.1(c), said Party may give written notice of termination of this Agreement, specifying in the notice the alleged nature of the default and potential actions to cure said default where appropriate. If the alleged default is not cured in ten (10) days or within such longer period specified in the notice or the defaulting Party is not diligently pursuing a cure or if the breach cannot reasonably be cured within the period or the defaulting party waives its right to cure such alleged default, this Agreement may be terminated by the non-defaulting Party by giving written notice. An extension of the 10-day cure period may be given by mutual consent of the Parties.

(f) In the event Developer is in default under the terms and conditions of this Agreement, no permit application shall be accepted by City nor will any permit be issued to Developer until the default is cured, or the Agreement is terminated.

Section 8.2. Annual Review. City shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith, substantial compliance of Developer and City with the terms of this Agreement. Such periodic review by City shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. City shall deposit in the mail or fax to Developer a copy of all staff reports and, to the extent practical, related exhibits concerning this Agreement or the Project's performance, at least seven (7) days prior to such periodic review. Developer shall be entitled to appeal a determination of City or the City Manager to the City Council. Any appeal must be filed within ten (10) days of the decision of City or the City Manager, respectively. Developer shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before City, the City Manager, or the City Council, as applicable. The reasonable cost for City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by City in connection with the review.

Section 8.3. Estoppel Certificates.

(a) City shall, with at least twenty (20) days prior written notice, execute, acknowledge, and deliver to Developer, Developer's lender, potential investors, or assignees an Estoppel Certificate in writing which certifies that this Agreement is in full force and effect, that there are no breaches or defaults under the Agreement, and that

the Agreement has not been modified or terminated and is enforceable in accordance with its terms and conditions.

(b) At Developer's option, City's failure to deliver such Estoppel Certificate within the stated time period shall be conclusive evidence that the Agreement is in full force and effect, that there are no uncured breaches or defaults in Developer's performance of the Agreement or violation of any City ordinances, regulations, and policies regulating the use and development of the Site or the Project subject to this Agreement.

Section 8.4. Default by City. In the event City does not accept, review, approve, or issue any permits or approvals in a timely fashion, as defined by this Agreement, or if City otherwise defaults under the terms of this Agreement, City agrees that Developer shall not be obligated to proceed with or complete the Project, and shall constitute grounds for termination or cancellation of this Agreement by Developer.

Section 8.5. Cumulative Remedies of Parties. In addition to any other rights or remedies, City or Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, enforce any covenant, or enjoin any threatened or attempted violation of the provisions of this Agreement, so long as any such action conforms to section 9.1(c) of this Agreement.

Section 8.6. Forced Delay, Extension of Times of Performance. Delays in performance, by either Party, shall not be deemed a default if such delays or defaults are due to war, terrorism, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed where mandated by governmental entities other than City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations enacted by the state or federal government, litigation, or other force majeure events. An extension of time for such cause shall be in effect for the period of forced delay or longer, as may be mutually agreed upon.

Section 8.7. Appeals. Developer may appeal any adverse decision or action of City pursuant to Oakdale Municipal Section 36-23.29.

ARTICLE 9 TERMINATION

Section 9.1. Termination Upon Completion of Development. This Agreement shall terminate upon the expiration of the Term, unless it is terminated earlier pursuant to the terms of this Agreement. Upon termination of this Agreement, City shall record a notice of such termination in substantial conformance with the "Notice of Termination" attached hereto as **Exhibit E**, and this Agreement shall be of no further force or effect except as otherwise set forth in this Agreement.

Section 9.2. Effect of Termination on Developer's Obligations. Termination of this Agreement shall eliminate any further obligation of Developer to comply with this Agreement, or some portion thereof, if such termination relates to only part of the Site or Project. Termination of this Agreement, in whole or in part, shall not, however, eliminate the rights of Developer to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.3. Effect of Termination on City's Obligations. Termination of this Agreement shall eliminate any further obligation of City to comply with this Agreement, or some portion thereof. Termination of this Agreement shall not, however, eliminate the rights of City to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.4. Survival After Termination. The rights and obligations of the Parties set forth in this Section 9.4, Section 2.8, Section 6.3, Section 10.3, Section 10.4, Section 10.5, Section 10.7, Section 10.10, and any right or obligation of the Parties in this Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, will survive any such termination.

ARTICLE 10 OTHER GENERAL PROVISIONS

Section 10.1. Assignment and Assumption. Developer shall not have the right to sell, assign, or transfer all or any part of its rights, title, and interests in all or a portion of the Site or Project, subject to or a part of this Agreement, to any person, firm, corporation, or entity during the Term of this Agreement without the advance written consent of the City Manager. This assignment prohibition applies to the corporate and business entities of Developer that are a Party to this Agreement. Any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement. If the City Manager approves an assignment or transfer of any interest detailed in this Section 10.1, City and Developer shall execute an "Assignment and Assumption Agreement" in the form attached hereto as **Exhibit F**.

Section 10.2. Covenants Running with the Land. All of the provisions contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of interest in the Site or Project, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law, including California Civil Code Section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Project, as appropriate, runs with the Site, and is binding upon Developer.

Section 10.3. Notices. Any notice or communication required hereunder between City and Developer must be in writing, and may be given either personally, by facsimile (with

original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday, or holiday shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered, as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City:

City of Oakdale
280 North Third Avenue
Oakdale, California 95361
Attention: City Manager

and

Churchwell White LLP
1414 K Street, 3rd Floor
Sacramento, California 95814
Attention: Douglas L. White, Esq.

If to Developer:

MDS Business Services, Inc.
570 Armstrong Way
Oakdale, California 95361
Attn: Mark Ponticelli, CEO

Section 10.4. Governing Law and Binding Arbitration. The validity, interpretation, and performance of this Agreement shall be controlled by and construed pursuant to the laws of the State of California. Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by binding arbitration in Sacramento, California, before one arbitrator. The arbitration shall proceed pursuant to the Comprehensive Arbitration Rules and Procedures of the Judicial Arbitration and Mediation Services ("JAMS"). Judgment on the award may be entered in any court having jurisdiction thereof.

Section 10.5. Invalidity of Agreement / Severability. If this Agreement in its entirety is determined by an arbitrator or court of competent jurisdiction to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any term or provision of this Agreement shall be determined by an arbitrator or court of competent jurisdiction to be invalid and unenforceable, or if any term or provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, any provisions that are not invalid or unenforceable shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement. The Parties expressly agree that each Party is strictly prohibited from failing to perform any and all obligations under this Agreement on the basis that this Agreement is invalid, unenforceable, or illegal. By entering into this Agreement, each Party disclaims any right to tender an affirmative defense in any arbitration or court of competent jurisdiction, that performance under this Agreement is not required because the Agreement is invalid, unenforceable, or illegal.

Section 10.6. Cumulative Remedies. In addition to any other rights or remedies, City and Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of the provisions of this Agreement. The prevailing party in any such action shall be entitled to reasonable attorneys' fees and costs. Notwithstanding the foregoing or any other provision of this Agreement, in the event of City default under this Agreement, Developer agrees that Developer may not seek, and shall forever waive any right to, monetary damages against City, but excluding therefrom the right to recover any fees or charges paid by Developer in excess of those permitted hereunder.

Section 10.7. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity challenging this Agreement or any associated entitlement, permit, or approval granted by City to Developer for the Project (collectively, "Project Litigation"), the Parties agree to cooperate with each other as set forth herein. City may elect to tender the defense of any lawsuit filed and related in whole or in part to Project Litigation with legal counsel selected by City. Developer will indemnify, hold City harmless from, and defend City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees, and expenses of litigation awarded to the prevailing party or parties in such litigation. Developer shall pay all litigation fees to City within thirty (30) days of receiving a written request and accounting of such fees and expenses from City. Notwithstanding the aforementioned, City may request, and Developer will provide to City within seven (7) days of any such request, a deposit to cover City's reasonably anticipated Project Litigation fees and costs.

Section 10.8. Constructive Notice and Acceptance. Every person who, after the Effective Date and recording of this Agreement, owns or acquires any right, title, or interest to any portion of the Site is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this

Agreement is contained in the instrument by which such person acquired an interest in the Site, and all rights and interests of such person in the Site shall be subject to the terms, requirements, and provisions of this Agreement.

Section 10.9. Statute of Limitations and Laches. City and Developer agree that each Party will undergo a change in position in detrimental reliance upon this Agreement from the time of its execution and subsequently. The Parties agree that section 65009(c)(1)(D) of the California Government Code, which provides for a ninety (90) day statute of limitations to challenge the adoption of this Agreement, is applicable to this Agreement. In addition, any person who may challenge the validity of this Agreement is hereby put on notice that, should the legality or validity of this Agreement be challenged by any third party in litigation, which is filed and served more than ninety (90) days after the execution of this Agreement, City and Developer shall each assert the affirmative defense of laches with respect to such challenge, in addition to all other available defenses. This Section in no way limits the right of a Party, claiming that the other Party breached the terms of this Agreement, to bring a claim against the other Party within the four (4) year statute of limitations set forth in Section 337 of the California Civil Code.

Section 10.10. Joint and Several Liability. Developer shall be jointly and severally liable for any amount due under this Agreement, and any breach of this Agreement or failure to pay by one Party shall also constitute a breach of this Agreement by the other Party. Developer agrees that City may impose a lien and seek foreclosure on any parcel of the Site due to any default by Developer.

Section 10.11. Change in State Regulations. In no event shall Developer operate the Project in violation of the Agreement, or State Cannabis Regulations, as may be amended from time to time.

Section 10.12. Standard Terms and Conditions.

(a) **Venue.** Venue for all legal proceedings shall be the JAMS Resolution Center in Sacramento, California.

(b) **Waiver.** A waiver by any Party of any breach of any term, covenant, or condition herein contained or a waiver of any right or remedy of such Party available hereunder, at law or in equity, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained or of any continued or subsequent right to the same right or remedy. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

(c) **Completeness of Instrument.** This Agreement, together with its specific references, attachments, and Exhibits, constitutes all of the agreements, understandings, representations, conditions, warranties, and covenants made by and between the Parties hereto. Unless set forth herein, no Party to this Agreement shall be liable for any representations made, express or implied.

(d) Supersedes Prior Agreement. It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, written, electronic, or oral, between the Parties hereto with respect to the Site and the Project.

(e) Captions. The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

(f) Number and Gender. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, and the word "person" includes corporations, partnerships, firms, or associations, wherever the context requires.

(g) Mandatory and Permissive. "Shall" and "will" and "agrees" are mandatory. "May" or "can" are permissive.

(h) Term Includes Extensions. All references to the Term of this Agreement shall include any extensions of such Term.

(i) Counterparts. This Agreement may be executed simultaneously and, in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(j) Other Documents. The Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and, to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

(k) Time is of the Essence. Time is of the essence in this Agreement in each covenant, term, and condition herein.

(l) Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

(m) Document Preparation. This Agreement will not be construed against the Party preparing it, but will be construed as if prepared by all Parties.

(n) **Advice of Legal Counsel.** Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement.

(o) **Attorney's Fees and Costs.** If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(p) **Calculation of Time Periods.** All time referenced in this Agreement shall be calendar days, unless the last day falls on a legal holiday, Saturday, or Sunday, in which case the last day shall be the next business day.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and City as of the Effective Date of the Agreement, as defined above.

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and City as of the Effective Date of the Agreement, as defined above.

"CITY"

Dated: 3-12, 2018

CITY OF OAKDALE, CA
a California Municipal Corporation

By: 
Its: City Manager

"DEVELOPER"

Dated: 3-6, 2018

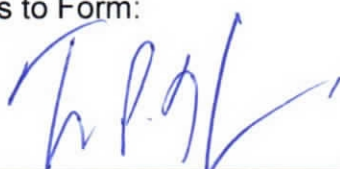
MDS Business Services Inc., a California
nonprofit mutual benefit corporation

By: 
Its: CEO

Attest:


By: Kathy Teixeira, CMC
Its: City Clerk

Approved as to Form:


By: Thomas P. Hallinan
Its: City Attorney

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

On March 12, 2018, before me Kathy L. Teixeira, a Notary Public, personally appeared Bryan Whitemyer who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(~~ies~~), and that by his/~~her~~/~~their~~ signature(~~s~~) on the instrument the person(s), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

Witness my hand and official seal.

 **KATHY L. TEIXEIRA**
Notary Public - California
Stanislaus County
Commission # 2152840
My Comm. Expires Jun 9, 2020

DEVELOPMENT AGREEMENT
CITY OF OAKDALE
& MDS BUSINESS SERVICES, INC.
Page 29 of 56

Exhibit A
Location Map

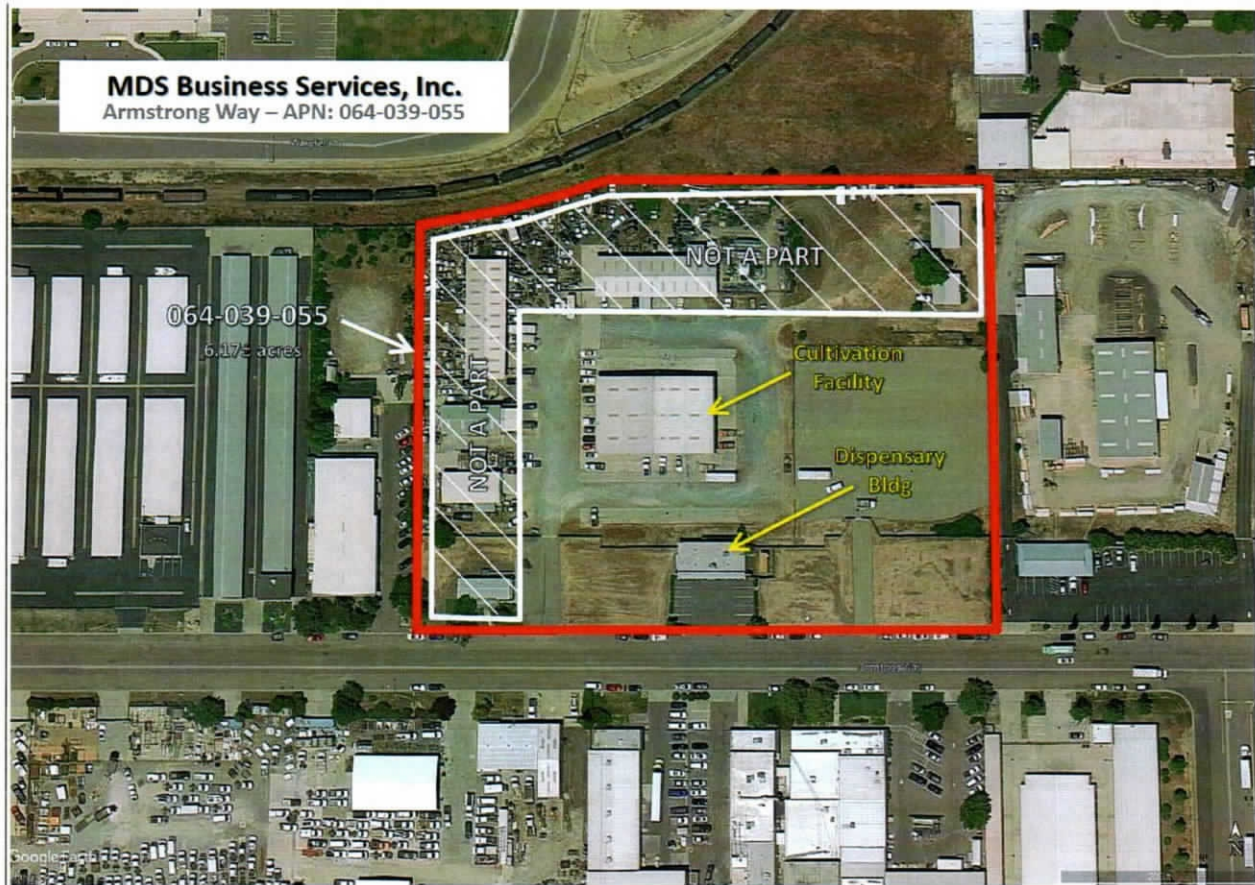


Exhibit B

Site Lease

COMMERCIAL LEASE

(General Form)

1. **PARTIES.**

This Lease is made and entered into this 16th day of June by and between Matel Property Management agent for: Ted Rosen dba Rotech dev. (hereinafter referred to as "Landlord") and Mark Ponticelli, Marlowe Mercado & Dominic Truhett dba Cali Bliss (hereinafter referred to as "Tenant").

2. **PREMISES.**

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, on the terms and conditions hereinafter set forth that certain real property and the building and other improvements located thereon situated in the City of Oakdale, County of STANISLAUS, State of CALIFORNIA, commonly known as 570 Armstrong, and described as Office building (said real property is hereinafter called the "Premises").

3. **TERM.**

The term of this Lease shall be for Five Years, commencing on June 16th, 2017 and ending on June 16th, 2022, unless sooner terminated as hereinafter provided, if the permit for use is not granted by the City of Oakdale to the business here in referred to as Cali Bliss. This contract becomes void upon notice of denial of permit, and the premises to be vacated within 30 days of denial. ** see below

RENT.

Tenant shall pay Landlord as rent for the Premises the following sums \$1500.00 per month, in advance on the first day of each month during the term of this Lease, upon permit being approved and obtain from the City of Oakdale the rental amount will then be \$1900.00 per month for the balance of that first year.

During year 2 and 3 of the term of this Lease, the sum of Twenty-two hundred dollars (\$2200.00) dollars per month.

During year 4 and 5 of the term of this Lease, the sum of Twenty-five hundred dollars (\$2500.00) dollars per month.

During the ____ year through the ____ year of the term of this Lease, the sum of _____ (\$_____) dollars per month.

Tenant shall pay to Landlord upon the execution of this Lease the sum of Seven Thousand-Five Hundred (\$7,500.00) dollars as rent for July 1, 2017 through October 15, 2017. Rent for any period during the term of this Lease which is for less than one (1) month, shall be a pro rata portion of the monthly installment. Rent shall be payable without notice or demand and without any deduction, off-set, or abatement in lawful money of the United States to the Landlord at the address stated herein for notices or to such other persons or such other places as the Landlord may designate to Tenant in writing.

4. **SECURITY DEPOSIT.**

Tenant shall deposit with Landlord upon the execution of the Lease the sum of Twenty-Five Hundred \$2500.00 (dollars) as a security deposit for the Tenant's faithful performance of the provisions of this Lease. If Tenant fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Landlord may use the security deposit, or any portion of it, to cure the default or compensate Landlord for all damages sustained by Landlord resulting from Tenant's default. Tenant shall immediately on demand pay to Landlord the sum equal to that portion of the security deposit expended or applied by Landlord which was provided for in this paragraph so as to maintain the security deposit in the sum initially deposited with Landlord. Landlord shall not be required to keep the security deposit separate from its general account not shall Landlord be required to pay Tenant any interest on the security deposit. If Tenant performs all of Tenant's obligations under this Lease, the security deposit or that portion thereof which has not previously been applied by the Landlord, shall be returned to Tenant within twenty-one (21) days after the expiration of the term of this Lease, or after Tenant has vacated the Premises, whichever is later.

** A non-refundable fee of \$15,000 is to be paid upon signing of contract in a cashier check form, this is a placement

Tenant(s) Initials MM/MD

Owner / Agent Initials [Signature]

1

Continued From Page 1

Final Settlement Statement

Settlement Date: 12/29/2017
Print Date: 01/02/2018

File No: 55704-1542770-17
Officer: Susy Eng/gb

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
		Disbursements Paid:		
		Natural Hazard Disclosure to Disclosure Source	129.00	
		3.33% withholding to Franchise Tax Board	16,650.00	
155.03		Cash (From) (X To) Buyer		
		Cash (X To) (From) Seller	445,584.15	
501,344.09	501,344.09	Totals	505,016.06	505,016.06

Except as provided in Article 12, and except for damage caused by any negligent or intentional act or omission of Tenant, Tenant's agents, employees, or invitees, Landlord at its sole cost and expense shall keep in good condition and repair the foundations, exterior walls, and exterior roof of the Premises. Landlord shall also maintain the unexposed electrical, plumbing, and sewage systems including, without limitation, those portions of the systems lying outside the Premises, window frames, gutters and down spouts on the building, all sidewalks, landscaping, and other improvements that are a part of the Premises or of which the Premises are a part. The Landlord shall also maintain the heating, ventilating and air conditioning systems servicing the Premises. Landlord shall resurface and restripe the parking area on or adjacent to the Premises when necessary. Landlord shall have thirty (30) days after notice from Tenant to commence to perform its obligations under this Article 9, except that Landlord shall perform its obligations immediately if the nature of the problem presents a hazard or emergency situation. If the Landlord does not perform its obligations within the time limit set forth in this paragraph, Tenant can perform said obligations and shall have the right to be reimbursed for the amount that the Tenant actually expends in the performance of Landlord's obligations. If Landlord does not reimburse Tenant within thirty (30) days after demand from Tenant, Tenant's sole remedy shall be to institute suit against the Landlord, and Tenant shall not have the right to withhold from future rent the sums Tenant has expended.

(b) Tenant's Obligations.

Subject to the provisions of sub-paragraph (a) above and Article 12, Tenant at Tenant's sole cost and expense shall keep in good order, condition, and repair the Premises and every part thereof including, without limitation, all Tenant's personal property, fixtures, signs store fronts, plate glass, show windows, doors, interior walls, interior ceiling, and lighting facilities.

If Tenant fails to perform Tenant's obligation as stated herein, Landlord may at its option (but shall not be required to), enter the Premises, after ten (10) days prior written notice to Tenant, put the same in good order, condition, and repair, and the costs thereof together with interest thereon at the rate of ten (10%) percent per annum shall become due and payable as additional rental to Landlord together with Tenant's next rental installment.

9. **ALTERATIONS AND ADDITIONS.**

Tenant shall not, without the Landlord's prior written consent, make any alterations, improvements, or additions in or about the Premises except for non-structural work which does not exceed \$1,000.00 in cost. As a condition to giving any such consent, the Landlord may require the Tenant to remove any such alterations, improvements, or additions at the expiration of the term, and to restore the Premises to their prior condition by giving Tenant thirty (30) days written notice prior to the expiration of the term that Landlord requires Tenant to remove any such alterations, improvements, or additions that Tenant has made to the Premises. If Landlord so elects, Tenant at its sole cost shall restore the Premises to the condition designated by Landlord in its election before the last day of the term of the Lease.

Before commencing any work relating to the alterations, additions, or improvements affecting the Premises, Tenant shall notify Landlord in writing of the expected date of the commencement of such work so that Landlord can post and record the appropriate notices of non-responsibility to protect Landlord from any mechanic's liens, materialman liens, or any other liens. In any event, Tenant shall pay, when due, all claims for labor and materials furnished to or for Tenant at or for use in the Premises. Tenant shall not permit any mechanic's liens or materialman's liens to be levied against the Premises for any labor or material furnished to Tenant or claimed to have been furnished to Tenant or Tenant's agents or contractors in connection with work of any character performed or claimed to have been performed on the Premises by or at the direction of the Tenant. Tenant shall have the right to assess the validity of any such lien if, immediately on demand by the Landlord, Tenant procures and records a lien release bond meeting the requirements of California Civil Code Section 3143 and shall provide for the payment of any sum that the claimant may recover on the claim (together with the costs of suit, if it is recovered in the action).

Unless the Landlord requires their removal as set forth above, all alterations, improvements or additions which are made on the Premises by the Tenant shall become the property of the Landlord and remain upon and be surrendered with the Premises at the expiration of the term. Notwithstanding the provisions of this paragraph, Tenant's trade fixtures, furniture equipment and other machinery, other than that which is affixed to the Premises so that it cannot be removed without material of structural damage to the Premises, shall remain the property of the Tenant and removed by Tenant at the expiration of the term of this Lease.

10. **INSURANCE; INDEMNITY.**

(a) Fire Insurance

Tenant(s) initials MM MM

Owner / Agent Initials [Signature]

3

TENANT at its cost shall maintain during the term of this Lease on the Premises a policy or policies of standard fire and extended coverage insurance to the extent of at least ninety (90%) percent of full replacement value thereof. Said insurance policies shall be issued in the names of Landlord and Tenant, as their interests may appear.

- (b) **Liability Insurance.**
Tenant at its sole cost and expense shall maintain during the term of this Lease public liability and property damage insurance with a single combined liability limit of five hundred thousand (\$500,000.00) dollars, and property damage limits of not less than one hundred thousand (\$100,000.00) dollars, insuring against all liability insurance and property damage insurance shall insure performance by Tenant of the indemnity provisions in subparagraph (d) below, but the limits of such insurance shall not, however, limit the liability of Tenant hereunder. Both Landlord and Tenant shall be named as additional insured, and the policies shall contain cross-liability endorsements. If Tenant shall fail to procure and maintain such insurance the Landlord may, but shall not be required to, procure and maintain same at the expense of Tenant and the cost thereof, together with interest thereon at the rate of ten (10%) percent per annum, shall become due and payable as additional rental to Landlord together with Tenant's next rental installment.
- (c) **Waiver of Subrogation.**
Tenant and Landlord each waives any and all rights of recovery against the other, or against the officers, employees, agents, and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. Each party shall cause each insurance policy obtained by it hereunder to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any such policy.
- (d) **Hold Harmless.**
Tenant shall indemnify and hold Landlord harmless from and against any and all claims arising from Tenant's use or occupancy of the Premises or from the conduct of its business or from any activity, work, or things which may be permitted or suffered by Tenant in or about the Premises including all damage, costs, attorney's fees, expenses and liabilities incurred in the defense of any claim or action or proceeding arising therefrom. Except for Landlord's willful or grossly negligent conduct, Tenant hereby assumes all risk of damage to property or injury to person in or about the Premises from any cause, and Tenant hereby waives all claims in respect thereof against Landlord.
- (e) **Exemption of Landlord from Liability.**
Except for Landlord's willful or grossly negligent conduct, Tenant hereby agrees that Landlord shall not be liable for any injury to Tenant's business or loss of income therefrom or for damage to the goods, wares, merchandise, or other property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Premises; nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents, contractors, or invitees, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air-conditioning, or lighting fixtures, or from any other cause, whether such damage results from conditions arising upon the Premises or upon other portions of the building in which the Premises are a part, or from any other sources or places. Landlord shall not be liable to Tenant from any damages arising from any act or neglect of any other tenant, if any, of the building in which the Premises are located.

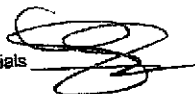
11. **DAMAGE OR DESTRUCTION.**

- (a) **Damage -- Insured.**
If, during the term of this Lease, the Premises and/or the building and other improvements in which the Premises are located are totally or partially destroyed rendering the Premises totally or partially inaccessible or unusable, and such damage or destruction was caused by a casualty covered under an insurance policy required to be maintained hereunder, Landlord shall restore the Premises and/or the building and other improvements in which the Premises are located into substantially the same condition as they were in immediately before such damage or destruction, provided that the restoration can be made under the existing laws and can be completed within one hundred twenty (120) working days after the date of such destruction or damage. Such destruction or damage shall not terminate this Lease.

Tenant(s) initials

MM MM

Owner / Agent initials



4

If the restoration cannot be made in said 120 day period, then within fifteen (15) days after the parties hereto determine that the restoration cannot be made in the time stated in this paragraph, Tenant may terminate this Lease immediately by giving notice to Landlord and the Lease will be deemed cancelled as of the date of such damage or destruction. If Tenant fails to terminate this Lease and the restoration is permitted under the existing laws, Landlord, at its option, may terminate this Lease or restore the Premises and/or any other improvements in which the Premises are located within a reasonable time and this Lease shall continue in full force and effect. If the existing laws do not permit the restoration, either party can terminate this Lease immediately by giving notice to the other party.

Notwithstanding the above, if the Tenant is the insuring party and if the insurance proceeds received by Landlord are not sufficient to effect such repair, Landlord shall give notice to Tenant of the amount required in addition to the insurance proceeds to effect such repair. Tenant may, at Tenant's option, contribute the required amount, but upon failure to do so within thirty (30) days following such notice, Landlord's sole remedy shall be, at Landlord's option and with no liability to Tenant, to cancel and terminate this Lease. If Tenant shall contribute such amount to Landlord within said thirty (30) day period, Landlord shall make such repairs as soon as reasonably possible and this Lease shall continue in full force and effect. Tenant shall in no event have any right to reimbursement for any amount so contributed.

(b) **Damage – Uninsured.**

In the event that the Premises are damaged or destroyed by a casualty which is not covered by the fire and extended coverage insurance which is required to be carried by the party designated in Article 11, Section (a) above, then Landlord shall restore the same; provided that if the damage or destruction is to an extent greater than ten (10%) percent of the then replacement cost of the improvements on the Premises (exclusive of Tenant's trade fixtures and equipment and exclusive of foundations and footings), then Landlord may elect not to restore and to terminate this Lease. Landlord must give to Tenant written notice of its intention not to restore within thirty (30) days from the date of such damage or destruction age, if not given, Landlord shall be deemed to have elected to restore and in such event shall repair any damage as soon as reasonably possible. In the event that Landlord elects to give such notice of Landlord's intention to cancel and terminate this Lease, Tenant shall have the right, within ten (10) days after receipt of such notice, to give written notice to Landlord of Tenant's intention to repair such damage at Tenant's expense, without reimbursement from Landlord, in which event the Lease shall continue in full force and effect and Tenant shall proceed to make such repairs as soon as reasonably possible. If the Tenant does not give such notice within such ten (10) day period, this Lease shall be cancelled and be deemed terminated as of the date of the occurrence of such damage or destruction.

(c) **Damage Near the End of the Term.**

If the Premises are totally or partially destroyed or damaged during the last twelve (12) months of the term of this Lease, Landlord may, at Landlord's option, cancel and terminate this Lease as of the date of the cause of such damage by giving written notice to Tenant of Landlord's election to do so within thirty (30) days after the date of the occurrence of such damage; provided, however, that, if the damage or destruction occurs within the last 12 months of the term and if within fifteen (15) days after the date of such damage or destruction Tenant exercises any option to extend the term provided herein, Landlord shall restore the Premises if obligated to do so as provided in subparagraph (a) or (b) above.

(d) **Abatement of Rent.**

If the Premises are partially or totally destroyed or damaged and Landlord or Tenant repairs or restores them pursuant to the provisions of this Article 12, the rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Tenant's reasonable use of the Premises is impaired. Except for the abatement of rent, if any, Tenant shall have no claim against Landlord for any damages suffered by reason of any such damage, destruction, repair or restoration.

(e) **Trade Fixtures and Equipment.**

If Landlord is required or elects to restore the Premises as provided in this Article, Landlord shall not be required to restore Tenant's improvements, trade fixtures, equipment or alterations made by Tenant, such excluded items being the sole responsibility of the Tenant to restore hereunder.

(f) **Total Destruction-Multitenant Building.**

Tenant(s) initials

MM MB

Owner / Agent Initials

[Signature]

5

If the Premises are a part of a multitenant building and there is destruction to the Premises and/or the building of which the Premises are a part that exceeds fifty (50%) percent of the then placement value of the Premises and/or the building in which the Premises are a part from any cause whether or not covered by the Insurance described in Article 11 above, Landlord may, at its option, elect to terminate this Lease (whether or not the Premises are destroyed) so long as Landlord terminates the leases of all other tenants in the building of which the Premises are a part, effective as of the date of such damage or destruction.

12. **CONDEMNATION.**

If the Premises or any portion thereof are taken by the power of eminent domain, or sold by Landlord under the threat of exercise of said power (all of which is herein referred to as "condemnation"), this Lease shall terminate as to the part so taken as of the date of the condemning authority takes title or possession, whichever occurs first. If more than twenty (20%) percent of the floor area of any buildings on the Premises, or more than twenty (20%) percent of the land area of the Premises not covered with buildings, is taken by condemnation, either Landlord or Tenant may terminate this Lease as of the date the condemning authority takes possession by notice in writing of such election within twenty (20) days after Landlord shall have notified Tenant of such taking or, in the absence of such notice, then within twenty (20) days after the condemning authority shall have taken possession.

If this Lease is not terminated by either Landlord or Tenant as provided hereinabove, then it shall remain in full force and effect as to the portion of the Premises remaining, provided that the rental shall be reduced in proportion to the floor area of the buildings taken within the Premises as it bears to the total floor area of all buildings located on the Premises. In the event this Lease is not so terminated, then Landlord agrees at Landlord's sole cost and expense, to as soon as reasonably possible restore the Premises to as complete unit of like quality and character as existed prior to the condemnation.

All awards for the taking any part of the Premises or any payment made under the threat of the exercise of the power of eminent domain shall be the property of the Landlord, whether made as compensation for the diminution of the value of the leasehold or for the taking of the fee or as severance damages; provided, however, that Tenant shall be entitled to any award for loss or damage to Tenant's trade fixtures and removable personal property.

Each party hereby waives the provisions of Code of Civil Procedure 1285.130 allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises.

Rent shall be abated or reduced during the period from the date of taking until the completion of restoration by Landlord, but all other obligations of Tenant under this Lease shall remain in full force and effect. The abatement or reduction of the rent shall be based on the extent to which the restoration interferes with Tenant's use of the Premises.

13. **ASSIGNMENT AND SUBLETTING.**

Tenant shall not voluntarily or by operation of law assign, transfer, sublet, mortgage, or otherwise transfer or encumber all or any part of Tenant's interest in this Lease or in the Premises without Landlord's prior written consent which consent shall not be unreasonably withheld. Any attempted assignment, transfer, mortgage, encumbrance, or subletting without such consent shall be void and shall constitute a breach of this Lease. If Tenant is a corporation, any dissolution, merger, consolidation or other reorganization of Tenant, or the sale of other transfer of a controlling percentage of the capital stock of Tenant, or the sale of at least fifty-one (51%) percent of the value of the assets of Tenant, shall be deemed a voluntary assignment. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing of at least fifty-one (51%) percent of the total combined voting power of all classes of Tenant's capital stock issued, outstanding, and entitled to vote for the election of directors. This paragraph shall not apply to corporations, the stock of which is traded through an exchange or over the counter.

Regardless of Landlord's consent, no subletting or assignment shall release Tenant or Tenant's obligation to pay the rent and to perform all other obligations to be performed by Tenant hereunder for the term of this Lease. The acceptance of rent by Landlord from any other person shall not be deemed a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

14. **DEFAULT.**

(a) Events of Default.

Tenant(s) initials

IMV AP

Owner / Agent Initials

[Signature]

6

The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- (1) Failure to pay rent when due, if the failure continues for five (5) days after written notice have been given to Tenant.
- (2) Abandonment and vacation of the Premises (failure to occupy the Premises for fourteen (14) consecutive days shall be deemed an abandonment and vacation).
- (3) Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after written notice thereof has been given to Tenant by Landlord. If the default cannot reasonably be cured within said thirty (30) day period, Tenant shall not be in default under this Lease if Tenant commences to cure the default within the thirty (30) day period and diligently prosecutes the same to completion.
- (4) The making by Tenant of any general assignment, or general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy unless the same is dismissed within sixty (60) days; the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in the Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in the Lease, where such seizure is not discharged within thirty (30) days.

Notices given under this paragraph shall specify the alleged default and the applicable lease provisions, and shall demand that Tenant perform the provisions of this Lease or pay the rent that is in arrears as the case may be, within the applicable period of time. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord so elects in the notice.

(b) Landlord's Remedies.

The Landlord shall have the following remedies if Tenant commits a default under this Lease. These remedies are not exclusive but are cumulative and in addition to any remedies now or hereafter allowed by law.

Landlord can continue this Lease in full force and effect, and the Lease will continue in effect so long as Landlord does not terminate Tenant's right to possession, and the Landlord shall have the right to collect rent when due. During the period that Tenant is in default, Landlord can enter the Premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to the Landlord for all costs the Landlord incurs in reletting the Premises, including, without limitation, broker's commissions, expenses of remodeling the Premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining term of this Lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting. No act by Landlord allowed by this paragraph shall terminate this Lease unless Landlord notifies Tenant that Landlord elects to terminate this Lease. After Tenant's default and for so long as Landlord has not terminated Tenant's right to possession of the Premises, if Tenant obtains Landlord's consent, Tenant shall have the right to assume or sublet its interest in the Lease, by Tenant shall not be released from liability. Landlord's consent to the proposed assignment or subletting shall not be unreasonably withheld.

If Landlord elects to relet the Premises as provided in this paragraph, any rent that Landlord receives from such reletting shall apply first to the payment of any indebtedness from Tenant to Landlord other than the rent due from Tenant to Landlord; secondly, to all costs, including maintenance, incurred by Landlord in such reletting; and third, to any rent due and unpaid under this Lease. After deducting the payments as referred to in this paragraph, any sum remaining from the rent Landlord receives from such reletting shall be held by Landlord and applied in payment of future rent as rent becomes due under this Lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this Lease, the rent received from the reletting is less than the rent due on that date, Tenant shall pay to Landlord, in addition to the remaining rent due, all costs, including maintenance, that Landlord shall have incurred in reletting that remain after applying the rent received from reletting as provided in this paragraph.

Landlord can, at its option, terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving written notice to Tenant shall terminate this Lease. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest in this Lease shall

Tenant(s) initials

M/M

Owner / Agent Initials

[Signature]

7

not constitute a termination of Tenant's right to possession. In the event of such termination, Landlord has the right to recover from Tenant:

- (1) The worth, at the time of the award, of the unpaid rent that had been earned at the time of the termination of this Lease;
- (2) The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of the termination of this Lease until the time of the award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;
- (3) The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of the award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and
- (4) Any other amount, including court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

"The worth at the time of award," as used in (1), (2) of this paragraph, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth at the time of award," as referred to in (3) of this paragraph, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one (1%) percent.

If Tenant is in default under the terms of this Lease, Landlord shall have the additional right to have a receiver appointed to collect rent and conduct Tenant's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Landlord to terminate this Lease.

Landlord, at any time after Tenant commits a default, can cure the default at Tenant's cost and expense. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be due immediately from Tenant to Landlord at the time the sum is paid, and if paid at a later date shall bear interest at the maximum rate an individual is permitted by law to charge from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest thereon, shall be considered additional rent.

15. **SIGNS.**

Tenant shall not have the right to place, construct, or maintain any sign, advertisement, awning, banner, or other exterior decorations on the building or other improvements that are a part of the Premises without Landlord's prior, written consent, which consent shall not be unreasonably withheld.

16. **EARLY POSSESSION.**

In the event that the Landlord shall permit Tenant to occupy the Premises prior to the commencement date of the term of this Lease, such occupancy shall be subject to all the provisions of this Lease. Said early possession shall not advance the termination date of this Lease.

17. **SUBORDINATION.**

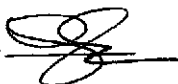
This Lease, at Landlord's option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon the real property of which the Premises are a part and to any and all advances made on the security thereof and to all renewal, modifications, and extensions thereof. Notwithstanding any such subordination, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all the other provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor shall elect to have this Lease prior to the lien of its mortgage or deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior to or subsequent to the date of such mortgage, deed of trust or ground lease, or the date of recording thereof. Tenant agrees to execute any documents requiring to effect such subordination or to make this Lease prior to the lien of any mortgage, deed of trust, or ground lease, as the case may be, and failing to do so within ten (10) days after written demand from Landlord does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney in fact and in Tenant's name, place, and stead to do so.

18. **SURRENDER.**

Tenant(s) Initials



Owner / Agent Initials



8

On the last day of the term hereof, or on any sooner termination, Tenant shall surrender the Premises to Landlord in good condition, broom clean, ordinary wear and tear accepted. Tenant shall repair any damage to the Premises occasioned by its use thereof, or by the removal of Tenant's trade fixtures, furnishings and equipment which repair shall include the patching and filling of holes and repair of structural damage. Tenant shall remove all of its personal property and fixtures on the Premises prior to the expiration of the term of this Lease and if required by Landlord pursuant to Article 10 (a) above, any alterations, improvements or additions made by Tenant to the Premises. If Tenant fails to surrender the Premises to Landlord on the expiration of the Lease as required by this paragraph, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to vacate the Premises, including, without limitation, claims made by any succeeding tenant resulting from Tenant's failure to surrender the Premises.

19. **HOLDING OVER.**
If the Tenant, with the Landlord's consent, remains in possession of the Premises after the expiration or termination of this Lease, such possession by Tenant shall be deemed to be a tenancy from month to month at a rental in the amount of the last monthly rental plus all other charges payable hereunder, upon all the provisions of this Lease applicable to month to month tenancy.
20. **BINDING ON SUCCESSORS AND ASSIGNS.**
The terms, conditions, and covenants of this Lease shall be binding upon and shall inure to the benefit of each of the parties hereto, their heirs, personal representatives, successors and assigns.
21. **NOTICES.**
Whenever under this Lease a provision is made for any demand, notice, or declaration of any kind, it shall be in writing and served either personally or sent by registered or certified United States mail, postage prepaid, addressed at the addresses set forth below.

TO LANDLORD AT: 806 14TH STREET
MODESTO, CA 95354
(209) 576-1002

TENANT AT: _____

Such notices shall be deemed to be received within forty-eight (48) hours from the time of mailing, if mailed as provided for in this paragraph.

22. **LANDLORD'S RIGHT TO INSPECTION.**
Landlord and Landlord's agent shall have the right to enter the Premises at reasonable times for the purpose of inspecting same, showing the same to prospective purchasers or lenders, and making such alterations, repairs, improvements or additions to the Premises or to the building of which the Premises are a part as Landlord may deem necessary or desirable. Landlord may, at any time, place on or about the Premises any ordinary "For Sale" signs and Landlord may, at any time during the last one hundred twenty (120) days of the term of this Lease, place on or about the Premises any ordinary "For Sale or Lease" signs, all without rebate of rent or liability to Tenant.
23. **CHOICE OF LAW.**
This Lease shall be governed by the laws of the state where the Premises are located.
24. **ATTORNEY'S FEES.**
If either Landlord or Tenant becomes a party to any litigation or arbitration concerning this Lease, the Premises, or the building or other improvements in which the Premises are located, by reason of any act or omission of the other party or its authorized representatives, and not by reason of any act or omission of the party that becomes a party to that litigation or any act or omission of its authorized representatives, the party that causes the other party to become involved in the litigation shall be liable to that party for reasonable attorney's fees and court costs incurred by it in the litigation.
- If either party commences an action against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.
25. **LANDLORD'S LIABILITY.**

Tenant(s) Initials

MM

Owner / Agent Initials

[Signature]

9

The term "Landlord" as used in this Lease shall mean only the owner or owners at the time in question of the fee title or a Lessee's interest in a ground lease of the Premises, and in the event of any transfer of such title or interest, Landlord herein named (and in case of any subsequent transfers to the then successor) shall be relieved from and after the date of such transfer of all liability in respect to Landlord's obligations thereafter to be performed. The obligations contained in this Lease to be performed by Landlord shall be binding upon the Landlord's successors and assigns, only during their respective periods of ownership.

26. **WAIVERS.**
No waiver by Landlord of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Tenant of the same or any other provision. Landlord's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act by Tenant. The acceptance of rent hereunder by Landlord shall not be a waiver of any preceding breach by Tenant of any provision hereof, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of its acceptance to such rent.
27. **INCORPORATION OF PRIOR AGREEMENTS.**
This lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified only in writing, and signed by the parties in interest at the time of such modification.
28. **TIME.**
Time is of the essence of this Lease.
29. **SEVERABILITY.**
The unenforceability, invalidity, or illegality of any provision of this Lease shall not render the other provisions hereof unenforceable, invalid or illegal.
30. **ESTOPPEL CERTIFICATES.**
Each party, within ten (10) days after notice from the other party, shall execute and deliver to the other party a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modification. The certificate shall also state the amount of minimum monthly rent, the dates to which rent has been paid in advance, and the amount of any security deposit or prepaid rent, if any, as well as acknowledging that there are not, to that party's knowledge, any uncured defaults on the part of the other party, or specifying such defaults, if any, which are claimed. Failure to deliver such a certificate within the ten (10) day period shall be conclusive upon the party failing to deliver the certificate to the benefit of the party requesting the certificate that this Lease is in full force and effect, that there are no uncured defaults hereunder, and has not been modified except as may be represented by the party requesting the certificate.
31. **COVENANTS AND CONDITIONS.**
Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition.
32. **SINGULAR AND PLURAL.**
When required by the context of this Lease, the singular shall indicate the plural.
33. **JOINT AND SEVERAL OBLIGATIONS.**
"Party" shall mean Landlord and Tenant; and if more than one person or entity is the Landlord or Tenant, the obligations imposed on that party shall be joint and several.
34. **OPTION TO END.**
Provided that Tenant shall not then be in default hereunder, Tenant shall have the option to extend the term of this Lease for 0 year periods upon the same terms and conditions herein contained, except for fixed minimum monthly rentals, upon delivery by Tenant to Landlord of written notice of its election to exercise such option(s) at least ninety (90) days prior to the expiration of the original (or extended) term hereof. The parties hereto shall have thirty (30) days after the Landlord receives the option notice in which to agree on the minimum monthly rental during the extended term(s). If the parties agree on the minimum monthly rent for the extended term(s) during the period, they shall immediately execute an amendment to this Lease stating the minimum monthly rent. In the event that there is more than one option to extend the term of this Lease, the parties hereto shall negotiate the minimum monthly rent for the

Tenant(s) initials

Owner / Agent Initials

10

extended term(s) within said thirty (30) day period, the option notice shall be of no effect this Lease shall expire at the end of the term. Neither party to this Lease shall have the right to have a court or other third party set the minimum monthly rent.

35. **ADDENDUM.**

Any addendum attached hereto and either signed or initialed by the parties shall be deemed a part hereof and shall supersede any conflicting terms or provisions contained in this Lease.

1. A \$100 LATE FEE WILL BE CHARGED TO ACCOUNT IF RENT IS PAID AFTER THE 5TH OF EACH MONTH
2. AN ADDITIONAL \$200.00 PER MONTH WILL BE DUE AND APPLIED TO YOUR ELECTRIC USAGE. THE ACTUAL USAGE WILL BE AUDITED IN JANUARY AND JULY OF EACH YEAR AND THE BALANCE BILLED OR CREDITED TO TENANT ACCOUNT, DUE AND PAYABLE WITHIN 15 DAYS.

The parties hereto have executed this Lease on the date first above written.

Tenant:

[Signature] 6/15/17
Signature Date
M. [Signature] 6/15/17
Signature Date
[Signature] 6/16/17
Signature Date

Owner by Agent:

Matel Property Management

By [Signature]
Signature Date
Manager / Assistant

Tenant(s) initials

MM UP

Owner / Agent Initials

[Signature]

11

Exhibit C

Notice of Non-Performance Penalty

DATE: _____, 2018

PARTIES: CITY OF OAKDALE, a California municipal corporation
280 North Third Avenue
Oakdale, California 95361

MDS Business Services, Inc., a California nonprofit mutual benefit corporation

_____, CA _____

THIS NOTICE OF NON-PERFORMANCE PENALTY ("Penalty Notice") is being executed by the City of Oakdale, a California municipal corporation ("City"), with reference to the following.

- A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 2018, City recorded a development agreement between City and _____, dated _____, 2018 (the "Development Agreement"), relating to the development and operation of a cannabis dispensary.
- B. Pursuant to Section 4.2 of the Development Agreement, Developer agrees to pay to City a Public Benefit on the first business day of each month during the term of the Development Agreement.
- C. On _____, 20__, the Public Benefit was due to City by Developer. City did not receive payment.
- D. Pursuant to Section 4.5 of the Development Agreement, if Developer fails to make payment when it is due, City may impose a penalty of one percent (1%) of the total of the past due amounts ("Penalty"). As of _____, 20__, the past due amount equals \$ _____. The Penalty owed by Developer equals \$ _____ ("Penalty Amount").
- E. Pursuant to Section 4.5 of the Development Agreement, Developer shall make payment of the Penalty Amount in a single installment due within fifteen (15) days of delivery of this Penalty Notice ("Penalty Due Date").
- F. Pursuant to Section 4.6 of the Development Agreement, if Developer fails to pay the Penalty Amount before the Penalty Due Date, then, in addition to the Penalty Amount

specified in subdivision (D), Developer shall pay City interest on the Penalty Amount, at the rate of eighteen percent (18%) per annum ("Penalty Interest Payment"), computed from the Penalty Due Date specified in subdivision (E). The Penalty Interest Payment is due fifteen (15) days following delivery of the Penalty Due Date. As of _____, 20____, the Penalty Interest Payment amount equals \$_____.

- G. Nothing contained herein shall constitute a waiver of City's future claims for the Public Benefit, Penalty, or interest on the Penalty.

NOW, THEREFORE, City hereby provides Developer the Penalty Notice required by Section 4.5 of the Development Agreement. This Penalty Notice shall be effective upon notice pursuant to Section 10.3 of the Development Agreement.

CITY OF OAKDALE,
a California municipal corporation

By: _____
City Manager

Exhibit D

INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING

THIS INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING ("Agreement") is made and entered into on this ____ day of _____ 2018, ("Effective Date") by and between the City of Oakdale, a municipal corporation, ("City") and MDS Business Services, Inc., a California non-profit mutual benefit corporation (collectively, "Applicant"). City and Applicant may be referred to herein individually as a "Party" or collectively as the "Parties". There are no other parties to this Agreement.

RECITALS

A. In 1996, the people of the state of California approved Proposition 215, the Compassionate Use Act of 1996 ("CUA"). The CUA enables seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law. In 2003, the California Legislature adopted Senate Bill 420, entitled the Medical Marijuana Program ("MMP"), which authorizes qualified patients and their primary caregivers to cultivate marijuana for medical purposes without being subject to criminal prosecution under the California Penal Code.

B. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.

C. On November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act ("AUMA"). AUMA legalizes the cultivation, commercial sale, and possession of recreational cannabis for adults age 21 and older.

D. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in the MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction.

E. On December 7, 2017, California state cannabis licensing authorities issued emergency regulations that apply to AUMA and MAUCRA and further regulate businesses engaged in commercial cannabis activity.

F. Oakdale Municipal Code (“O.M.C.”) Chapter 37 authorizes cannabis businesses to operate within the City under specified restrictions pursuant to a Cannabis Pilot Program.

G. Applicant intends to improve, develop, and use real property to operate a cannabis dispensary (the “Project”) within the City in strict compliance with MAUCRSA and O.M.C. Chapter 37.

H. Applicant has an agreement to lease that certain real property located at 570 Armstrong Way in the City of Oakdale, identified as Stanislaus County Assessor’s Parcel Number 064-039-055 (the “Property”), shown on **Exhibit A** attached hereto (“Property Description”). Developer intends to improve and operate the Project on the Property.

I. As a condition of approval of the Land Use Entitlements, City has required Applicant to enter into this Agreement.

J. It is in the public interest for City and Applicant to enter into this Agreement, as Applicant will benefit from City’s processing of the Project.

K. Applicant desires to enter into this Agreement to fulfill a condition of approval of the Project, which is a prerequisite for construction of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth below, the Parties agree as follows:

Section 1. Recitals. The recitals set forth above (“Recitals”) are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 19 of this Agreement, Sections 1 through 19 shall prevail.

Section 2. Applicant’s Indemnification Obligations.

2.1. Indemnification for Land Use Entitlements. To the fullest extent permitted by law, Applicant shall indemnify, and hold City harmless and its agents, elected and appointed officials, officers, employees, and volunteers (collectively, “City’s Agents”) from any and all liability arising out of a claim, action, or proceeding against City, or City’s Agents, to attack, set aside, void, or annul, an approval concerning the Land Use Entitlements by reason of the action or inaction of City, or City’s Agents. Applicant’s duty to indemnify and hold harmless shall not extend to any claim, action or proceeding arising from the gross negligence or willful misconduct of City, or City’s Agents.

Applicant's obligations under this Agreement to indemnify City shall apply to any claim, lawsuit or challenge against City brought against the Project, specifically including, but not limited to, any legal challenge based on the California Environmental Quality Act, codified in California Public Resources Code section 21000 et seq.; actions or proceedings brought to challenge the validity of environmental documents prepared in conjunction with the approval of the Project or Land Use Entitlements, or the requirements of any other federal, state, or local laws, including, but not limited to, general plan, specific plan, and zoning requirements.

2.2. Tender of Defense. Upon receiving notice of a claim and pursuant to Article 6 of the Land Use Entitlements, Applicant shall assume the defense of the claim, action, or proceeding through the prompt payment of all attorneys' fees and costs, incurred in good faith and in the exercise of reasonable discretion, of City's counsel in defending such an action. Regardless of whether Applicant chooses to defend City pursuant to Section 6.4 of the Land Use Entitlements, City shall have the absolute and sole authority to control the litigation and make litigation decisions, including, but not limited to, selecting counsel to defend City and settlement or other disposition of the matter.

2.3. Deposit for Costs. Applicant shall make a refundable deposit to City within thirty (30) days of written notification from City ("Cost Deposit"), to cover the estimated fees and costs associated with City's defense of any claim, action or proceeding. Applicant shall make any and all additional payments to City to replenish the Cost Deposit within thirty (30) days of written notice from City.

2.4. Failure to Indemnify; Waiver. Failure to indemnify City, when required by this Agreement, shall constitute a material breach of this Agreement and of the Land Use Entitlements, which shall entitle City to all remedies available under law including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of the Land Use Entitlements. Applicant's failure to indemnify City shall be a waiver by Applicant of any right to proceed with the Project, or any portion thereof, and a waiver of Applicant's right to file a claim, action or proceeding against City or City's Agents based on City's rescission or revocation of the Land Use Entitlements, or City's failure to defend any claim, action or proceeding based on Applicant's failure to indemnify City.

2.5. Satisfaction of Judgment. With respect to any claims, demands, acts, causes of action, damages, costs, expenses, settlements, losses or liabilities which Applicant has indemnified City against, Applicant shall pay and satisfy any judgment, award, settlement or decree that may be rendered or agreed against City and City's Agents arising out of any final, non-appealable judicial or administrative action.

2.6. Payment of Costs and Fees. Applicant's obligations under this Agreement to defend and indemnify City shall include, but not be limited to, payment of all court costs and attorneys' fees, all litigation-related costs, all costs of any judgments or awards against City, or all settlement costs which arise out of City's processing or approval of the Project.

2.7. Continuing Obligation. Applicant shall be and remain personally obligated to all

Section 3. City's Obligations. City shall notify Applicant of any claim, action or proceeding within ten (10) business days of receiving service of any claim, action or proceeding. If City fails to notify Applicant of any claim, action, or proceeding, Applicant shall not, thereafter, be responsible to defend, indemnify, or hold City harmless. City shall have and retain, in its sole discretion, the right to not participate in the defense of any claim, action, or proceeding. At its sole discretion, City may participate at its own expense in the defense, but such participation shall not relieve Applicant of any obligation imposed by this Agreement.

If to City: City of Oakdale
280 North Third Avenue
Oakdale, California 95361
Attention: City Clerk

DEVELOPMENT AGREEMENT
CITY OF OAKDALE
& MDS BUSINESS SERVICES, INC.
Page 48 of 56

Attn: City Manager
bwhitemyer@ci.oakdale.ca.us

and

Churchwell White, LLP
1414 K Street, 3rd Floor
Sacramento, California 95814
Attention: Douglas L. White, Esq.
doug@churchwellwhite.com

If to Applicant: MDS Business Services, Inc.
570 Armstrong Way
Oakdale, California 95361
Attn: Mark Ponticelli, CEO

Section 5. Modification of Agreement. This Agreement may be supplemented, amended, or modified only by a writing signed by City and Applicant.

Section 6. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the action and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

Section 7. Agreement is Voluntary. The Parties acknowledge that they have entered into this Agreement voluntarily, on the basis of their own judgment and without coercion, and not in reliance on any promises, representations, or statements made by the other Party other than those contained in this Agreement. This Agreement incorporates the entire understanding of the Parties and recites the sole consideration of the promises and agreements contained within it. The Parties have read this Agreement and are fully aware of its contents and legal effect.

Section 8. Time of Essence. Time is of the essence for this Agreement, and each section contained within this Agreement is made and declared to be a material, necessary, and essential part of this Agreement.

Section 9. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

Section 10. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement, and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by

such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 11. Noninterference. No Party will do anything to interfere with or inhibit the ability of the other to comply with their respective obligations under the terms of this Agreement._

Section 12. Ambiguities. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

Section 13. Headings. The headings in this Agreement are included for convenience only, and neither affect the construction or interpretation of any section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

Section 14. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement. The Parties will act in good faith to carry out the intent of this Agreement._

Section 15. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 16. Venue. Venue for all legal proceedings shall be in the Superior Court of California, in and for the County of Stanislaus._

Section 17. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

Section 18. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition._

Section 19. Counterparts. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto,

notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

IN WITNESS THEREOF, the Parties have executed this Agreement on the day, month and year first above written.

APPLICANT

MDS Business Services, Inc., a California non-profit mutual benefit corporation

By: 

Name: Mark Ponticelli

Its: CEO

Date: 3-6-18

CITY

City of Oakdale, a California municipal corporation

By: 

Name: Bryan Whitemyer

Its: City Manager

Date: 3/12/18

APPROVED AS TO FORM:

By: 

Thomas P. Hallinan, City Attorney

Exhibit E

Notice of Termination

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Oakdale
280 North Third Avenue
Oakdale, CA 95361
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §
6103

NOTICE OF TERMINATION AND RELEASE OF DEVELOPMENT AGREEMENT

DATE: _____, 2018

PARTIES: CITY OF OAKDALE, a California municipal corporation
280 North Third Avenue
Oakdale, California 95361

MDS Business Services, Inc., a California nonprofit mutual benefit corporation

_____, CA _____

THIS NOTICE OF TERMINATION AND RELEASE (the "Release") is being executed by the City of Oakdale, a California municipal corporation ("City"), with reference to the following.

- A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 2018, City recorded a development agreement between City and _____, dated _____, 2018 (the "Development Agreement"), relating to the development and operation of a cannabis dispensary.
- B. Pursuant to Sections 1.7 and 9.1 of the Development Agreement, the term of the Development Agreement expires three (3) years from _____, 2018, on _____, 2020.

- C. Pursuant to Section 9.1 of the Development Agreement, once terminated, the Development Agreement has no further force or effect, unless otherwise set forth in the Development Agreement.

NOW, THEREFORE, City hereby terminates, cancels, and otherwise releases Developer and Developer's heirs, executives, administrators, successors, and assigns from their obligations in the Development Agreement on this ____ (day) of ____ (month), 2020, and relinquishes any right it may hereafter have to enforce any of the terms and provisions set forth in the Development Agreement, unless otherwise set forth in the Development Agreement. This termination, cancellation, and release shall be effective upon the recordation of this Release in the office of the County Recorder for the County of Stanislaus, State of California.

CITY OF OAKDALE,
a California municipal corporation

By: _____
City Manager

Exhibit F

Assignment and Assumption Agreement

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Oakdale
280 North Third Avenue

Oakdale, CA 95361
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §
6103

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is entered into this _____ day of _____, 2018, by and between MDS Business Services Inc., a California nonprofit mutual benefit corporation ("Assignors"), and _____ ("Assignee").

RECITALS

A. On _____, 2018, Assignor and the City of Oakdale (the "City") entered into that certain agreement entitled "Development Agreement by and between the City of Oakdale, a municipal corporation of the State of California, MDS Business Services Inc., a California nonprofit mutual benefit corporation," relating to the improvement, development, and use of real property to operate a cannabis dispensary business (the "Development Agreement"), originally recorded upon Stanislaus County Assessor's Parcel Number 064-039-055 (the "Property").

B. Section 10.1 of the Development Agreement prohibits the sale, assignment, or transfer by Assignor of any portion of Assignor's interests, rights, or titles described in that section of the Development Agreement ("Assignable Rights") to a third party without prior written approval by the City Manager of the City of Oakdale (the "City Manager").

C. Assignor intends to assign, and Assignee intends to assume, the Assignable Rights under the Development Agreement.

D. In accordance with the terms of the Development Agreement, Assignor has provided to the City Manager a written request for consent to assignment. The City Manager has received the information he or she deems appropriate and consulted with the City Attorney for the purpose of determining that Assignee is a qualified applicant for purposes of the foregoing terms of the Development Agreement. This Agreement is intended to meet the requirements Section 10.1

of the Development Agreement for an Assignment and Assumption Agreement, and is executed with the consent of the City Manager as contemplated in the Development Agreement.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. The foregoing Recitals are true and incorporated herein by this reference as though set forth in full.
2. Assignor hereby assigns to Assignee all of the Assignable Rights of Assignor under the Development Agreement.
3. Assignee hereby assumes all of the burdens and obligations of Assignor under the Development Agreement, and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement, and to be subject to all the terms and conditions thereof, with respect to the Property and Assignable Rights. It is the express intention of Assignor and Assignee that, upon the execution of this Agreement, Assignee shall become substituted for Assignor as the "Developer" under the Development Agreement.
4. This Agreement shall take effect and be binding only upon the City Manager's consent to and approval of the Agreement.
5. Assignee represents and warrants that it has reviewed and is familiar with the terms and conditions of the Development Agreement. Assignee acknowledges that the Assignable Rights are as set forth in Section 10.1 of the Development Agreement, and the duties of Assignor thereunder and the duties of Assignee hereunder, as between Assignee and City, shall be without reference to any underlying agreements or understandings that may exist between Assignee, Assignor, or any other party with respect to the subject matter hereof, and that City is not party to such other agreements.
6. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, and assigns.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[Signatures on the following page]

ASSIGNOR/ DEVELOPER:

MDS Business Services Inc., a California
nonprofit mutual benefit corporation

Its: CEO

ASSIGNEE

_____, a
California

By: _____

AGREED TO AND ACCEPTED:

CITY OF OAKDALE
a California municipal corporation

City Manager



CITY OF OAKDALE
STAFF REPORT

SUBJECT: Discussion on the City's Development Agreements between MDS Business Services, Inc. and JDI Farms, Inc.

MEETING DATE: February 16, 2021

REPORT DATE: February 5, 2021

Attachment C

Letter from City of Oakdale to MDS Business Services, Inc., dated November 30, 2020



CITY OF OAKDALE
PUBLIC SERVICES DEPARTMENT

455 S. Fifth Avenue • Oakdale, CA 95361 • Ph: (209) 845-3625 • Fax: (209) 848-4344

CITY
ADMINISTRATION
& FINANCE
DEPARTMENT
280 N. Third Ave.
Oakdale, CA 95361
(209) 845-3571
(209) 847-6834 Fax

FIRE DEPARTMENT
Station No. 1:
325 East "G" St.
Station No. 2:
450 S. Willowood Dr.
Oakdale, CA 95361
(209) 845-3660
(209) 847-5907 Fax

RECREATION
DEPARTMENT
280 N. Third Ave.
Oakdale, CA 95361
(209) 845-3591
(209) 845-3692 Fax

POLICE DEPARTMENT
245 N. Second Ave.
Oakdale, CA 95361
(209) 847-2231
(209) 847-3790 Fax

PUBLIC SERVICES
DEPARTMENT
455 S. Fifth Ave.
Oakdale, CA 95361
(209) 845-3600
(209) 848-4344 Fax

CITY OF OAKDALE
WEBSITE
www.ci.oakdale.ca.us
E-MAIL
info@ci.oakdale.ca.us

November 30, 2020

Mr. Mark Ponticelli
MDS Business Services, Inc.
570 Armstrong Way
Oakdale, California 95361

**Subject: Ordinance No. 1258 – Development Agreement between MDS
Business Services, Inc. and the City of Oakdale**

Dear Mr. Ponticelli:

The purpose of this Letter is to provide a follow up on the current status of Ordinance No. 1258, which executed a formal Development Agreement between MDS Business Services, Inc. and the City of Oakdale (attached herein for reference). Ordinance No. 1257 was adopted by the Oakdale City Council on February 12, 2018 and went into effect on March 23, 2018. Section 1.7 of the Development Agreement allows for a three (3) year term. As such, the expiration date of Ordinance No. 1258 is **March 23, 2021**.

In addition, Section 4.2 defined the Public Benefit Fee agreed upon by Ordinance No. 1258 and requires the following fees to be paid to the City of Oakdale on a monthly basis:

Effective Date	No Cannabis Dispensary Public Benefit Due
First (1 st) Business Day of 1 st Month Following Issuance of Conditional Use Permit	\$15,000 or 5.5% of Gross Receipts from Operations each month, whichever is greater ("Tier 1 Amount")
1 st Business Day of the Thirteenth (13 th) Month Following Issuance of the Conditional Use Permit	\$27,500 or 5.5% of Gross Receipts from Operations each month, whichever is greater ("Tier 2 Amount")
1 st Business Day of the Twenty-fifth (25 th) Month Following Issuance of the Conditional Use Permit Through the End of the Term	\$43,000 or 5.5% of Gross Receipts from Operations each month, whichever is greater ("Tier 3 Amount")

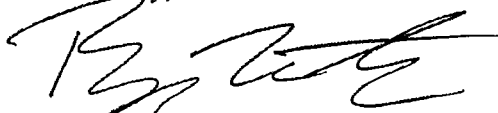
Our records indicate that the City is currently owed \$307,000.00 as required by the terms of Ordinance No. 1257. At this time, City staff is unclear how the financial terms of the Development Agreement will be complied with. Your attention and response to this matter would be appreciated.

As part of the current Development Agreement, City staff intends to present to the City Council a summary of how the terms of the current Development Agreement have been complied with. This presentation is tentatively scheduled for January 19, 2021 and will likely include a discussion of any proposed Development Agreement amendments.

I would suggest scheduling a meeting at your earliest convenience to discuss the January 19, 2021 City Council meeting, and any proposed amendments to Ordinance No.1258.

Should you have any questions or comments about this Letter, please feel free to contact me at (209) 845-3574 or via email at bwhitemyer@ci.oakdale.ca.us.

Sincerely,



Bryan Whitemyer
City Manager

cc: Mr. Jeff Gravel, Public Services Director
Mr. Albert Avila, Finance Director
Mr. Mark Niskanen, City Planner

Attachment



CITY OF OAKDALE
STAFF REPORT

SUBJECT: Discussion on the City's Development Agreements between MDS Business Services, Inc. and JDI Farms, Inc.

MEETING DATE: February 16, 2021

REPORT DATE: February 5, 2021

Attachment D

Letter from City of Oakdale to JDI Farms, Inc., dated November 30, 2020



**CITY OF OAKDALE
PUBLIC SERVICES DEPARTMENT**

455 S. Fifth Avenue • Oakdale, CA 95361 • Ph: (209) 845-3625 • Fax: (209) 848-4344

CITY
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PUBLIC SERVICES
DEPARTMENT
455 S. Fifth Ave.
Oakdale, CA 95361
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(209) 848-4344 Fax

CITY OF OAKDALE
WEBSITE
www.ci.oakdale.ca.us
E-MAIL
info@ci.oakdale.ca.us

November 30, 2020

Mr. Darron Silva
Cal Kosher dba Empire Health and Wellness
633 Armstrong Way
Oakdale, CA 95361

Subject: Ordinance No. 1257 -- Development Agreement between JDI Farms, Inc. and the City of Oakdale

Dear Mr. Silva:

The purpose of this Letter is to provide a follow up on the current status of Ordinance No. 1257, which executed a formal Development Agreement between JDI Farms, Inc. and the City of Oakdale (attached herein for reference). Ordinance No. 1257 was adopted by the Oakdale City Council on February 12, 2018 and went into effect on March 23, 2018.

In addition, Section 4.2 defined the Public Benefit Fee agreed upon by Ordinance No. 1257 and requires the following fees to be paid to the City of Oakdale on a monthly basis:

Effective Date	No Cannabis Dispensary Public Benefit Due
First (1 st) Business Day of 1 st Month Following Issuance of Conditional Use Permit	\$15,000 or 5% of Gross Receipts from Operations each month, whichever is greater ("Tier 1 Amount")
1 st Business Day of the Thirteenth (13 th) Month Following Issuance of the Conditional Use Permit	\$25,000 or 5% of Gross Receipts from Operations each month, whichever is greater ("Tier 2 Amount")
1 st Business Day of the Twenty-fifth (25 th) Month Following Issuance of the Conditional Use Permit Through the End of the Term	\$40,000 or 5% of Gross Receipts from Operations each month, whichever is greater ("Tier 3 Amount")

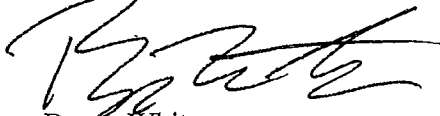
Our records indicate that the City is currently owed \$250,000.00 as required by the terms of Ordinance No. 1257. At this time, City staff is unclear how the financial

terms of the Development Agreement will be complied with. Your attention and response to this matter would be appreciated.

In addition, City staff is in receipt of your letter, dated November 10, 2020, which you request certain amendments to the current Development Agreement. These amendments are currently being considered by City staff. However, as part of the current Development Agreement, City staff intends to present to the City Council a summary of how the terms of the current Development Agreement have been complied with. This presentation is tentatively scheduled for January 19, 2021 and will likely include a discussion of the proposed Development Agreement amendments.

Should you have any questions or comments about this Letter, please feel free to contact me at (209) 845-3574 or via email at bwhitemyer@ci.oakdale.ca.us.

Sincerely,



Bryan Whitemyer
City Manager

cc: Mr. Jeff Gravel, Public Services Director
Mr. Albert Avila, Finance Director
Mr. Mark Niskanen, City Planner
Mr. Doug Mutoza, General Manager (Empire Health and Wellness)

Attachment



CITY OF OAKDALE
STAFF REPORT

SUBJECT: Discussion on the City's Development Agreements between MDS Business Services, Inc. and JDI Farms, Inc.

MEETING DATE: February 16, 2021

REPORT DATE: February 5, 2021

Attachment E

Letter from JDI Farms, Inc., dated November 10, 2020

11/10/20

City Of Oakdale
280 N 3rd Ave
Oakdale, CA 95361

Dear Mr. Bryan Whitemyer:

At 547 Armstrong Way we would like to amend our current development agreement from a Type 12 Microbusiness to be a Type 7 Manufacturing license. We still intend on adding the grow portion in the future which will require the erection of two 20,000 sqft buildings. Being that there is an existing 4,000 sqft building we would be able to move forward on the manufacturing portion within a few months. This will allow us to be operational much sooner therefore generating additional revenue for the city. The existing building at 547 Armstrong Way on APN# 064-039-083 would need to be added to the development agreement being that it is not included currently. Once operational this business would generate a public benefit fee of \$10,00 per month. The current development agreement reads to be a public benefit amount of \$10,000 or 5% whichever is greater. We would like to amend the DA to be a flat fee of \$10,000 monthly.

We would also like to propose for the Retail community benefit fee for Empire Health & Wellness at 633 Armstrong Way to be amended to a flat fee of \$15,000. The traffic that we had anticipated has been significantly less being that we are in an industrial area and not a high traffic retail location. We have been able to generate more traffic through advertising, but it is still less than we initially expected. There have also been over 20 additional dispensaries opened in surrounding cities from when this agreement was proposed.

Please let me know what we can do to move forward on this as quickly as possible.

Sincerely,

A handwritten signature in dark ink, appearing to read 'DM' followed by a long horizontal stroke.

Doug Mutoza



CITY OF OAKDALE
STAFF REPORT

SUBJECT: Discussion on the City's Development Agreements between MDS Business Services, Inc. and JDI Farms, Inc.

MEETING DATE: February 16, 2021

REPORT DATE: February 5, 2021

Attachment F

Letter from MDS Business Services, Inc., dated December 1, 2020

MSD, INC.

1350 Lone Palm Ave.

Modesto, CA

December 1, 2020

Mr. Bryan Whitemyer

MSD, INC. would like to solicit a solution to allow DRTE, INC and MDS, INC to co-exist on parcel 064-039-055 with separate development agreements. MSD, INC is asking for the amendment of our Development Agreement (DA) to for the parcel number 064-039-055 to allow separate operations which include DRTE, INC to pursue separate operations. The terms of the amended development agreement would be as follows:

1. City of Oakdale would issue a new development agreement to create a parcel split for 560 Armstrong Way (DRTE, INC) and 570 Armstrong Way (MDS)/People's Remedy), Oakdale CA to allow the existing DA to continue or a modified version of the DA.
2. MSD, INC will only be involved in the retail dispensary store.
3. MSD, INC does not intend to develop the parcel any further than the already performed work which includes the employee parking/secure loading/secure unloading area.
4. MSD, INC agrees to a shared use of the established People's Remedy employee parking lot. This will be a minimal impact to our parking area.
5. MSD, INC would like to enter into a amended community development agreement, having a flat tax rate of 5.0% of gross sale receipts to be paid to the city rather than the fixed dollars per month. Expected income to the city will be shared through financial records. The current tax structure creates an unmanageable financial hardship as sale in the retail store have not meet expectations. Since this a new industry and new market, retail sales were difficult to predict. With 2 years of sales data to share, we believe this is a more equitable solution.
6. DRTE, INC is asking for the development agreement to extend 20 years from date of issuance.
7. MSD, INC has already made our payment to the city police department.

Please review the requested DA amendment terms of this proposal and provide feedback. MSD, INC is extremely interested in partnering with DRTE, INC and the City of Oakdale to generate profitable businesses that will co-exist, create jobs and bring revenue to the community.

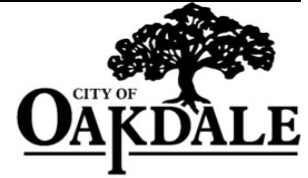
Thank you for your consideration,



Mark Ponticelli

209-672-9088

Mark@peoplesremedy.com



To: Oakdale City Council

From: Bryan Whitemyer, City Manager

Re: **February 2021 Administration Department Report**

In an effort to highlight the work being done by all City Departments, City staff provides monthly activity reports to the City Council at the 2nd City Council meeting of each month. These reports are included in the agenda packet as an informational item but council members are encouraged to ask questions about any of the items listed in the report. The purpose of these reports is to help keep the City Council and the public apprised of the work being done in all areas of city operations.

Administration Department Activities

COVID-19 Updates:

Administration staff continues to be in close contact with the Stanislaus County Emergency Operations Center and the Oakdale Emergency Operations continues to hold weekly check in meetings in order to discuss current issues facing our residents and businesses.

UPDATE: Governor Newsom has rescinded his Regional Stay Home Order. Stanislaus County is currently in the purple tier under the State's Blueprint for a Safer Economy program.

Other Activities:

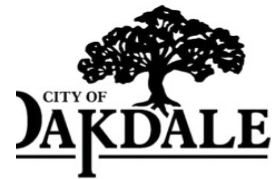
- City staff spent a significant amount of time over the last month working with Stanislaus County to prepare the Gladys Lemmons Senior Center to serve as a COVID-19 vaccination clinic. This partnership has been extremely successful. Clinics were held on January 26, 2021, February 4, 2021 and February 12, 2021. Through these efforts over 1,400 individuals received the first dose of the COVID-19 vaccine. The City is extremely grateful for the support of the County to make this service available to our community. We will have clinics as often as possible going forward. The only limitation so far has been that we haven't been given more vaccine to administer.
- City Council Seat Vacancy: Staff made preparations for the Special City Council meeting of February 10, 2021 where the City Council interviewed 6 City Council applicants.

- Developed multiple staff reports that were presented to the City Council on this topic.
- After the City found out that Amador County sold their Rule 20A Credits to another entity the City contacted Mariposa County regarding Rule 20A funds that would benefit the Oakdale Senior Housing project. Rule 20A funds are funds utilized to underground overhead utility lines. We presented a proposal for the developer to purchase Rule 20A fund credits that would save the project about \$250,000. We hope to hear back from Mariposa County toward the end of February or beginning of March.
- Attended the virtual City Manager's of Stanislaus County monthly meeting on Wednesday, February 3, 2021.
- Attended the StanCOG virtual Management and Finance Committee meeting on Wednesday, February 3, 2021.
- Attended various sessions of the League of California Cities Virtual City Manager's Conference.
- East D Street Extension: The new D Street extension out to the Golf Course is still closed to through traffic. We are still waiting for PG&E to provide electrical service to the street lights. For safety reasons this road will not be open to traffic until we can turn the street lights on.

UPDATE: We continue to wait for PG&E to energize the street lights. Hopefully this will be done in the next couple of weeks.

- Met with Modesto Fire Chief Alan Ernst to discuss the current fire services contract. We had a very productive discussion on how to move forward. The current contract expires in 18 months so we want to make sure we have a plan for the future well before the end of the contract.

To: Bryan Whitemyer, City Manager
From: Albert Avila, Director of Finance



Re: January 2021 Finance Department Report for February 2021

Departmental Actions of Note:

Finance – Doors were closed to the public effective March 16, 2020 and reopened to the public on June 1, 2020.

- Processed and 7,690 monthly utility bills
- Processed and mailed 1,228 late utility notices
- 1,915 customers assisted at the front counter
- Processed 5,387 payments received through the USPS, online, or City drop box
- 34 customers received the recycling bags
- Continued online training of new financial software system
- 48 Customers registered on the online bill payment site.

Facility

Facility Rentals January 2021

Facility	City Meetings	Weekday Rentals	Weekend Rental
Gene Bianchi Community Center	1	1	0
Gene Bianchi Conference Rooms	3	1	0
Gene Bianchi Kitchen Rental	0	0	0
Oakdale Senior Community Center	0	1	0

Senior Center

The Senior Center closed on March 16th. We now offer:

- Senior wellness checks through phone calls, emails and text messages
- Weekly lunch distribution program; 260 seniors have registered. Average of 120 food boxes are distributed weekly. It is a contact-less distribution process.
- Senior Center serves as a pantry for food and other staples for seniors in need

- COVID Vaccination clinics: February 4, 447 does. January 26th, 500 doses
- Virtual Line Dance class has 4 participants (weekly class, using Zoom as the platform)

Pending Items:

Finance

Continued Implementation of New Accounting System

Audit for 2019-2020 has started preliminary review

To: Bryan Whitemyer, City Manager

From: Julie Christel, Council Services and Legislative Records Manager

Re: February 2021 Department Report



Legislative

- Prepared the City Council agenda packets for the special meeting of January 7, 2021 and the special and regular meeting of January 19, 2021. Attended all meetings and prepared draft City Council minutes for each meeting.
- Prepared and finalized City Council Resolutions for the Mayor's and City Clerk's signatures which were then scanned, filed in the City's Records Retention System and copies distributed to departments and vendors.
- Processed contracts/agreements/Resolutions approved at the January 2021 City Council meetings:
 - F. Loduca Co. for the Cottle's Trail Improvements Project
 - Acceptance of the Audit Report for the FY Ending 6-30-2020
- Conducted the recruitment process to fill the vacant City Council Member seat.
- Assisted filers with submittal of Statement of Economic Interests and other FPPC forms.

General Administration

- Provided assistance with Zoom training for members of the public.
- Received and processed three claims of property damage. Processed notification of rejection of claim submitted by Theodore Lyman.
- Three Public Records Act requests were received during the month of January and three Notice of Determinations were provided to requestors.
- Researched City records and provided documentation for various City departments.
- Continue to work on updating files to Laserfiche.
- Continue to review and update information on City website.
- Manage the City's "Information" email account and respond to inquiries regarding City departments or services.
- Provided Notary Services to city staff and elected officials.

- Records Management – Ongoing.
- Completed the Technical Training for Clerks (TTC) Virtual Series 100 class.

To: Bryan Whitemyer, City Manager

From: Patrick Mondragon, Assistant to the City Manager

Re: **February 2021 Human Resources Department Report**



Recruitments & Terminations:

- Held 1st Oral Interviews for Equipment Coordinator (Lead Mechanic) on 1/7/21.
- Opened Maintenance Worker I/II (Full Time) recruitment on 1/14/21.
- Performed Orientation for new part time Police Administrative Support on 1/20/21.
- Held 2nd Oral Interviews for Equipment Coordinator (Lead Mechanic) on 1/26/21.
- Conducted an Exit Interview with outgoing Maintenance Worker on 1/27/21.

Strategic Communication:

- Held COVID-19 reporting procedures meeting with EOC coordinator on 1/19/21.
- Met with Public Services Director; Public Works Superintendent, and Parks Supervisor to discuss appraisal reviews.
- Met with Code Enforcement/Water Conservation Officer for weekly updates on 1/6/21 and 1/20/21.
- Held Conference Call with City Staff to discuss bid package process for City of Oakdale PD/City Hall Facility Improvement Project on 1/25/21.
- Sent monthly evaluation status reports to Department Heads the week of 25-29 January, 2021.
- Met with City Manager to provide Human Resources, Code Enforcement and Special Projects updates on 1/8, 1/15, 1/22 and 1/29/2021.

Training:

- Attended Orientation for the Central San Joaquin Valley Risk Management Authority (CSJVRMA) on 1/26/2021.
- Participated in the CSJVRMA's Annual Workshop on 1/28 and 1/29/2021.

Special Projects:

- Continued to work with RED INC. Architects and Pezzoni Engineering, INC. to finalize plans for Oakdale Police Department/City Hall Facility Improvement Project; working on the PG&E approval process.

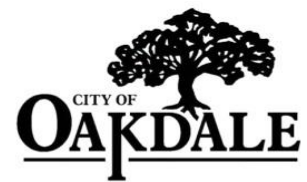
Employee Anniversaries:

The following City of Oakdale employees celebrated work anniversaries for the month of January 2021:

- Albert Avila – Finance Director: 17 years!
- Jane Finkenbine – Recreation Services Coordinator: 3 years
- Vicki Thayer – Parking Aide: 13 years

MONTHLY SNAPSHOT

New Recruitments	1
Applications Received	14
New Hires	1
Evaluations Processed	9
Employee Turnover	1
Workers Compensation Reports	0
Interactive Process Meetings	0



To: Bryan Whitemyer, City Manager

From: Jeff Gravel, Public Services Director

Re: **February 2021 Public Services Department Report for January**

AIRPORT DIVISION

- **2020 AIRPORT LAYOUT PLAN AND NARRATIVE:** This Projects scope of work includes Runway Safety Area mitigation, a Drainage Study, a Pavement Condition Study and Operation Counting Report. City Staff received a grant offer from the FAA in May, to prepare a Pavement Condition Study, positioning the City to receive additional grants for pavement rehabilitation. The operations counter is currently not collecting data. Data collection will start in spring of 2021.
- **AIRPORT FUEL SALES (GALLONS):**

YEAR OVER YEAR TOTALS		
Month	2020	2021
January	3,637	7,298
February	8,083	
March	6,012	
April	11,047	
May	15,853	
June	10,464	
July	10,126	
August	7,626	
September	7,582	
October	9,328	
November	8,672	
December	5,955	
Grand Total	104,385	7,298

BUILDING DIVISION

BUILDING PERMIT ACTIVITY	ISSUED
RESIDENTIAL-SINGLE FAMILY DWELLINGS	2
RESIDENTIAL REMODELS/ALTERATIONS	18
RESIDENTIAL-SOLAR	14
COMMERCIAL REMODELS	2
TOTAL INSPECTIONS PERFORMED	60
TOTAL PERMITS ISSUED	51

- **WINDWARD DEVELOPMENT:** River Pointe subdivision -21 home gated community. Under construction
- **OAKLEAF MEADOWS APARTMENTS:** Nearly all units are occupied as of January 4th. The Constructor is continuing with construction progress to finish the project. Staff continue to inspect. Staff is working with the developer's project designers to resolve drainage issues on Pederson Road.
- **ICON at BRIDLE RIDGE:** Florsheim Homes – 48 lot subdivision including 10 infill lots in upper Bridle Ridge. All currently under construction.

CODE ENFORCEMENT DIVISION

CODE ENFORCEMENT ACTIVITY	NUMBER
NEW CASES	55
CASES RESPONDED	214
CASES CLOSED	64
NEW CASES YEAR TO DATE	55
CLOSED CASES YEAR TO DATE	64
OPEN CASES	31
GILTON BULKY-ITEM PICK UPS SCHEDULED	45
WATER CONSERVATION ACTIVITY	ISSUED
WATER CONSERVATION CASES ADDRESSED	2

- Working on open cases and new service requests.
- 6 COVID-19 Business Compliance cases responded to.

ENGINEERING DIVISION

ENGINEERING PERMIT ACTIVITY	ISSUED
ENCROACHMENT	4
TRANSPORTATION	0
GRADING	1

MONTHLY CAPITAL IMPROVEMENT PROJECT UPDATES

- **SEWER CROSSING:** 100% Improvement plans are complete. Finalizing property purchase agreement with Seventh Day Adventist Church, currently under review. State Land Commission finalizing review of our permit for construction. Expected State review to be completed by 4/2021.
- **WOOD BASIN/RANDY PLAZA:** storm drainage project complete and operating. Working to finalize with Cal Trans
- **2020 AREA 2 SLURRY SEAL PROJECT:** The area was aggressively swept while ambient temperatures drop to allow the oils in the slurry harden. The area will be swept again on 1/27, 2/4 & 5.
- **SOUTH FIRST AVENUE REHABILITATION:** This Project will remove and replace the sewer, water and pavement. It will also install curb, gutter and sidewalk that is in disrepair. The contractor is paving the first lift on the street on December 15. PGE will do work starting on January 4. The contractor will return in early February to complete paving. PGE is paying for additional costs.
- **COTTLES TRAIL:** The Project will create safe and increased pedestrian access to the Cost Less Shopping Center from the east side of the highway, without having to cross the Highway, as well as increased access to the Stanislaus River. The plan consists of a switch back type trail similar to the Valley View River Access Trail. The Project started on January 3, 2021.

PARKS DIVISION

WORK COMPLETED	NUMBER
PARK INSPECTIONS PERFORMED	14
IRRIGATION	Off
PLAYGROUND REPAIRS	1

- **PARK AND LANDSCAPE STRIPS:** Irrigation water is off. Started irrigation coverage checks. Flushed system as required.
- **PEST:** Checked for pocket gopher activity and control.
- **MOWING:** Mow and edge as needed.
- **PRUNE:** Prune vegetation.

- **TREES:** Pruning, checking tree stakes, and ties to see if they function. Adjust as needed.
- **WEEDS:** Spot spray weeds in all landscape areas as needed.
- **LEAF PICK-UP:** Assist with leaf pick-up as needed.
- **WILLOWOOD:** Preparing for a plant infill project on Willowood between F and the round-a-bout.

PLANNING DIVISION

APPLICATION	LOCATION	DESCRIPTION	STATUS
2017-02 General Plan Amendment and Re-Zone	Oak Leaf Meadows 1135 E J St	56 multi-family residential dwelling units focused on lower income households.	Project is under construction. Staff is working on a check list to complete the project.
2017-17 ANNEX	Sierra Pointe Specific Plan area	Specific Plan Amendment, Annexation/Pre- Zone, Tentative Subdivision Map, Financing Plan, and Development Agreement.	Staff working with Applicant on Development Agreement terms and Annexation matters. Public Hearings anticipated 2021.
2019-16 MNUP	Last Call Brewing Co.	Minor Use Permit to allow for Mobile Food Vendors at taproom location.	Staff in process of initiating preparation of a Citywide Mobile Food Vendor Ordinance.
2019-17 General Plan Amendment and Rezone	East F Street	48-unit multi-family residential project located adjacent to Foothills Oaks Shopping Center.	City Staff working on draft Conditions of Approval and driveway design and building treatment.
Loma Lane Subdivision	Loma Lane	Single-Family Residential Units.	Pending Home Building plan check
2019-20 SPR	South Oakdale Industrial Specific Plan area	200,000 square foot warehouse and associated site improvements.	Applicant is looking at design options and cost

SEWER / STREETS / STORM DRAIN DIVISION

WORK COMPLETED	NUMBER
MISC. WORK ORDERS	15
TRAFFIC SIGN/STREET REPLACEMENT	14
SEWER LIFT STATION REPAIRS	3
CLEAN DRAIN INLETS (DI'S)	3
SEWER LINES CLEANED	20,401 FEET
POT HOLE REPAIRS (cold MIX) 2x2	36
CRACK SEALING (LINEAR FEET)	546 FEET
STORM MAIN CLEANING	2,314 FEET

- **AUTOMATIC GENERATORS:** We exercised 10 generators last month. (Weekly task-15-minute run time per week.)

OTHER TASKS ASSIGNED:

- Set up and take down of senior center parking lot and A. St. for COVID-19
- Install new signs in dog park
- Crack sealing in Bridle Ridge
- Rebuild fence around booster pumps at Gilbert park.
- Paving pot holes on H St. between Yosemite and S. 2ND Ave.

WATER DIVISION

WORK COMPLETED	NUMBER
METER SHUT-OFFS	0
WATER METER READS	8188
MANUAL WATER METER READS	13
WATER RELATED WORK ORDERS	174
WATER TESTING / SAMPLES-ROUTINE	24
WATER TESTING / SAMPLES-WELL HEADS	7
EMERGENCY WATER SERVICE LINE REPAIRS	0
WATER COMPLAINTS	8
UNDERGROUND SERVICE LOCATES FOR CITY UTILITIES	51

- **IRRIGATION WATER & DROUGHT:** Since the drought regulations started, which includes comparable water usage monitoring to similar dates in 2013, water usage In January 2020 was 14.8 % below usage in 2013 in the same month.
- **Well 10:** Well 10 is currently offline. The well has been Cleaned and re installed. During the January heavy wind storm water damaged the VFD and we are currently in the process of getting a new VFD. We never finished flushing the well to test . This will follow the VFD installation.
- **Well 4:** is currently undergoing a cleaning and inspection protocol for upcoming rehabilitation. More to come.

OAKDALE CITY

MONTHLY REPORT (as dispatched)

DECEMBER 2020

	NOV 2020	DEC 2020	% CHANGE	YTD 2019	YTD 2020	% CHANGE
CALLS FOR SERVICE (CFS)	234	233	0%	2,359	2,459	4%
APPARATUS RUNS	320	312	-3%	3,384	3,390	0%

FIRES	NOV 2020	DEC 2020	% CHANGE	YTD 2019	YTD 2020	% CHANGE
STRUCTURE	3	1	-67%	17	14	-18%
VEHICLE	2	3	50%	11	19	73%
VEGETATION	3	2	-33%	53	48	-9%
OTHER	7	7	0%	56	67	20%
TOTAL FIRES	15	13	-13%	137	148	8%

EMS	NOV 2020	DEC 2020	% CHANGE	YTD 2019	YTD 2020	% CHANGE
EMS	137	156	14%	1,382	1,493	8%
VEHICLE ACCIDENT	19	13	-32%	132	143	8%
CPR	3	4	33%	29	42	45%
TOTAL EMS	159	173	9%	1,543	1,678	9%

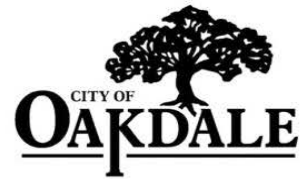
OTHER	NOV 2020	DEC 2020	% CHANGE	YTD 2019	YTD 2020	% CHANGE
FIRE ALARM	16	7	-56%	168	170	1%
CO ALARM	4	4	0%	23	45	96%
ALL OTHER	40	36	-10%	488	418	-14%
TOTAL OTHER	60	47	-22%	679	633	-7%

RESPONSE TIMES	NOV 2020	DEC 2020	CHANGE
AVG RESPONSE TIME	0:07:01	0:06:42	-19secs
AVG TURNOUT TIME	0:01:53	0:02:04	+11secs

To: Bryan Whitemyer, City Manager

From: Scott Heller, Chief of Police

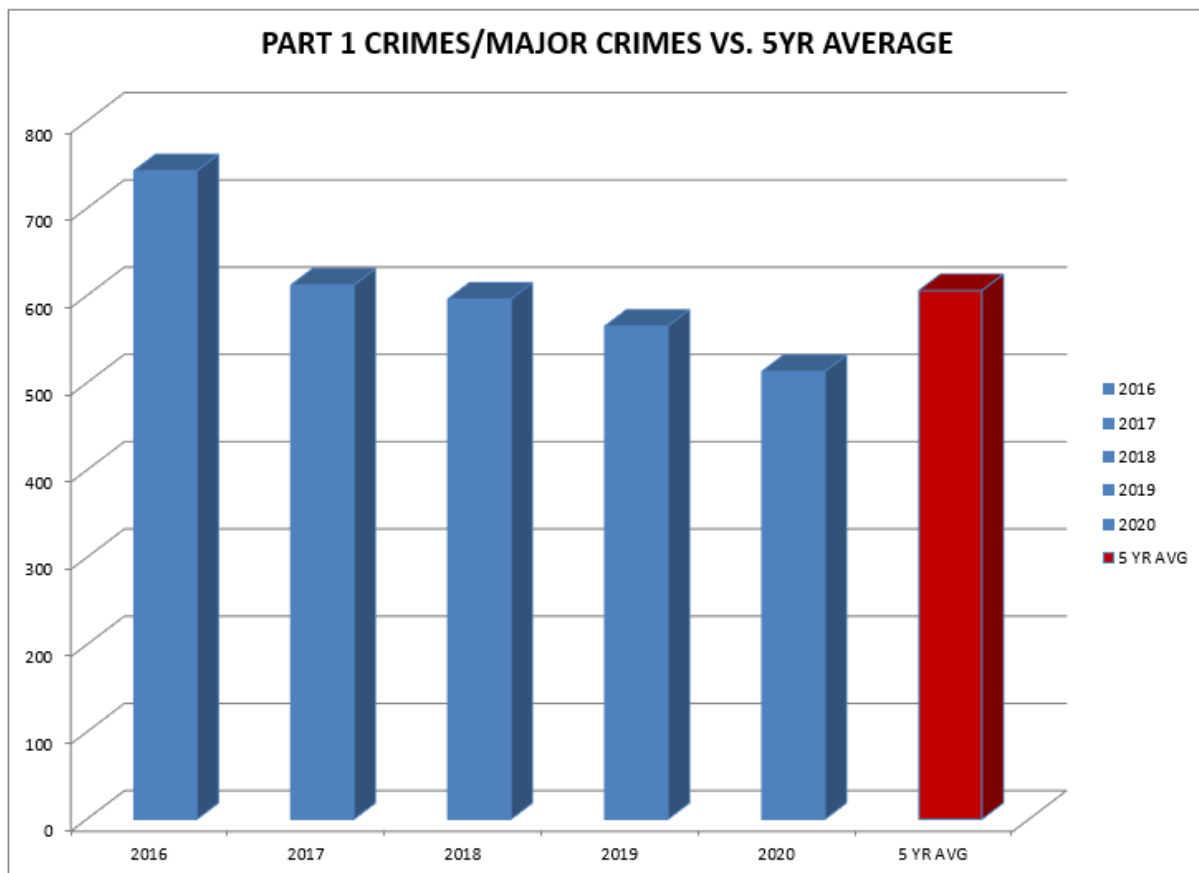
Re: February 2021 Police Department Report for January



CRIME STATS - YTD

Below are the latest available crime stats for the calendar year to date (January – December 2020 vs January – December 2021 - Attachment A):

- There were no homicides in January 2020 and none in 2021.
- Robbery remained the same with 1 in 2020 and 1 in 2021.
- Aggravated Assault increased from 0 in 2020 to 1 in 2021.
- Rape increased from 1 in 2020 to 2 in 2021.
- Simple Assault increased from 9 in 2020 to 10 in 2021.
- Burglary decreased from 10 in 2020 to 0 in 2021.
- Vehicle Theft decreased from 3 in 2020 to 2 in 2021.
- Larceny increased from 14 in 2020 to 21 in 2021.
- Non-Injury Collisions decreased from 16 in 2020 to 10 in 2021.
- Injury Collisions increased from 4 in 2020 to 6 in 2021.



TOTAL INCIDENT STATS - YTD

Below are the total incident stats for the department. The department has responded to a total of 2,480 incidents for the calendar year to date:

Total Incident Stats YTD	
Calls for Service	1,351
Officer Initiated Incidents	1,129
Traffic Stops	379
Other Officer Involved Activity Incidents	750
Business / Building Checks	119
Vehicle / Pedestrian Checks	127

INCIDENT BREAKDOWN

During the month of January, the police department responded to approximately 2,480 incidents/calls for service. Below is a list highlighting just a few of the various incident types and counts. The comprehensive list of incidents is attached to the end of this report (Attachment B).

Incidents by Incident Type January 2021	
Suspicious Person	56
Suspicious Vehicle	65
Audible Alarm	70
Silent Alarm	13
Reckless Driving	36
Pedestrian Contact	67
Disturbance	14
Noise Disturbance	27
Petty Theft	22
Burglary	1
Traffic Stop	379
New Warrants	65

PATROL – ONGOING

- On January 2nd, officers were investigating a verbal disturbance in the 100 block of South Oak Avenue and observed a vehicle being driven recklessly. Officers were able to catch up to the vehicle to conduct an enforcement stop but the driver failed to yield, and a pursuit ensued. The pursuit was a slow speed pursuit and eventually, the driver yielded and was taken into custody without incident. The driver was cited for reckless driving and misdemeanor failure to yield.

- On January 4th, officers responded to a residence in the 400 block of Arboles Way to assist with a choking infant. Officers were able to resuscitate the infant before he was transported to Oak Valley Hospital.
- On January 10th, officers initiated a vehicle enforcement stop for vehicle code violations. The passenger was a convicted felon and in possession of a stun gun. He was booked into county jail for possession of a stun gun and possession of a controlled substance. The driver was cited for driving with a suspended license and the vehicle was towed.
- On January 10th, officers initiated an enforcement stop for vehicle code violations. A search was conducted and officers located controlled substances possessed with the intent to sell. The driver was booked into county jail for several felony violations.
- On January 16th, officers located a wanted felon in the 400 block of South 2nd Avenue. A short foot pursuit ensued and officers were able to capture the subject. The subject was booked into jail.
- On January 16th, officers located an intoxicated subject in the 300 block of S. Yosemite Avenue. A search of the subject revealed brass knuckles. He was booked into jail.
- On January 18th, officers responded to CVS to investigate a shoplifting report. Officers were able to locate the subject who was on parole and in possession of drug paraphernalia. The subject was booked into jail.
- On January 19th, officers located two suspicious persons at Speedway gas station. Officers conducted a probation search of the individuals, which revealed controlled substances possessed with the intent to sell. The passenger was released at the scene and the driver was booked into jail.
- On January 20th, officers responded to the 100 block of Willowood Drive to assist CPS with a child abuse investigation. CPS was reporting that a mother was in her residence and was so intoxicated that she was unable to care for her infant child. Based on exigent circumstances, entry was forced. The mother was located on the couch, and was in fact too intoxicated to care for her child. The child was taken into protective custody by CPS and

February 2021 Police Department Report for January

the mother was taken into custody and booked into jail for child abuse.

- January 23rd, OPD received a call that a victim was following his stolen vehicle that had just been stolen. Officers responded to the location of the victim and located the vehicle abandoned in a field. Officers were able to locate the suspect and took him into custody without incident. Officers were able to link the suspect to license plate thefts and the theft of two other vehicles from Escalon. The subject has been arrested numerous times by OPD for stolen vehicles and other related crimes. He was booked into jail.
- On January 24th, a woman called and reported that her husband had just left the residence with their child and was diving under the influence. Officers located him at a local liquor store with the child. After FST's, the subject physically resisted but his resistance was quickly overcome by officers without further incident. A breath sample revealed .28/.29 BAC. The suspect was booked into jail for child endangerment, DUI and resisting officers.
- On January 26th, officers served a search warrant in the 300 block of N. 1st Avenue and located ammunition inside the residence. The resident was a prior convicted felon. An I&B arrest was submitted. The suspect is still outstanding.
- On January 28th, officers were dispatched to reports of subjects looking into vehicles in the 100 block of N. 3rd. Officers located the subjects and they were arrested for possession of methamphetamine, a dagger, and mushrooms with the intent to sell.
- On January 28th & 29th, OPD assisted a county-wide operation investigating human trafficking. Numerous arrests were made.
- On January 29th, officers were dispatched to Steve's Chevrolet to investigate the theft of a front grill from one of their trucks. Officers were able to identify the responsible and are continuing attempts to locate. The suspect is still outstanding.

SUPPORT SERVICES

- Detectives are currently investigating or assisting in the investigation of 15 active cases.

- Detectives continue to investigate a shooting that occurred at the Motel 6, OP20-2789. The suspects have been identified and Ramey warrants have been requested.
- Detectives served a search warrant for a child pornography case, OP20-2991.
- Members of the Animal Services division completed multiple bite investigations and held one hearing.

EVENTS AND PROJECTS

- On January 28th & 29th, members of the Oakdale Police Department participated in Operation Rebuild and Reclaim which was a Human Trafficking Operation held in Stanislaus County. There were over 60 arrests made.
- Members of the Oakdale Police Department participated in the creation of a plan for the POD event held at a City of Oakdale facility.
- FUSUS (RTCC) management system has been activated and Phase II deployment is underway.
- CALEA
- NIBRS
- CLETS Audit
- RIPPA
- Communications Center
- PD Renovation
- Vigilant LPR

RECRUITMENT

- The Department continues to recruit full-time and part-time Public Safety Dispatcher/Clerks.
- The Department continues to recruit full-time and reserve Police Officers.
- The Department continues to recruit for the position of part-time Police Administrative Support.

- On January 11th, Gina McWilliam joined the Oakdale Police Department as the Standards & Training Coordinator. Gina retired from Santa Clara PD as the Records Manager and brings with her a wealth of knowledge.

EXTRODINARY CIRCUMSTANCES

The COVID-19 Pandemic has required sustained operation of the City Emergency Operation Center (EOC). As a result, many support staff members have been tasked with projects relating to the day-to-day monitoring and required documentation for the fully functioning EOC. In addition, changes to the order continue to be monitored and information continues to be broadcasted accordingly. COVID-19 vaccination opportunities were provided to all personnel.

ONGOING

Staff received the graffiti report for the month of January from the city's TAG (Team-up Against Graffiti) coordinator Mike Hancock. Mr. Hancock reported there were a total of nine incidents for the month of January, and noted this is a slight increase over December's seven incidents. Incidents this month include three at the Community Park. There was one gang related graffiti incident reported for the month of January, located on the sidewalk at the intersection of South Second Avenue and East I Street. Graffiti patrols have been ramped back up in response to the increased number of incidents. Please note, graffiti occurring at the Community Park is now being reported to either TAG or to PD for reporting and abatement by Public Works. The details are now incorporated into the reporting for more inclusive city-wide view. A map showing graffiti incidents is attached (Attachment C).

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OAKDALE POLICE DEPARTMENT CRIME STATISTICS - JANUARY 2021

ATTACHMENT A

PREVIOUS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD 2021	YTD 2020	YTD +/-	Monthly Change
PART ONE																
Homicide	0												0	0	0%	0 100%
Rape	2												2	1	100%	2 100%
Robbery	1												1	1	0%	-1 -50%
Assault Total	11												11	9	22%	0 0%
Aggravated Assault	1												1	0	0%	-1 -50%
Simple Assault	10												10	9	11%	1 11%
Burglary	0												0	10	-100%	-4 -100%
Vehicle Theft	2												2	3	-33%	-4 -67%
Larceny-Theft	21												21	14	50%	7 50%
	37	0	0	0	0	0	0	0	0	0	0	0	37	38	-3%	0 0%
CITATION TOTAL:	250	0	0	0	0	0	0	0	0	0	0	0	250	451	-45%	92 58%
Moving	137												137	352	-61%	95 226%
Criminal	87												87	49	78%	26 43%
Parking	24												24	44	-45%	-27 -53%
Animal	2												2	6	-67%	-2 -50%
														0		
ARRESTS TOTAL:	192												192	230	-17%	27 16%
Adult - Felony	25												25	34	-26%	-12 -32%
Adult - Misd.	164												164	194	-15%	38 30%
Juvenile - Felony	2												2	1	100%	1 100%
Juvenile - Misd.	1												1	1	0%	0 0%
ACCIDENT TOTAL:	16												16	20	-20%	1 7%
Non-Injury	10												10	16	-38%	-1 -9%
Injury	6												6	4	50%	2 50%
Number Injured	6												6	5	20%	2 50%
Fatalities	0												0	0	0%	0 0%
Pedestrian	2												2	1	100%	2 100%
Bike	0												0	1	-100%	-2 -100%
Motorcycle	1												1	0	0%	1 100%
PCF - Speed	8												8	8	0%	2 33%
PCF - Rt of Way	2												2	0	0%	-1 -33%
DUI	2												2	4	-50%	-3 -60%
DUI Arrests	12												12	11	9%	-1 -8%
Citation: 14601	20												20	26	-23%	1 5%
Thirty Day Holds	2												2	4	-50%	0 0%
DOMESTIC VIO.	8												8	5	60%	2 33%
Vandalism	14												14	10	40%	-1 -7%
Gang Related Cases	3												3	0	0%	1 50%
Arson	0												0	0	0%	-1 -100%
TOT INCID. RPTD:	2529												2529	3221	-21%	231 10%

**OAKDALE POLICE DEPARTMENT****INCIDENTS BY INCIDENT TYPE
JANUARY 2021**

ATTACHMENT B

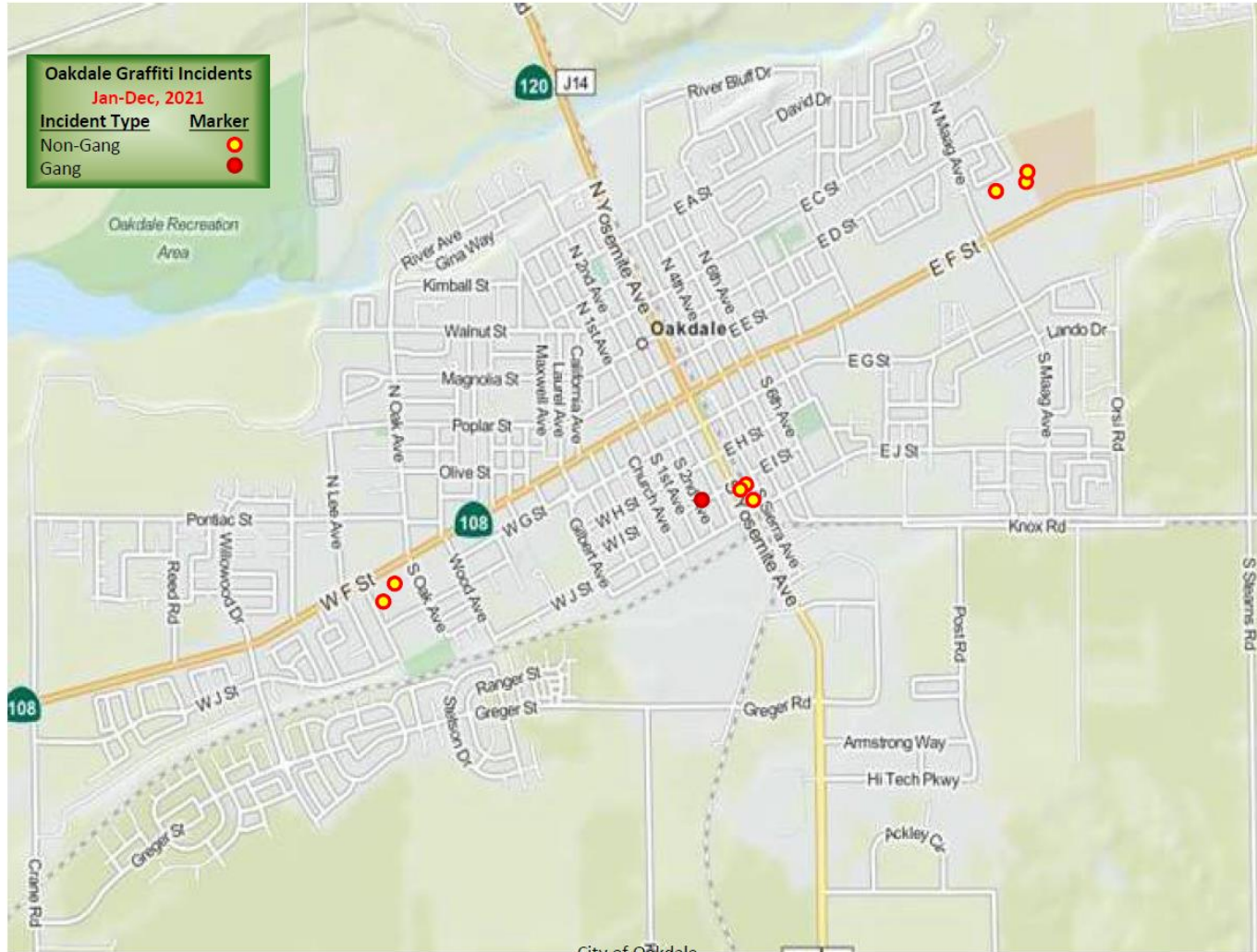
INCIDENT TYPE	DESCRIPTION	NUMBER THIS TYP
10-37	10-37 Susp Person	56
10-38	10-38 Susp Vehicle	65
10-44	10-44 Suicide/Attempt Suicide	2
10-50	10-50 Prowler	1
10-53	10-53 Missing Person	9
10-57D	10-57d Dead Animal	11
10-57I	10-57i Injured Animal	7
10-57S	10-57s Stray Animal	46
10-57V	10-57V Vicious Animal	5
10-60	10-60 Audible alarm	70
10-61	10-61 Silent Alarm	13
10-64S	10-64s Subpoena Service	9
10851	10851 VC Stolen Vehicle	5
10851R	10851R Recovered Stolen Veh	1
11-24	11-24 Abandoned Veh	18
11-25	11-25 Road Hazard	28
11-44	11-44 Unattended Death OR Suicide	4
11-80	11-80 Traff Coll - Major Injury	1
11-81	11-81 Traff Coll - Minor Injury	2
11-82	11-82 Traff Coll - Non Injury	17
11-83	11-83 Traff Coll - Unk details	9
11350	11350 HS Possession of a Controlled Substance	1
11364	11364 HS HS Paraphenalia	3
11377	11377 HS Felony Possession of HS	2
12500	12500 VC Unlicensed Driver	1
14601.1A	Drive w/License Suspended	1
14601.2A	Drive w/License suspended DUI	2
166.4	Contemp Disoby Crt Order	5
20002	20002 VC Hit & Run	10
211	211 PC Robbery	1
23103	23103 VC Reckless Driving	36
23152	23152 VC Driving Under Influence	9
240	240 PC Assault	2
242	242 PC Battery	1
273.5	273.5 PC Domestic Violence	4
273A	273a PC Child Endangerment/Abuse	1
290	290 PC Sex Offender Registrant	7
30DAY	30 DAY HEARING	1
368	368 PC Elder Abuse	1
374	374 PC Illegal Dumping	2
4000A	4000A VC Expired Registration	4

**OAKDALE POLICE DEPARTMENT****INCIDENTS BY INCIDENT TYPE
JANUARY 2021**

INCIDENT TYPE	DESCRIPTION	NUMBER THIS TYF
415V	VERBAL ARGUMENT	20
417	417 PC Brandishing Weapon	1
4462.5	4462.5 VC False Registration	1
459	459 PC Burglary	1
484E PC	Theft of Access Card/Account Info	5
484G PC	Fraudulent Use of Access Card/Account Info	2
487	487 PC Grand Theft	7
488	488 PC Petty Theft	22
496	496 PC Possess Stolen Prop	1
5150	5150 WI Mentally Disabled	6
594	594 PC Vandalism	13
602	602 PC Trespassing	5
647F	647F PC Public Intoxication	2
653M	653M PC Annoying Phone Calls	2
911	911 Hang up	180
ANIMAL	Animal Incident	15
AOA	Assist Outside Agency	24
AREACK	Area Check	194
ARREST	Arrest	31
ASSIST	Public Assist	52
BARK	Barking Dog Complaint	9
BIKE	Bicycle Stop	4
BITE	Animal Bite	6
BOL	BOL	13
C5	C5 Stake Out	12
C6	C6 Follow - up	16
CITE	Cite Sign Off	4
CITY	City Property Incident	1
CIVIL	Civil Problem	11
CODE	code enforcement	2
COMP	Complaint	40
COP	COMMUNITY ORIENTED POLICING	5
CT ORD	Court Order	2
DTC	Delayed T/C	1
EMS	Emergency Med Srv	140
EVENT	SPECIAL EVENT	1
FALARM	Fire Alarm	1
FIRE	Fire, Non-specific	19
FLAG	Citizen Flag Down	14
FOOT	Foot Patrol	5
FPROP	Found Prop	13

**OAKDALE POLICE DEPARTMENT****INCIDENTS BY INCIDENT TYPE
JANUARY 2021**

INCIDENT TYPE	DESCRIPTION	NUMBER THIS TY
HOME	Home Check	16
HS	Drug Activity	3
INFO	Information	58
JUVCOMP	Juvenile Complaint	12
MOTORIST	Motorist Assist	1
OCC CK	OCC ENFORCEMENT	23
PED	Pedestrian Contact	67
PKG	Parking Comp	31
PREMCK	Premise Check	119
PROB	Probation/Parole Search	3
PUBLIC	Public Assist	4
PW	Public Works Detail	9
REPO	Repossessed Vehicle	5
SEARCH	Search	2
SECCK	Security/Welfare Check	41
SHOTS	Shots Fired	4
SMOKE	Smoke Check	1
SUPCIR	Susp Circ	72
THREAT	Threat Complaint	8
TRAFFIC	Special Traffic Enforcement	13
TRAINING	Training Assignment	2
TSTOP	Traffic Stop	379
WARFRGN	Foreign Wmt Proc	2
WARNEW	New Warrant	65
WARRANT	Warrant Arrest	4
XPTL	Extra Patrol	98
XRPT	Cross Report	1
Total Incidents		2480



AGENDA ITEM 12.2:

Update on COVID-19 Response in Oakdale.

**2020 COUNCIL APPOINTMENTS TO
CITY BOARDS, COMMISSIONS & COMMITTEES
AND REGIONAL BOARDS, COMMISSIONS & COMMITTEES**

CITY BOARDS/ COMMISSIONS/COMMITTEES	APPOINTMENT	POSITION	MEETING SCHEDULE
Economic Development Ad Hoc Committee	Mayor McCarty Council Member Murdoch	Committee Member Committee Member	Monthly, first Friday of the month at 9:00 a.m.
Local Sales Tax Measure Oversight Committee (Currently Measure H)	Council Member Bairos	Committee Liaison	As needed.
Fire Advisory Ad-Hoc	Mayor McCarty Council Member Bairos	Committee Member Committee Member	As needed.
Police and Fire Retirement Board	Mayor McCarty	(Mayor Per City Code)	Quarterly March, June, September and December
Senior Citizens Advisory Commission	Mayor McCarty	Commission Liaison	Jan., March, May, July, Sept. Nov. Third Tuesday of the Month at 2:00
Senior Housing Corporation Board	Mayor McCarty Council Member Smith	Board Member (Per Bylaws) Board Member	First Thursday of the month at 9:00 a.m. as needed.
Tourism Business Improvement District Advisory Board	Council Member Chiara	Board Member	Twice yearly as needed.
Energy Conservation Committee	Council Member Murdoch Council Member Smith	Committee Member Committee Member	As needed.

**2020 COUNCIL APPOINTMENTS TO
CITY BOARDS, COMMISSIONS & COMMITTEES
AND REGIONAL BOARDS, COMMISSIONS & COMMITTEES**

REGIONAL BOARDS/ COMMISSIONS/COMMITTEES	APPOINTMENT	POSITION	MEETING SCHEDULE
City/Oakdale Irrigation District 2+2 Committee	Council Member Bairos Council Member Chiara	Committee Member Committee Member	As needed.
City/Schools 2+2 Committee	Council Member Bairos Council Member Chiara	Committee Member Committee Member	As needed.
Central Valley Division Executive Committee (League of California Cities)	Council Member Smith Council Member Bairos	Oakdale Representative Alternate	2020 Schedule TBD
Environmental Quality Policy Committee (League of California Cities)	Council Member Bairos	Oakdale Representative	2020 Schedule TBD
Economic Development Action Committee (EDAC)*	Council Member Bairos Council Member Murdoch	Oakdale Representative Alternate	A min. of two meetings held annually - Special meetings as needed
North County Corridor Transportation Expressway Authority*	Council Member Smith Council Member Chiara	Oakdale Representative Alternate	Third Wednesday of alternate months from 4:30 p.m. to 6:00 p.m.
Special City Selection Committee Valley-wide Special City Selection Committee	Council Member Smith	Oakdale Representative	As needed – infrequent meetings. Committee established pursuant to H&SC 40600.5.
Stanislaus Economic Development and Workforce Business Alliance Board*	Council Member Chiara	Oakdale Representative	Quarterly every odd month at 12:00 p.m.
Stanislaus County Disaster Council	Council Member Murdoch	Oakdale Representative	A minimum of twice a year or as often as necessary to transact business at 1:30 p.m.
Stanislaus County Hazardous Waste Advisory Commission	Council Member Smith	Oakdale Representative	As needed.
Stanislaus County Mayors Meetings	Mayor McCarty	Oakdale Representative	Dinners, quarterly
Stanislaus Homeless Alliance	Council Member Smith	Oakdale Representative	Monthly – Third Thursday of each mo.
City/Oakdale Fire District 2+2 Committee	Mayor McCarty Council Member Bairos	Committee Member Committee Member	As needed.
Stanislaus Council of Governments (StanCOG) Policy Board*	Council Member Chiara Council Member Bairos Council Member Murdoch (Alt)	Oakdale Representative	Monthly – Third Wednesday of each month
San Joaquin Valleywide Special City Selection Committee	Mayor McCarty	Oakdale Representative	As needed.

*Requires Statement of Economic Interest Filing.

Approval Date: 12/04/2017

Amendment Dates: 08/20/2018, 12/17/2018, 03/04/2019, 08/19/2019, 12/16/2019

City of Oakdale City Council

Upcoming Council Meeting and Workshop Schedule for 2021

February 16, 2021:	Regular City Council Meeting
February 24, 2021:	City Council Workshop
March 1, 2021:	Regular City Council Meeting
March 10, 2021:	City Council Workshop
March 15, 2021:	Regular City Council Meeting
March 24, 2021:	City Council Workshop
March 31, 2021:	City Council Workshop