



OROVILLE CITY COUNCIL

Council Chambers
1735 Montgomery Street
Oroville, CA. 95965

**SEPTEMBER 5, 2017
REGULAR MEETING
CLOSED SESSION 5:30 P.M.
OPEN SESSION 6:30 P.M.
AGENDA**

CLOSED SESSION (5:30 P.M.)

ROLL CALL

Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier

CONVENE TO CLOSED SESSION (ITEMS LISTED ON PAGE NO. 5)

RECONVENE TO OPEN SESSION

OPEN SESSION (6:30 P.M.)

PLEDGE OF ALLEGIANCE

PROCLAMATION / PRESENTATION

Presentation by *Belyea & Company* regarding the *Rio D' Oro Development*

Presentation regarding the use of *CalFire Emergency Aviation* at the *Oroville Municipal Airport*

CONSENT CALENDAR

1. **APPROVAL OF THE AUGUST 15, 2017 REGULAR MEETING AND SPECIAL MEETING MINUTES OF THE OROVILLE CITY COUNCIL – minutes attached**

Finance Department

2. **PAYROLL TIMESHEET POLICY – staff report**

The Council may consider approving a Payroll Timesheet Policy for the City. **(Ruth Wright, Director of Finance)**

Council Action Requested: **Approve the Payroll Timesheet Policy.**

Community Development Department

3. REQUEST TO WAIVE ADMISSION FEE FOR VARIOUS PROMOTIONAL EVENTS HELD AT THE OROVILLE MUSEUMS – staff report

The Council may consider a request to waive the admission fees for various promotional events to be held at the C.F. Lott Home, Pioneer Museum, and Chinese Temple & Museum Complex to be hosted by the Oroville Docents. **(Dawn Nevers, Assistant Planner and Donald Rust, Director of Community Development)**

Council Action Requested: **Approve the waiver of admission fees for various promotional events to be held at the C.F. Lott Home, Pioneer Museum, and Chinese Temple & Museum Complex to be hosted by the Oroville Docents.**

PUBLIC HEARINGS

Business Assistance and Housing Development

4. COMMUNITY DEVELOPMENT BLOCK GRANT FOR FISCAL YEAR 2017/2018 – staff report

The Council will conduct a public hearing and discuss the 2017/2018 Fiscal Year Community Development Block Grant Program Funding and Program Income. **(Amy Bergstrand, Management Analyst III)**

Council Action Requested: **Provide direction, as necessary.**

5. MODIFICATIONS TO THE COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP PROGRAM HOMEBUYER MORTGAGE ASSISTANCE PROGRAM GUIDELINES – staff report

The Council will conduct a public hearing to solicit comments regarding requested modifications to the Community Development Block Grant (CDBG) Home Ownership Program.

Thereafter, the Council may consider authorizing the modifications to the Combined HOME Investment Partnership (HOME) and CDBG Assistance Program Guidelines. **(Amy Bergstrand, Management Analyst III)**

Council Action Requested: **Adopt Resolution No. 8645 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING MODIFICATIONS TO THE COMBINED COMMUNITY DEVELOPMENT BLOCK AND HOME INVESTMENT PARTNERSHIP PROGRAM HOMEBUYER MORTGAGE ASSISTANCE PROGRAM GUIDELINES.**

REGULAR BUSINESS

Public Works Department

6. TRAFFIC CALMING AND SPEED REDUCTION OPTIONS FOR MONTGOMERY STREET ROUNDABOUT PEDESTRIAN SAFETY – staff report

The Council may consider different options for reducing vehicle speeds at the Washington Avenue and Montgomery Street roundabout. **(Mike Massaro, PE, City Engineer)**

Council Action Requested: **Provide direction, as necessary.**

Finance Department

7. SECTION 115 IRREVOCABLE TRUST ACCOUNT TO PRE-FUND PENSIONS – staff report

The Council may consider an Agreement for Administrative Services with Phase II Systems, dba: Public Agency Retirement Services, for the administration of the Public Agencies Post-Employment Benefits Trust, relating to the pre-funding of pensions for City employees. **(Ruth Wright, Director of Finance)**

Council Action Requested:

1. **Adopt an Investment Strategy as indicated in the September 5, 2017 staff report.**
2. **Adopt Resolution No. 8646 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE ADOPTION OF THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES – (Agreement No. 3231).**

Community Development Department

8. LETTERS OF SUPPORT FOR 2018 PARK BOND FUNDING – staff report

The Council may consider authorizing the Mayor to sign two letters in support of Assembly Bill 18 – California Clean Water, Climate, Coastal Protection and Outdoor Access for All Act of 2018; and Assembly Bill 5 – California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018, relating to Park Bond Funding. **(Dawn Nevers, Assistant Planner and Donald Rust, Director of Community Development)**

Council Action Requested: **Provide direction, as necessary.**

9. HEATING VENTILATION AND AIR CONDITIONING MAINTENANCE PROGRAM AGREEMENT (PG&E QUALITY MAINTENANCE SERVICE CONTRACT) AND FINANCING AGREEMENT WITH ABM BUILDING SOLUTIONS – staff report

The Council may consider approving the Heating Ventilation and Air Conditioning (HVAC) Maintenance Program Agreement, which includes the PG&E Quality Maintenance Service Contract and the 100% Financing Agreement, with ABM Building Solutions, LLC. **(Dawn Nevers, Assistant Planner and Donald Rust, Director of Community Development)**

Council Action Requested:

1. **Adopt Resolution No. 8647 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN HEATING VENTILATION AND AIR CONDITIONING MAINTENANCE PROGRAM AGREEMENT WITH ABM BUILDING SOLUTIONS, LLC, IN THE AMOUNT OF \$106,301.76 – (Agreement No. 3232).**
2. **Adopt Resolution No. 8648 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR AS TO THE EXECUTION AND DELIVERY OF AN EQUIPMENT LEASE-PURCHASE AGREEMENT, AN ESCROW AGREEMENT AND EQUIPMENT SCHEDULE WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING, AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE**

**CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION –
(Agreement No. 3233).**

Business Assistance & Housing Development Department

10. EXTENSION OF FIVE-YEAR DEADLINE TO DEVELOP/DISPOSE OF HOUSING SUCCESSOR AGENCY PROPERTIES – staff report

The Council, serving as the Successor Agency of the former Oroville Redevelopment Agency (RDA), may consider an extension of five-years to initiate the development and/or disposal of the remaining housing assets that were transferred from the RDA to the Successor Agency. **(Amy Bergstrand, Management Analyst III)**

Council Action Requested: **Adopt Resolution No. 8649 - A RESOLUTION OF THE OROVILLE CITY COUNCIL EXTENDING THE TIME PERIOD FOR THE DEVELOPMENT AND OR DISPOSITION OF HOUSING PROPERTIES TRANSFERRED FROM THE FORMER OROVILLE REDEVELOPMENT AGENCY, TO SEPTEMBER 7, 2022, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176.1(e).**

11. AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH REINARD W. BRANDLEY – staff report

The Council may consider an Amendment to the Professional Services Agreement with Reinard W. Brandley, in the amount of \$50,000, for engineering services relating to the Oroville Municipal Airport. **(Rick Farley, Enterprise Zone & Business Assistance Coordinator)**

Council Action Requested: **Adopt Resolution No. 8650 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH REINARD W. BRANDLEY, IN THE AMOUNT OF \$50,000, FOR ENGINEERING SERVICES RELATING TO THE OROVILLE MUNICIPAL AIRPORT – (Agreement No. 2006-12).**

Administration Department

12. PROCEDURE TO AMEND CITY CHARTER – staff report

The Council will receive a presentation regarding the procedure to amend the City Charter. **(Scott E. Huber, City Attorney)**

Council Action Requested: **Provide direction, as necessary.**

COUNCIL ANNOUNCEMENTS/COMMITTEE REPORTS (A verbal report may be given regarding any committee meetings attended)

CITY ADMINISTRATOR/ ADMINISTRATION REPORTS

- Finance Department – activity report

CORRESPONDENCE

- Optimist Clubs of Chico & Oroville - Buy a Firefighter Breakfast on 9/11 Invitation
- Feather River Recreation & Park District – Feather River Clean Up
- Federal Energy Regulatory Commission – Notice of Availability of Environmental Assessment

HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. **Presentations are limited to 3 minutes.** Under Government Code Section 54954.2, The Council is prohibited from taking action except for a brief response by the Council or staff to a statement or question relating to a non-agenda item.

CLOSED SESSION

The Council will hold a Closed Session on the following:

1. Pursuant to Government Code section 54957.6, the Council will meet with Labor Negotiators and City Attorney to discuss labor negotiations for the following represented groups: Oroville Firefighters' Association, and Oroville Management and Confidential Association.
2. Pursuant to Government Code section 54956.9(d)(4), the Council will meet with the Acting City Administrator and City Attorney regarding potential initiation of litigation – one case (related to Oroville Spillway Incident).
3. Pursuant to Government Code section 54956.9(d)(2), the Council will meet with the Acting City Administrator and City Attorney regarding potential exposure to litigation – one case.
4. Pursuant to Government Code section 54956.9(a), the Council will meet with the Acting City Administrator, and the City Attorney relating to existing litigation: WGS Dental, et al., v. City of Oroville, et al., Butte County Superior Court, Case No. 152036, Third District Court of Appeals, Case No. C 077181.

ADJOURNMENT

The meeting will be adjourned. A regular meeting of the Oroville City Council will be held on Tuesday, September 19, 2017, at 5:30 p.m.

Accommodating Those Individuals with Special Needs – In compliance with the Americans with Disabilities Act, the City of Oroville encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meetings, please contact the City Clerk at (530) 538-2535, well in advance of the regular meeting you wish to attend, so that we may make every reasonable effort to accommodate you. Documents distributed for public session items, less than 72 hours prior to meeting, are available for public inspection at City Hall, 1735 Montgomery Street, Oroville, California.

**CITY COUNCIL MEETING MINUTES
AUGUST 15, 2017 – 5:30 P.M.**

The agenda for the August 15, 2017, regular meeting of the Oroville City Council was posted on the bulletin board at the front of City Hall and on the City of Oroville's website located at www.cityoforoville.org on Thursday, August 10, 2017, at 3:40 p.m.

The August 15, 2017 regular meeting of the Oroville City Council was called to order by Mayor Dahlmeier at 5:30 p.m.

ROLL CALL

Present: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier
Absent: None

Staff Present:

Donald Rust, Assistant City Administrator
Bill LaGrone, Director of Public Safety
Scott E. Huber, City Attorney
Dawn Nevers, Assistant Planner
Liz Ehrenstrom, Human Resource Manager

Ruth Wright, Director of Finance
Jamie Hayes, Assistant City Clerk
Karolyn Fairbanks, Treasurer
Mike Massaro, (Contracted) City Engineer

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Dahlmeier.

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

Ed Hall – Item No. 11

Billy Speer – Item No. 11

PROCLAMATION / PRESENTATION - None

CONSENT CALENDAR

A motion was made by Vice Mayor Goodson, seconded by Council Member Del Rosario, to approve the following Consent Calendar, with exception to Item No. 3:

- 1. APPROVAL OF THE AUGUST 1, 2017 REGULAR MEETING OF THE OROVILLE CITY COUNCIL – minutes attached**

Community Development Department

2. CLOSE OUT AND NON-ACCEPTANCE OF FUNDS FOR THE 2015/2016 CALRECYCLE TIRE-DERIVED PRODUCT GRANT AWARD – staff report

The Council considered authorizing the Mayor to sign a letter of withdrawal from the Tire-Derived Product Grant No. TDP 16-15-0022, awarded by CalRecycle on February 1, 2016, in the amount of \$62,970. **(Dawn Nevers, Assistant Planner and Donald Rust, Director of Community Development)**

Council Action Requested: **Authorize the Mayor to sign the letter of withdrawal from the CalRecycle 2015-16 Tire-Derived Product Grant Agreement No. TDP 16-15-0022.**

3. THIS ITEM WAS REMOVED FROM THE CONSENT CALENDAR (SEE BELOW)

4. NEW DONATION TO THE C.F. LOTT HOME – staff report

The Council considered acknowledging the receipt of a Haviland Autumn Leaf (gold trim) dinnerware set to be donated to the C.F. Lott Home. **(Dawn Nevers, Assistant Planner)**

Council Action Requested: **Acknowledge receipt and accept the donation of the Haviland Autumn Leaf (gold trim) dinnerware set for the C.F. Lott Home.**

5. DONATIONS TO THE CHINESE TEMPLE & MUSEUM COMPLEX – staff report

The Council considered acknowledging the receipt of various Chinese artifacts to the Chinese Temple & Museum Complex. **(Dawn Nevers, Assistant Planner)**

Council Action Requested: **Acknowledge receipt and accept the donations to the Chinese Temple & Museum Complex, as indicated in the August 15, 2017 staff report.**

6. DONATIONS TO THE CHINESE TEMPLE & MUSEUM COMPLEX – staff report

The Council considered acknowledging the receipt of three (3) Chinese artifacts to the Chinese Temple & Museum Complex. **(Dawn Nevers, Assistant Planner)**

Council Action Requested: **Acknowledge receipt and accept the donation of three (3) Chinese artifacts to the Chinese Temple & Museum Complex, as indicated in the August 15, 2017 staff report.**

7. OROVILLE ARTS COMMISSION ARTS AWARD RECOGNIZING “YOUR VOICE FOR THE ARTS” – staff report

The Council considered approving the Oroville Arts Commission Arts Award recognizing “Your Voice for the Arts,” an award that recognizes an artist who has positively impacted the community through the arts. **(Dawn Nevers, Assistant Planner)**

Council Action Requested: **Approve the Oroville Arts Commission Arts Award recognizing “Your Voice for the Arts”, an award that recognizes an artist who has positively impacted the community through the arts.**

Administration Department

8. **AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH CALIFORNIA STATE UNIVERSITY, CHICO** – staff report

The Council considered an Amendment to the Professional Services Agreement with the California State University, Chico, relating to their Geographical Information Center which hosts the City's Geographic Information Systems. (Tyson Pardee, IT Manager and Jesse Smith, GIS Specialist)

Council Action Requested: **Adopt Resolution No. 8640 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH CALIFORNIA STATE UNIVERSITY, CHICO, EXTENDING THE TERM FOR FISCAL YEAR 2017/2018 – (Agreement No. 3130-2).**

9. **DESIGNATION OF SUBRECIPIENT'S AGENT FOR FEDERAL AND STATE ASSISTANCE THROUGH THE FEDERAL EMERGENCY MANAGEMENT AGENCY** – staff report

The Council considered authorizing the Acting City Administrator to execute the remaining applications and forms to the Federal Emergency Management Agency (FEMA) and the State of California Office of Emergency Services (Cal-OES) relating to the Oroville Dam Spillway Incident and winter storms, by resolution of the City Council. (Donald Rust, Acting City Administrator)

Council Action Requested: **Adopt Resolution No. 8641 – AUTHORIZING AND DIRECTING THE ACTING CITY ADMINISTRATOR TO EXECUTE ANY REMAING APPLICATIONS AND FORMS TO FEMA AND CAL-OES RELATING TO THE 2017 EMERGENCY INCIDENTS RELATING TO THE OROVILLE DAM SPILLWAY AND WINTER STORMS.**

10. **PURCHASE OF SITEIMPROVE WEB GOVERNANCE SUITE** – staff report

The Council considered approving the purchase of Siteimprove's Web Governance Suite to monitor the City's website. (Tyson, Pardee, IT Manager)

Council Action Requested: **Authorize the purchase of Siteimprove Web Governance Suite, in an amount not to exceed \$3,470.**

The motion to approve the Consent Calendar was passed by the following vote:

Ayes:	Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier
Noes:	None
Abstain:	None
Absent:	None

ITEMS REMOVED FROM THE CONSENT CALENDAR

3. **LETTER TO THE FEDERAL ENERGY REGULATORY COMMISSION REGARDING THE OROVILLE DAM SPILLWAY INCIDENT** – staff report (*Continued from July 11, 2017*)

The Council considered sending a letter to the Federal Energy Regulatory Commission (FERC) regarding the recent Oroville Dam Spillway Incident. **(Donald Rust, Acting City Administrator)**

This item was removed from the Consent Calendar at the request of Mayor Dahlmeier for comments.

Following discussion, a motion was made by Council Member Berry, seconded by Vice Mayor Goodson, to:

Direct staff to send the letter to the Federal Energy Regulatory Commission regarding the recent Oroville Dam Spillway Incident.

The motion was passed by the following vote:

Ayes:	Council Members Berry, Del Rosario, Draper, Hatley, Vice Mayor Goodson
Noes:	Council Member Thomson
Abstain:	Mayor Dahlmeier
Absent:	None

PUBLIC HEARINGS - None

REGULAR BUSINESS

Community Development Department

11. SPEED REDUCTION OPTIONS FOR IMPROVING SAFETY AT THE WASHINGTON AVENUE AND MONTGOMERY STREET ROUNDABOUT – staff report

The Council considered different options for reducing vehicle speeds at the Washington Avenue and Montgomery Street roundabout. **(Elizabeth Ehrenstrom, Risk Manager and Donald Rust, Director of Community Development)**

Ed Hall and Billy Speer made comments relating to the vehicle speeds at the Washington Avenue and Montgomery Street roundabout.

Following discussion, the Council directed staff to continue the item to the September 5, 2017 regular City Council meeting for further consideration.

12. ASSOCIATION OF CALIFORNIA AIRPORTS ANNUAL CONFERENCE – staff report

The Council considered authorizing the Director of Public Safety, Interim Airport Manager and Council Member to attend the Association of California Airports Annual Conference, to

be held September 13 – 15, 2017, in South Lake Tahoe. **(Donald Rust, Acting City Administrator)**

Following discussion, a motion was made by Council Member Del Rosario, seconded by Vice Mayor Goodson, to:

1. **Authorize the Director of Public Safety to attend the Association of California Airports Annual Conference, to be held September 13 – 15, 2017, in South Lake Tahoe, for a cost of \$100 for registration.**
2. **Authorize the Interim Airport Manager to attend the Association of California Airports Annual Conference, to be held September 13 – 15, 2017, in South Lake Tahoe, for an approximate cost of \$540.**

The motion was passed by the following vote:

Ayes:	Council Members Del Rosario, Draper, Thomson, Vice Mayor Goodson, Mayor Dahlmeier
Noes:	Council Members Berry, Hatley
Abstain:	None
Absent:	None

Administration Department

13. **AMENDMENT TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM CONTRACT RELATING TO EMPLOYEES SHARING ADDITIONAL COST – staff report**

The Council considered an Amendment to the California Public Employees Retirement System (CalPERS) contract relating to employees sharing additional cost. **(Liz Ehrenstrom, Human Resource Manager)**

A motion was made by Vice Mayor Goodson, seconded by Council Member Draper, to:

Adopt Resolution No. 8642 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE AMENDMENT TO THE CONTRACT BETWEEN THE CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM AND THE CITY OF OROVILLE REGARDING EMPLOYEES SHARING ADDITIONAL COSTS.

The motion was passed by the following vote:

Ayes:	Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier
Noes:	None
Abstain:	None
Absent:	None

14. **POTENTIAL NEW LOCATION FOR METAL SALMON SCULPTURES – staff report**

The Council received an update on the new location for the State Highway 70 and Montgomery Street Metal Salmon Sculptures. **(Bob Marciniak, Program Specialist)**

Following discussion, a motion was made by Vice Mayor Goodson, seconded by Council Member Draper, to:

Authorize the installation of the Metal Salmon Sculptures as indicated in the August 15, 2017 staff report.

The motion was passed by the following vote:

Ayes:	Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice mayor Goodson, Mayor Dahlmeier
Noes:	None
Abstain:	None
Absent:	None

COUNCIL ANNOUNCEMENTS/COMMITTEE REPORTS

Vice Mayor Goodson reported her attendance to the following:

- Oroville Economic Alliance meeting
- Dunstone Hall Dedication ceremony
- Exchange Club meeting

Council Member Thomson reported his attendance to the following:

- Oroville Economic Alliance meeting
- Oroville Tourism Committee meeting
- Oroville Downtown Business Association's First Friday event

Council Member Draper reported her attendance to the Housing Loan Advisory Committee.

Mayor Dahlmeier reviewed the City's Committee Assignments with each of the Council Members.

Council Members Del Rosario, Berry and Hatley, reported their attendance to the Volunteers in Police Services BBQ.

CITY ADMINISTRATOR/ ADMINISTRATION REPORTS

Bill LaGrone, Director of Public Safety, gave a brief report on the National Night Out event. In addition, Mr. LaGrone gave a brief report on the City Works Program.

Ruth Wright, Director of Finance, reported that the Accounting Technician position had been filled.

CORRESPONDENCE

- Rune Storesund, Executive Director, Center for Catastrophic Risk Management, University of California, Berkeley
- Michelle Banonis, Department of Water Resources

HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

Billy Speer discussed a prayer group gathering daily at City Hall, community improvements and thanked the Council for serving their community.

Vice Mayor Goodson commented on the need for improvements to State Highway 70 and

commended the Hope Center for their volunteer efforts through the City Works Program.

Council Member Draper commented on the Art in Public Places funds which were received from Walmart.

Vice Mayor Goodson advised that the Grand Opening for The Exchange would be held on September 12, 2017.

CLOSED SESSION

The Council held a Closed Session on the following:

1. Pursuant to Government Code section 54957.6, the Council met with Labor Negotiators and City Attorney to discuss labor negotiations for the following represented groups: Oroville City Employees Association, Oroville Police Officers' Association – Sworn and Non-Sworn, Oroville Firefighters' Association, and Oroville Management and Confidential Association.
2. Pursuant to Government Code section 54956.9(d)(4), the Council met with the Acting City Administrator and City Attorney regarding potential initiation of litigation – one case (related to Oroville Spillway Incident).
3. Pursuant to Government Code section 54956.9(d)(2), the Council met with the Acting City Administrator and City Attorney regarding potential exposure to litigation – two cases.
4. Pursuant to Government Code section 54956.95, the Council met with the Acting City Administrator, Personnel Officer and City Attorney relating to Worker's Compensation Claim Nos. NCWA-557267, NCWA-557149, NCWA-538076.

Mayor Dahlmeier announced that there were no reportable actions taken in Closed Session and direction had been given to staff.

ADJOURNMENT

The meeting was adjourned at 8:14 p.m. A regular meeting of the Oroville City Council will be held on Tuesday, September 1, 2017, at 5:30 p.m.

Donald Rust, Acting City Clerk

Linda L. Dahlmeier, Mayor

**CITY COUNCIL SPECIAL MEETING MINUTES
AUGUST 15, 2017 – 8:15 P.M.**

The agenda for the August 15, 2017 special meeting of the Oroville City Council was posted on the bulletin board at the front of City Hall and on the City of Oroville's website located at www.cityoforoville.org on Monday, August 14, 2017, at 3:00 p.m.

The August 15, 2017 special meeting of the Oroville City Council was called to order by Mayor Dahlmeier at 8:15 p.m.

ROLL CALL

Present: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier
Absent: None

SPECIAL BUSINESS

1. CONSIDERATION AND APPROVAL OF AN AMENDMENT TO THE OROVILLE POLICE OFFICER'S ASSOCIATION SWORN AND NON-SWORN MEMORANDUM OF UNDERSTANDING – staff report

Council considered approving an Amendment to the Oroville Police Officer's Association (OPOA) Sworn and Non-Sworn Memorandum of Understandings (MOU). (**Liz Ehrenstrom, Human Resources Manager**)

A motion was made by Council Member Hatley, seconded by Vice Mayor Goodson, to:

- 1. Adopt Resolution No. 8643 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF OROVILLE AND THE OROVILLE POLICE OFFICERS' ASSOCIATION - SWORN UNIT – (Agreement No. 1447-10).**
- 2. Adopt Resolution No. 8642 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF OROVILLE AND THE OROVILLE POLICE OFFICERS' ASSOCIATION – NON-SWORN UNIT – (Agreement No. 1447-9).**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier
Noes: None
Abstain: None
Absent: None

HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS - None

ADJOURNMENT

The meeting was adjourned at 8:20 p.m. A regular meeting of the Oroville City Council will be held on Tuesday, September 5, 2017, at 5:30 p.m.

Donald Rust, Acting City Clerk

Linda L. Dahlmeier, Mayor

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS

**FROM: RUTH WRIGHT, FINANCE DIRECTOR
FINANCE DEPARTMENT**

RE: PAYROLL TIMESHEET POLICY

DATE: SEPTEMBER 5, 2017

SUMMARY

The Council may consider approving a Payroll Timesheet Policy for the City.

DISCUSSION

At this time, the City still utilizes paper timesheets. Utilizing an electronic form of keeping time will greatly reduce the resources required to keep track of time on paper. Currently, a timesheet is printed and given to employees for tracking time on a bi-weekly basis. Employees are responsible to track their time and submit it for payroll.

Utilizing the electronic form of time tracking, employees can log in at any time of day and anywhere there is internet access. Time worked should be recorded immediately, but no later than the end of a pay period. All time records will be submitted to a supervisor for approval. Once the supervisor has approved the time record, the timesheet is submitted electronically to the Finance Department for pay.

Staff is in the process of building the timesheet procedure in the new software. Having a policy and procedure in place prior to implementation is critical so everyone understands the change and their new role.

The Timesheet Policy will establish that all City employees are responsible and accountable for submitting accurate time records in a timely manner.

FISCAL IMPACT

Time and resource savings to the City. Keeping time electronically is more efficient than on paper.

RECOMMENDATION

Approve the Payroll Timesheet Policy.

ATTACHMENTS

A – Payroll Timesheet Policy

PAYROLL TIMESHEET POLICY



City of Oroville
Finance Department
Effective Date: 09/05/2017
Last revision date: New

A. Purpose

To outline the policies and procedures adopted by the City Council regarding provisions for keeping and submitting time for the purpose of paying payroll to the employees of the City of Oroville.

B. Policy Scope

This policy is applicable to all employees of the City of Oroville who keep and submit time records to the Finance Department for purposes of payroll.

C. Policy

Submitting and processing timesheets.

- The Finance Department will develop and maintain procedures that employees, supervisors and timekeepers will follow to ensure timesheets and payroll are processed accurately and timely.
- This policy will help ensure that employees are completing their own timesheets and submitting them to their department supervisors and timekeepers in a timely manner.

1. All employees are required to accurately complete, sign and date a timesheet. Employees will be held accountable and responsible for the accuracy of the information provided on the timesheet. Employees are expected to thoroughly complete a timesheet and present it to their supervisor in a timely manner. The deadline for this requirement is at the end of each shift and submitting their timesheet to their supervisor at the end of their last shift for the pay period. Employees may not complete a timesheet for another employee only a supervisor, manager or department director has granted permission. Employee approval and submission of the timesheet indicates that the employee has reviewed and agrees with the entries on the timesheet. Timesheets must be submitted by the employee and their supervisor using an electronic signature through the timesheet software program, Electronic Time Sheets (ETS).

Employees who utilize ETS for reporting and/or approving timesheets will obtain a confidential sign-on and password.

2. All supervisors are required to review and verify the accuracy of information provided on timesheets by their assigned personnel. Supervisors are expected to complete their review in a timely manner and forward them to their Supervisor. Supervisors are responsible for ensuring that all employees who worked during the pay period have provided a timesheet. The deadline for final supervisory review is 12:00 p.m. on the Monday after the end of the pay period. If an employee is absent due to illness, out-of-town assignment, authorized absence or emergency and is unable to complete a timesheet, the supervisor is responsible to ensure that the employee's time is submitted in an accurate and timely manner. Upon return of the employee, the supervisor will ensure the employee has reviewed the accuracy and completeness of the

employee's electronic timesheet. Timesheets must be approved using an electronic signature through the timesheet software program, ETS. The above timeline will be adjusted whenever a holiday occurs on the Monday prior to payday. The Finance Department will provide advance notice and guidelines, via email, to all timekeepers in such situations

3. All employees and supervisors are required to ensure that all timesheets submitted to them have been accurately, completely and thoroughly processed and the data is submitted in a timely manner. Timekeepers are expected to submit Payroll Change Forms to correct any inaccurate or late timesheet information to be processed the following pay period. Upon discovery of errors, corrections are to be made in conjunction with the processing of the next payroll period. Time for one pay period may not be entered with another pay period to correct a previous error. A Payroll Change Form must be submitted.

PROCEDURES

Procedures are being developed as the Electronic Time Sheet process is being built by the IT Department and Finance Department.

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND CITY COUNCIL MEMBERS

**FROM: DAWN NEVERS, ASSISTANT PLANNER
DONALD RUST, DIRECTOR
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: REQUEST TO WAIVE ADMISSION FEE FOR VARIOUS PROMOTIONAL
EVENTS HELD AT THE OROVILLE MUSEUMS**

DATE: SEPTEMBER 5, 2017

SUMMARY

The Council may consider a request to waive the admission fees for various promotional events to be held at the C.F. Lott Home (Lott Home), Pioneer Museum, and Chinese Temple & Museum Complex to be hosted by the Oroville Docents.

DISCUSSION

On August 8, 2017, received correspondence requesting admission fee waivers for various upcoming promotional events to take place at three of the City's museums as well the use of the Lott Home's 1922 Buick to drive in the Veterans Day Parade. The upcoming events to be hosted by the Docents Association are as follows:

- September 13, 2017 Docent Recruitment event at the Chinese Temple
- November 11, 2017 Veterans Day Parade
- November 25, 2017 Pioneer Museum, Old Fashioned Christmas Celebration
- December 3, 2017 Lott Home, Annual Mistletoe Party

At this time, staff is requesting the Council to consider waiving the general admission fee of \$3.00 in celebration of the events above.

FISCAL IMPACT

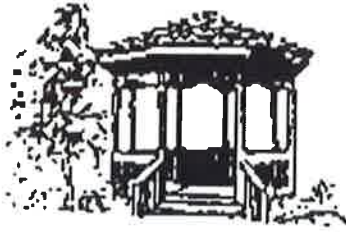
Each event is expected to bring approximately 100 visitors. The waiver the admission fee of \$3.00 per person will result in an approximate loss of \$1,500.00 in revenue for the three museums.

RECOMMENDATION

Approve the waiver of admission fees for various promotional events to be held at the C.F. Lott Home, Pioneer Museum, and Chinese Temple & Museum Complex to be hosted by the Oroville Docents.

ATTACHMENTS

A - Docent correspondence (3)



City of Oroville Docents

Department of Parks and Trees

8-8-17

Dawn Nevers, Asst.
City of Oroville
1735 Montgomery
Oroville, CA. 95965

Dawn:

The City of Oroville Docents are asking for
waiver of the entrance fee at the Chinese Temple
on September 13, Wednesday, from 12:20^{PM} to 4^{PM}.

The Docents are trying to encourage more
Volunteers to the Docent group by having
an open afternoon with all museums having
representatives bring literature & giving a talk
about each museum. We are serving punch
and cookies also. We hope to have new
Docents with this open day.

Thank you for your consideration.

Jan Clay
Event Chairman
City of Oroville Docents

Dawn Nevers

From: alfreda flint <featherriverflints@gmail.com>
Sent: Thursday, August 10, 2017 3:54 PM
To: Dawn Nevers; featherriverflints@gmail.com
Subject: Fee waiver for mistleto party

Hello Dawn,

The Docents Association asks the City Council for a fee waiver for our annual Mistletoe Party. This year it will be on the 3rd of December, 2017.

We also invite the members of the Council to attend and enjoy the festivities and meet with Oroville citizens during this special season.

Thank you,

Freda Flint
Oroville Docents Association
Lead Docent

Hi Dawn,

The Oroville Docents Association asks the City Council for a fee waiver for the Old Fashion Christmas holiday party at the Pioneer Museum scheduled for November 25, 2017. This kicks off the season, and is an opportunity for the public to enjoy the museum beautifully decorated for the holidays.

The Docents also invite the Council members to attend and enjoy this wonderful event.

Sincerely,

Freda Flint
Lead Docent

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS

**FROM: AMY BERGSTRAND, MANAGEMENT ANALYST III
BUSINESS ASSISTANCE AND HOUSING DEVELOPMENT
DEPARTMENT**

**RE: COMMUNITY DEVELOPMENT BLOCK GRANT FOR FISCAL
YEAR 2017/2018**

DATE: SEPTEMBER 5, 2017

SUMMARY

The Council will conduct a public hearing and discuss the 2017/2018 Fiscal Year Community Development Block Grant (CDBG) Program Funding and Program Income.

DISCUSSION

The City of Oroville is required to hold a minimum of two public hearings. The first hearing must be for the program design stage and the second must be held before an application is submitted to the State Department of Housing and Community Development (HCD).

The HCD maximum award limits for each CDBG allocation are specified in the Super-Notice of Funding Availability. The CDBG program maximum grant amount is anticipated to be \$5,000,000, with a maximum of 2 eligible activities. Also, the Economic Development Over-the Counter Allocation can award up to \$3,000,000.

The application maximum for Native American (NA) and Colonia allocations are the same funding limits per activity. However, total NA and Colonia allocation amounts received by the State from HUD may limit funding per allocation or per activity and are limited to only housing or housing related activities for NA and activities which address the need for potable water supply, sewage systems, and decent, safe and sanitary housing for Colonia. The NA and Colonia activities are in addition to the 2 activities that may be applied for within the Super NOFA

1) Housing-

- \$1,000,000-Homeownership Assistance (Acquisition) program or Housing Rehabilitation Program
- \$1,000,000- Housing Combo Program of Homeownership Assistance and Housing Rehabilitation
- \$3,000,000 - Multi-Family Residential Rehabilitation (with or without Acquisition)
- \$3,000,000- Housing Rehab (HR) Program for Single-Family Homes.

- 2) Public Improvements- \$5,000,000
- 3) Public Facilities- \$5,000,000
- 4) Public Services (2 services = 1 activity)- \$500,000
- 5) Enterprise Fund- \$500,000
 - Business Assistance Loans or Microenterprise Activities or a combo of the two.
- 6) ED Over-the-Counter- \$3,000,000
- 7) Planning and Technical Assistance-\$100,000

Applicants may contain a maximum of two (2) activities. Jurisdictions may include any of the eligible activities, except ED OTC, provided it adheres to the activity funding limits and the total application maximum.

The State requires this public hearing process to provide citizens with an opportunity to make comments and ask questions regarding the availability of funding for potential grant activities. Discussions and information received from the public hearing will be taken into consideration when determining which grant activities should be pursued for a given fiscal year.

FISCAL IMPACT

No impact to the General Fund.

RECOMMENDATION

Provide direction, as necessary.

ATTACHMENT

None

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS

**FROM: AMY BERGSTRAND, MANAGEMENT ANALYST III
BUSINESS ASSISTANCE & HOUSING DEVELOPMENT
DEPARTMENT**

**RE: MODIFICATIONS TO THE COMMUNITY DEVELOPMENT
BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP
PROGRAM HOMEBUYER MORTGAGE ASSISTANCE
PROGRAM GUIDELINES**

DATE: SEPTEMBER 5, 2017

SUMMARY

The Council will conduct a public hearing to solicit comments regarding requested modifications to the Community Development Block Grant (CDBG) Home Ownership Program.

Thereafter, the Council may consider authorizing the modifications to the Combined HOME Investment Partnership (HOME) and CDBG Mortgage Assistance Program Guidelines.

DISCUSSION

At the July 13, 2017, Housing Loan Advisory Committee (HLAC) meeting, the committee recommended that staff modify the current Combined CDBG and HOME Program Guidelines to include a minimum credit score of at least 620. Currently, there is no minimum requirement as long as a prime interest rate was obtained through the applicant's primary lender that does not exceed more than one (1) point greater than the Fannie Mae 90-day index published rate. Additionally, the guidelines state the following in regards to creditworthiness:

Additionally, at the August 10, 2017 Loan Advisory meeting, the HLAC recommended that the maximum loan amount be changed to "up to \$75,000" instead of "up to 45% of the purchase price of \$100,000, whichever is less".

This change is needed to slow the expenditure rate of available First Time Homebuyer funding. Currently the City of Oroville has limited CDBG funds available. The 12-CalHOME-8692 grant was fully expended and closed out, June 30, 2017 and the 15-HOME-10631 has been fully expended. As of October 30, 2017, the 14-CDBG-9893 grant will be expiring and only CDBG Program

Income will be available for loans until the 16-HOME-11377 standard agreement is fully executed.

FISCAL IMPACT

None.

RECOMMENDATION

Adopt Resolution No. 8645 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING MODIFICATIONS TO THE COMBINED COMMUNITY DEVELOPMENT BLOCK AND HOME INVESTMENT PARTNERSHIP PROGRAM HOMEBUYER MORTGAGE ASSISTANCE PROGRAM GUIDELINES.

ATTACHMENTS

A – Resolution No. 8645

B - CDBG and HOME Combined Program Guidelines

**CITY OF OROVILLE
RESOLUTION NO. 8645**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING
MODIFICATIONS TO THE COMBINED COMMUNITY DEVELOPMENT BLOCK
GRANT AND HOME INVESTMENT PARTNERSHIP PROGRAM HOMEBUYER
MORTGAGE ASSISTANCE PROGRAM GUIDELINES**

BE IT HEREBY RESOLVED by the Oroville City Council as follows:

1. The Oroville City Council hereby authorizes the adoption of the Combined Community Development Block Grant and HOME Investment Partnership Program Homebuyer Mortgage Assistance Program Guidelines. A copy of the changes to the Combined CDBG and HOME Program Guidelines have been attached hereto as Exhibit "A".

2. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting on September 5, 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Donald Rust, Acting City Clerk

City of Oroville

Homebuyer Program Guidelines



For:

HOME Investment Partnerships Program
Community Development Block Grant
(CDBG) Program

Serving the City of Oroville
September 6~~5~~, 20162017

CDBG Approved (date)
HOME Approved (date)

HOMEBUYER PROGRAM GUIDELINES

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CITY OF OROVILLE

HOMEBUYER PROGRAM GUIDELINES

1.0. GENERAL

The above-named entity, hereinafter referred to as the "City," has entered into a contractual relationship with the California Department of Housing and Community Development ("HCD") to administer one or more HCD-funded homebuyer programs. The homebuyer program described herein (the "Program") is designed to provide assistance to eligible homebuyers in purchasing homes, also referred to herein as "housing units", located within the Program's eligible area, as described in Section 3.1.A. The Program provides this assistance in the form of deferred payment "silent" second priority loans as "Gap" financing toward the purchase price and closing costs of affordable housing units that will be occupied by the homebuyers as their primary residence.

1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The City will ensure that all persons, including those qualified individuals with handicaps, have access to the Program.

- A. The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program's eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The City will provide homebuyer classes to help educate homebuyers about the home buying process and future responsibilities. Persons who have participated in local homebuyer seminars will be notified about the Program.
- B. The City will work with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homebuyers, and to review Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program.
- C. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The City will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

1.2. APPLICATION PROCESS AND SELECTION

- A. The City maintains a waiting list of applicants. Each applicant is asked to complete an application form, which asks for sufficient information concerning income, employment, and credit history to establish preliminary eligibility for Program participation. Completed applications are processed on a first-come-first-served basis. Applications are deemed complete only if all information is completed, the application is signed and dated, and a primary lender's pre-qualification letter is attached to the application. Incomplete applications are returned to the applicant and will not be date/time stamped until complete.
- B. Once the applicant's name comes to the top of the waiting list, their Program eligibility is confirmed and City will contact the applicant to ensure they are still interested.

If the City encounters material discrepancies and/or misrepresentations, and/or there is income, asset, household composition, or other important questions that can't be resolved, the City reserves the right to deny assistance to the household. In this case, the applicant may re-apply after six months have elapsed from the time of written assistance denial.

- C. Each applicant must participate in individual Homebuyer Counseling provided by the City and receive a certificate of completion.
- D. The potential homebuyer is given 90 days in order to find a qualified home and begin securing a primary loan for the housing unit. If during the 90-day time frame, the potential homebuyer is unable to purchase a home, an extension may be given. However, if it appears the potential homebuyer cannot participate in the Program, the reservation of funds expires and the next person on the waiting list is given an opportunity to participate in the Program.

1.3. THE HOME PURCHASE PROCESS

- A. The following is a simplified example of how a primary lender would analyze a homebuyer's finances to determine how much the homebuyer could afford to borrow from the primary lender towards homeownership.

DEBT SERVICE			
FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH			
HOUSING PAYMENTS		TOTAL OVERALL PAYMENTS	
Principal & Interest Payment	\$ 865	\$1,180	Housing
Insurance	82	+200	Other Debt Service
Taxes	233	\$1,380	Total Debt Service
Total Housing Expense	\$1,180	(Overall debt service per month is 41% of \$3,388) (PITI is 35% of \$3,388)	
OTHER HOUSEHOLD DEBT SERVICE			
		Car Payment	\$ 150
		Credit Card Payment	50
		Total Other Debt	\$ 200

A \$865 per month loan payment equates to borrowing \$143,000 at 5.88% for a 30-year term.



SUBSIDY CALCULATION FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH	
Purchase Price of Property	\$ 239,000
Less Primary loan amount	138,000
Less down required down payment	1,000
Equals "GAP"	\$ 100,000

- B. The housing unit selection process will be conducted by the homebuyers. Prior to making an offer to purchase an eligible housing unit (see Section 3.0), homebuyer shall provide seller with a disclosure containing the following provisions:
 - 1) Homebuyer has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and
 - 2) Homebuyer's offer is an estimate of the fair market value of the housing unit, to be finally determined by a state licensed appraiser;
 - 3) The housing unit will be subject to inspection. The housing unit must comply with local codes at the time of construction and local health and safety standards.
 - 4) All housing units built prior to January 1, 1978 will require a lead paint disclosure to be signed by both the homebuyer and Seller (Attachment E);
 - 5) Since the purchase would be voluntary, the seller would not be eligible for relocation payments or other relocation assistance;
 - 6) The seller understands that the housing unit must be either: currently owner-occupied, newly constructed, or vacant for three months prior to submission of the purchase offer.
 - 7) If the seller is not provided with a statement of the above six provisions prior to the purchase offer, the seller may withdraw from the agreement after this information is provided.

- C. Applicant submits executed standard form purchase and sale agreement and primary lender prequalification letter to City. The purchase and sale agreement will be contingent on the household and housing unit meeting Program eligibility requirements and receiving Program loan approval. City verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.

- D. At this point, an escrow account should be opened and a tentative date for closing shall be established. The applicant is required to place a minimum of \$1,000 deposit in the escrow account and provide a receipt to City. The \$1,000 must be applied towards the purchase price of the property and shall not be refunded to the buyer at the close of escrow. The purchase agreement shall be

written in such a way that if the sale of the home does not come to completion, the deposited will be returned in full to the applicant. The Title Company is to provide a copy of the Preliminary Title Report. A forty-five to sixty-day escrow is required for all Homeownership loans. It's the responsibility of the applicant to notify the City that escrow has been opened.

- E. When all items are received, City submits a recommendation to the City Loan Advisory Committee (LAC) for approval or denial, including reasons for the recommendation. Any changes to the loan amount, term, rate, etc. on the primary loan shall be approved by the LAC. An exception to this rule would be if the interest rate should change before escrow closes due to unforeseen reason. If this should occur, the Manager of Business Assistance and Housing Development shall have the authority to accept minor changes to the primary loan as long as the applicant still meets minimum housing expense ratio between 25% and 35% and the total debt to income (DTI) falls between 28% and 42%, and does not exceed the HOME requirements stated in the current Notice of Funding Availability (NOFA).
- F. All properties must be inspected and cleared by the City prior to the close of escrow. It is the responsibility of the applicant/agent to schedule an appointment with the City. If the property is in need of repairs, a list of corrections or deficiencies will be submitted to the seller/agent. It will be the responsibility of the parties involved to make the necessary corrections prior to close of escrow. The property will also be inspected for lead based paint hazards.
- G. When requirements are met, program funds are deposited into escrow, with required closing instructions and loan documents.
- H. At the time of escrow closing, the City shall be named as an additional loss payee on fire, flood (if required), and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances or full replacement cost of the housing unit. A policy of Title Insurance naming the City as insured is also required.

1.4. HOMEBUYER COSTS

- A. Eligible households must document that they have the funds necessary for down payment and closing costs as required by the Primary Lender and the City. The Program's down payment requirement (below) is in place even if the Primary Lender has a lower down payment requirement. If the Primary Lender has a higher down payment requirement, there is no additional down payment requirement required by the Program.
- B. Homebuyer must contribute a minimum down payment of \$1,000, but may contribute more if desired.
- C. City will not provide a subsidy that is greater than the amount of the primary mortgage. Additionally, City will not provide a loan greater than ~~\$100,000 or 45% of the purchase price; whichever is less.~~ 75,000. The subsidy will write down

the cost of the primary lender's loan so that the payments of PITI are within approximately 25% to 35% of the gross household income. The City will determine the level of subsidy and affordability during underwriting of the Program's loan to make sure that it conforms to the requirements of the HCD funding Program.

1.5. HOMEBUYER EDUCATION

Buying a home can be one of the most confusing and complicated transactions anyone can make. Providing the future homebuyer with informative homebuyer education training, can bring success to the City, the Program and most importantly, the homebuyer. It has been documented that first-time homebuyers that have had homebuyer education have the ability to handle problems that occur with homeownership. All Program participants are required to attend a City-approved homebuyer education class. The homebuyer education class will cover such topics as the following: preparing for homeownership; available financing; credit analysis; loan closing; homeownership responsibilities; home maintenance; impact of refinancing and loan servicing. Methods of homebuyer counseling and education may include, but are not limited to: one-on-one counseling between homebuyer, counselor and family/individual and/or group workshops and informational sessions. Tools of instruction may include fliers, brochures, power point presentations, worksheets, etc.

1.6. CONFLICT OF INTEREST REQUIREMENTS

When the City's program contains Federal funds, the applicable Conflict of Interest requirements of 24 CFR Section 570.611 shall be followed for CDBG assistance. Section 92.356 of the HOME Final Rule shall be followed for HOME assistance, as follows:

(a) Conflicts prohibited. No persons described in paragraph (b) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild and in-laws of a covered person.

(b) Persons covered. The conflict of interest provisions of paragraph (a) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

(c) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction to HCD, HUD may grant an exception to the provisions of paragraph (a) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. See 24

CFR 92.356(d)(1-6) for details on the documentation needed in order to submit an exception request to HUD.

A contractor with a vested interest in the property cannot bid on a rehabilitation job. Such a contractor may act as owner/builder, subject to standard construction procedures. Owner/builders are reimbursed for materials purchased which are verified by invoice/receipt and used on the job. Reimbursement occurs after the installation is verified by the Program Operator to be part of the scope of work. Owner/builders are not reimbursed for labor.

1.7. NON-DISCRIMINATION REQUIREMENTS

The Program will be implemented in ways consistent with the City's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with State funds on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

2.0 APPLICANT QUALIFICATIONS

2.1. CURRENT INCOME LIMITS FOR THE AREA, BY HOUSEHOLD SIZE

All applicants must certify that they meet the household income eligibility requirements for the applicable HCD program(s) and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD. (Attachment C).

Household: Means one or more persons who will occupy a housing unit. Unborn children count in family size determination.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

2.2. MINIMUM CREDIT SCORE

All applicants must have a minimum credit score of at least 620 and demonstrate the ability to receive a prime interest rate no more than 1% of the Fannie Mae 90 day published rate.

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2.3. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the applicant household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria, as shown in the most recent HCD program-specific guidance at <http://www.hcd.ca.gov/fa/cdbg/GuideFedPrograms.html>, will be followed to independently determine and certify the household's annual gross income. The City should compare this annual gross income to the income the Primary Lender used when

qualifying the household. The Primary Lender is usually underwriting to FHA or conventional guidelines and may not calculate the household income or assets in the same way as required by the Program. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third-party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. For those types of income counted, gross amounts (before any deductions have been taken) are used. Two types of income that are not considered would be income of minors and live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

The link to Annual Income Inclusions and Exclusions is:
http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixB_AnnualIncomeInclusionsExclusions.doc

See Attachment A: 24 CFR Part 5 Annual Income Inclusions and Exclusions

B. ASSETS:

There is no asset limitation for participation in the Program. Income from assets, however, is recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. *(Note: it is the income earned – e.g. interest on a savings account – not the asset value, which is counted in annual income.)*

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including, for example, penalties or fees for converting financial holdings, and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset.

The Link to Asset Inclusions and Exclusions is:
http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixC_AnnualIncomeAssetInclusionsExclusions.doc

See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

2.4. DEFINITION OF AN ELIGIBLE HOMEBUYER

For CDBG, an eligible homebuyer means an individual or individuals or an individual and his or her spouse who meets the income eligibility requirements and is/are not currently on title to real property. Persons may be on title of a manufactured home unit, who are planning to sell the unit as part of buying a home located on real property. Documentation of homebuyer status will be required for all homebuyers. CDBG-funded programs may assist eligible homebuyers who are not "first-time" homebuyers.

HOME -funded Programs are required to use the following definition of an eligible homebuyer, which is a "first-time homebuyer" from 8201(l) Title 25 California Code of Regulations:

"First-time homebuyer" means an individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a home with subsidy assistance, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

1. a displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
2. a single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
3. an individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with assistance, a dwelling unit whose structure is:
 - a. not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - b. not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

3.0. HOUSING UNIT ELIGIBILITY

3.1. LOCATION AND CHARACTERISTICS

- A. Housing units to be purchased must be located within the eligible area. The eligible area is described as follows: Within the City-limits of Oroville".
- B. Housing unit types eligible for the homebuyer Program are new or previously owned single-family residences; condominiums; or manufactured homes in mobile home parks, in common-interest developments or on a single-family lot and placed on a permanent foundation system. HOME does not allow

manufactured homes unless on a permanent foundation system.

- C. All housing units must be in compliance with State and local codes and ordinances.
- D. Housing units located within a 100-year flood zone will be required to provide proof of flood insurance with an endorsement naming the City limits of Oroville as loss payee in order to close escrow.
- E. For the HOME Program, housing must be "modest", having no more than three bedrooms, two bathrooms, and a two-car garage. Larger homes are acceptable if necessary for the following reasons:
 - The family size necessitates additional bedroom(s); or
 - A reasonable accommodation is necessary due to the family's disability (e.g. an extra bedroom for an aide)

Exceptions for these reasons must be approved by the Loan Committee and must be documented for monitoring purposes.

For CDBG, more than 3 bedrooms, two baths are allowable but must not be more than 2,400 square feet in size.

3.2. CONDITIONS

- A. Construction Inspection and Determining Need for Repairs.

Once the participating homebuyer has executed a purchase agreement for a housing unit, and prior to a commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

- 1) When the City's Program utilizes Federal funds and if the housing unit was constructed prior to 1978 then the lead-based paint requirements of Section 3.2.C will apply.
- 2) The City or a certified housing inspector representative will walk through the housing unit, determine if it is structurally sound, and identify any code related and health and safety deficiencies that need to be corrected. A list of code related repair items will be given to the homebuyers and their Realtor to be negotiated with the seller. Only new construction and homes built within the previous 12 months and not previously occupied are not subject to a home inspection.
- 3) Upon completion of all work required by the City, appraiser, pest inspector and/or certified housing inspector, a final inspection will be conducted prior to close of escrow. The inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.

- B. Per Section 8208 of the State HOME regulations, no additional HOME assistance, including rehabilitation funds, may be provided during the period starting one year following the filing of the Project Completion Report through the end of the Affordability Period.

The HOME Affordability Period is as follows (amount does not include Activity Delivery Costs paid to the State Recipient by HCD):

Amount of HOME Assistance	Period of Affordability in Years
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

- C. **Lead-Based Paint Hazards:** All housing units built prior to 1978 for which HOME or CDBG funding is anticipated are subject to the requirements of this section 3.2.C. Such homes must undergo a visual assessment by a person who has taken HUD's online Visual Assessment course. Deteriorated paint must be stabilized using work safe methods. Clearance must be obtained after paint stabilization by a DHS certified LBP Risk Assessor/Inspector. HOME and CDBG general administrative and activity delivery funds may be used to pay for lead-based paint visual assessments, and if lead mitigation and clearance costs are incurred, these programs may incorporate the costs into the calculation of Program assistance.

The following requirements must be met:

- 1) **Notification:** a) Prior to homebuyer's obligation to purchase a pre-1978 home, the Buyer will be given the most recent copy of and asked to read the EPA pamphlet "*Protect Your Family from Lead in Your Home*" (EPA 747-K-94-001). A signed receipt of the pamphlet will be kept in the Sponsor's homebuyer file; b) A notice to residents is required following a risk assessment/inspection using form DHS 8552, which is provided by the DHS-certified Risk Assessor/Inspector; c) a notice to residents is required following lead-based paint mitigation work using Visual Assessment and Lead-based Paint Notice of Presumption and Hazard Reduction form, LBP – 1 (Attachment H).
- 2) **Disclosure:** Prior to the homebuyer's obligation to purchase a pre-1978 housing unit, the HUD disclosure (Attachment E), "Seller's Lead-based Paint Disclosure" notice must be provided by the seller to the homebuyer.
- 3) **Inspections:** The Inspector shall conduct a "Visual Assessment" of all the dwelling unit's painted surfaces in order to identify deteriorated paint. All deteriorated paint will be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340.
- 4) **Mitigation:** If stabilization is required, the contractor performing the mitigation work must use appropriately trained workers. Prior to the

contractor starting mitigation work the Program Operator shall obtain copies of the contractor's and workers' appropriate proof of LBP training, as applicable to the job in order to assure that only qualified contractors and workers are allowed to perform the mitigation.

- D. The City will: 1) confirm that the housing unit is within the eligible area, 2) will review each proposed housing unit to ensure that it meets all eligibility criteria before funding, and 3) ensure a completed Lead Compliance Document Checklist is placed in each purchaser's file (see Attachment I).

3.3 ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Eligible homes will be those that are currently owner-occupied or have been vacant for three months prior to the acceptance of a contract to purchase. A unit is ineligible if its purchase would result in the displacement of a tenant. It is not anticipated that the implementation of the Program will result in the displacement of any persons, households, or families. However, if tenant-occupied homes are included in the Program and relocation becomes necessary, the activity will be carried out in compliance with City's relocation plan, which describes how those permanently displaced will be relocated and paid benefits in accordance with the following Federal laws.

A. Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970

The federal URA and Real Property Acquisition Policies, as amended by the URA Amendments of 1987, contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project or program for which HUD financial assistance (including CDBG and HOME) is provided. Requirements governing real property acquisition are described in Chapter VIII. The implementing regulations, 49 CFR Part 24, require developers and owners to take certain steps in regard to tenants of housing to be acquired, rehabbed or demolished, including tenants who will not be relocated even temporarily.

B. Section 104(d) of the Housing and Community Development Act of 1974

Section 104(d) requires each contractor (CHDO or State Recipient), as a condition of receiving assistance under HOME or CDBG, to certify that it is following a residential anti-displacement plan and relocation assistance plan. Section 104(d) also requires relocation benefits to be provided to low-income persons who are physically displaced or economically displaced as the result of a HOME or CDBG assisted project, and requires the replacement of low-income housing, which is demolished or converted. The implementing regulations for Section 104(d) can be found in 24 CFR Part 570(a).

3.4. PROPER NOTIFICATION AND DISCLOSURES

- A. Upon selection of a housing unit, a qualified seller and homebuyer will be given the necessary disclosures for the Program. The homebuyer must have read and

signed all Program disclosure forms. Any and all property disclosures must be reviewed and signed by the homebuyer and seller.

- B. All owners who wish to sell their housing units must receive an acquisition notice (Attachment F) prior to submission of the homebuyer's original offer. This notice will be included in the contract and must be signed by all owners on title. The disclosure must contain the items listed in 1.3.B. (required for federally-funded programs).

4.0. PURCHASE PRICE LIMITS

The purchase price limits for this Program shall not exceed the Maximum HOME Program Purchase Price/After-Rehab Value Limit for Sponsor's County as updated by HCD.

Note: For HOME and CDBG-funded Programs the value cannot exceed the Maximum Purchase Price/After-Rehabilitation Value Limits as established by HCD and HUD.

Attachment C: MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMITS *City will update these limits annually as HCD provides new information.

5.0. THE PRIMARY LOAN

Prior to obtaining a loan from the City, a homebuyer must provide evidence of financing for the maximum amount the Primary Lender is willing to loan (the "primary loan").

A. QUALIFYING RATIOS

The front-end (housing) debt-to-income ratio shall be between 25% and 35% and is the percentage of a borrower's gross monthly income (before deductions) that would cover the cost of the loan principal and interest payment, property taxes, property insurance, mortgage insurance, and HOA dues, if any.

The back-end (total) debt-to-income ratio shall be between 28% and 42% and is the percentage of a borrower's gross monthly income that would cover the cost of housing as described in the paragraph above, plus any other monthly debt payments like car or personal loans and credit card debt, as well as child support and alimony payments.

B. INTEREST RATE

The primary loan must have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA. No temporary interest rate buy-downs are permitted.

C. LOAN TYPE AND TERM

The primary loan shall be fully amortized and have a term "all due and payable" in no fewer than 30 years. There shall not be a balloon payment due before the maturity date

of the Program loan. Additionally, stated income, adjustable rate mortgage, interest only and balloon payments due before maturity date are not allowed.

D. IMPOUND ACCOUNT

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

6.0. THE PROGRAM LOAN

The amount of Program assistance to a homebuyer toward purchase of a home shall not exceed the maximum HOME subsidy limit for City's County per bedroom per the HCD website at <http://www.hcd.ca.gov/financial-assistance/home-investment-partnerships-program/homelimits.html> and **shall never exceed the amount of the primary mortgage**. See Attachment C of these Program Guidelines for current limits. Any approved "grant" amount for lead-based paint evaluation and reduction activities or for relocation assistance shall be included in this amount, as shall Activity Delivery Costs.

B. NON-RECURRING CLOSING COSTS

Non-recurring costs such as credit report, escrow, closing and recording fees, and title report and title insurance, title updates and/or related costs may be included in the Program loan.

C. AFFORDABILITY PARAMETERS FOR HOMEBUYERS

The actual amount of a buyer's Program subsidy shall be computed according to the housing ratio parameters specified in Section 5.0.A. Each borrower shall receive only the subsidy needed to allow them to become homeowners ("the Gap") while keeping their housing costs affordable. The City will use the "front-end ratio" of housing-expense-to-income to determine if the amount of the proposed primary loan is acceptable and, ultimately, the Program subsidy amount required, bridging the gap between the acquisition cost (purchase price plus closing costs) less down payment, and the amount of the primary loan.

D. RATE AND TERMS FOR PROGRAM LOAN

All Program assistance to individual households shall be made in the form of deferred payment (interest and principal) loan (DPL).

The Program loan's term shall be for at least as long as the primary loan. The interest rate shall be 3% simple interest per annum for the first fifteen (15) years of the term. On the fifteenth (15th) year following the date of the loan execution, simple interest will stop accruing and 50% of the interest accrued thus far will be forgiven. On the twentieth (20th) year following the date of loan execution, all interest shall be forgiven and only the principal loan amount is due.

All Program loan payments shall be deferred because the borrowers will have their repayment ability fully utilized under the primary loan. Loan principal shall not be

forgiven, and the loan period cannot be extended, except for loans that are resubordinated when a rate and term refinance is approved, per Attachment D.

E. COMBINED LOAN-TO-VALUE RATIO

The loan-to-value ratio for a Program loan, when combined with all other indebtedness to be secured by the property, shall not exceed 100 percent of the sales price plus a maximum of up to 5 percent of the sales price to cover actual closing costs.

6.1 LOAN ADVISORY COMMITTEE PURPOSE AND COMPOSITION

1. Loan Advisory Committee Purpose- the function of the LAC will be to review and act on applications for financing recommended by the Housing staff. The LAC shall specifically review funding proposals and base their recommendation on eligibility, compliance with all program requirements, consistency of staff recommendations regarding the type of assistance. The LAC will also review/approve program guidelines changes and make recommendation to council to approve or deny the changes.
2. Composition- The LAC will consist of three (3) members of the City Council to be appointed by majority vote of the City Council for a maximum two-year term; two (2) individuals that reside in the Oroville City limits and/or own a business or work within the City Limits of Oroville., to be appointed by majority vote of the City Council for a maximum two-year term; two (2) individual alternates to be appointed by the City Council. The Manager of Housing exofficio member without a vote. Terms may be extended by a majority vote of the City Council

7.0. PROGRAM LOAN REPAYMENT

7.1. PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time with no penalty to the borrower.

7.2. RECEIVING LOAN PAYMENTS

- A. Program loan payments will be made to:

City of Oroville
Business Assistance and Housing Development
1735 Montgomery St.
Oroville CA 95965

- B. The City will be the receiver of loan payments or recaptured funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the City's Program Income Account, as required by HCD programs. The Program lender will accept loan payments from borrowers prepaying deferred loans, and from borrowers making payments in full upon sale or transfer of the property. All loan payments are payable to the City. The City may at its

discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

7.3. DUE UPON SALE OR TRANSFER

In the event that an owner sells, transfers title, or discontinues residence in the purchased property for any reason, the principal balance of the DPL is due and payable, except:

- A. The owner shall be assured a fair return on investment including the owner's investment and any capital improvement. If the Net proceeds are insufficient for the City to recapture the balance of Program Loan owed, the City shall share the Net proceeds with the owner in proportion to each party's investment in the property. The Net proceeds are the sales price less repayment of the primary loan, and closing costs.
- B. If the owner of the property dies, and the heir to the property meets income requirements, the First-Time Homebuyer definition, and intends to occupy the home as a principal residence, the heir may be permitted, upon approval of the City, to assume the loan at the rate and terms the heir qualifies for under the current participation guidelines. If the property owner dies and the heir does not meet eligibility requirements, the loan is due and payable.
- C. If an owner wants to convert the property to a rental unit, or any commercial or non-residential use, the loan is due and payable.
- D. The loan will be in default if the borrower fails to maintain required fire or flood insurance or fails to pay property taxes. See Attachment D on loan defaults for further information on property restrictions.

7.4. LOAN SERVICING POLICIES AND PROCEDURES

See Attachment D for local loan servicing policies and procedures. While the attached policy outlines a system that can accommodate a crisis that restricts borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

7.5. LOAN MONITORING PROCEDURES

City will monitor Borrowers and their housing units annually to ensure adherence to Program requirements including, but not limited to, the following:

- A. Owner-occupancy
- B. Property tax payment
- C. Hazard insurance coverage
- D. Good standing on Primary loans
- E. General upkeep of housing units

8.0. PROGRAM LOAN PROCESSING AND APPROVAL

A. Loan Processing

All homebuyers or their representatives will be sent out an eligibility packet with all the necessary forms, disclosures, information, and application. They should submit a complete application packet with all the City's Program loan documents executed as well as all the information from the Primary Lender. The Primary Lender should submit: 1) accepted property sales contract with proper seller notification; 2) mortgage application with good faith estimates and first mortgage disclosures; 3) full mortgage credit report and rent verification; 4) current third party income verifications and verifications of assets; 5) homeownership education certificate, if applicable; and 6) signed underwriting transmittal summary and final signed loan application, both from primary lender. Staff will work with local lenders to ensure qualified participants receive only the benefit from the City's Program needed to purchase the housing unit and that leveraged funds will be used when possible.

B. Creditworthiness

Qualifying ratios are only a rough guideline in determining a potential borrower's creditworthiness. Many factors such as excellent or poor credit history, amount of down payment, and size of loan will influence the decision to approve or disapprove a particular loan. The borrower's credit history will be reviewed by the City and documentation of such maintained in the loan file. The City may elect to obtain a credit report or rely on a current copy obtained by the primary lender.

C. Documents from Primary Lender

After initial review of the qualified homebuyer's application packet, the City will request any additional documents needed. Documents may be faxed, but originals shall be received through the mail before Program funds are committed to escrow. Based on receipt and review of the final documents, the City will do an income certification (using most recent HCD program's guidance on income calculation and determination), and homebuyer certification (review of credit report and income taxes). Documentation of affordability will then be verified and subsidy requirement determined.

D. Disclosure of Program and Loan Information to Homebuyers

The Program's application and disclosure forms will contain a summary of the loan qualifications of the borrower with and without Program assistance. Housing ratios with and without Program assistance are also outlined in these guidelines. Information on the Program's application will be documented with third party verifications in the file. For example, the sales contract will provide the final purchase price and outline how much of the closing costs are to be paid by the seller, etc. The appraisal, termite and title report will provide information to substantiate the information in the sales contract and guide the construction inspection. The Program loan application will provide current debt and housing information and will be documented by the credit report and income/asset

verifications. The Primary Lender's approval letter and estimated closing cost statement should reflect all the information in the loan package and show any contingencies of loan funding. Reviewing the Primary Lender's loan underwriting documentation will provide basic information about the qualification of the applicant and substantiate the affordability provided by the Program loan. By reviewing and crosschecking all the Primary Lender information, the final Program loan amount approved will fall within the affordability parameters of the Program.

8.1. COMPLETION OF UNDERWRITING AND APPROVAL OF PROGRAM LOAN

Once the loan approval package has been completed City will review the request and may approve it with or without conditions. Upon approval, a final closing date for escrow is set and Program funds are accessed for the homebuyer.

8.2. PRIMARY AND PROGRAM LOAN DOCUMENT SIGNING

The homebuyer(s) sign promissory notes, loan agreements, deeds of trust, and statutory lending notices (Truth In Lending (TIL), etc.); the Deeds of Trust are recorded with the County Clerk/Recorder at the same time, and the request(s) for copy of Notice of Default are also recorded with the County Clerk/Recorder.

8.3. ESCROW PROCEDURES

The escrow/title company shall review the escrow instruction provided by the Program lender and shall issue a California Land Title Association (CLTA) and the American Land Title Association (ALTA) after closing. The CLTA policy is issued to the homebuyer and protects them against failure of title based on public records and against such unrecorded risks as forgery of a deed. The ALTA is issued to each lender providing additional coverage for the physical aspects of the property as well as the homebuyer's title failure. These aspects include anything which can be determined by only physical inspection, such as correct survey lines; encroachments; mechanics liens; mining claims and water rights. The Program lender instructs the escrow/title company in the escrow instructions as to what may show on the policy; the amount of insurance on the policy (all liens should be covered) and the loss payee (each lender should be listed as a loss payee and receive an original ALTA).

9.0. SUBORDINATE FINANCING

With today's high costs, in order for a low-income household to obtain a home, several funding sources might be required. Subordinate loans may be used to cover mortgage subsidy costs that exceed the Program maximum loan amount. All subordinate liens must have the payments deferred and the term must be for at least as long as the term of the Program loan.

10.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

The City may make amendments to these Participation Guidelines. Any changes shall be made in accordance with regulations and approved by the City Council. Changes shall then be sent to HCD for approval.

10.1. DEFINITION OF EXCEPTION

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently from others of the same class would be an exception.

10.2. PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- A. The City or its agent may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the City's recommended course of action and any written or verbal information supplied by the applicant.
- B. The City shall make a determination of the exception. The request can be presented to the City's loan committee and/or governing body for a decision.

11.0. DISPUTE RESOLUTION AND APPEALS PROCEDURE

Any applicant denied assistance from the Program has the right to appeal. Complaints concerning the Program should be made to the City first. If unresolved in this manner, the complaint or appeal must be made in writing and filed with the City. The City will then schedule a meeting with the Loan Review Committee. Their written response will be made within thirty (30) working days. If the applicant is not satisfied with the Committee's decision, a request for an appeal may be filed with the City's governing body. Final appeal must be filed in writing with HCD within one year after denial.

The Appeals Board is made up of three (3) members, consisting of the Mayor and two (2) City Council members to be appointed by the Mayor. The two council members appointed by the Mayor cannot be the same as the LAC members.

ATTACHMENT A

24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS

Part 5 Inclusions

This table presents the Part 5 income inclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except for certain exclusions, listed in Income Exclusions, number 14).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions, listed in Income Exclusions, number 3).
6. Welfare Assistance	Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income: <ul style="list-style-type: none"> • Qualify as assistance under the TANF program definition at 45 CFR 260.31; and • Are otherwise excluded from the calculation of annual income per 24

	<p>CFR 5.609(c).</p> <p>If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:</p> <ul style="list-style-type: none"> • the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus: • the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.
7. Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. Armed Forces Income	All regular pay, special day, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

Part 5 exclusions

This table presents the Part 5 income exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except for certain exclusions, listed in Income Inclusions, number 5).
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR 5.403).
6. Income from a Disabled Member	Certain increase in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671 (a)).
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. "Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is

	exposed to hostile fire.
9. Self-Sufficiency Program Income	<ul style="list-style-type: none"> a. Amounts received under training programs funded by HUD. b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparation Payments	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
13. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
14. Social Security & SSI Income	Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of

	services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions	<p>Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:</p> <ul style="list-style-type: none"> ▶ The value of the allotment provided to an eligible household under the Food Stamp Act of 1977; ▶ Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions); ▶ Payments received under the Alaskan Native Claims Settlement Act; ▶ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians; ▶ Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes; ▶ Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program. ▶ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721); ▶ The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands; ▶ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs; ▶ Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program); ▶ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the <u>In Re Agent Orange</u> product liability litigation, M.D.L. No. 381 (E.D.N.Y.); ▶ Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit

payments;

- ▶ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
- ▶ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps).
- ▶ Payments by the Indians Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- ▶ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Services Act of 1990;
- ▶ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- ▶ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and
- ▶ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

ATTACHMENT B

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

Statements from 24 CFR Part 5 – Last Modified: January 2005

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.

7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

**PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS
ATTACHMENT C**

**MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT FOR CITY OF OROVILLE
(HOME Value Limits as of 3/1/2017)**

EXISTING CONSTRUCTION	NEW CONSTRUCTION (less than 12 months old)
\$245,000	\$245,000

**HOME SUBSIDY LIMITS PER UNIT FOR CITY OF OROVILLE
(Limits are effective 11/18/2015/24/17)**

O-BDR	1-BDR	2-BDR	3-BDR	4-BDR
\$140,107	\$141,089	\$160,615	\$161,738	\$195,305
\$196,673	\$252,662	\$254,431	\$277,344	\$279,286

**INCOME LIMITS FOR CITY OF OROVILLE*
(Limits became effective 6/6/16/11/17 (HOME) and 6/15/17(CDBG))**

	Number of Persons in Household							
	1	2	3	4	5	6	7	8
80% of AMI	\$33,000 35,100	\$37,700 40,100	\$42,400 45,100	\$47,100 50,100	\$50,900 54,150	\$54,650 58,150	\$58,450 62,150	\$62,200 66,150

*Sponsor will insert the limits for the county in which the Program is located, and will update the income limits annually as HCD provides new information. The link to the official, HCD-maintained, income limits is: <http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html> (choose CDBG and HOME limits, not State limits.)

SPONSOR STANDARDS FOR BEDROOMS AND BATHROOMS TO PREVENT OVERCROWDING

Maximum No. of Persons in the Household	Number of Bedrooms	Number of Bathrooms
1	SRO	1
1	0-BR	1
2	1-BR	1
4	2-BR	2
6	3-BR	2
8	4-BR	3
10	5-BR	3
12	6-BR	4

- Children may share a bedroom, up to 2 children per bedroom.
- **Children shall be permitted a separate bedroom from their parents.**

(See additional guidance on next page)

- 4 or more people – a second bathroom is allowable.
- 8 or more people – a third bathroom is allowable.
- Same rules apply to mobile home units.
- Adults not in a partner relationship may have their own bedroom

The chart above is used as a guide to overcrowding.

ATTACHMENT D

LOAN SERVICING POLICIES AND PROCEDURES FOR CITY OF OROVILLE

The City of Oroville, hereafter called "Lender," has adopted these policies and procedures in order to preserve its financial interest in properties whose "Borrowers" have been assisted with public funds. The Lender will to the greatest extent possible follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the following areas: 1) making required monthly payments or voluntary payments on a loan's principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan.

1. Loan Repayments:

The Lender will collect monthly payments from those borrowers who are obligated to do so under Notes which are amortized promissory notes. Late fees will be charged for payments received after the assigned monthly due date.

For Notes which are deferred payment loans, the Lender must accept voluntary payments on the loan. Loan payments will be credited to principal. The Borrower may repay the loan balance at any time with no penalty.

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, borrower must maintain property insurance coverage naming the Lender as loss payee. Except for HOME-funded loans, if borrower fails to maintain the necessary insurance, the Lender may take out force placed insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance.

When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance with an endorsement naming the City of Oroville as lender loss payee will be required at close of escrow. The lender will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan (not permissible when funded with HOME). Wherever possible, the Lender encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lienholder listed in the notice to notify the lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist them in bringing the first loan current, if possible. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third position and receives notification of foreclosure from only one senior lienholder, it is in their best interest to contact any other senior lienholders regarding the status of their loans.

4. Annual Occupancy Restrictions and Certifications:

On owner-occupant loans, the Lender will require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. For CDBG, some loans may have income and housing cost evaluations, which require a household to document that they are not able to make amortized loan payments, typically every five years. These loan terms are incorporated in the original Note and Deed of Trust. On HOME-funded loans, annual occupancy verification will occur between January 1 and June 30 of each year.

5. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Lender in writing of any change. Lender and Borrower will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable home for low-income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases, the Borrower may move and turn the property into a rental unit without notifying the Lender. Changes in title or occupancy must be in keeping with the objective of benefit to low-income households (below 80 percent of AMI).

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Lender's Loan Committee (depends on the HCD program).

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is income eligible. If the heir intends to occupy the property and is not low-income, the balance of the loan is due and payable. For CDBG only, if the heir intends to act as an owner-investor (not permitted under HOME), the balance of the loan may be converted to an owner/investor interest rate and loan term and a rent limitation agreement is signed and recorded on title. All such changes are subject to the review and approval of the Lender's Loan Committee.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner-occupied to rental, the loan is due in full.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the

Lender allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

6. Requests for Subordinations:

When a Borrower wishes to refinance their existing first mortgage, they must submit a subordination request to the Sponsor. The Sponsor will subordinate their loan only when there is no "cash out" as part of the refinance. No cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrances on the property above traditional refinance transaction costs. The refinance should lower the existing housing cost of the household. The total indebtedness on the property should not exceed the current market value except when the borrower is obtaining a HARP II or other similar federally approved refinance loan. If the HARP II or other similar financing is approved and meets all other requirements, combined Loan-To-Value will not be considered when reviewing the subordination request.

Also, the loan must:

1. be fully amortized and have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA;
2. not have a temporary interest rate buy-down;
3. have a term "all due and payable" that matures prior to or concurrently with the maturity date of the Promissory Note. Therefore, the maturity date of the existing Promissory Note should be modified to coincide with the maturity date of the new first mortgage; and,
4. not have a balloon payment due before the maturity date of the Program loan.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the Manager of Business Assistance and Housing Development for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Sponsor.

7. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non-payment; 2) lack of insurance or property tax payment; 3) change in title or use without approval; 4) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation. If the default situation continues then the Lender may start a formal process of foreclosure.

When a senior lienholder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender, who is the junior lienholder, may cancel the foreclosure proceedings by "reinstating" the senior lienholder. The reinstatement amount or payoff amount must be obtained by contacting the senior lienholder. This amount will include all delinquent payments, late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lienholder current, the Borrower can provide future payments. If this is the case, then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of Borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lienholder in total and restructure the debt such that the

unit is made affordable to the Borrower. If the Lender does not have sufficient funds to pay the senior lienholder in full, then they may choose to cure the senior lienholder and foreclose on the property themselves. As long as there is sufficient value in the property, the Lender can afford to pay for the foreclosure process and pay off the senior lienholder and retain some or all of their investment.

If the Lender decides to reinstate, the senior lienholder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lienholder before five (5) days prior to the foreclosure sale date, the senior lienholder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lienholder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

Lender as Senior Lienholder

When the Lender is first position as a senior lienholder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Lender may consider foreclosure. Lender's staff will consider the following factors before initiating foreclosure:

- 1) Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- 2) Can the Borrower refinance with a private lender and pay off the Lender?
- 3) Can the Borrower sell the property and pay off the Lender?
- 4) Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- 5) Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Lender may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Lender to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Lender should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lienholders. The service will advise the Lender of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Lender informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Lender could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Lender could contract with a local real estate broker to list and sell the home and use those funds for program income eligible uses.

ATTACHMENT E

SELLERS LEAD-BASED PAINT DISCLOSURE

**Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
Lead Warning Statement**

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
 - (i) Known lead-based paint and/or lead-based paint hazards are present in the housing (explain). _____
 - (ii) Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
 - (i) Seller has provided the purchaser with all available records and reports pertaining to Lead-based paint and/or lead-based paint hazards in the housing (list documents below). _____
 - (ii) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- (c) Purchaser has received copies of all information listed above.
- (d) Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.
- (e) Purchaser has (check (i) or (ii) below):
 - (i) received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
 - (ii) waived the opportunity to conduct a risk assessment or inspection for the presence of Lead-based paint and/or lead-based paint hazards (NOT PERMISSIBLE FOR HOME AND CDBG).

Agent's Acknowledgment (initial)

- (f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller	Date	Seller	Date
Purchaser	Date	Purchaser	Date
Agent	Date	Agent	Date

ATTACHMENT F

**Disclosure to Seller with Voluntary, Arm's Length Purchase Offer
DECLARATION**

This is to inform you that _____ would like to purchase the property, located at _____, if a satisfactory agreement can be reached. We are prepared to pay \$_____ for a clear title to the property under conditions described in the attached proposed contract of sale.

Because Federal funds may be used in the purchase, however, we are required to disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell, the buyer, _____, thru the agency, _____ will not acquire your property. The buyer does not have the power of eminent domain to acquire your property by condemnation (i.e. eminent domain) and the agency/Sponsor _____ will not use the power of eminent domain to acquire the property.
2. The estimated fair market value of the property is \$_____ and was estimated by _____, to be finally determined by a professional appraiser prior to close of escrow.

Since the purchase would be a voluntary, arms-length, transaction you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to acquire it. If you are willing to sell the property under the conditions described in the attached contract of sale, please sign the contract and return it to us at:

_____. If you have any questions about this matter, please contact _____ at _____.

Sincerely,

Title

Buyer

Date

Buyer

Date

**Form continues on next page with Seller's Acknowledgment
Disclosure to Seller with Voluntary, Arm's Length Purchase Offer (Page 2)**

Acknowledgement

As the Seller I/we understand that the _____ will inspect the property for health and safety deficiencies. I/we also understand that public funds may be involved in this transaction and, as such, if the property was built before 1978, a lead-based paint disclosure must be signed by both the buyer and seller, and that a Visual Assessment will be conducted to determine the presence of deteriorated paint.

As the Seller, I/we understand that under the City of Oroville program, the property must be currently owner-occupied, vacant for three months at the time of submission of purchase offer, new (never occupied), or renter purchasing the unit. I/we hereby certify that the property is:

Vacant at least 3 months; Owner-occupied; New; or Being Purchased by Occupant

I/we hereby certify that I have read and understand this "Declaration" and a copy of said Notice was given to me prior to the offer to purchase. If received after presentation of the purchase offer, I/We choose to withdraw or not to withdraw, from the Purchase Agreement.

Seller

Date

Seller

Date

ATTACHMENT H

Contact Person:	Date of Inspection:	Assessor's Parcel Number:
Property Address:	Year Built:	Square Feet:
	# of Bedrooms:	# of Bathrooms:
E-Mail:	Inspector: Jim Gollihar	Realtor:



First Time Home Buyer's Inspection

City of Oroville
 Business Assistance
 and Housing Development Department
 Office (530) 538-2495 Fax (530) 538-2539
 Email: www.cityoforoville.com

Checklist

EXTERIOR

- Grading: Pass Correction _____
- Driveway: Pass Correction _____
- Deck/Patio: Pass Correction _____
- Foundation: Pass Correction _____
- Roof: Pass Correction _____
- Chimney: Pass Correction _____
- Stucco: Pass Correction _____
- Siding: Pass Correction _____
- Exterior Trim: Pass Correction _____
- Windows: Pass Correction _____
- Door(s): Pass Correction _____

INTERIOR

- Walls: Pass Correction _____
- Doors: Pass Correction _____
- Lead Based Paint: Pass Correction _____

MECHANICAL

- Water Heater Seismic Strapping: Pass Correction _____
- Ventilation Installed Property: Pass Correction _____
- Adequate Combustion Air: Pass Correction _____

Pressure Temperature Relief Valve (PTR) Valve Terminated to Approval Location Pass Corrections

Heating Ventilation and Air Conditioning System: Pass Corrections _____

Miscellaneous Items _____

ELECTRICAL

Service/Subpanel Circuit Breakers Labeled : Pass Correction _____

Lighting: Pass Correction _____

Hazardous Wiring: Pass Correction _____

Grounding Protection: Pass Correction _____

Other Electrical Items: Pass Correction _____

PLUMBING

Non-Removable back flow prevention device on all hose bibs: Pass Correction _____

Water Piping : Pass Correction _____

Drains, Vents, Cleanouts: Pass Correction _____

Miscellaneous Plumbing Items: _____

ATTIC

Insulation Type: Adequate Cross Ventilation: Pass Correction _____

Approximate R-Value _____

Evidence of Water Intrusion: Pass Correction _____

Roof Structure: Pass Correction _____

BASEMENT

Basement: Evidence of Water Intrusion: Pass Correction N/A _____

Pass Correction _____

MISCELLANEOUS ITEMS:

Exposed Dry Rot: Pass Correction _____

Smoke Detectors Installed in Bedrooms, Rooms Leading to Bedrooms, and on Every Level: Pass Correction

Carbon Monoxide Detectors installed outside the bedroom, and on each level: Pass Correction

SWIMMING POOL IN GROUND/ ABOVE GROUND

Pool Condition: Pass Correction N/A _____

Pool Equipment/ Pool Pass Correction _____

Deck: _____

Pool Alarms: Pass Correction _____

Pool Fence/Gate: Pass Correction _____

1. _____

2. _____

Miscellaneous: _____

*** Please keep in mind this is not an all inclusive list of items that may need repair on the property and is not a pest inspection. It is highly recommended that you hire a third party inspection company to thoroughly investigate the property prior to purchasing.

Date: _____ Signature: _____

ATTACHMENT I

Homebuyer Program Lead Compliance Document Checklist

The following documents should be in each Homebuyer unit file to document compliance with the lead requirements:

Document Name	Purpose	
Lead Safe Housing Rule Screening Sheet	Documents exemptions	✓
Physical inspection form (HQS or equivalent)	Documents visual assessment results	
Seller Certification	Seller certifies that paint was stabilized by qualified workers and that safe work practices were followed during paint stabilization	
Clearance Report and Clearance Review Worksheet	Documents that unit passed clearance	
Disclosure Form	Documents that buyer received disclosure	

	and pamphlet.	
Lead Hazard Reduction Notice	Documents that buyer received required lead hazard reduction notification.	

This was taken from the HUD Website at:

<http://www.hud.gov/offices/cpd/affordablehousing/training/leadsafe/usefulforms/index.cfm#crosscutting>

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS

**FROM: MIKE MASSARO, PE, CITY ENGINEER
PUBLIC WORKS DEPARTMENT**

**RE: TRAFFIC CALMING AND SPEED REDUCTION OPTIONS FOR
MONTGOMERY STREET ROUNDABOUT PEDESTRIAN SAFETY**

DATE: SEPTEMBER 5, 2017 *(Continued from August 15, 2017)*

SUMMARY

The Council may consider different options for reducing vehicle speeds at the Washington Avenue and Montgomery Street roundabout.

DISCUSSION

At the August 15, 2017 City Council meeting, the City's Risk Manager, Liz Ehrenstrom, brought forward concerns about the speed of traffic entering the Montgomery Street Roundabout (Roundabout) and the potential hazard to pedestrians crossing at the crosswalks.

The Council heard discussion by the City Engineer, Mike Massaro and the Police Chief, Bill LaGrone; about speed reduction via speed bumps and flashing beacons. Public comment on the discussion item also generated the idea of rumble strips or dots for slowing traffic on approach to the Roundabout.

The Council directed the City Engineer to come back and present concepts and costs of various options including; crosswalk illumination, flashing beacons, and rumble strips.

The City Engineer will provide this information in a presentation with examples and he will present conceptual level cost estimates for the options to slow traffic and improve pedestrian safety.

FISCAL IMPACT

Fiscal impact is still to be determined. However, conceptual level construction costs are included below. Costs are materials only. It is assumed that labor would be accomplished by City Public Works staff.

Option	Approx. Construction Cost
Solar Powered Flashing Beacons	\$20,000
Illuminated Crosswalk	\$420,000
Rumble Strips	\$16,000

Illuminated crosswalks are very expensive and difficult and costly to repair when the lights adjacent to the crosswalk fail. Recent projects have bid at approximately \$105,000 per crosswalk. The Roundabout would need four illuminated crosswalks.

Solar powered flashing beacons will only illuminate when called by the pedestrian which should increase the effectiveness in noticing drivers to slow approaching the Roundabout and look for pedestrians as well as merging cross traffic. Solar powered signs would be posted on approach to each crosswalk and call buttons placed for pedestrian use.

Rumble strips could be achieved by grinding existing pavement. However, this could accelerate the weathering of the pavement and could not be done on the bridge approach. Therefore, the rumble strips evaluated were the epoxy glued rubberized type. The material comes in 96-ft long rolls and can be applied to concrete and asphalt. They also come in high visibility colors with reflective additive. The cost is the cheapest of the options evaluated.

RECOMMENDATIONS

Provide direction, as necessary.

ATTACHMENTS

A – Attached images and references of Flashing Beacons, Illuminated Crosswalks, and Rumble Strips

B – PowerPoint Presentation

Illuminated Crosswalk - a.k.a. "Smart Crosswalk"

<http://www.illuminatedcrosswalk.com/press-releases>

<http://www.illuminatedcrosswalk.com/press-releases/illuminated-crosswalk-system>



<http://www.illuminatedcrosswalk.com/press-releases/illuminated-crosswalk-system>

<http://www.illuminatedcrosswalk.com/press-releases/illuminated-crosswalk-system>

<http://www.illuminatedcrosswalk.com/press-releases/illuminated-crosswalk-system>

Rumble Stripes



<http://www.illuminatedcrosswalk.com/press-releases/illuminated-crosswalk-system>

<http://www.illuminatedcrosswalk.com/press-releases/illuminated-crosswalk-system>

Conceptual Cost of Options

Option	Conceptual Construction Cost
Solar Powered Flashing Beacons	\$20,000
Illuminated Crosswalk	\$420,000
Rumble Strips	\$16,000

Pedestrian Flashing Beacons



<http://www.thehour.com/norwalk/articles/Flashing-lights-mean-yield-to-pedestrians-in-8012146.php>



<http://commuteorlando.com/wordpress/2010/02/23/st-pete-and-the-rtb/>



<http://www.xwalk.com/pages/Truck.html>

Pedestrian Flashing Beacons



<https://carmanah.com/traffic/products/r920-solar-rectangular-rapid-flashing-beacon-rfb>

Illuminated Crosswalk - a.k.a. "Smart Crosswalk"

<http://www.xwalk.com/pages/design.htm>

http://www.xwalk.com/images/data_sheets/DS02_031717.pdf



<https://www.lightguardsystems.com/company-info/about-us/webinar-series/>
<https://www.lightguardsystems.com/smart-crosswalk-system/>

<http://www.cisco-eagle.com/catalog/category/9434/crosswalk-safety-systems>

Rumble Stripes



•https://materialflow.com/p/Rumble-Strips?gclid=EAIaIQobChMIwLvVrff11QIVBRBpCh11yQRnEAYYASA8EgKEXvD_BwE

•<http://www.speedbumpsandhumps.com/speed-bumps/rumble-strips#specifications>

Conceptual Cost of Options

Option	Conceptual Construction Cost
Solar Powered Flashing Beacons	\$20,000
Illuminated Crosswalk	\$420,000
Rumble Strips	\$16,000

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS

**FROM: RUTH WRIGHT, FINANCE DIRECTOR
FINANCE DEPARTMENT**

**RE: SECTION 115 IRREVOCABLE TRUST ACCOUNT TO PRE-FUND
PENSIONS**

DATE: SEPTEMBER 5, 2017

SUMMARY

The Council may consider an Agreement for Administrative Services with Phase II Systems, dba: Public Agency Retirement Services for the administration of the Public Agencies Post-Employment Benefits Trust, relating to the pre-funding of pensions for City employees.

BACKGROUND

Due to exponential increases in CalPERS costs, the City is looking for ways to be proactive and plan for these rising costs. One way is through the use of a Pension Rate Stabilization Program (PRSP). This plan would allow us to pre-fund for future pension costs. The City's pension costs are projected to double in the next 7 years. These costs are increasing far more rapidly than the City's revenues.

Pre-funding for this program may come in the form of one time revenues and employee pay reductions.

DISCUSSION

One option for meeting these pension increases is participating in a Section 115 Trust Program to help mitigate the City's pension increases. Benefits of participation include, local control over assets, pension rate stabilization, investment flexibility, addresses unfunded pension costs, improves credit rating.

The Section 115 Trust Program to pre-fund pension costs is relatively new to local governments in California. There are currently only two independent retirement plan administrators, Public Agency Retirement Services (PARS) and Public Financial Management Group (PFM) that have received the Private Letter Ruling (PLR) from the Internal Revenue Services. Both firms have large public client bases through various lines of business.

The table below provides an overview of the two firms:

	Public Agency Retirement Services (PARS)	Public Financial Management (PFM)
Founded in	1984	1975
Headquarters	Newport Beach	Philadelphia
Office Locations in California	Newport Beach - PARS San Francisco - HighMark	San Francisco & Los Angeles
Core Business	Administration of 115 Trust for prefunding OPEB/Pension	Investment advisory services
Programs	Section 115 Trust for Pensions & OPEB, supplemental defined benefit programs, alternate retirement systems for part-time employees, customized defined contribution programs to supplement CalPERS	Section 115 Trusts for Pension & OPEB, financial advisory, asset management and consulting services
IRS Private Letter Ruling	Yes; multiple employer	Yes; multiple employer trust No; single employer trust
Investment Manager	HighMark Capital Management	PFM Asset Management
Trustee	US Bank (Los Angeles)	Multiple employer plan - Wells Fargo Single employer plan - TBD
Plans under Administration	1,400+ plans for 800+ public agencies only	200+ plans, mostly public agencies
Section 115 Pension & OPEB Trust Clients	250+, including 72 for pension prefunding (such as Alameda, Brisbane, Capitola, Half Moon Bay, Morgan Hill, Napa, Palo Alto, Rohnert Park, Sausalito, Santa Clara, Tiburon)	115+, including 2 for pension prefunding (Santa Cruz and Chino Valley Fire)
Annual Fees for Assets under \$5 million	Approx. \$26,500	Approx. \$28,500
Investment Assets under Administration	Approx. \$2.2 billion (PARS) Approx. \$15.2 billion (HighMark)	Approx. \$62.0 billion
Investment Options	5 risk-tolerance levels (active or passive), and custom option	Custom only
Performance Returns	Actual 5-year historical returns of 5 model portfolios: [*] <ul style="list-style-type: none"> - Capital Appreciation: 9.53% - Balanced: 8.12% - Moderate: 7.24% - Moderately Conservative: 5.51% - Conservative: 4.07% 	Composite returns only (not based on historical returns of <u>actual</u> portfolios)
	<i>* Returns as of December 31, 2016</i>	
Minimums	No minimum contribution; No minimum fee; No start up fees; No trade or transactions fees	Minimum fee: \$20,000 across all accounts; Account fee: \$500; Trade fee: \$8/trade

To date, the most widely adopted Section 115 Trust Program has been administered by PARS. PARS provides the security of a Private Letter Ruling from the IRS that assures participants of the tax-exempt status of their investments. PARS also allows the flexibility of the City's participation in selecting the investment strategies and portfolios for its funds, giving the City control on target yield and level of risks on its investments. In addition, the benefits of combining assets in a Pension and OPEB Account will allow the City to access a lower fee tier. PARS has partnered with U.S. Bank to serve as trustee for this program.

Establishing the Section 115 Trust Program to pre-fund Pension and OPEB has no direct fiscal impact. Funding of the Trust will restrict the use of funds that are transferred to the irrevocable trust account. Depending on the year-end closing results of Fiscal Year 2016-2017, excess revenue up to \$1.0 million would be transferred to the Section 115 Trust Program to pre-fund Pension obligations. Future contributions to the Section 115 Trust Program will depend on the year end closing results in subsequent fiscal years. Total combined administrative, trustee and investment management fees for PARS, U.S. Bank and HighMark Capital Management start at 0.55% for assets under \$5 million and will become lower as assets in the Trust increase.

PARS's Section 115 Trust Program has five investment portfolios: Capital Appreciation, Balanced, Moderate, Moderately Conservative and Conservative. Each portfolio has different risk profiles with different amounts invested in equities and other instruments. The investment portfolios range from "Capital Appreciation" with 72% of funds invested in equities to "Conservative" with 15% of funds invested in equities. It is important to note that as the amount of equities increases, risk and volatility increases. In contrast, as the amount of equities decreases, risk and volatility decreases.

PARS/HighMark Capital Management Returns as of 12/31/2016				
Risk Tolerance Portfolios	% Equity	1-Year Returns	3-Year Returns	5-Year Returns
Capital Appreciation	65-85%	8.81%	4.79%	9.53%
Balanced	50-70%	6.82%	3.81%	8.12%
Moderate	40-60%	6.44%	3.77%	7.24%
Moderately Conservative	20-40%	4.93%	3.20%	5.51%
Conservative	5-20%	4.18%	2.77%	4.07%

Local Agency Investment Fund (LAIF), State of California			
	2016	2014	2012
1-Year Earning Rates ending December 31st	0.58%	0.24%	0.36%

FISCAL IMPACT

Establishing the Section 115 Trust Program to pre-fund Pension and OPEB has no direct fiscal impact. Funding of the Trust will restrict the use of funds that are transferred to the irrevocable trust account. Combined administrative, trustee and investment management fees for PARS, U.S. Bank and HighMark Capital Management start at 0.55% for assets under \$5 million and will become lower as assets in the Trust increase. The fees will be paid from the Trust assets.

RECOMMENDATION

1. Adopt an Investment Strategy as outlined above.
2. Adopt Resolution No. 8646 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE ADOPTION OF THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES – (Agreement No. 3231).

ATTACHMENTS

- A - Trustee Fee Schedule from PARS
- B – Resolution No. 8646
- C – Agreement No. 3231



Discretionary Trustee Fee Schedule

PARS Pension / OPEB Trust Program

This document is entered into by client and U.S. Bank National Association ("U.S. Bank"), as trustee.

Discretionary Trustee Fees

Discretionary Trustee Fees are based on the Investment Strategy you select. Following is a list of the Discretionary Trustee Fees applicable to each Investment Strategy:

- **Liquidity – First American U.S. Treasury Money Market – Fund level fees only (see prospectus)**
- **Liquidity – First American Prime Obligation Fund Class Z – Fund level fees only (see prospectus)**
- **Diversified Portfolios (Conservative, Moderately Conservative, Moderate, Balanced, Capital Appreciation)**

Per Annum Charges*

.35% on the first	\$5,000,000
.25% on the next	\$5,000,000
.20% on the next	\$5,000,000
.15% on the next	\$35,000,000
.10% on all over	\$50,000,000

*Waived for plan assets invested in First American and Nationwide/HighMark funds where HighMark Capital Management is the sub-adviser of the fund.

Other Fees

First American Mutual Funds (see prospectus)

Payment of Fees

- Market values used for fee calculations on fee invoices may differ slightly from market values on client statements due to posting of accruals, late pricing of securities and/or other timing issues.
- Fees are calculated and charged to the account monthly. If account cannot be charged after 30 days, fees not paid will be subject to a late charge of 1% per month on the unpaid balance.
- Changes to this Fee Schedule may be made at any time by U.S. Bank upon a sixty (60) days notice.

Acknowledged and Approved

Public Agencies Post-Employment Benefits Trust	
Name of Plan/Trust	Name of Employer
Name of Authorized Signer for Employer	Title
Signature of Authorized Signer for Employer	Date

U.S. Bank and its representatives do not provide tax or legal advice. Each client's tax and financial situation is unique. Clients should consult their tax and/or legal advisor for advice and information concerning their particular situation.



**CITY OF OROVILLE
RESOLUTION NO. 8646**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE ADOPTION OF
THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY
THE PUBLIC AGENCY RETIREMENT SERVICES**

(Agreement No. 3231)

WHEREAS, Public Agency Retirement Services (PARS) has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding pension obligations; and

WHEREAS, the City of Oroville ("City") is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the City's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the City's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the City reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective September 5, 2017; and
2. The City Council hereby appoints the *Director of Finance*, or his/her successor or his/her designee as the City's Plan Administrator for the Program; and
3. The City's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the City and to take whatever additional actions are necessary to maintain the City's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the City's Program.
4. The City Clerk shall attest to the adoption of this resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting on September 5, 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

/

/

/

/

/

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Donald Rust, Acting City Clerk

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this ____ day of _____, 2017, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter "PARS") and the [Agency Name] ("Agency").

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or OPEB obligations ("Plan"), and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS' standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency's providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for non performance of Services to the extent such non performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit IC, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.
9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.
10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
 - (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
 - (B) To Agency: [Agency]; [Address]; [City, State, Zip]; Attention: [Plan Administrator]Notices shall be deemed given on the date received by the addressee.
16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2017 and ending _____, 2020 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve month periods following the Term.
17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.
18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or

provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.

19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.
20. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____

TITLE: _____

DATE: _____

PARS:

BY: _____

Tod Hammeras

TITLE: Chief Financial Officer

DATE: _____

EXHIBIT 1A

SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:
 - (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
 - (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
 - (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.
2. Plan Administration Services:
 - (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust ("Trustee"), based upon information received from the Agency and the Trustee;
 - (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
 - (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
 - (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope this Agreement;
 - (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
 - (F) Preparing and submitting an annual report of Plan activity to the Agency;
 - (G) Facilitating actuarial valuation updates and funding modifications for compliance with GASB 45/75, if prefunding OPEB obligations;
 - (H) Coordinating periodic audits of the Trust;
 - (I) Monitoring Plan and Trust compliance with federal and state laws.
3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan Assets based on the following schedule:

<u>For Plan Assets from:</u>			<u>Annual Rate:</u>
\$0	to	\$10,000,000	0.25%
\$10,000,001	to	\$15,000,000	0.20%
\$15,000,001	to	\$50,000,000	0.15%
\$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual Rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
 - (C) Trustee Investment Forms

2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Contribution amount
 - (C) Contribution date
 - (D) Contribution method (Check, ACH, Wire)

3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Payment reimbursement/distribution amount
 - (C) Applicable statement date
 - (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)

4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS

**FROM: DAWN NEVERS, ASSISTANT PLANNER
DONALD RUST, DIRECTOR
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: LETTERS OF SUPPORT FOR 2018 PARK BOND FUNDING

DATE: SEPTEMBER 5, 2017

SUMMARY

The Council may consider authorizing the Mayor to sign two letters in support of Assembly Bill 18 – California Clean Water, Climate, Coastal Protection and Outdoor Access for All Act of 2018; and Senate Bill 5 – California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018, relating to Park Bond Funding.

DISCUSSION

Since the passing of Proposition 40 in 2002, there have been no park bond funds available to local governments. Park bond measures contain numerous programs that benefit cities, including grants for safe neighborhood parks in park-poor communities, per capita allocations for park rehabilitation and improvement, and competitive grants for local agencies for such activities as climate preparedness and adaptation. The League of California Cities is requesting a show of support for the proposed measures AB 18 and SB 5 from counties, cities, and park districts.

FISCAL IMPACT

None.

RECOMMENDATION

Provide direction, as necessary.

ATTACHMENTS

- A – Overview of SB 5 and AB 18
- B – SB 5 Letter of Support to Senator Jim Nielsen

C - AB 18 Letter of Support to Assemblyman James Gallagher
D - Correspondence

Two Park Bond Proposals Introduced, AB 18 Hearing Next Week

February 3, 2017

Two measures propose park bonds for the June 2018 ballot.

Voters passed Proposition 40, the last true park bond, 15 years ago and since then parks have suffered through the Great Recession as cities struggled to shore up shrinking budgets. Many parks departments have not recovered and are still weighed down by deferred maintenance. Assembly Member Eduardo Garcia (D-Coachella) and Senate President pro Tempore Kevin de León (D-Los Angeles) proposed new funding for parks to address this need. Although there are differences between the measures, both authors have indicated their willingness to work together.

AB 18

AB 18 (E. Garcia), the California Clean Water, Climate, and Coastal Protection and Outdoor Access For All Act authorizes \$3.005 billion in General Obligation bonds to finance parks, water, climate adaptation, coastal protection and outdoor access programs. This League-supported bill is up for its first hearing next week on Feb. 7 in the Assembly Water, Parks, and Wildlife Committee.

Direct funding for local governments and grants for park-poor neighborhoods are among the funding allocations of interest to cities. AB 18 includes \$425 million for park rehabilitation and improvement grants to cities and counties, which would go out on a per capita basis. Cities are slated to directly receive 60 percent of the \$425 million, with each city receiving a minimum of \$200,000. In addition, it includes \$900 million for safe neighborhood parks in park-poor areas, as well as a range of additional grant programs through which cities may receive awards.

SB 5

SB 5 (de León), the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 proposes \$3 billion in General Obligation bonds to be directed to both parks and water projects.

Of the \$3 billion, \$1.5 would be dedicated to parks. Park-poor neighborhoods would be eligible for \$600 million for safe neighborhood parks. Local governments would also receive \$15 million for local park rehabilitation and improvement grants, which would be distributed on a per capita basis. An additional \$15 million would be reserved for grants for cities and parks districts in urbanized counties with populations of fewer than 200,000. The League has met with the Senate President pro Tem's staff and will continue discussions on this proposal.

The additional \$1.5 billion is designated for drinking water and drought preparedness. Priorities include

improving drinking water quality, safe and reliable drinking water, improving regional water self-reliance security, water recycling and advanced treatment technology projects, and preventing or cleaning up contaminated groundwater.

This bill has been referred to the Senate Natural Resources and Water Committee, as well as the Governance and Finance Committee.

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City of Oroville

OFFICE OF THE MAYOR

1735 Montgomery Street
Oroville, CA 95965-4897
(530) 538-2535 FAX (530) 538-2468
www.cityoforoville.org

Linda L. Dahlmeier
Mayor

September 5, 2017

Senator Jim Nielsen
California 4th District
State Capitol, Room 2068
Sacramento, CA 95814

RE: Letter of Support for SB 5

Dear Senator Nielsen:

Since the passing of Proposition 40 fifteen years ago, the last true park bond, the recession and a shrinking City budget have hindered the necessary deferred maintenance, drought tolerance and climate adaption measures, as well as general improvements of the parks and museums owned by the City of Oroville.

With the proposal of park bond measure SB 5 for park rehabilitation and improvement grants for local governments under the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018, the City of Oroville will like to show support for the measure with the request that the allocation process be amended.

As currently proposed in SB 5, \$120 million would go to cities and districts, with each receiving a minimum of \$125,000. City of Oroville would like to request an increase in the proposed \$120 million allocation increasing the minimum \$125,000 allocation to counties, cities, and park districts.

The City of Oroville operates the following six parks and five museums:

- Hammon Park
- Rotary Park
- Centennial Plaza
- Hewitt Park
- Bedrock Park
- Sank Park
- Bolt's Antique Tool Museum
- C.F. Lott Home
- Chinese Temple & Museum Complex
- Feather River Nature Center
- Pioneer History Museum

All are in need of general maintenance, repairs, drought tolerance and climate adaption measure updates. An allocation from SB 5 would make a significant impact on the appearance and operation of the City's parks and museums.

Sincerely,

Linda L. Dahlmeier, Mayor
City of Oroville



City of Oroville

OFFICE OF THE MAYOR

1735 Montgomery Street
Oroville, CA 95965-4897
(530) 538-2535 FAX (530) 538-2468
www.cityoforoville.org

Linda L. Dahlmeier
Mayor

September 5, 2017

Assemblyman James Gallagher
3rd Assembly District
State Capitol, Suite #2158
Sacramento, CA 94249

RE: LETTER OF SUPPORT FOR AB 18 (E. GARCIA) FUNDING

Dear Assemblyman Gallagher,

Since the passing of Proposition 40 fifteen years ago, the last true park bond, the recession and a shrinking City budget have hindered the necessary deferred maintenance, drought tolerance and climate adaption measures, as well as general improvements of the parks and museums owned by the City of Oroville.

With the proposal of park bond measure AB 18 for California Clean Water, Climate, and Coastal Protection and Outdoor Access for All Act, the City of Oroville would like to show support for the measure with the request that the allocation process be amended.

Per capita funding is important because of the backlog of need in our city; however, under the AB 18 Parks Bond, our city stands to get \$0.00 in per capita funding, with only a chance of funding if we qualify for some of the other programs funded by the bond.

The City of Oroville operates the following six parks and five museums:

- Hammon Park
- Rotary Park
- Centennial Plaza
- Hewitt Park
- Bedrock Park
- Sank Park
- Bolt's Antique Tool Museum
- C.F. Lott Home
- Chinese Temple & Museum Complex
- Feather River Nature Center
- Pioneer History Museum

All are in need of general maintenance, repairs, drought tolerance and climate adaption measure updates.

Under the current allocation determination, Feather River Recreation & Parks District would receive the per capita funding in the amount of \$364,009 based on a per capita population of 56,299. Though Feather River Recreation & Park District operates six parks within the city limits of Oroville, the city owns and operates the various parks and museums, mentioned above and should not be overlooked as all of the parks offer various forms of recreation that benefit the community as a whole. The City of Oroville is requesting to be considered for the minimum allocation of \$200,000 as the parks and museums needs are equal to, if not greater than that of the local parks district.

Sincerely,

Linda L. Dahlmeier, Mayor
City of Oroville

Dawn Nevers

From: Linda Dahlmeier
Sent: Friday, August 25, 2017 5:06 PM
To: Dawn Nevers
Cc: Don L. Rust
Subject: Re: ACTION ALERT: 2018 Park Bond Funding

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Green Category

Great job! Anything would help. Let's put it on the agenda

Mayor Linda Dahlmeier

On Aug 25, 2017, at 1:34 PM, Dawn Nevers <dnevers@cityoforoville.org> wrote:

Linda & Don,

I reviewing the attached documentation, I believe that it would be in the best interest of the City to submit correspondence to Senator Nielsen. Is I read the AB18 Parks Bond per Capita Funding Allocation sheet, FRRPD would receive the funding in the amount of \$346,009 based on a population of 56,229. However; Chico was allocated a split in funding with CARD. According to the Allocation chart it is determined as follows:

All cities would, in effect, receive a per capita allocation for park improvement and rehabilitation. In some instances, some or all city residents are served by a local parks district for parks services. In these cases, per capita funding would be directed to those districts rather than the city.

AB18 is not projected to pass; however SB5 is. The League has requested that SB 5 be amended to increase the per capita funding for local parks and maintain a minimum allocation for small cities of \$125,000. I believe that our request should consist of support for SB5 with a request for an overall increase of the SB5 allocations to cities and districts. At the very least, Oroville should receive a split allocation with FRRPD.

Thoughts?

With kind regards,

Dawn R. Nevers
Assistant Planner
City of Oroville
1735 Montgomery Street
Oroville, CA 95965

Ph: (530) 538-2429

From: Linda Dahlmeier
Sent: Friday, August 25, 2017 12:47 PM
To: Don L. Rust <drust@cityoforoville.org>; Dawn Nevers <dnevers@cityoforoville.org>
Subject: Fwd: ACTION ALERT: 2018 Park Bond Funding

Can someone please look into this. I think we could qualify

Mayor Linda Dahlmeier

Begin forwarded message:

From: Charles Anderson <canderson@cacities.org>
Date: August 25, 2017 at 12:20:16 PM PDT
To: Undisclosed recipients;
Subject: ACTION ALERT: 2018 Park Bond Funding

ACTION ALERT!!

2018 Park Bond Funding

Background:

City parks throughout the state have suffered from a lack of funding. The last true park bond, Proposition 40, passed 15 years ago. Since then, parks have suffered through the Great Recession as cities struggled to shore up shrinking budgets. Many parks departments have not recovered, and are still weighed down by deferred maintenance. There is high demand for grant funds, as evidenced by the 8:1 ratio of available funds to applicant requests, with the need highest in disadvantaged communities.

Both park bond measures contain numerous programs that would benefit cities, including grants for safe neighborhood parks in park-poor communities, per capita allocations for park rehabilitation and improvement, and competitive grants for local agencies for such activities as climate preparedness and adaptation.

Negotiations continue in the waning days of the Legislative Session. Lawmakers may pass a measure this session or decide to push the discussion to this fall. Either way, it is critical that Legislators hear from their cities about the importance of a high level of per capita funding for cities, counties, and parks districts.

SB 5 (de Leon) Funding vs. AB 18 (E. Garcia) Funding

- **AB 18 Funding:** Allocation of \$425 million for park rehabilitation and improvement grants to local governments on a per capita basis. Of that, \$255 million would go to cities and districts, with each receiving a minimum of \$200,000.
 - The League appreciates the author's recognition of the needs of cities of all sizes.
- **SB 5 Funding:** Allocation of \$200 million for park rehabilitation and improvement grants for local governments that would be distributed on a per capita basis. Of

that, \$120 million would go to cities and districts, with each receiving a minimum of \$125,000.

- The League has requested SB 5 be amended to increase the per capita funding for local parks and maintain a minimum allocation for small cities.

It seems likely that SB 5 will continue to advance through the process and AB 18 will not. To ensure sufficient funding is included for per capita grants, cities need to be clear that the funding levels of AB 18 should be upheld in the SB 5 language.

ACTION:

AB 18 and SB 5 have not yet been set for hearings in their next committees. While negotiations continue to take place, it would be beneficial for all legislators to hear from their cities. **Please CALL your Senator and Assembly Member ASAP and urge them to advocate for the funding level provided in AB 18.**

Talking points provided below.

- To view your city's estimated AB 18 funding number, please view the attached document entitled, "AB18ParksBondLocalAlloc170823."

You can find your Legislator's contact information here: <http://findyourrep.legislature.ca.gov/>.

Talking Points

- I am calling about the bond for parks and/or water that is being negotiated in SB 5 and AB 18.
- The City/Town of _____ supports the per capita funding allocation for local park improvement and rehabilitation in AB 18. This is \$425 million for local park improvement and rehabilitation that would be distributed on a per capita basis.
- Per capita funding is really important because of the backlog of need in my city. Under the AB 18, my city stands to get \$XXXX in per capita funding, plus additional funding if we qualify for some of the other programs funded by the bond.
- With this funding, City/Town of _____ could [add local projects that could be accomplished with this funding].
- SB 5 only includes about half of the funding. AB 18 funding is critical to recover from the backlog of deferred maintenance.
- I urge you to please contact the Speaker and the Pro Tem to ask for \$425 million for per capita park improvement grants. Please also let Assembly Member Eduardo Garcia know you support this funding.

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS

**FROM: DAWN NEVERS, ASSISTANT PLANNER
DONALD RUST, DIRECTOR
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: HEATING VENTILATION AND AIR CONDITIONING
MAINTENANCE PROGRAM AGREEMENT (PG&E QUALITY
MAINTENANCE SERVICE CONTRACT) AND FINANCING
AGREEMENT WITH ABM BUILDING SOLUTIONS, LLC**

DATE: SEPTEMBER 15, 2017

SUMMARY

The Council may consider approving the Heating Ventilation and Air Conditioning (HVAC) Maintenance Program Agreement, which includes the PG&E Quality Maintenance Service Contract and the 100% Financing Agreement, with ABM Building Solutions, LLC.

BACKGROUND

Beginning in April of 2016, staff met with John Burdette, and the ABM Building Solutions, LLC (ABM) Director of Bundled Energy Solutions (BES) team, and toured multiple City facilities. ABM documented all of the systems that consume energy and water, and interviewed staff to gain an understanding of the use and operation of the facilities. Additionally, ABM has worked with PG&E to collect the energy and natural gas consumption cost data to analyze and compare to other cities to identify opportunities for savings. ABM's program is a blend of energy conservation, demand response, and renewable energy generation measures that will bring the City close to Zero Net Energy (ZNE).

On November 15, 2016, John Burdette of ABM delivered a presentation to the City Council explaining the details of the Bundled Energy Solutions Program and answered questions for the Council. Council directed staff to return with an agreement.

On December 6, 2016, the Council approved signing a Letter of Intent (LOI) to proceed with the Investment Grade Audit (IGA) to determine the feasibility of entering into a negotiated Energy Services Performance Contract (ESPC).

On July 18, 2017, ABM returned to present the findings of the Investment Grade audit revealing guaranteed savings which include: a full solar array with all LS-2 lighting switched to LS-3 that produced an annual energy savings of \$114,361.00 (\$54,361 in savings from HVAC, Controls, and Transformer replacement and \$60,000 in savings from solar). Guaranteed annual operations savings will be \$48,010.00 that include: LED lighting replacement and maintenance savings, procurement cost avoidance, avoided emergency repair and replacement cost and avoided CAP costs. The total guaranteed annual savings of \$162,371.00 with a future capital avoidance cost of \$ 783,500.00.

Additionally, on July 18, 2017, the Council approved Resolution No. 8626 authorizing and directing the Mayor to execute a contract with ABM Building Solutions, LLC, to participate in the Bundle Energy Solutions (BES) Program and enter into and Energy Solutions Project Agreement.

DISCUSSION

HVAC maintenance Agreement

At this time, following execution of the BES agreements by City Council on July 18, 2017, ABM is presenting an agreement for the maintenance of the equipment to be installed. The HVAC Maintenance Agreement (Agreement) is an annual agreement, in the amount of \$53,150, and shall continue in effect from year to year. A two-year amount of \$106,300 is the built in total amount to be financed. The Agreement may be continued following the first two years.

The Agreement identifies the following: conduct all supervision, monitoring, and performance feedback are conducted in-house by ABM Building Solutions, LLC. The City will receive a detailed report following each visit by ABM's trained service representatives. This reduces the City's involvement and greatly improves communication.

This program includes computerized maintenance scheduling on your mechanical system. Maintenance intervals are determined by type of equipment, operating conditions, our maintenance experience, and the Linc Service computer data base. By delivering exactly the right maintenance at exactly the right time ABM can minimize disruptive breakdowns and save the City time and costly equipment repairs.

Financing Agreement

The Holman Capital Corporation, working with ABM, is a direct lender that specializes in funding debt obligations issued by state agencies, local municipalities, school districts, and special districts statewide. Holman Capital has qualified the City of Oroville and has identified a funding source that provides a maximum benefit to the City of Oroville. Including the \$5,000 document processing and legal fee, the total financed amount of the Lease Purchase Agreement to be financed is \$3,314,690.00. Following the review of the financing agreement proposal, staff believes the final financing documents are

ready to present to Council for approval and execution for funding and project commencement.

The terms and conditions of the proposal are as follows:

FINANCING AMOUNT	INTEREST RATE	TERM	1 ST PAYMENT DUE	PERIODIC PAYMENTS	PAYMENTS	TOTAL PAYMENTS
\$3,314,690	4.20%	20 YEARS	180 DAYS	40	SEE AMORTIZATION	\$5,258,842.88

RECOMMENDATIONS

1. Adopt Resolution No. 8647 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN HEATING VENTILATION AND AIR CONDITIONING MAINTENANCE PROGRAM AGREEMENT WITH ABM BUILDING SOLUTIONS, LLC, IN THE AMOUNT OF \$106,301.76 – (Agreement No. 3232).

2. Adopt Resolution No. 8648 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR AS TO THE EXECUTION AND DELIVERY OF AN EQUIPMENT LEASE-PURCHASE AGREEMENT, AN ESCROW AGREEMENT AND EQUIPMENT SCHEDULE WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING, AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION – (Agreement No. 3233).

ATTACHMENT(S)

- A - Resolution No. 8647
- B – Agreement No.3232 (HVAC Maintenance Program)
- C – Resolution No. 8648
- D – Agreement No. 3233 (Lease Purchase Agreement)
- E – Proposal for Lease Purchase Financing
- F - Transaction Process Management
- G – Amortization Schedule

**CITY OF OROVILLE
RESOLUTION NO. 8647**

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN HVAC MAINTENANCE PROGRAM AGREEMENT WITH ABM BUILDING SOLUTIONS, LLC, IN THE AMOUNT OF \$106,301.76

(Agreement No. 3232)

NOW THEREFORE, BE IT HEREBY RESOLVED by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to sign the contract with ABM Building Solutions, LLC, for the HVAC Maintenance Program Agreement, which includes the PG&E Quality Maintenance Service Contract, in the amount of \$53,150.88 each year, for two years, for a total of \$106,301.76.
2. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting on September 5, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Donald Rust, Acting City Clerk

City of Oroville HVAC Maintenance Program

PRESENTED BY: Dave O'Connor, An Integrated Solutions Provider

PRESENTED TO: City of Oroville

DELIVERED ON: July 18, 2017

About the Company

ABM Technical Solutions

A Trusted Facilities Provider

ABM Industries (NYSE: ABM) is a leading provider of facility solutions with revenues of approximately \$5.1 billion and over 100,000 employees in 300+ offices deployed throughout the United States and various international locations. ABM's comprehensive capabilities include electrical & lighting, energy solutions, facilities engineering, HVAC & mechanical, janitorial, landscape & turf, mission critical solutions and parking, provided through stand-alone or integrated solutions. ABM provides custom facility solutions in urban, suburban and rural areas to properties of all sizes. ABM Industries Incorporated operates through its subsidiaries, was founded in San Francisco, CA. in 1909, which means we have been delivering solutions for 108 years.

Purpose

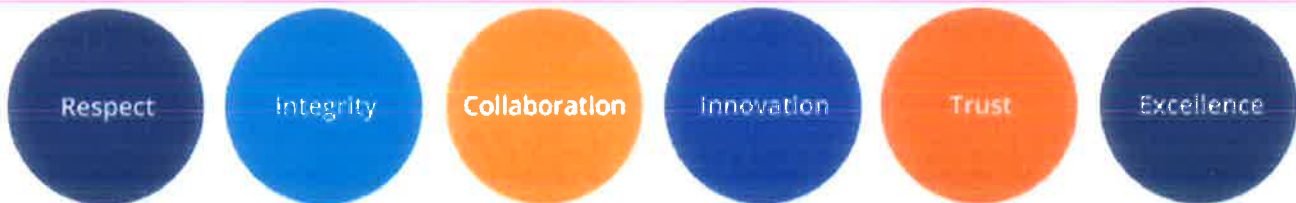
To take care of the people, spaces and places that are important to you is our purpose at ABM.

Vision

ABM's vision is to be the clear choice in the industries we serve through engaged people.

Mission

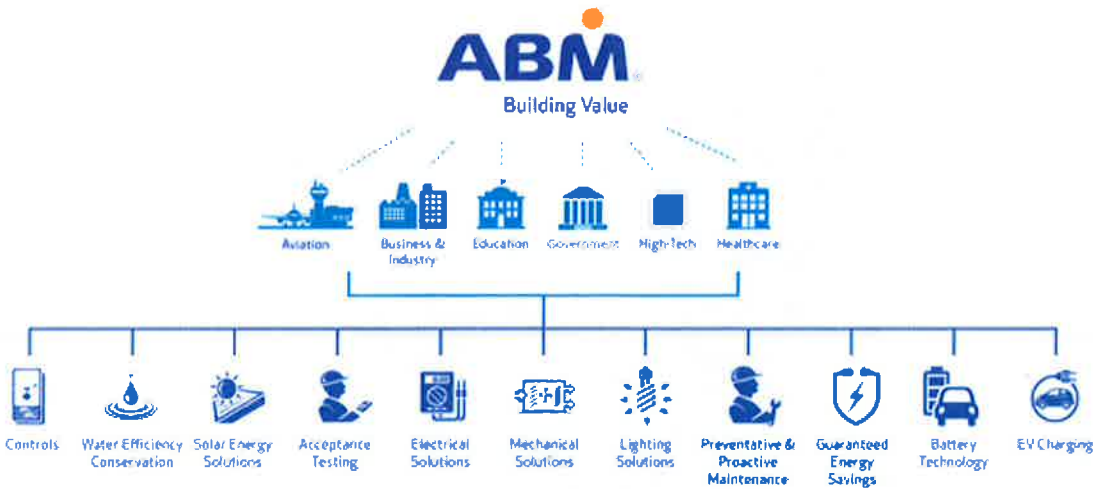
It is our mission to make a difference, every person, and every day.



In ABM's more than 100 year history, we have developed an outstanding reputation in the marketplace, and our brand continues to stand for excellence. With this in mind, we strive continuously to find new ways of Building Value for our clients. Over the past year, ABM initiated a bold, new vision that transformed our business from a company organized by service lines to a company organized by industry. This change aligns us more closely with our clients and allows us to continue to be a highly-valued partner. This transformation is collectively referred to as our 2020 Vision.

As part of these efforts, we recently restructured ABM into eight different Industry Groups: Aviation, Business & Industry, Education, Technical Services, Government, High Tech, Healthcare and ABM UK. By establishing a consistent and reliable operational platform that will ultimately increase service quality, significantly improve onsite management and service worker effectiveness and positively impact how we respond to specific requirements in our clients' facilities, we are better able to understand and deliver facility solutions unique to their industry challenges, goals and opportunities.

ABM's Technical Solutions provides custom energy solutions, electrical, HVAC, lighting, and other general maintenance and repair services for clients in the public and private sectors. These services, which include bundled energy solutions, energy efficiency upgrades, installations, preventative maintenance, retrocommissioning, and retrofits are designed to extend the useful life of facility fixed assets, improve equipment operating efficiencies, reduce energy consumption, lower overall operational costs for clients, and enhance the sustainability of client locations.



ABM Building Solutions LLC business unit is part of ABM Technical Solutions, which is a division of ABM Industries Inc. Our Bundled Energy Services offering is a high-efficiency conservation, facility modernization, and technical service program that addresses both the facility upgrades and funding needs of cities, counties, k-12 schools, and government buildings. This program will assist our clients by providing a cost-effective way to make necessary energy and infrastructure improvements. ABM's Bundled Energy Solutions include:

	Initial Feasibility Analysis and Measurement & Verification		Engineering Calculations & Design; Planning & Construction of Project
	Identification & Processing of Utility Rebates and EPA Tax Incentives		Commissioning & On-Site Training
	Structuring Financing Terms to Generate Positive Cash Flow		Energy and Operational Audits Ongoing Maintenance Services

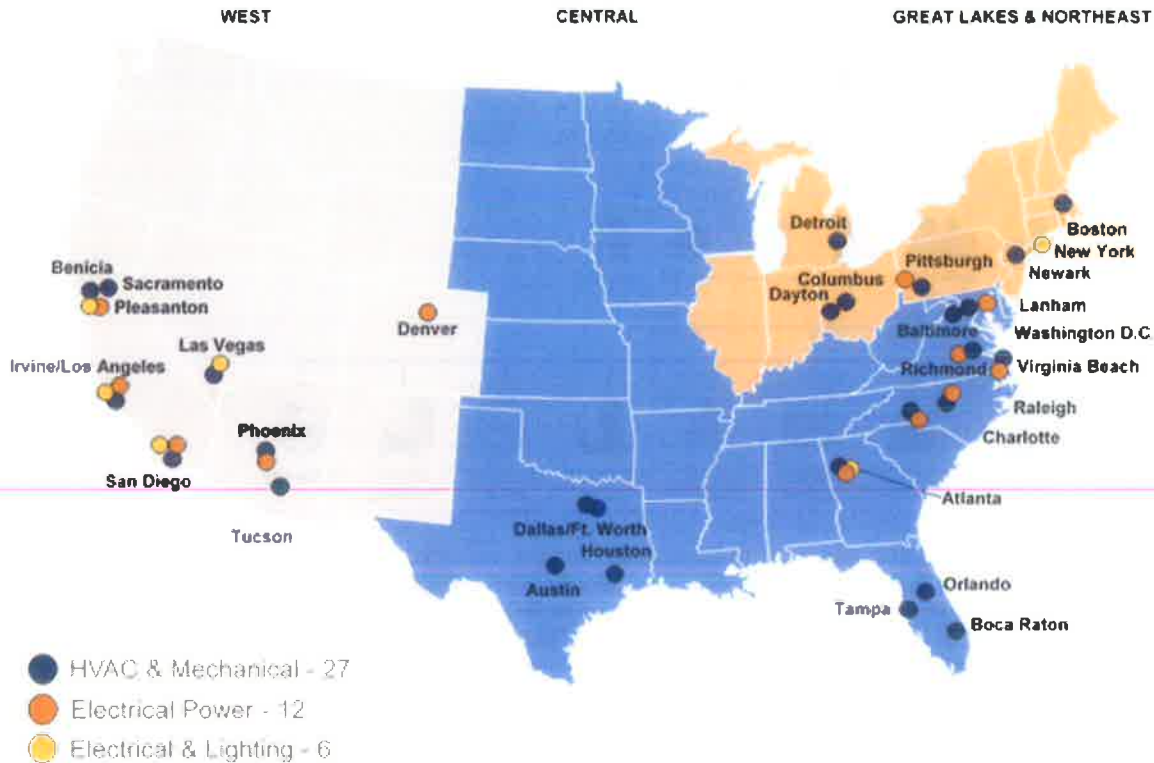
Bundled Energy Services are designed for each customer's specific requirements resulting in:

- Capital Generation for asset replacement
- Guaranteed energy savings
- Guaranteed operating cost savings
- Increased staff productivity
- Reduced downtime and equipment costs
- Reduced environmental impact
- Improved occupant comfort and safety
- No Increased Burden to Taxpayers!

ABM has the Professional Engineering staff to provide engineering drawings needed to properly implement improvements recommended for installation and we will work directly with your permitting department to ensure all requirements are met.

Technical Solutions Operating Units

ABM Building Solutions, ABM Electrical & Lighting Solutions and ABM Electrical Power Solutions has 45 operating branch locations across the United States.



ABM provides Comprehensive Facility Services to over 15,000 building systems nationally. The Comprehensive Facility Services program is performance based and custom designed to fit the Building Owner's long-term operation and maintenance needs. Our planned service programs are based on many years of industry knowledge, exceptional technical skills and professional application of the latest technologies and methods. These programs allow us to consistently deliver quality services in a responsive manner at a fair value.

HVAC & Mechanical Capabilities

- Professional Engineering Support Services
- Mechanical Design-Build Construction
- Mechanical Systems Fabrication & Installation
- Sheet Metal Service In-House
- Plumbing and Piping Services
- Process Piping
- Testing and Balancing - Air and Water
- Commissioning - System Start-Ups
- Tenant Space Build Out
- Performance Contracting
- Energy Management Programs Management
- Upgrades for Energy Consumption
- Building Automation
- Direct Digital Controls
- Remote Alarm Monitoring
- C.F.C. Refrigerant Changeovers
- Indoor Air Quality Programs
- Building Operation and Maintenance
- Mechanical Systems Maintenance
- Facilities Management

Electrical & Lighting Capabilities

- Electrical Troubleshooting/Repair
- Thermal Imaging
- Interior Lighting Maintenance
- Exterior Lighting Maintenance
- Electrical Service Upgrades
- Landscape Lighting
- Group Relamping
- Energy Management Programs Management
- Upgrades for Energy Consumption
- Building Automation
- Direct Digital Controls
- Remote Alarm Monitoring
- C.F.C. Refrigerant Changeovers
- Indoor Air Quality Programs
- Building Operation and Maintenance
- Mechanical Systems Maintenance
- Facilities Management

Electrical Power Capabilities

- NFPA 70E Compliance Programs
- Acceptance Testing & Commissioning
- Engineering Services
- Reliability and Acceptance Testing & Maintenance
- Arc Flash Protection Programs
- Power Quality Solutions
- Life Extension, Modernization & Overhaul Services and Solutions
- Customized Training Programs
- Maintenance and solutions of electrical distribution systems from 480 volts to high voltage
- Start-Up and Commissioning Acceptance Testing
- Electrical Maintenance Programs
- EV charger installation & services
- Mission Critical and 24/7 Facility Service



ABM is a NETA accredited company with more than \$50,000,000 in annual revenues in the Electrical Power Division. ABM Electrical Power Solutions was a founding member of the International Electrical Testing Association (NETA). NETA was established in 1972 to ensure the integrity of third-party electrical testing & certification. NETA is the standards developing organization for the American National Standards Institute (ANSI) and publishes Acceptance and Maintenance Testing Specifications. NETA certifies member companies and their technicians, and it is the highest accreditation possible in the industry.



ABM Franchising Group

ABM Franchising Group, an operating unit of ABM, is a portfolio of franchise networks that deliver comprehensive mechanical and electrical service and preventive maintenance solutions to clients across multiple markets — from commercial office buildings, educational institutions, and municipalities to hospitals, data centers, industrial facilities and residential buildings.

We bring solutions to clients in over 18 countries through our international franchise network of more than 240 mechanical and electrical contractors. We provide the same level of quality service and enhanced client experience through our franchise networks that you have come to expect from ABM.

At the local level, every ABM Company has the expertise, trained technicians, technical data, tools, equipment, and facilities to provide nothing less than total system service.



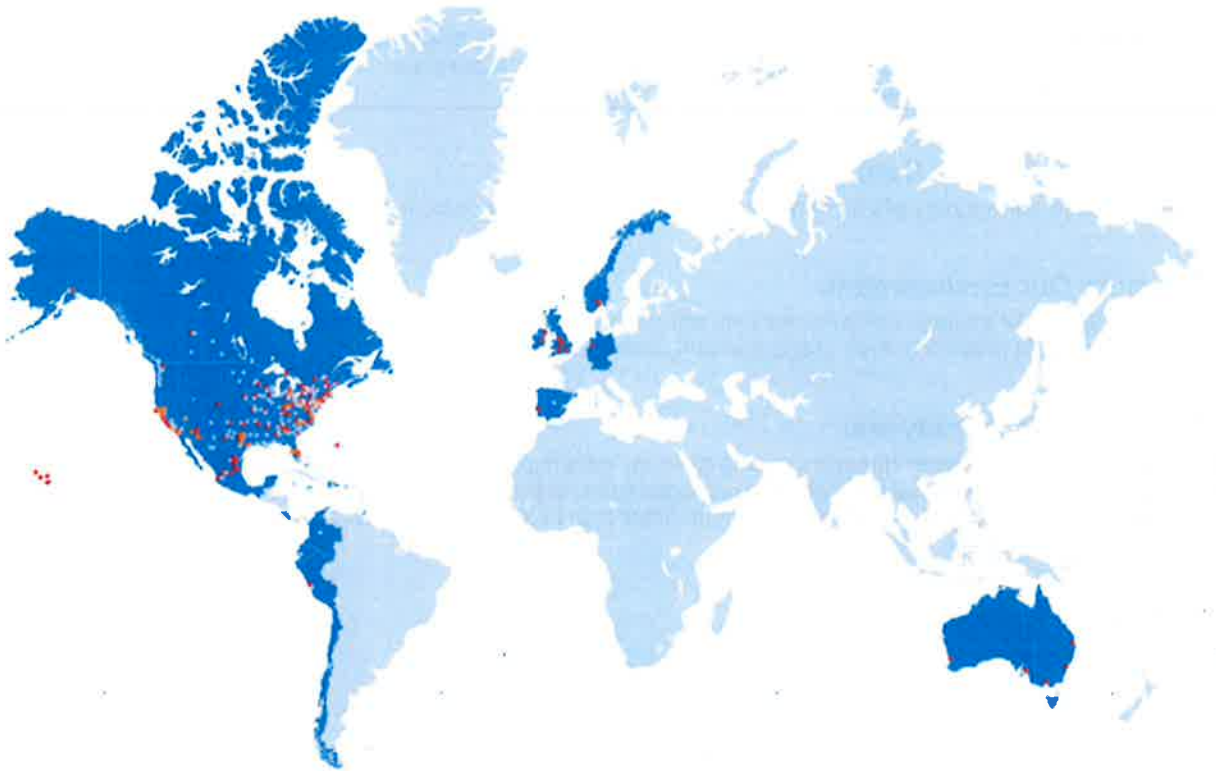
ABM Franchising Group, LLC owns the "Linc System®" and the "TEGG® System" for the development, operation and improvement of businesses. Linc Service is engaged in the repair and maintenance of HVAC systems, equipment and controls, for commercial, industrial, institutional and multifamily residential business. The Linc System® includes methods and techniques for managing, marketing and operating a Linc Service® Business, for recruiting and training employees, for accounting and data processing, for advertising and promotion, and for quality control, including proprietary computer software ValueBuilder®. TEGG® is the system for the development of additional business for electrical contractors primarily for commercial, industrial, institutional and certain multifamily residential buildings. The TEGG® System includes methods and techniques for managing and operating a TEGG® Service Business and for educating and promotion and quality control, including proprietary computer software TEGGPro®.

ABM enters into Franchise Agreements with qualified, independent businesses (franchisees), which grants to the contractors the right to use the Proprietary Marks and the Linc System® or the TEGG® System in a defined marketing territory in the United States and in many foreign countries in exchange for payment to ABM of an Initial Franchise Fee, ongoing Monthly Royalty Fees and other fees for services provided by ABM.

ABM Franchising Group has mechanical and electrical presence in

- Australia
- Bahamas
- Bermuda
- Canada
- Cayman Islands
- Chile
- Colombia
- Costa Rica
- Dominican Republic
- Ecuador
- Germany
- Mexico
- Netherland Antilles
- Norway
- Peru
- Portugal
- Puerto Rico
- Spain
- United Kingdom

● Company Owned Locations - 45
 ● Linc Service Contractor Locations - 168
 ● TEGG Service Contractor Locations - 96



Code of Ethics

Our Commitment to Our Customers:

- We will always listen and understand needs and concerns;
- We will always openly communicate;
- We will always build long-term partnerships based on a mutual trust and respect;
- We will always deliver what we've promised, when we've promised;
- We will always engage in fair, competitive pricing policies for all agreement coverages;
- We will always provide accurate invoicing;
- We will always remember that the customer is our lifeblood.

Our Commitment to Quality of Service:

- We will always practice excellence in all performed construction, service and maintenance work;
- We will always conform with the business ethics of the Linc System;
- We will always retain comprehensive service records and inform customers of work performed;
- We will always respond to service requests in the most expedient manner possible;
- We will always stand behind our work.

Our Commitment to Our Local Community:

- We will always pledge our ongoing efforts to make our community a better place to gather, live and work.

Our Commitment to Our Environment:

- We will always respect our environment and dedicate efforts to preserve our natural resources;
- We will always engage in prudent energy usage and conservation practices.

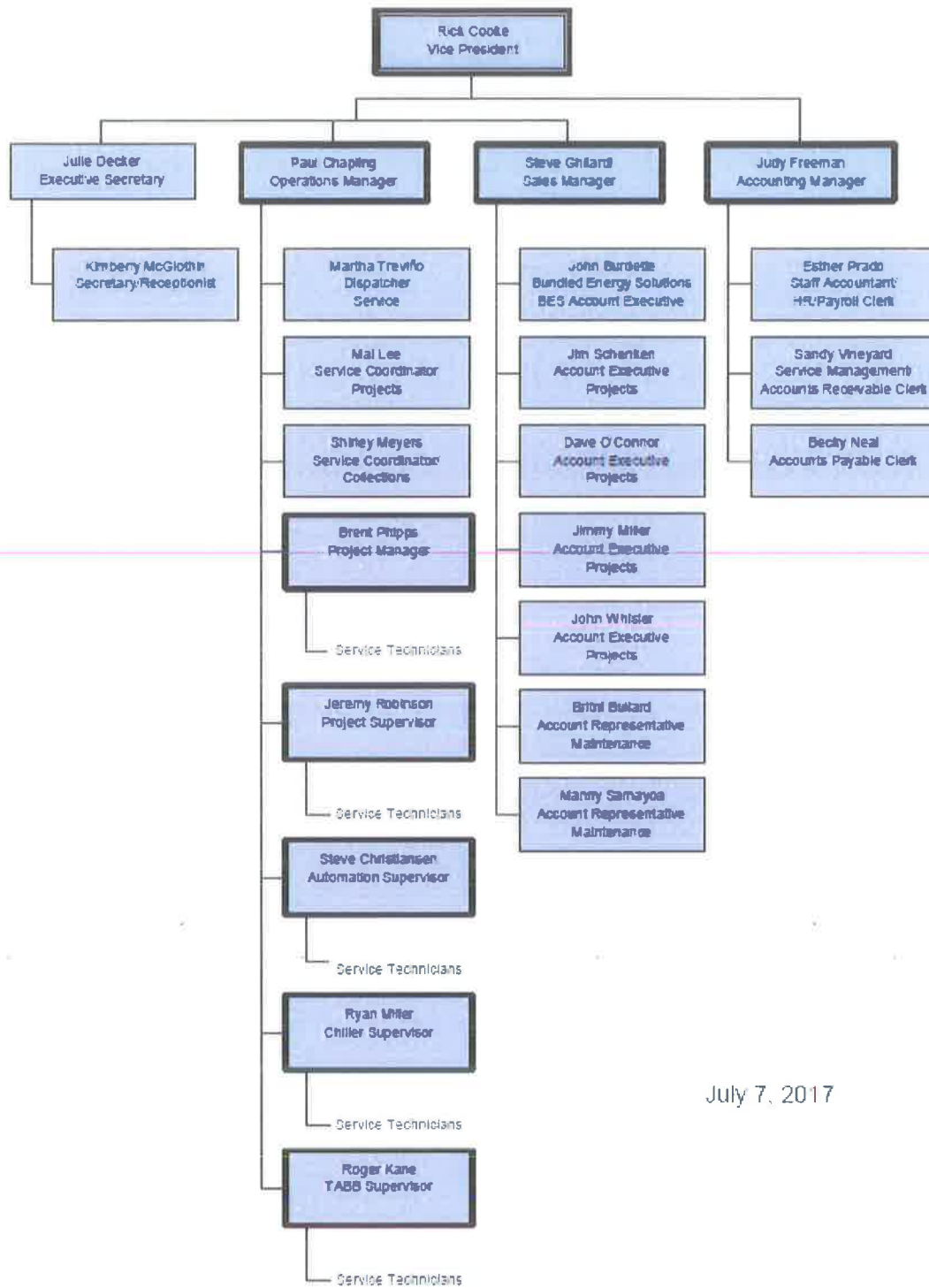
Our Commitment to Our Employees:

- We will always motivate employees through ongoing training, skills improvement and career opportunities;
- We will always engage in sound, fair and dynamic management practices;
- We will always employ high-promise professionals committed to the Linc Service Code of Ethics.

Organizational Structure

Below is an organizational chart of our company. The roles, responsibilities, and focus of each of these employees are specialized in specific areas of expertise. The goal of each is to assist with delivery of the most professional, timely, and cost effective service possible to you, our customer. If at any time you have questions and or comment regarding any facet of our delivery, please feel free to contact the appropriate person responsible as identified on this diagram.





July 7, 2017

Proposal Identified Objectives

After careful analysis of City of Oroville current operating costs, operating practices and business goals ABM Building Solutions, LLC has determined that the following objectives must be achieved:

Objectives

- Reduce downtime
- Increased occupant comfort
- Reduce operating costs

Program Administration

All supervision, monitoring, and performance feedback are conducted in-house by our company. You will receive a detailed report following each visit by our trained service representatives. This reduces your involvement and greatly improves communication.

This program includes computerized maintenance scheduling on your mechanical system. Maintenance intervals are determined by type of equipment, operating conditions, our maintenance experience, and the Linc Service computer data base. By delivering exactly the right maintenance at exactly the right time we minimize disruptive breakdowns and save your organization time and costly equipment repairs.

The Customer Assurance Review and Evaluation (C.A.R.E) program ensures the services being provided are at, or above, the level of service purchased. Your Linc Service Contractor strives to exceed your expectations by providing quality services and ongoing communication. Through C.A.R.E we provided a process for your evaluation and assessment of the services received, and a means to continually improve our service and deliver unmatched value to our customers.

Customer Assurance Review and Evaluation

- Provides peace of mind
- Improves communication
- Ensures customer satisfaction

What It Does For You

- Action plans
- Ongoing evaluation and assessments
- Agreement start-up procedures
- Adherence to a strict code of ethics

Our Service

The Customer Assurance Review and Evaluation (C.A.R.E.) program ensures the services being provided are at, or above, the level of services purchased. Your Linc Service Contractor strives to exceed your expectations by providing quality services and ongoing communication.

Professional Preventive Maintenance

This program includes Linc Service professional preventive maintenance. Without a thorough professional preventive maintenance program, your system's performance deteriorates while your energy consumption and your operating costs increase.

Our Service

Cleaning, adjustment, lubrication, and calibration of all equipment

- Automatic temperature control service
- Operational analysis of the system
- Efficiency testing

What It Does For You

- Extends equipment life
- Optimizes energy consumption
- Reduces owning and operating costs
- Improves system reliability
- Protects the value of your system

Refrigerant Management Program

This program includes an ongoing energy conserving approach to operating and maintaining building environmental systems.

Our Service

- Diagnostic Services
- Containment, conversion, and replacement programs
- Long-term strategies based on applicable regulations
- Certifications
- Complete documentation

What It Does For You

- Provides compliance with regulations
- Minimizes risk
- Reduces operating expenses
- Provides long-term planning
- Provides peace of mind

Component and Parts Replacement

This program includes the replacement of worn, failed, or doubtful components and parts. Replacements will be of like or current design to minimize system obsolescence.

Our Service

- Linc Service national purchasing power
- Standard parts inventory
- Components and parts — all brands of equipment

What It Does For You

- Minimizes administrative time
- Eliminates inventory costs
- Reduces system downtime
- Extends equipment life
- Reduces owning and operating costs

Computerized Maintenance Scheduling

This program includes computerized maintenance scheduling for your mechanical system. Maintenance intervals are determined by type of equipment, operating conditions, our maintenance experience, and the Linc Service computer database.

Our Service

- Maintenance tasks based on your equipment needs
- Scheduling by building location, type of equipment, operating conditions, and equipment run time

- Exactly the right maintenance at the right time

What It Does For You

- Reduces owning and operating costs
- Minimizes breakdown costs and downtime
- Prevents unnecessary duplication and unnecessary bills

Test and Inspect Labor

This program includes a professional inspection of all listed components and parts by a fully trained Linc Service representative. This inspection ensures equipment is operating according to manufacturers' recommendations and identifies any doubtful or broken parts.

Our Service

- Professional recommendations
- Identification of improper operations
- Test and inspection of all equipment

What It Does For You

- Provides peace of mind
- Reduces downtime
- Reduces operating problems
- Improves system reliability

Emergency Service

This program includes 24-hour emergency service. However, every activity performed under this program is designed to minimize emergency situations, downtime, and inconvenience.

Our Service

- 24-hour availability
- Priority response

What It Does For You

- Eliminates additional charges and overtime
- Provides peace of mind
- Reduces administrative time
- Reduces occupant complaints

Maintenance Supplies

This program includes all required maintenance supplies to effectively implement the Linc Service professional maintenance program.

Our Service

- Cleaning supplies and paint
- Chemicals
- Oils and lubricants

What It Does For You

- Prevents breakdowns, failures, and unexpected bills
- Eliminates inventory costs
- Minimizes administrative time

Repair and Replacement Labor

This program includes the skilled labor to repair worn, failed, or doubtful components and parts.

Our Service

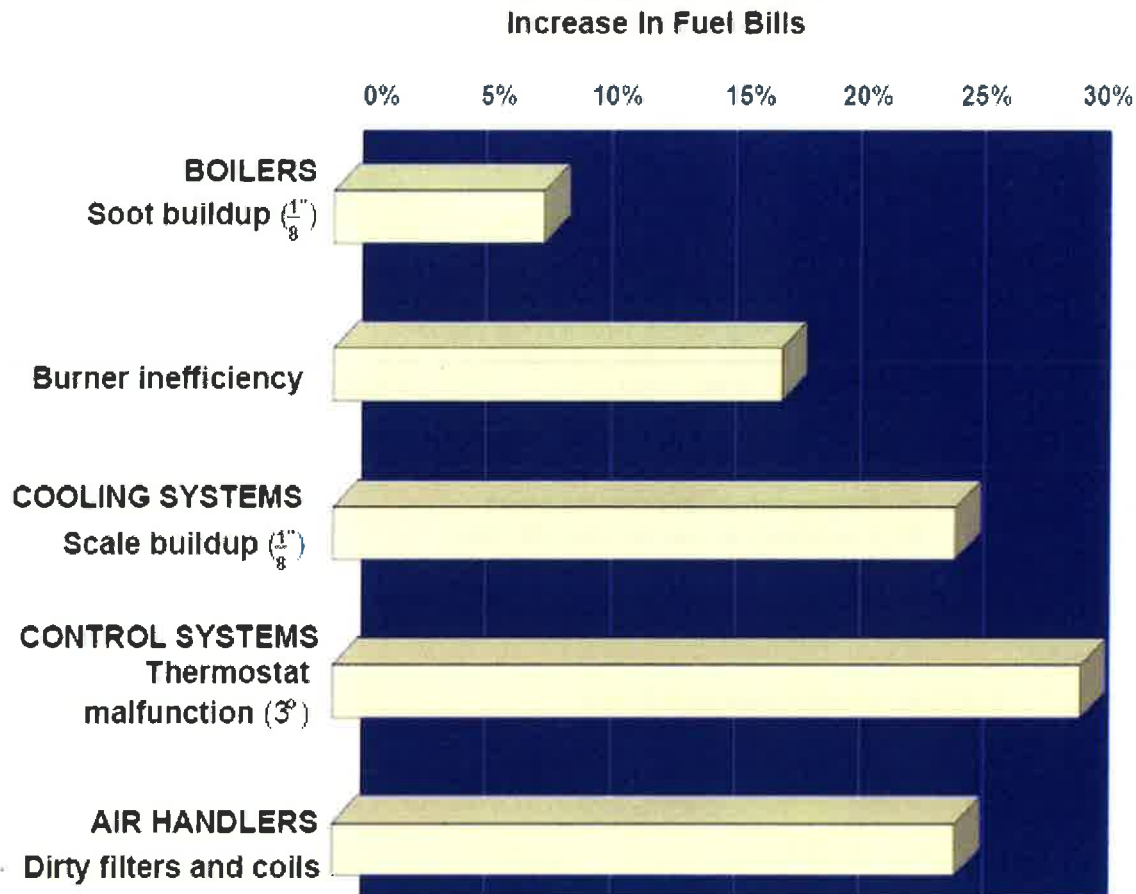
- Labor to repair or replace manufacturers' equipment
- Professionally trained technicians
- 24-hour availability
- National technical support

What It Does For You

- Controls maintenance budget
- Eliminates decisions of whether to repair or replace faulty components
- Provides peace of mind

Preventive Maintenance = Energy Savings

Inadequate preventive maintenance accelerates the aging process and permits energy-wasting conditions to occur.



Effective preventive maintenance can cut your system's energy consumption 10 to 30 percent a year!*

Source: ASHRAE SYSTEMS, Ch. 42. "Mechanical Maintenance".

Agreement Agreement Signature

Proposal Date	Proposal Number	Agreement
07/17/17	PG170607	

BY AND BETWEEN:

ABM Building Solutions, LLC
5725 Alder Ave
Sacramento, CA 95828 CSLB#976012
hereinafter CONTRACTOR

AND

City of Oroville
1735 Montgomery Street
Oroville, CA 95965
hereinafter CUSTOMER

SERVICES WILL BE PROVIDED AT THE FOLLOWING LOCATION(S):

- | | |
|---|--|
| 1. City Hall | 1735 Montgomery Street, Oroville, CA 95965 |
| 2. Municipal Auditorium | 1200 Myers Street, Oroville, CA 95965 |
| 3. Centennial Cultural Center | 1931 Arlin Rhine Memorial Drive, Oroville, CA 95965 |
| 4. Chinese Temple & Museum | 1500 Broderick Street, Oroville, CA 95965 |
| 5. Public Safety (Police & Fire) | 2055 Lincoln Street, Oroville, CA 95965 |
| 6. Municipal Airport | 225 Chuck Yeager Way, Oroville, CA 95965 |
| 7. State Theater | 1489 Myers Street, Oroville, CA 95965 |
| 8. Pioneer Museum | 1650 Broderick Street, Oroville, CA 95965 |
| 9. Corporation Yard | 1275 Mitchell Street, Oroville, CA 95965 |

Contractor will provide the services described in the maintenance program indicated below, which are attached hereto and made a part of this Agreement, in accordance with the terms and conditions set forth on the following maintenance program pages.

MAINTENANCE PROGRAM **Guaranteed Professional Maintenance Program**
and associated Terms and Conditions

AGREEMENT coverage will commence on 01/01/2018. The AGREEMENT price is \$106,301.76 for two years, payable in advance beginning on the effective date of 01/01/2018. With an ending date of 12/31/2019 with option of evergreen extension with annual escalation of 3% starting 01/01/2020

This proposal is the property of Contractor and is provided for Customer's use only. Contractor guarantees the price stated in this Agreement for thirty (30) days from proposal date above. This proposal will become a binding Agreement only after acceptance by Customer and approved by an officer of Contractor as evidenced by their signatures below. This Agreement sets forth all of the terms and conditions binding upon the parties hereto; and no person has authority to make any claim, representation, promise or condition on behalf of Contractor which is not expressed herein. This annual Agreement shall continue in effect from year to year unless either party gives written notice to the other of intention not to renew thirty (30) days prior to any anniversary date.

Sales Rep	Customer	Manager
-----------	----------	---------

Signature

Signatures

Signature

Name David OConnor

Name

Name Richard Cooke

Title Account Executive

Title

Title Vice President

Date

Date

Date



TO ORDER SERVICES UNDER THIS AGREEMENT WITH A PURCHASE ORDER, PLEASE PROVIDE THE FOLLOWING:

PO Number:

Date of Issue:

Customer Signature:

NOTE: When issuing a purchase order for this Agreement, the services, responsibilities, terms and conditions for both parties remain as detailed in this Agreement.

Guaranteed Professional Maintenance

Proposal Date	Proposal Number	Agreement
07/17/17	PG170607	

Our **GUARANTEED PROFESSIONAL MAINTENANCE (GPM)** provides the Customer with an ongoing, comprehensive maintenance program. The GPM program will be initiated, scheduled, administered, monitored, and updated by the Contractor. The service activities will be directed and scheduled, on a regular basis, by our comprehensive equipment maintenance scheduling system based on manufacturers' recommendations, equipment location, application, type, run time, and Contractor's own experience. The Customer is informed of the program's progress and results on a continuing basis via a detailed Service Report, presented after each service call for Customer's review, approval signature and record.

CONTRACTOR WILL PROVIDE THE FOLLOWING PROFESSIONAL MAINTENANCE SERVICES FOR THE BUILDING ENVIRONMENTAL MECHANICAL SYSTEM(S) COMPRISED OF THE EQUIPMENT LISTED ON SCHEDULE 1 (INVENTORY OF EQUIPMENT):

TEST AND INSPECT: Job labor, travel labor and travel and living expenses required to visually INSPECT and TEST equipment to determine its operating condition and efficiency. Typical activities include: -TESTING for excessive vibration; motor winding resistance; refrigerant charge; fan RPM; refrigerant oil (acid); water condition; flue gas analysis; safety controls, combustion and draft; crankcase heaters, control system(s), etc. -INSPECTING for worn, failed, or doubtful parts; mountings, drive couplings; oil level; rotation; soot; flame composition and shape; pilot and igniter; steam, water, oil and/or refrigerant leaks, etc.

PREVENTIVE MAINTENANCE: Job labor, travel labor and travel and living expenses required to clean, align, calibrate, tighten, adjust, lubricate and paint equipment. These activities are intended to extend equipment life and assure proper operating condition and efficiency. Typical activities include:

- CLEANING coil surfaces; fan impellers and blades; electrical contacts; burner orifices; passages and nozzles; pilot and igniter; cooling tower baffles, basin, sump and float; chiller, condenser and boiler tubes.
- ALIGNING belt drives; drive couplings; air fins.
- CALIBRATING safety controls; temperature and pressure controls.
- TIGHTENING electrical connections; mounting bolts; pipe clamps; refrigerant piping fittings; damper sections.
- ADJUSTING belt tension; refrigerant charge; super heat; fan RPM; water chemical feed and feed rate; burner fuel/air ratios; gas pressure; set point of controls and limits; compressor cylinder unloaders; damper close-off; sump floats.
- LUBRICATING motors; fan and damper bearings; valve stems; damper linkages; fan vane linkages.
- PAINTING, for corrosion control, as directed by our scheduling system and on an as-needed basis.

REPAIR AND REPLACE: Job labor, travel labor, parts procurement labor (locating, ordering, expediting and transporting) and travel and living expenses required to REPAIR or REMOVE AND REPLACE broken, worn and/or doubtful components and/or parts.

TROUBLE CALLS: Job labor and travel labor, including overtime, plus travel and living expenses required for unscheduled work resulting from an abnormal condition.

COMPONENTS, PARTS AND SUPPLIES: The cost of COMPONENTS, PARTS AND SUPPLIES required to keep the equipment operating properly and efficiently.



Schedule 1

Equipment Inventory

Generated 6/8/2017 City Hall for City of Oroville

Unit	Mfr	Model	Location
Package Units		Serial	Rating
4 Air Cooled Package Unit	Carrier	48HJD006-531	Rooftop
		3597G20461	5.00
1 Compressor			5.00 Tons
1 Supply Fan			0.25 Hp
1 Condenser Fan			0.25 Hp
1 Heat			N/A
5 Air Cooled Package Unit	Carrier	48HJE007-521	Rooftop
		1395G20992	6.00
1 Compressor			6.00 Tons
1 Supply Fan			0.50 Hp
1 Condenser Fan			0.75 Hp
1 Heat			N/A
1 Economizer			N/A
6 Air Cooled Package Unit	Trane	YCC036F1M0AA	Rooftop
		G26164279	3.00
1 Compressor			3.00 Tons
1 Supply Fan			0.33 Hp
1 Condenser Fan			0.33 Hp
1 Heat			N/A
7 Air Cooled Package Unit	Carrier	48HJE007-521	Rooftop
			6.00
1 Compressor			6.00 Tons
1 Supply Fan			0.50 Hp
1 Condenser Fan			0.75 Hp
1 Heat			N/A
1 Economizer			N/A
Unit	Mfr	Model	Location
Split Systems		Serial	Rating
4 Air Cooled Condensing Unit	Carrier	38HBR048-5	Wall Mounted
			4.00
1 Compressor			4.00 Tons
1 Condenser Fan			0.25 Hp

Schedule 1

Equipment Inventory

Generated 6/8/2017 for City of Oroville

Unit	Mfr	Model	Location
Split Systems		Serial	Rating
5 Air Cooled Condensing Unit	Carrier	38HBR048-5	Wall Mounted
1 Compressor			4.00
1 Condenser Fan			4.00 Tons
6 Air Cooled Condensing Unit	Carrier	38HBR048-5	Wall Mounted
1 Compressor			4.00
1 Condenser Fan			4.00 Tons
AC 1 Air Cooled Condensing Unit	Carrier	38HBR048-5	Wall Mounted
1 Compressor			4.00
1 Condenser Fan			4.00 Tons
AC 2 Air Cooled Condensing Unit	Carrier	38HBR048-5	Wall Mounted
1 Compressor			4.00
1 Condenser Fan			4.00 Tons
AC 3 Air Cooled Condensing Unit	Fujitsu	6 011598	Rooftop
1 Compressor			1.00
1 Condenser Fan			1.00 Tons
1 Split System Air Handling Unit	Carrier	58MCB060 1111A00466	Above Ceiling
1 Supply Fan			2000.00 CFM
1 Heat			0.25 Hp
2 Split System Air Handling Unit	Carrier	58MCB060 1111A00466	Above Ceiling
1 Supply Fan			2000.00 CFM
1 Heat			0.25 Hp
3 Split System Air Handling Unit	Carrier	58MCB060 1111A00466	Above Ceiling
1 Supply Fan			2000.00 CFM
1 Heat			0.25 Hp

Schedule 1

Equipment Inventory

Generated 6/8/2017 for City of Oroville

Unit	Mfr	Model Serial	Location Rating
Split Systems			
4 Split System Air Handling Unit	Carrier	58MCB060 1111A00466	Above Ceiling 2000.00 CFM 0.25 Hp N/A
1 Supply Fan			
1 Heat			
5 Split System Air Handling Unit	Carrier	58MCB060 1111A00466	Above Ceiling 2000.00 CFM 0.25 Hp N/A
1 Supply Fan			
1 Heat			

Schedule 1

Equipment Inventory

Generated 6/8/2017 **Municipal Auditorium for City of Oroville**

Unit	Mfr	Model	Location		
Package Units		Serial	Rating		
AC	1	Water Cooled Package Unit	Other	CW-H	Rooftop
		1 Compressor			10.00
		1 Supply Fan			10.00 Tons
		1 Economizer			2.00 Hp
					N/A
AC	2	Water Cooled Package Unit	Other	CW-H	Rooftop
		1 Compressor			10.00
		1 Supply Fan			10.00 Tons
		1 Economizer			2.00 Hp
					N/A
AC	3	Water Cooled Package Unit	Other	CW-H	Rooftop
		1 Compressor			10.00
		1 Supply Fan			10.00 Tons
		1 Economizer			2.00 Hp
					N/A
AC	4	Water Cooled Package Unit	Other	CW-H	Rooftop
		1 Compressor			10.00
		1 Supply Fan			10.00 Tons
		1 Economizer			2.00 Hp
					N/A
AC	5	Water Cooled Package Unit	Other	CW-H	Rooftop
		1 Compressor			10.00
		1 Supply Fan			10.00 Tons
		1 Economizer			2.00 Hp
					N/A
AC	6	Water Cooled Package Unit	Other	CW-H	Rooftop
		1 Compressor			10.00
		1 Supply Fan			10.00 Tons
		1 Economizer			2.00 Hp
					N/A
Unit	Mfr	Model	Location		
Split Systems		Serial	Rating		

Schedule 1

Equipment Inventory

Generated 6/8/2017 for City of Oroville

Unit	Mfr	Model	Location
Split Systems	Serial	Rating	
AC 7 Air Cooled Condensing Unit	Carrier	48GL030320BA Z282424	Ground Outside 4.00 4.00 Tons 0.10 Hp
1 Compressor			
1 Condenser Fan			
AC 8 Air Cooled Condensing Unit	Carrier	48GL042320BA Z282759	Ground Outside 2.50 2.50 Tons 0.10 Hp
1 Compressor			
1 Condenser Fan			
AC 9 Air Cooled Condensing Unit	Trane	2TTB2036A1000AA 31112AX3F	Rooftop 3.00 3.00 Tons 0.12 Hp
1 Compressor			
1 Condenser Fan			
AC 10 Air Cooled Condensing Unit	Trane	2TTB2036A1000AA 31252X13F	Rooftop 3.00 3.00 Tons 0.12 Hp
1 Compressor			
1 Condenser Fan			
AC 11 Air Cooled Condensing Unit	Trane	2TTB2048A1000AA 3124W1F3F	Rooftop 4.00 4.00 Tons 0.15 Hp
1 Compressor			
1 Condenser Fan			
AC 7 Split System Air Handling Unit	Carrier		Mech Room 1600.00 CFM 0.20 Hp N/A
1 Supply Fan			
1 Heat			
AC 8 Split System Air Handling Unit	Carrier		Mech Room 1200.00 CFM 0.20 Hp N/A
1 Supply Fan			
1 Heat			
AC 9 Split System Air Handling Unit	Trane		Mech Room 1200.00 CFM 0.20 Hp N/A
1 Supply Fan			
1 Heat			

Schedule 1

Equipment Inventory

Generated 6/8/2017 for City of Oroville

Unit		Mfr	Model Serial	Location Rating
Split Systems				
AC	10 Split System Air Handling Unit	Trane		Mech Room 1200.00 CFM 0.20 Hp N/A
	1 Supply Fan			
	1 Heat			
AC	11 Split System Air Handling Unit	Trane		Mech Room 1600.00 CFM 0.20 Hp N/A
	1 Supply Fan			
	1 Heat			
Air Side Systems				
F	1 Furnace	Other	DFG250AFRNN14A 0917091516-9037	Above Ceiling 250.00 MBTU 1.00 Hp
	1 Supply Fan (Heat Only)			



Schedule 1

Equipment Inventory

Generated 6/8/2017 CCCfor City of Oroville

Unit	Mfr	Model Serial	Location Rating
Package Units			
AC 1 Air Cooled Package Unit	American Standard	YCZ060F3M0AA	Rooftop 5.00
1 Compressor			2.50 Tons
2 Compressor			2.50 Tons
1 Supply Fan			1.00 Hp
1 Condenser Fan			0.25 Hp
1 Heat			N/A
1 Economizer			N/A
AC 2 Air Cooled Package Unit	American Standard	YCZ036F3M0AA L303M771H	Rooftop 3.00
1 Compressor			3.00 Tons
1 Supply Fan			0.50 Hp
1 Condenser Fan			0.12 Hp
1 Heat			N/A
1 Economizer			N/A
AC 3 Air Cooled Package Unit	American Standard	YCZ060F3M0AA L283J4E2H	Rooftop 5.00
1 Compressor			2.50 Tons
2 Compressor			2.50 Tons
1 Supply Fan			1.00 Hp
1 Condenser Fan			0.25 Hp
1 Heat			N/A
1 Economizer			N/A
AC 4 Air Cooled Package Unit	American Standard	YCZ036F3M0AA L304LK11H	Rooftop 3.00
1 Compressor			3.00 Tons
1 Supply Fan			0.50 Hp
1 Condenser Fan			0.12 Hp
1 Heat			N/A
1 Economizer			N/A
AC 5 Air Cooled Package Unit	American Standard	YCZ060F3M0AA	Rooftop 5.00

Schedule 1

Equipment Inventory

Generated 6/8/2017 for City of Oroville

Unit	Mfr	Model	Location
Package Units		Serial	Rating
1 Compressor			2.50 Tons
2 Compressor			2.50 Tons
1 Supply Fan			1.00 Hp
1 Condenser Fan			0.25 Hp
1 Heat			N/A
1 Economizer			N/A

Schedule 1

Equipment Inventory

Generated 6/8/2017 Chinese Temple for City of Oroville

Unit	Mfr	Model Serial	Location Rating
Package Units			
1 Air Cooled Package Unit	American Standard	24CC3036A1016 8192YGL9H	Rooftop 3.00
1 Compressor			3.00 Tons
1 Supply Fan			0.50 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A
2 Air Cooled Package Unit	American Standard	24CC3036A1016 808400D449	Rooftop 3.00
1 Compressor			3.00 Tons
1 Supply Fan			0.50 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A
3 Air Cooled Package Unit	American Standard	24CC3036A1016 8234P1W9H	Rooftop 3.00
1 Compressor			3.00 Tons
1 Supply Fan			0.50 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A
4 Air Cooled Package Unit	American Standard	24CC3036A1016 8024RHD9H	Rooftop 3.00
1 Compressor			3.00 Tons
1 Supply Fan			0.50 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A
5 Air Cooled Package Unit	Carrier	NA NA	Rooftop 4.00
1 Compressor			4.00 Tons
1 Supply Fan			0.50 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A
6 Air Cooled Package Unit	Day & Night	PGD448090K001D1 C150945587	Rooftop 4.00

Schedule 1

Equipment Inventory

Generated 6/8/2017 for City of Oroville

Unit	Mfr	Model	Location
Package Units		Serial	Rating
1 Compressor			4.00 Tons
1 Supply Fan			1.00 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A
1 Economizer			N/A
7 Air Cooled Package Unit	Day & Night	PGD448090K001D1	Rooftop 4.00
1 Compressor			4.00 Tons
1 Supply Fan			1.00 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A
8 Air Cooled Package Unit	Day & Night	PGD448090K001D1	Rooftop 4.00
1 Compressor			4.00 Tons
1 Supply Fan			1.00 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A

Schedule 1

Equipment Inventory

Generated 6/5/2017 Public Safety for City of Oroville

Unit	Mfr	Model	Location
Package Units		Serial	Rating
AC 1 Air Cooled Package Unit	Rheem	RRNA-B024JK06E 2G7284ADAAF5105	Rooftop 2.00 2.00 Tons 0.25 Hp 0.20 Hp N/A
1 Compressor			
1 Supply Fan			
1 Condenser Fan			
1 Heat			
AC 2 Air Cooled Package Unit	BDP	585CPW036075AA 4981G14557	Rooftop 3.00 3.00 Tons 0.25 Hp 0.20 Hp N/A
1 Compressor			
1 Supply Fan			
1 Condenser Fan			
1 Heat			
AC 3 Air Cooled Package Unit	Rheem	RRNA-B060CK10E 2G7103ADAAF5005	Rooftop 5.00 5.00 Tons 1.00 Hp 0.33 Hp N/A
1 Compressor			
1 Supply Fan			
1 Condenser Fan			
1 Heat			
AC 4 Air Cooled Package Unit	Trane	Unknown	Rooftop 5.00 5.00 Tons 1.00 Hp 0.50 Hp N/A
1 Compressor			
1 Supply Fan			
1 Condenser Fan			
1 Heat			
AC 5 Air Cooled Package Unit	Rheem	RRNA-B036CK08E 2G7286ADAAF0206	Rooftop 3.00 3.00 Tons 0.50 Hp 0.20 Hp N/A
1 Compressor			
1 Supply Fan			
1 Condenser Fan			
1 Heat			
AC 6 Air Cooled Package Unit	American Standard	YHC043A3ELA1H0 809102092L	Rooftop 3.50

Schedule 1

Equipment Inventory

Generated 6/5/2017 for City of Oroville

Unit	Mfr	Model	Location
Package Units		Serial	Rating
1 Compressor			3.50 Tons
1 Supply Fan			0.75 Hp
1 Condenser Fan			0.25 Hp
1 Heat			N/A
AC 7 Air Cooled Package Unit	Trane	YCY036F1MOAC M2932JE1H	Rooftop 3.00
1 Compressor			3.00 Tons
1 Supply Fan			0.33 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A
AC 8 Air Cooled Package Unit	Carrier	PGD336060K001C1 C132915716	Rooftop 3.00
1 Compressor			3.00 Tons
1 Supply Fan			0.75 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A
AC 9 Air Cooled Package Unit	Bryant	574DPWA60115NA 2414C37658	Rooftop 5.00
1 Compressor			5.00 Tons
1 Supply Fan			1.00 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A
AC 10 Air Cooled Package Unit	BDP	585CP033075 4981C14556	Rooftop 3.00
1 Compressor			3.00 Tons
1 Supply Fan			0.50 Hp
1 Condenser Fan			0.20 Hp
1 Heat			N/A
AC 11 Air Cooled Package Unit	Bryant	607CNXB24000AAT 4315C23809	Rooftop 2.00
1 Compressor			2.00 Tons
1 Supply Fan			0.25 Hp
1 Condenser Fan			0.10 Hp

Schedule 1

Equipment Inventory

Generated 6/5/2017 for City of Oroville

Unit	Mfr	Model Serial	Location Rating
Package Units			
	1 Heat		N/A
AC	12 Air Cooled Package Unit	Trane YHC063A3ELA1D0 804102989L	Rooftop 5.00 5.00 Tons 1.00 Hp 0.33 Hp N/A
	1 Compressor		5.00 Tons
	1 Supply Fan		1.00 Hp
	1 Condenser Fan		0.33 Hp
	1 Heat		N/A
AC	13 Air Cooled Package Unit	American Standard YCC036F1M0BC K09162168	Rooftop 3.00 3.00 Tons 0.33 Hp 0.20 Hp N/A
	1 Compressor		3.00 Tons
	1 Supply Fan		0.33 Hp
	1 Condenser Fan		0.20 Hp
	1 Heat		N/A
Unit	Mfr	Model Serial	Location Rating
Refrigeration Equipment			
F	1 Walk in Freezer/Cooler	HLH16544-D E08K45076309001	Rooftop N/A

Schedule 1

Equipment Inventory

Generated 6/8/2017 **Airport for City of Oroville**

Unit	Mfr	Model	Location
Package Units		Serial	Rating
AC	1 Air Cooled Package Unit	Day & Night	RGS091HDCA0AAA
			G122840160
	1 Compressor		7.50 Tons
	1 Supply Fan		0.50 Hp
	1 Condenser Fan		0.50 Hp
	2 Condenser Fan		0.50 Hp
	1 Heat		N/A
	1 Economizer		N/A

Schedule 1

Equipment Inventory

Generated 6/5/2017 State Theater for City of Oroville

Unit	Mfr	Model Serial	Location Rating	
Package Units				
AC	1 Air Cooled Package Unit	Bryant	585JPW042	Rooftop 4.00
	1 Compressor			4.00 Tons
	1 Supply Fan			0.50 Hp
	1 Condenser Fan			0.33 Hp
	1 Heat			N/A
AC	2 Air Cooled Package Unit	Bryant	585JPW042	Rooftop 4.00
	1 Compressor			4.00 Tons
	1 Supply Fan			0.50 Hp
	1 Condenser Fan			0.33 Hp
	1 Heat			N/A
AC	3 Air Cooled Package Unit	Other	585JPW030	Rooftop 3.00
	1 Compressor			3.00 Tons
	1 Supply Fan			0.50 Hp
	1 Condenser Fan			0.33 Hp
	1 Heat			N/A
AC	4 Air Cooled Package Unit	Bryant	585JPW030	Rooftop 3.00
	1 Compressor			3.00 Tons
	1 Supply Fan			0.50 Hp
	1 Condenser Fan			0.33 Hp
	1 Heat			N/A
AC	5 Air Cooled Package Unit	Bryant	585JPW042	Rooftop 4.00
	1 Compressor			4.00 Tons
	1 Supply Fan			0.50 Hp
	1 Condenser Fan			0.33 Hp
	1 Heat			N/A
AC	6 Air Cooled Package Unit	Other	585JPW042	Rooftop 4.00

Schedule 1

Equipment Inventory

Generated 6/5/2017 for City of Oroville

Unit	Mfr	Model	Location
Package Units		Serial	Rating
1 Compressor			4.00 Tons
1 Supply Fan			0.50 Hp
1 Condenser Fan			0.33 Hp
1 Heat			N/A
AC 7 Air Cooled Package Unit	Other	PUHY-P144TGMU-	Rooftop 20.00
1 Compressor			20.00 Tons
1 Supply Fan			0.75 Hp
1 Condenser Fan			1.00 Hp
1 Heat			N/A
AC 8 Air Cooled Package Unit	Trane	YHC420AEHU2A6C C07L12153	Rooftop 30.00
1 Compressor			15.00 Tons
2 Compressor			15.00 Tons
1 Supply Fan			10.00 Hp
1 Condenser Fan			1.00 Hp
2 Condenser Fan			1.00 Hp
3 Condenser Fan			1.00 Hp
1 Heat			N/A
1 Economizer			N/A
AC 9 Air Cooled Package Unit	Trane	YHC420AEHU2A6C C07L12153	Rooftop 30.00
1 Compressor			15.00 Tons
2 Compressor			15.00 Tons
1 Supply Fan			10.00 Hp
1 Condenser Fan			1.00 Hp
2 Condenser Fan			1.00 Hp
3 Condenser Fan			1.00 Hp
1 Heat			N/A
1 Economizer			N/A
AC 11 Air Cooled Package Unit	Trane	4TWA3048A3000AA 7433MES1F	Above Ceiling 3.00
1 Compressor			3.00 Tons

Schedule 1

Equipment Inventory

Generated 6/5/2017 for City of Oroville

Unit	Mfr	Model Serial	Location Rating
Package Units			
1 Supply Fan			0.25 Hp
1 Condenser Fan			0.25 Hp
AC 12 Air Cooled Package Unit	Trane	4TWA3048A3000AA 7433MC81F	Above Ceiling 3.00
1 Compressor			3.00 Tons
1 Supply Fan			0.25 Hp
1 Condenser Fan			0.25 Hp
AC 13 Air Cooled Package Unit	Other	PDFY-P30NMU-E	Above Ceiling 5.00
1 Compressor			5.00 Tons
1 Supply Fan			0.25 Hp
1 Condenser Fan			0.25 Hp
1 Heat			N/A
AC 14 Air Cooled Package Unit	Other	PDFY-P30NMU-E	Above Ceiling 5.00
1 Compressor			5.00 Tons
1 Supply Fan			0.25 Hp
1 Condenser Fan			0.25 Hp
1 Heat			N/A
AC 15 Air Cooled Package Unit	Other	PDFY-P30NMU-E	Above Ceiling 5.00
1 Compressor			5.00 Tons
1 Supply Fan			0.25 Hp
1 Condenser Fan			0.25 Hp
1 Heat			N/A
AC 16 Air Cooled Package Unit	Other	PDFY-P30NMU-E	Above Ceiling 5.00
1 Compressor			5.00 Tons
1 Supply Fan			0.25 Hp
1 Condenser Fan			0.25 Hp
1 Heat			N/A
AC 17 Air Cooled Package Unit	Other	PDFY-P30NMU-E	Above Ceiling 5.00

Schedule 1

Equipment Inventory

Generated 6/5/2017 for City of Oroville

Unit	Mfr	Model	Location
Package Units		Serial	Rating
1 Compressor			5.00 Tons
1 Supply Fan			0.25 Hp
1 Condenser Fan			0.25 Hp
1 Heat			N/A
Unit	Mfr	Model	Location
Split Systems		Serial	Rating
AC 10 Air Cooled Condensing Unit	Trane	4TWA3048A3000A 7433MC81F	Rooftop 4.00
1 Compressor			4.00 Tons
1 Condenser Fan			0.25 Hp
AC 10 Split System Air Handling Unit	Trane		Wall Mounted 1600.00 CFM
1 Supply Fan			0.25 Hp
1 Heat			N/A



Schedule 1

Equipment Inventory

Generated 6/5/2017 Pioneer Museum for City of Oroville

Unit	Mfr	Model	Location
Package Units		Serial	Rating
AC	1 Air Cooled Package Unit	Carrier	48GS-048090301
			1599G10028
	1 Compressor		Rooftop
	1 Supply Fan		4.00
	1 Condenser Fan		4.00 Tons
	1 Heat		0.25 Hp
			0.25 Hp
			N/A

Schedule 1

Equipment Inventory

Generated 6/8/2017 Corp Yard for City of Oroville

Unit	Mfr	Model Serial	Location Rating
Package Units			
SC	1 Evaporative Cooling Unit (Swamp Cooler)	N/A	Wall Mounted 1200.00 CFM
	1 Supply Fan		1.00 Hp
	1 Circulation Pump		1.00 Hp
Unit	Mfr	Model Serial	Location Rating
Unitary Equipment			
	1 Unit Heater	Reznor	Lift Needed N/A
	2 Unit Heater	Reznor	Lift Needed N/A



Schedule 2

Air Filter Service

Generated 6/8/2017 City Hall for City of Oroville

CONTRACTOR WILL FURNISH AND INSTALL AIR FILTER MATERIAL(S) AS LISTED BELOW:

Unit Package Units	Qty	Changes Per Year	Filter Type Description
4	Air Cooled Package Unit		
	2	4	2x16x25 High Cap. Pleated Filter, MERV 8
5	Air Cooled Package Unit		
	2	4	1x14x25 High Cap Pleated, MERV 8
6	Air Cooled Package Unit		
	1	4	2x20x25 High Cap Pleated, MERV 8
7	Air Cooled Package Unit		
	2	4	1x14x25 High Cap Pleated, MERV 8

Unit Split Systems	Qty	Changes Per Year	Filter Type Description
1	Split System Air Handling Unit		
	1	4	2x16x25 High Cap. Pleated Filter, MERV 8
2	Split System Air Handling Unit		
	1	4	2x16x25 High Cap. Pleated Filter, MERV 8
3	Split System Air Handling Unit		
	1	4	2x16x25 High Cap. Pleated Filter, MERV 8
4	Split System Air Handling Unit		
	1	4	2x16x25 High Cap. Pleated Filter, MERV 8
5	Split System Air Handling Unit		
	1	4	2x16x25 High Cap. Pleated Filter, MERV 8

THE SERVICES DESCRIBED ABOVE BY THE TERMS AND CONDITIONS OF THE PROGRAM OF WHICH THIS SCHEDULE IS PART.

If this program is terminated, Contractor reserves the right to remove Contractor's frames.

*Should experiences show that more or less frequent media changes are required, the Agreement price will be adjusted based on Contractor's rate then in effect.

Schedule 2

Air Filter Service

Generated 6/8/2017 **Municipal Auditorium for City of Oroville**

CONTRACTOR WILL FURNISH AND INSTALL AIR FILTER MATERIAL(S) AS LISTED BELOW:

Unit		Qty	Changes Per Year	Filter Type Description
Split Systems				
AC	7			Split System Air Handling Unit
		1	4	1x16x25 High Cap Pleated, MERV 8
AC	8			Split System Air Handling Unit
		1	4	1x16x25 High Cap Pleated, MERV 8
AC	9			Split System Air Handling Unit
		1	4	1x18x18 High Cap Pleated, MERV 8
AC	10			Split System Air Handling Unit
		1	4	1x18x18 High Cap Pleated, MERV 8
AC	11			Split System Air Handling Unit
		1	4	1x18x18 High Cap Pleated, MERV 8

THE SERVICES DESCRIBED ABOVE BY THE TERMS AND CONDITIONS OF THE PROGRAM OF WHICH THIS SCHEDULE IS PART.

If this program is terminated, Contractor reserves the right to remove Contractor's frames.

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Schedule 2

Air Filter Service

Generated 6/8/2017 CCC for City of Oroville

CONTRACTOR WILL FURNISH AND INSTALL AIR FILTER MATERIAL(S) AS LISTED BELOW:

Unit	Qty	Changes Per Year	Filter Type Description
AC Package Units			
AC	1		Air Cooled Package Unit
	2	4	2x16x25 High Cap. Pleated Filter, MERV 8
AC	2		Air Cooled Package Unit
	1	4	1x20x25 High Cap Pleated, MERV 8
AC	3		Air Cooled Package Unit
	2	4	2x16x25 High Cap. Pleated Filter, MERV 8
AC	4		Air Cooled Package Unit
	1	4	1x20x25 High Cap Pleated, MERV 8
AC	5		Air Cooled Package Unit
	2	4	2x16x25 High Cap. Pleated Filter, MERV 8

THE SERVICES DESCRIBED ABOVE BY THE TERMS AND CONDITIONS OF THE PROGRAM OF WHICH THIS SCHEDULE IS PART.

If this program is terminated, Contractor reserves the right to remove Contractor's frames.

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Schedule 2

Air Filter Service

Generated 6/5/2017 Public Safety for City of Oroville

CONTRACTOR WILL FURNISH AND INSTALL AIR FILTER MATERIAL(S) AS LISTED BELOW:

Unit Package Units	Qty	Changes Per Year	Filter Type Description
AC 1	1	4	Air Cooled Package Unit 1x20x25 High Cap Pleated, MERV 8
AC 2	1	4	Air Cooled Package Unit 1x20x25 High Cap Pleated, MERV 8
AC 3	2	4	Air Cooled Package Unit 1x16x20 High Cap Pleatcd, MERV 8
AC 4	2	4	Air Cooled Package Unit 1x20x30 High Cap Pleated, MERV 8
AC 5	2	4	Air Cooled Package Unit 1x20x25 High Cap Pleated, MERV 8
AC 6	2	4	Air Cooled Package Unit 1x20x25 High Cap Pleated, MERV 8
AC 7	2	4	Air Cooled Package Unit 1x20x25 High Cap Pleated, MERV 8
AC 8	2	4	Air Cooled Package Unit 1x20x25 High Cap Pleated, MERV 8
AC 9	2	4	Air Cooled Package Unit 1x20x25 High Cap Pleated, MERV 8
AC 10	2	4	Air Cooled Package Unit 1x16x20 High Cap Pleated, MERV 8
AC 11			Air Cooled Package Unit

THE SERVICES DESCRIBED ABOVE BY THE TERMS AND CONDITIONS OF THE PROGRAM OF WHICH THIS SCHEDULE IS PART.

If this program is terminated, Contractor reserves the right to remove Contractor's frames.

*Should experiences show that more of less frequent media changes are required, the Agreement price will be adjusted based on Contractor's rate then in effect.

Schedule 2

Air Filter Service

Generated 6/5/2017 for City of Oroville

CONTRACTOR WILL FURNISH AND INSTALL AIR FILTER MATERIAL(S) AS LISTED BELOW:

Unit	Qty	Changes Per Year	Filter Type Description
Package Units			
AC	11		Air Cooled Package Unit
	1	4	1x20x25 High Cap Pleated, MERV 8
AC	12		Air Cooled Package Unit
	2	4	1x20x25 High Cap Pleated, MERV 8
AC	13		Air Cooled Package Unit
	2	4	1x20x25 High Cap Pleated, MERV 8

THE SERVICES DESCRIBED ABOVE BY THE TERMS AND CONDITIONS OF THE PROGRAM OF WHICH THIS SCHEDULE IS PART.

If this program is terminated, Contractor reserves the right to remove Contractor's frames.

*Should experiences show that more of less frequent media changes are required, the Agreement price will be adjusted based on Contractor's rate then in effect.



Schedule 2

Air Filter Service

Generated 6/8/2017 **Airport for City of Oroville**

CONTRACTOR WILL FURNISH AND INSTALL AIR FILTER MATERIAL(S) AS LISTED BELOW:

Unit		Qty	Changes Per Year	Filter Type Description
Package Units				
AC	1	Air Cooled Package Unit		
		4	4	2x16x20 High Cap Pleated, MERV 8

THE SERVICES DESCRIBED ABOVE BY THE TERMS AND CONDITIONS OF THE PROGRAM OF WHICH THIS SCHEDULE IS PART.

If this program is terminated, Contractor reserves the right to remove Contractor's frames.

*Should experiences show that more of less frequent media changes are required, the Agreement price will be adjusted based on Contractor's rate then in effect.

Schedule 2

Air Filter Service

Generated 6/5/2017 State Theater for City of Oroville

CONTRACTOR WILL FURNISH AND INSTALL AIR FILTER MATERIAL(S) AS LISTED BELOW:

Unit	Qty	Changes Per Year	Filter Type Description	
AC Package Units				
AC 1	Air Cooled Package Unit	1	4	1x20x24 High Cap Pleated, MERV 8
AC 2	Air Cooled Package Unit	1	4	1x20x24 High Cap Pleated, MERV 8
AC 3	Air Cooled Package Unit	1	4	1x20x24 High Cap Pleated, MERV 8
AC 4	Air Cooled Package Unit	1	4	1x20x24 High Cap Pleated, MERV 8
AC 5	Air Cooled Package Unit	1	4	1x20x24 High Cap Pleated, MERV 8
AC 6	Air Cooled Package Unit	1	4	1x20x24 High Cap Pleated, MERV 8
AC 8	Air Cooled Package Unit	16	4	2x16x20 High Cap Pleated, MERV 8
AC 9	Air Cooled Package Unit	16	4	2x16x20 High Cap Pleated, MERV 8
AC 11	Air Cooled Package Unit	2	4	2x16x20 High Cap Pleated, MERV 8
AC 12	Air Cooled Package Unit	2	4	2x16x20 High Cap Pleated, MERV 8
AC 13	Air Cooled Package Unit			

THE SERVICES DESCRIBED ABOVE BY THE TERMS AND CONDITIONS OF THE PROGRAM OF WHICH THIS SCHEDULE IS PART.

If this program is terminated, Contractor reserves the right to remove Contractor's frames.

*Should experiences show that more of less frequent media changes are required, the Agreement price will be adjusted based on Contractor's rate then in effect.

Schedule 2

Air Filter Service

Generated 6/5/2017 for City of Oroville

CONTRACTOR WILL FURNISH AND INSTALL AIR FILTER MATERIAL(S) AS LISTED BELOW:

Unit	Qty	Changes Per Year	Filter Type Description
Package Units			
AC 13			Air Cooled Package Unit
	2	4	2x16x20 High Cap Pleated, MERV 8
AC 14			Air Cooled Package Unit
	2	4	2x16x20 High Cap Pleated, MERV 8
AC 15			Air Cooled Package Unit
	2	4	2x16x20 High Cap Pleated, MERV 8
AC 16			Air Cooled Package Unit
	2	4	2x16x20 High Cap Pleated, MERV 8
AC 17			Air Cooled Package Unit
	2	4	2x16x20 High Cap Pleated, MERV 8

THE SERVICES DESCRIBED ABOVE BY THE TERMS AND CONDITIONS OF THE PROGRAM OF WHICH THIS SCHEDULE IS PART.

If this program is terminated, Contractor reserves the right to remove Contractor's frames.

*Should experiences show that more of less frequent media changes are required, the Agreement price will be adjusted based on Contractor's rate then in effect.



Schedule 2

Air Filter Service

Generated 6/5/2017 **Pioneer Museum for City of Oroville**

CONTRACTOR WILL FURNISH AND INSTALL AIR FILTER MATERIAL(S) AS LISTED BELOW:

Unit		Qty	Changes Per Year	Filter Type Description
Package Units				
AC	1	Air Cooled Package Unit		
		1	4	1x24x30 High Cap Pleated, MERV 8

THE SERVICES DESCRIBED ABOVE BY THE TERMS AND CONDITIONS OF THE PROGRAM OF WHICH THIS SCHEDULE IS PART.

If this program is terminated, Contractor reserves the right to remove Contractor's frames.

*Should experiences show that more of less frequent media changes are required, the Agreement price will be adjusted based on Contractor's rate then in effect.

Schedule 2

Air Filter Service

Generated 6/8/2017 Corp Yard for City of Oroville

CONTRACTOR WILL FURNISH AND INSTALL AIR FILTER MATERIAL(S) AS LISTED BELOW:

Unit	Qty	Changes	Filter Type	Description
Package Units		Per Year		
SC	1			Evaporative Cooling Unit (Swamp Cooler)
		1	1	1x36 Media Roll, 90 Feet

THE SERVICES DESCRIBED ABOVE BY THE TERMS AND CONDITIONS OF THE PROGRAM OF WHICH THIS SCHEDULE IS PART.

If this program is terminated, Contractor reserves the right to remove Contractor's frames.

*Should experiences show that more of less frequent media changes are required, the Agreement price will be adjusted based on Contractor's rate then in effect.

Guaranteed Professional Maintenance Terms and Conditions

1. Customer shall permit Contractor free and timely access to areas and equipment, and allow Contractor to start and stop the equipment as necessary to perform required services. All planned work under this Agreement will be performed during the Contractor's normal working hours.
2. In case of any failure to perform its obligations under this Agreement, Contractor's liability is limited to repair or replacement at its option and such repair or replacement shall be Customer's sole remedy. This warranty is conditioned upon proper operation and maintenance by Customer and shall not apply if the failure is caused or contributed to by accident, alteration, abuse or misuse, and shall not extend beyond the term of this Agreement.
3. The annual Agreement price is conditioned upon the system(s) covered being in a maintainable condition. If the initial inspection or initial seasonal start up indicates repairs are required, a firm quotation will be submitted for Customer's approval. Should Customer not authorize the repairs, Contractor may either remove the unacceptable system(s) component(s) or part(s) from its scope of responsibility and adjust the annual Agreement price accordingly or cancel this Agreement.
4. The annual Agreement price is subject to adjustment on each commencement anniversary to reflect increases in labor, material and other costs.
5. Customer shall be responsible for all taxes applicable to the services and/or materials hereunder.
6. Customer will promptly pay invoices within thirty (30) days of receipt. Should a payment become thirty (30) days or more delinquent, Contractor may stop all work under this Agreement without notice and/or cancel this Agreement, and the entire Agreement price shall become due and payable immediately upon demand. All past due amounts shall accrue interest at the maximum rate permitted by applicable law.
7. This Agreement applies only to the maintenance portions of the system(s). Repair or replacement of non maintainable parts such as duct work, boiler shell and tubes, cabinets, boiler refractory material, heat exchangers, main power service and electrical wiring, piping, tube bundles, valve bodies, coils, structural supports, oil storage tanks, chimneys and similar items, as well as the cleaning of the interior of duct work and DDC controls and the replacement of refrigerant, refrigerant systems or refrigerant types due to system leaks or changes in laws/regulations, are excluded.
8. If there is any alteration to, or deviation from, this Agreement involving extra work, the cost of materials and/or labor will become an extra charge (fixed price amount to be negotiated or on a time and material basis at Contractor's rates then in effect) over the sum stated in this Agreement.
9. Contractor will not be required to move, replace or alter any part of the building structure in the performance of this Agreement.
10. This Agreement does not include responsibility for the design of the system, safety test, and valve bodies other than those associated with equipment listed on Schedule 1, repair or replacement necessitated by freezing weather, lightning, electrical power surges or failure, low voltage, burned out main or branch fuses, low water pressure, vandalism, misuse or abuse of the system(s), negligence of others (including Customer), failure of Customer to properly operate the system(s), requirements of governmental regulatory or insurance agencies, or other causes beyond the control of Contractor.
11. If a trouble call is made at Customer's request and inspection indicates a condition which is not covered under this Agreement, Contractor may charge Customer at the rate then in effect for such services.
12. Customer shall permit only Contractor's personnel or agent to perform the work included in the scope of this Agreement. Should anyone other than Contractor's personnel perform such work, Contractor may, at its option, cancel this Agreement or eliminate the involved items of equipment from inclusion in this Agreement.
13. In the event Contractor must commence legal action in order to recover any amount payable under this Agreement, Customer shall pay Contractor all court costs and attorneys' fees incurred by Contractor.
14. Any legal action against the Contractor relating to this Agreement, or the breach thereof, shall be commenced within one (1) year from the date of the work.
15. Contractor shall not be liable for any delay, loss, damage or detention caused by unavailability of machinery, equipment or materials, delay of carriers, strikes, including those by Contractor's employees, lockouts, civil or military authority, priority regulations, insurrection or riot, action of the elements, forces of nature, or by any cause beyond its control.
16. Customer shall make available to Contractor's personnel all pertinent Material Safety Data Sheets (MSDS) and/or Safety Data Sheets (SDS) pursuant to OSHA'S Hazard Communication Standard Regulations.
17. Contractor expressly disclaims any and all responsibility and liability for the indoor air quality of the Customer's facility, including without limitation injury or illness to occupants of the facility or third parties, arising out of or in connection with the Contractor's work under this Agreement.
18. Contractor's obligations under this Agreement and any subsequent agreements do not include the identification, abatement or removal of asbestos or any other toxic or hazardous substances, hazardous wastes or hazardous materials. In the event such substances, wastes and materials are encountered, Contractor's sole obligation will be to notify the Customer of their existence. Contractor shall have the right thereafter to suspend its work until such

substances, wastes or materials and the resultant hazards are removed. The time for completion of the work under the Agreement shall be extended to the extent caused by the suspension and the Agreement price equitably adjusted.

19. To the fullest extent permitted by law, Customer shall indemnify and hold harmless Contractor, its affiliates, agent and employees from and against all claims, damages, losses and expenses (including but not limited to attorneys' fees) arising out of or resulting from the performance of work hereunder, provided that such claim, damage, loss or expense is caused in whole or in part by an active or passive act or omission of Customer, anyone directly or indirectly employed by Customer, or anyone for whose acts Customer may be liable, regardless of whether it is caused in part by the negligence of Contractor.
20. UNDER NO CIRCUMSTANCES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), EQUITY OR OTHERWISE, WILL CONTRACTOR BE RESPONSIBLE FOR LOSS OF USE, LOSS OF PROFIT, INCREASED OPERATING OR MAINTENANCE EXPENSES, CLAIMS OF CUSTOMER'S TENANTS OR CLIENTS, OR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES.

**CITY OF OROVILLE
RESOLUTION NO. 8248**

A RESOLUTION OF THE CITY OF OROVILLE, AUTHORIZING AND DIRECTING THE MAYOR AS TO THE EXECUTION AND DELIVERY OF AN EQUIPMENT LEASE-PURCHASE AGREEMENT, AN ESCROW AGREEMENT AND EQUIPMENT SCHEDULE WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING, AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

(AGREEMENT No. 3233)

WHEREAS, the City of Oroville (the "*Lessee*"), a political subdivision of the State of California, is authorized by the laws of the State of California to purchase, acquire, and lease personal property for the benefit of the Lessee and those it provides services to and to enter into contracts with respect thereto;

WHEREAS, the Lessee desires to purchase, acquire and lease certain equipment constituting personal property necessary for the Lessee to perform essential governmental functions; including without limitation various energy conservation measures to be installed pursuant to an Installation Agreement dated September 5, 2017, between Lessee and ABM Building Solutions, LLC. (the "*Installation Agreement*") and all other equipment Lessee or its Designated Officers may deem necessary and/or desirable in an amount not more than \$3,500,000.00 (the "*Equipment*");

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into one or more Equipment Lease-Purchase Agreements (together with the Equipment Schedules and all related exhibits, schedules, and certificates attached thereto, the "*Lease Agreements*") with Holman Capital Corporation (the "*Lessor*") and one Escrow Agreement (together with the Disbursement/Payment Request Form and Acceptance Certificate attached thereto, the "*Escrow Agreement*", and together with the Lease Agreements, the "*Transaction Documents*") with the Lessor and the escrow agent, the forms of which have been presented to the governing body of the Lessee at this meeting;

WHEREAS, the governing body of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Lease Agreements, Escrow Agreement, and such other transaction documents for the purchase, acquisition, and leasing of the Equipment to be therein described on the terms and conditions therein provided;

NOW, THEREFORE, BE IT RESOLVED by the governing body of the City of Oroville as follows:

Section 1. Approval of Documents. The governing body of the Lessee hereby approves the form, terms and provisions of the Installation Agreement in substantially the form presented to this meeting and authorizes and directs the Mayor, City Manager, and/or Finance Manager of the Lessee, and such other persons as he/she/they may delegate (the "Designated Officers"), and each of them individually, for and in the name of and on behalf of the Lessee, to solicit proposals and accept a bank's offer and select an escrow agent, subject to compliance with the limitations provided in this section; to determine the form of, subject to compliance with the limitations provided in this section, execute and deliver the Lease Agreements; to execute and deliver the Installation Agreement, Escrow Agreement, and any related Certificate, Exhibits, or other documents attached thereto in such forms with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer executing them (together with the Installation Agreement and Lease Agreements, the "Transaction Documents"). The execution of the foregoing by a Designated Officer shall constitute conclusive evidence of such officer's and the governing body's approval of any such changes, insertions, revisions, corrections, or amendments to the respective forms of agreements presented to this meeting.

Section 2. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Transaction Documents to carry out, give effect to, and consummate the transactions contemplated thereby (including the execution and delivery of Certificates of Acceptance and Disbursement/Payment Requests, Notice and Acknowledgements of Assignments, and any tax certificate and agreement, each with respect to and as contemplated in the Agreement and/or Escrow Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Transaction Documents. The Designated Officers and all other officers and employees of the Lessee are hereby directed and authorized to take and shall take all action necessary or reasonably required in order to select, purchase, and take delivery of the Equipment. All actions heretofore taken by officers, employees, and agents of the Lessee that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

Section 3. No General Liability. Nothing contained in this Resolution No. 8648, the Transaction Documents, nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution No. 8648, the Transaction Documents, or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the rental payments payable under the Transaction Documents are special limited obligations of the Lessee as provided therein.

Section 4. Appointment of Authorized Lessee Representatives. The Designated Officers are each hereby designated to act as authorized representatives of the Lessee for purposes of the Transaction Documents until such time as the governing body of the

Lessee shall designate any other or different authorized representative for purposes of the Transaction Documents.

Section 5. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution No. 8648.

Section 6. Repealer. All bylaws, orders, and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

Section 7. Effective Date. This Resolution 8648 shall be effective immediately upon its approval and adoption.

The foregoing Resolution was duly passed and adopted at a meeting of the governing body of the City of Oroville held on September 5, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Donald Rust, Acting City Clerk

INDEX TO LEGAL DOCUMENTS
BANK-QUALIFIED, APPROPRIATION-BASED, ESCROW FUNDED
TAX-EXEMPT EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED SEPTEMBER 12, 2017 BY AND BETWEEN
HOLMAN CAPITAL CORPORATION
AND
CITY OF OROVILLE

Lease Documents:

- | | |
|---------|--|
| Tab 1: | Equipment Lease-Purchase Agreement; |
| Tab 2: | Exhibit A – Equipment Schedule; |
| Tab 3: | Exhibit B – Notice and Acknowledgment of Assignment; |
| Tab 4: | Exhibit C-1 – Insurance Coverage Request; |
| Tab 5: | Exhibit C-2 – Self-Insurance Rider (if applicable); |
| Tab 6: | Exhibit D – Essential Use Certificate; |
| Tab 7: | Exhibit E – Incumbency Certificate; |
| Tab 8: | Exhibit F – Opinion of Lessee’s Counsel; |
| Tab 9: | Exhibit G – Bank Qualified Certificate; |
| Tab 10: | Exhibit H – Post Issuance Tax Compliance Procedures |
| Tab 11: | Exhibit I – Escrow Agreement; |
| Tab 12: | Exhibit J – Qualified Investor Letters; |
| Tab 13: | Resolution of Lessee; |
| Tab 14: | UCC-1 Financing Statement with attached Schedule A (prepared and filed by Investor); |
| Tab 15: | Form 8038-G; |
| Tab 16: | Closing Memorandum/Payment Proceeds Direction; and |
| Tab 17: | Vendor Contract & Payment Bond, if and as applicable |

Assignment Documents (Lessor and Investor Only):

- | | |
|---------|---|
| Tab 18: | Assignment Agreement with Schedule A thereto. |
|---------|---|



HOLMAN CAPITAL CORPORATION
EQUIPMENT LEASE-PURCHASE AGREEMENT

1. **Agreement.** Subject to the terms and conditions contained in this Equipment Lease-Purchase Agreement dated September 12, 2017 (this "Lease Agreement"), HOLMAN CAPITAL CORPORATION, as lessor ("Lessor"), whose mailing address is 25201 Paseo de Alicia, Suite 290, Laguna Hills, CA 92653, hereby leases to CITY OF OROVILLE, as lessee ("Lessee"), whose mailing address is 1735 Montgomery Street, Oroville, CA 95965, and Lessee hereby agrees to lease from Lessor, the items of personal property (together with any replacement parts, additions, substitutions, repairs or accessories now or hereafter incorporated in or affixed to it, hereinafter referred to collectively as the "Equipment") described in Exhibit A attached hereto.

2. **Term.** The term of this Lease Agreement (the "Lease Term") begins as of the Commencement Date stated in Exhibit A and shall continue so long as any amounts remain unpaid hereunder. The Lease Term will terminate upon the first to occur of: (a) the exercise by Lessee of the option to purchase the Equipment pursuant to Paragraph 10, (b) Lessor's election to terminate this Lease Agreement pursuant to Paragraph 16, (c) Lessee's option to terminate this Lease Agreement pursuant to an "Event of Nonappropriation" as defined in Section 3, and (d) the payment by Lessee of all sums required to be paid by Lessee hereunder.

2.5. **Escrow Agreement.** On the Commencement Date, Lessor and Lessee shall enter into an escrow agreement (an "Escrow Agreement") dated the Commencement Date, between Lessor, Lessee, and Banner Bank, as escrow agent, relating to the escrow fund (an "Escrow Fund") created thereunder. On the Commencement Date, Lessor shall deposit: \$3,314,690.00 into the Escrow Fund to be held in escrow and applied upon the express terms and conditions of the Escrow Agreement; for the acquisition of the equipment which shall be disbursed as provided for in the Closing Memorandum of even date herewith.

3. **Rental Payments.** Lessee agrees to pay the rental payments hereunder for the Lease Term in the amounts and on the dates identified in Exhibit A. Payment of all rental payments and other amounts payable hereunder shall be made to Lessor at its above-stated address or as it shall otherwise designate in writing. As set forth in Exhibit A, a portion of each rental payment is paid as, and represents payment of, interest, and the balance of each rental payment is paid as, and represents payment of, principal.

Notwithstanding any provision to the contrary in this Lease Agreement, Lessee may terminate this Lease Agreement at the end of any fiscal year of Lessee as identified in Exhibit A (a "Fiscal Year") if sufficient funds are not appropriated by Lessee's Governing Board to pay rental payments and other amounts due hereunder during the next succeeding Fiscal Year (an "Event of Nonappropriation"). Lessee hereby agrees to notify Lessor at least 30 days prior to the last day of its then current Fiscal Year of the occurrence of an Event of Nonappropriation or, if nonappropriation has not occurred by that date, promptly upon the occurrence of an Event of Nonappropriation.

Lessee represents and warrants that: (a) it has made sufficient appropriations or has other legally available funds to pay all rental payments hereunder due during the first Fiscal Year hereunder; (b) the officer of Lessee responsible for budget preparation will do all things lawfully within his/her power to obtain appropriated funds for the payment of rental payments and other amounts required to be paid hereunder in each next succeeding Fiscal Year for the Lease Term with the understanding that any such appropriation is within the sole discretion of the Lessee's Governing Board; and (c) Lessee acknowledges that Lessor has relied upon these representations as an inducement to enter into this Lease Agreement. If an Event of Nonappropriation hereunder shall occur, Lessee agrees, at Lessee's sole cost and expense, peaceably to deliver the corresponding Equipment to Lessor to a location within a fifty mile radius of the above stated address within the continental United States as is specified by Lessor, in the condition required by Paragraph 7 of this Lease Agreement, on or before the effective date of termination. Lessee's obligation to pay rental payments and any additional amounts payable hereunder constitutes a current obligation payable exclusively from legally available funds and shall not be construed to be an indebtedness within the meaning of any applicable constitutional or statutory limitation or requirement.

4. **Essentiality.** Subject to Paragraph 3 of this Lease Agreement, Lessee's present intention is to make rental payments for the Lease Term as long as it has sufficient appropriations or, if any/applicable, other legally available funds. Lessee represents that, with respect hereto, (a) the use and operation of the Equipment is essential to its proper, efficient, and economic governmental operation and (b) the functions performed by the Equipment could not be transferred to other equipment available for its use. Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last rental payment scheduled to be paid hereunder. On the Commencement Date, Lessee shall complete and provide Lessor a certificate in the form of Exhibit D.

5. Disclaimer of Warranties. LESSEE REPRESENTS THAT IT HAS SELECTED THE EQUIPMENT PRIOR TO HAVING REQUESTED LESSOR TO FINANCE THE SAME. LESSEE AGREES THAT LESSOR HAS NOT MADE ANY, AND MAKES NO, REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING (WITHOUT LIMITATION) THE SUITABILITY OF THE EQUIPMENT, ITS DURABILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, ITS MERCHANTABILITY, ITS CONDITION, ITS CAPACITY, ITS OPERATION, ITS PERFORMANCE, ITS DESIGN, ITS MATERIALS, ITS WORKMANSHIP AND/OR ITS QUALITY. AS BETWEEN LESSEE AND LESSOR, LESSEE LEASES, PURCHASES AND ACQUIRES THE EQUIPMENT "AS IS" "WHERE IS" AND "WITH ALL FAULTS." Lessor hereby assigns to Lessee, to the extent that it may lawfully do so, so long as no Event of Default and no Event of Nonappropriation shall have occurred and be continuing hereunder, all rights and benefits that Lessor may have under any warranty, guaranty or the like that may be made with respect to the Equipment by the manufacturer, seller and/or supplier (collectively, the "Vendor") thereof. Lessor shall not be liable to Lessee or any third party for any loss, damage, injury or expense of any kind or nature caused directly or indirectly by any of the Equipment or the use or maintenance thereof or any defect therein, the failure of operation thereof or by any interruption of service or loss of use thereof or for any loss of business or damage whatsoever and howsoever caused. Lessor makes no warranty as to the treatment of this Lease Agreement for tax or accounting purposes or as to the compliance of the Equipment with applicable government regulations or requirements. Lessee agrees to look solely to the Vendor for any claim arising from any defect, breach of warranty, failure or delay in delivery, mis-delivery or inability to use the Equipment for any reason whatsoever and Lessee's obligations to Lessor hereunder shall not in any manner be affected thereby, including (without limitation) Lessee's obligations to pay Lessor all rental payments and other amounts payable hereunder, except as provided herein. Lessee has selected both the Equipment and the Vendor and acknowledges that Lessor has not participated in any way in Lessee's selection of the Equipment or the Vendor. Lessor has no obligation to install, erect, test, adjust, service or maintain the Equipment.

6. Delivery and Acceptance; Quiet Enjoyment. Lessee shall accept the Equipment for which disbursement is requested from the Escrow Fund upon its delivery and in accordance with its contract with Vendor and authorizes Lessor to insert on Exhibit A the serial numbers and any additional description of the items of Equipment so delivered. As evidence of that acceptance, Lessee shall execute and deliver to Lessor a Certificate of Acceptance in the form attached as Exhibit A to the Escrow Agreement. Regardless of whether Lessee has furnished a Certificate of Acceptance pursuant to this Paragraph 6, by making a rental payment after its receipt of the Equipment, Lessee shall be deemed to have accepted the Equipment on the date of such rental payment for purposes hereof. During the Lease Term, Lessee shall be entitled to quiet enjoyment of the Equipment, subject to the terms of this Lease Agreement.

7. Use of Equipment; Maintenance and Repairs. Lessee shall keep the Equipment within the State at the "Equipment Location" stated in Exhibit A and Lessee shall not remove any of the Equipment therefrom without Lessor's prior written consent. Lessee shall use the Equipment in a careful manner and shall at all times, at its sole expense, keep the Equipment in good operating condition, repair and appearance and comply with all laws, ordinances, regulations or requirements of any governmental authority, official, board or department relating to its installation, possession, use or maintenance. Lessee shall not make any alterations, additions, or improvements to the Equipment that are not readily removable without causing damage to or reducing the value of the Equipment. All alterations, additions, or improvements not readily removable shall become part of the Equipment.

8. Security Interest; Title to Equipment. (a) The provisions of this Section 8(a) apply generally to all Equipment, regardless of the type, the Vendor Contract (as defined on Exhibit A), and the Escrow Fund (if any/applicable): To secure the performance of all of Lessee's obligations hereunder, Lessee hereby grants to Lessor, and Lessor shall have and retain, a security interest constituting a first priority and perfected lien and security interest on the Equipment delivered hereunder and on any attachments, proceeds therefrom. Lessee agrees to execute and deliver such additional documents, including, without limitation, opinions of counsel, financing statements, landlord-tenant or mortgagee waivers, information necessary for fixture filings, notices and similar instruments, in form satisfactory to Lessor, that Lessor deems necessary or appropriate to establish and maintain its first priority and perfected security interest in the Equipment or for the confirmation or perfection of Lessor's rights hereunder. As further security therefor, Lessee hereby grants to Lessor a first priority security interest in the cash and negotiable instruments from time to time in the Escrow Fund and all proceeds (cash and non-cash) thereof, and agrees with respect thereto that Lessor shall have all the rights and remedies of a secured party under the applicable Uniform Commercial Code. Lessee, at its expense, will protect and defend Lessee's rights in the Equipment and Lessor's rights and interests therein and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes of Lessee's creditors and

other persons. Lessor shall have the right during normal hours, upon reasonable prior notice to Lessee, to enter upon the premises where the Equipment is located in order to inspect the Equipment.

(b) Solely with respect to Equipment that is *not* comprised of vehicles and during the Lease Term, ownership and legal title of all of the Equipment and all substitutions, repairs, modifications, and replacements shall be vested in Lessee, and Lessee shall take all necessary action to vest such ownership and title in Lessee. Lessor does not own the Equipment, and, by this Lease Agreement, Lessor is merely financing the acquisition of the Equipment for the Lessee. Lessor has not been in the chain of title, does not operate, control or have possession or control over the Equipment, or Lessee's use, maintenance, operation, storage, or maintenance of the Equipment. Lessee is entitled to use and possession of the Equipment, subject to the rights of Lessor hereunder (including its interest in the Equipment as the lessor hereunder). If Lessor terminates this Lease Agreement pursuant to Paragraph 16 hereof or an Event of Nonappropriation occurs hereunder, all rights, title, and interests in the Equipment shall immediately vest in Lessor free and clear of any right, title or interest of Lessee. Lessee, at its expense, will protect and defend Lessee's rights in the Equipment and Lessor's rights and interests therein and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes of Lessee's creditors and other persons. Lessor shall have the right during normal hours, upon reasonable prior notice to Lessee, to enter upon the premises where the Equipment is located in order to inspect the Equipment.

(c) Solely with respect to Equipment consisting of vehicles, the provisions of this Section 8(c) shall apply: Lessee agrees to either: (i) cause the original registration of such titled equipment or vehicles to list Lessee as owner and Lessor or its assignee as first priority lienholder with respect to the Equipment, or (ii), if the Equipment is titled in California, endorse the certificate of ownership showing Lessor or its assignee as "legal owner" (as defined by Section 6301 of the California Vehicle Code). Lessee agrees to execute and deliver such additional documents, including, without limitation, opinions of counsel, MSOs/Certificates of Origin, Title Applications, notices and similar instruments, in form satisfactory to Lessor, that Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment or for the confirmation or perfection of Lessor's rights hereunder. During the Lease Term, Lessee shall either: (i) hold legal title to the Equipment as the owner, or (ii), for Equipment titled in California, be the "owner" (as defined in Section 460 of the California Vehicle Code) of the Equipment entitled to use and possession of the Equipment, subject to the rights of Lessor hereunder, which is the first position lienholder and, with respect to Equipment titled in California, the "legal owner" (as defined in Section 370 of the California Vehicle Code) of the Equipment. If Lessor terminates this Lease Agreement pursuant to Paragraph 16 hereof or an Event of Nonappropriation occurs hereunder, all rights, title, and interests in the Equipment shall immediately vest in Lessor free and clear of any right, title or interest of Lessee.

As further security therefor, Lessee hereby agrees with respect thereto that Lessor shall have all the rights and remedies of a secured party under the applicable Uniform Commercial Code with respect to any and all Equipment hereunder.

9. Personal Property. The Equipment shall be and remain personal property notwithstanding the manner in which it may be attached or affixed to realty. Lessee covenants that, unless Lessee owns the premises in which the Equipment is to be located and such premises are not subject to any mortgage or lease, at Lessor's request, Lessee shall provide Lessor with a waiver from each landlord and/or mortgagee of the premises in which the Equipment is to be located of any rights that such landlord and/or mortgagee may have in respect of any of the Equipment. Lessee will also provide any information as may be reasonably requested by Lessor with respect to any fixture filings that Lessor may deem necessary. Lessor and Assignee shall execute such subordinations related to its security interests in the Equipment as may be requested by Lessee in connection with a financing related to realty to which any of the Equipment may be affixed; provided, however, that Lessee in connection therewith shall lease or provide additional equipment or security to Lessor of a similar value and useful life to the interests being subordinated.

10. Purchase of Equipment by Lessee; Prepayment. At the option of Lessee, and provided that no Event of Default has occurred and is continuing hereunder, Lessor's interest in all, but not less than all, of the Equipment will be transferred, conveyed and assigned to Lessee, and this Lease Agreement shall terminate: (a) upon payment in full of the rental payments and all other payments then due hereunder or (b) on any rental payment date hereunder, provided Lessee shall have delivered written notice at least 30 days prior to such date of Lessee's intention to purchase the Equipment pursuant to this provision, by paying to Lessor, in addition to the rental payment due on such date, an amount equal to the concluding payment (the "Concluding Payment") shown for such rental payment date in the rental payment schedule in Exhibit A. Lessee shall not have the option to purchase the Equipment hereunder as provided in the foregoing clause (b) on any rental payment date hereunder for which a Concluding Payment is not stated in the rental payment schedule.

11. **Risk of Loss.** Lessee shall bear the entire risk of loss, theft, destruction of or damage to the Equipment or any part thereof from any cause whatsoever during the Lease Term and thereafter until redelivery to a location designated by Lessor, and shall not be relieved of the obligation to pay rental payments or any other obligation hereunder because of any such occurrence. If (a) the Equipment or any portion thereof hereunder is destroyed (in whole or in part) or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof hereunder is taken under the exercise of the power of eminent domain, Lessee shall immediately notify Lessor. Lessee and Lessor shall cause the net proceeds of any insurance claim (including self-insurance) or condemnation award to be applied, at Lessor's option, to (i) the prompt repair, restoration, modification or replacement of the Equipment so affected or (ii) the payment in full of the then applicable Concluding Payment. Any balance of net proceeds remaining after completion of such work or payment of such Concluding Payment shall be paid promptly to Lessee. If the net proceeds are insufficient to pay the costs of such repair, restoration, modification or replacement or to pay such Concluding Payment in full, Lessee shall, at Lessor's direction, either complete the work or pay the then applicable Concluding Payment in full and in either case pay any cost in excess of the amount of net proceeds, but only from legally available funds.

12. **Insurance.** (a) Insurance Policies. If Lessee is not self-insured (as hereafter provided), Lessee shall, at its expense, keep the Equipment fully insured against loss, fire, theft, damage or destruction from any cause whatsoever in an amount not less than the greater of (a) the total rental payments for the Lease Term, and (b) the full replacement cost of the Equipment without consideration for depreciation. Lessee shall also provide such additional insurance against injury, loss or damage to persons or property arising out of the use or operation of the Equipment as is customarily maintained by the owners of like property, with companies satisfactory to Lessor. Each policy shall provide that, as to the interest or coverage of Lessor or Lessor's assignee, the insurance afforded thereby shall not be suspended, forfeited or in any manner prejudiced by any default or by any breach of warranty, condition or covenant on the part of Lessee. If Lessee shall fail to provide any such insurance required hereunder or, within ten (10) days after Lessor's request therefor, shall fail to deliver the policies or certificates thereof to Lessor, then Lessor, at its option, shall have the right to procure such insurance and to add the full cost thereof to the rental payment next becoming due, which Lessee agrees to pay as additional rent. All such insurance shall be in form, issued by such insurance companies and be in such amounts as shall be satisfactory to Lessor, and shall provide that losses, if any, shall be payable to Lessor as "loss payee," and all such liability insurance shall include Lessor as an "additional insured." Lessee shall pay the premiums for such insurance and deliver to Lessor a certification in the form of Exhibit C-1 and satisfactory evidence of the insurance coverage required hereunder. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payments of and execute and endorse all documents, checks or drafts received in payment for loss or damage under any such insurance policy.

(b) Self-Insurance. If Lessee is self-insured with respect to equipment such as the Equipment under an actuarially sound self-insurance program that is acceptable to and approved by Lessor, Lessee shall maintain during the Lease Term such actuarially sound self-insurance program and shall provide Lessor a certification in the form of Exhibit C-2 together with evidence of the self-insurance program in form and substance satisfactory to Lessor.

13. **Fees; Taxes and Other Governmental Charges; Liens.** Lessee covenants and agrees at all times to keep the Equipment free and clear of all levies, liens (other than those created hereunder) and encumbrances, and to pay all charges, taxes and fees (including any recording or stamp fees or taxes) that may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment and shall give Lessor immediate written notice of any of the foregoing. If any of same shall remain unpaid when due, Lessor may pay same and add such payment to the rental payment next becoming due, as additional rent. Lessee shall execute and deliver to Lessor upon Lessor's request such further instruments and documents containing such other assurances as Lessor deems necessary or advisable for the confirmation or perfection of Lessor's rights hereunder or to otherwise effectuate the intent of this Lease Agreement.

14. **Indemnification.** To the extent authorized or permitted by law, Lessee shall indemnify and save Lessor, its officers, employees, agents, servants, successors and assigns, harmless from any and all liabilities (including, without limitation, negligence, tort and strict liability), damages, expenses, claims, actions, proceedings, judgments, settlements, losses, liens and obligations, including (without limitation) reasonable attorneys' fees and costs ("Claims"), arising out of the ordering, purchase, delivery, rejection, non-delivery, ownership, selection, possession, operation, control, use, condition, maintenance, transportation, storage, repair, return or other disposition of the Equipment, any claims arising under federal, state or local environmental protection and hazardous substance clean up laws and regulations and any claims of patent, trademark or copyright infringement or, if Lessee shall be in default hereunder, arising out of the condition of any item of Equipment sold or disposed of after use by Lessee, including (without limitation) claims for injury to or death of persons and for damage to property. The indemnities, assumption of liabilities and obligations

herein provided shall be payable solely from funds legally available for such purpose and shall continue in full force and effect notwithstanding the expiration, termination or cancellation of this Lease Agreement for any reason whatsoever. However, Lessee shall not be obligated to indemnify Lessor from Claims arising from the negligence or willful misconduct of Lessor.

15. Assignment; Subleasing. LESSEE SHALL NOT ASSIGN, PLEDGE, MORTGAGE, SUBLET OR OTHERWISE TRANSFER OR ENCUMBER ANY OF ITS RIGHTS UNDER THIS LEASE AGREEMENT, THE ESCROW AGREEMENT (INCLUDING THE ESCROW FUND CREATED THEREUNDER) OR IN THE EQUIPMENT OR ANY PART THEREOF. LESSEE MAY PERMIT ACCESS TO SOFTWARE OR EQUIPMENT TO PERSONS AUTHORIZED PURSUANT TO AN APPLICABLE AGREEMENT OR AS OTHERWISE AUTHORIZED BY LAW, TO THE EXTENT PERMITTED UNDER THE APPLICABLE AGREEMENT OR LAW. ANY SUCH PURPORTED TRANSFER, ASSIGNMENT OR OTHER ACTION WITHOUT LESSOR'S PRIOR WRITTEN CONSENT SHALL BE VOID.

Lessor may, at any time and from time to time, assign, transfer or otherwise convey all of its interest in the Equipment, this Lease Agreement, and the Escrow Agreement (including the Escrow Fund created thereunder), including, but not limited to, Lessor's rights to receive the rental payments hereunder (in which event Lessee agrees to make all rental payments thereafter to the assignee designated by Lessor) without the necessity of obtaining Lessee's consent but only to a Qualified Institutional Buyer, as defined in the Securities Act of 1933, *provided, however*, Lessor will deliver to Lessee prior written notice of an assignment. No such assignment, transfer or conveyance shall be effective until Lessee shall have received a written notice of assignment that discloses the name, address, and tax identification number of each such assignee and a letter of representation from the Qualified Institutional Buyer representing its status as such and such other representations as are attached as Exhibit J hereto. During the term of this Lease Agreement, Lessee shall keep, or cause to be kept, a complete and accurate record of all documents and records relating to this Lease Agreement and the Escrow Agreement, including all such assignments, with respect hereto in form necessary to comply with Section 149 of the Internal Revenue Code of 1986, as amended (the "Code"). Lessee agrees (unless otherwise stated), if so requested, to acknowledge any such assignment in writing within 15 days after request therefor in the form attached as Exhibit B hereto. Lessee further agrees that any moneys or other property received by Lessor as a result of any such assignment, transfer or conveyance shall not inure to Lessee's benefit.

Lessee hereby appoints Lessor as Lessee's agent for purposes of maintaining a written record of all such assignments. To the extent Lessee should merge with another entity or reorganize under the laws of the State, Lessee agrees that as a condition to such merger or reorganization it will require that the remaining or resulting entity shall be assigned Lessee's rights and shall assume Lessee's obligations hereunder. Lessee will not change its legal name in any respect without giving thirty (30) days prior written notice to Lessor. Lessee shall give advance notice to the Lessor of any assignment of this Lease Agreement or the Equipment to the successor organization under a plan of reorganization or merger in accordance with California law.

16. Events of Default; Remedies. Each of the following events constitutes an "Event of Default" hereunder: (a) Lessee fails to pay in full the rental payment due hereunder on any date upon which such rental payment is due; (b) Lessee fails to comply with any other agreement or covenant of Lessee hereunder for a period of 30 days following receipt of written notice of violation of such agreement or covenant and demand that such violation be remedied; (c) Lessee institutes any proceedings under any bankruptcy, insolvency, reorganization or similar law or a receiver or similar officer is appointed for Lessee or any of its property; (d) any warranty, representation or statement made in writing by or on behalf of Lessee in connection herewith is found to be incorrect or misleading in any material respect on the date made; (e) actual or attempted sale, lease or encumbrance of any of the Equipment or the making of any levy, seizure or attachment thereof or thereon; or (f) Lessee defaults in its obligations under any other agreement for borrowing money, lease financing of property, or otherwise receiving credit and the obligee thereunder (or trustee on its behalf) is permitted to exercise any remedies under the agreement.

Immediately upon the occurrence of an Event of Default hereunder, Lessor may demand payment of all rental payments and other amounts that may have been appropriated through the end of the then current Fiscal Year and terminate this Lease Agreement or Lessee's rights hereunder and in any such event repossess the Equipment, which Lessee hereby agrees, at its expense, to surrender promptly to Lessor at such location within a fifty mile radius of the Lessee's address and within the continental United States as Lessor shall direct. In the alternative, Lessor may request that Lessee refrain from using the Equipment, purge any software and programming from its operating systems and destroy any hard or electronic copies of such software and programming. Upon Lessor's request, Lessee will provide Lessor with reasonable certifications as to the foregoing. If Lessor is entitled to repossess the Equipment or under any

provision of this Lease Agreement, Lessee shall permit Lessor or its agents to enter the premises where the Equipment is then located. In the event of any such repossession, Lessee shall execute and deliver such documents as may reasonably be required to restore title to and possession of the Equipment to Lessor, free and clear of all liens and security interests to which the Equipment may have become subject. Upon repossession, if the Equipment is damaged or otherwise made less suitable for the purposes for which it was manufactured than when delivered to Lessee, Lessee agrees, at its option, to (a) repair and restore the Equipment to the same condition in which it was received by Lessee (reasonable wear and tear excepted) or (b) pay to Lessor the reasonable costs of such repair and restoration, or (c) pay for the transfer of any and all licenses, rights, or interest in any software or programming, to the extent the foregoing may be assigned. If Lessor sells or otherwise liquidates the Equipment following an Event of Default or an Event of Nonappropriation as herein provided and realizes net proceeds (after payment of costs) in excess of total rental payments that would have been paid during the Lease Term plus any other amounts then due hereunder, Lessor shall immediately pay the amount of any such excess to Lessee.

If Lessor terminates this Lease Agreement under this Paragraph 16 or an Event of Nonappropriation occurs hereunder and in either case Lessee continues to use the Equipment or if Lessee otherwise refuses to pay rental payments hereunder due during a Fiscal Year for which Lessee's governing body has appropriated sufficient legally available funds to pay such rental payments due hereunder, Lessor (i) may declare the rental payments due and owing for the Fiscal Year for which such appropriations have been made to be immediately due and payable, (ii) shall be entitled to bring such action at law or in equity to recover money and other damages attributable to such holdover period for the Equipment, and (iii) will be entitled to recover interest on all such amounts at the Default Rate.

To the extent permitted by law, Lessor shall also be entitled to exercise any or all remedies available to a secured party under the applicable Uniform Commercial Code and all other rights and remedies that Lessor may have at law or in equity. All rights and remedies of Lessor shall be cumulative and not alternative. Lessor's failure to exercise or delay in exercising any right or remedy shall not be construed as a waiver thereof, nor shall a waiver on one occasion be construed to bar the exercise of any right or remedy on a future occasion. Lessee agrees to reimburse Lessor for any expenses (including attorney's fees) reasonably incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor, but only from legally available funds.

17. Late Payments. Whenever any rental payment or other amount payable to Lessor by Lessee hereunder is not paid within ten (10) days of the regularly scheduled due date (or if not a regularly scheduled due date, then the due date specified in an undisputed invoice), Lessee agrees to pay Lessor a late charge on the delinquent amount at the rate of one percent (1%) per month, or the maximum amount permitted under applicable law, whichever is less. Such amount(s) shall be payable solely from legally available funds in addition to all amounts payable by Lessee as a result of the exercise of any of the remedies herein provided.

18. Rental Payments to Be Unconditional. Except as expressly set forth in this Lease Agreement (including Paragraph 3), Lessee agrees that as of the Commencement Date, Lessee's obligations hereunder are absolute and unconditional and shall continue without set-off, deduction, counterclaim, abatement, recoupment, or reduction and regardless of any disability of Lessee to use the Equipment or any part thereof because of any reason including, but not limited to, war, act of God, governmental regulations, strike, loss, damage, destruction, obsolescence, failure of or delay in delivery or failure of the Equipment to operate properly.

19. Tax Covenants. Lessee agrees that it will not take any action that would cause the interest component of rental payments hereunder to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes, nor will it omit to take or cause to be taken, in a timely manner, any action which omission would cause the interest component of rental payments hereunder to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes. Lessee agrees to (a) execute and deliver to Lessor, upon Lessor's request, a tax certificate and agreement in form and content acceptable to Lessor and Lessee, relating to the establishment and maintenance of the excludability from gross income of the interest component of rental payments hereunder for federal income tax purposes; (b) complete and file in a timely manner an information reporting return as required by the Code; and (c) rebate an amount equal to excess earnings on the Escrow Fund to the federal government if required by, and in accordance with, Section 148(f) of the Code, and make the determinations and maintain the records required by the Code.

Lessee represents that neither Lessee nor any agency or unit of Lessee has on hand any property, including cash and securities, that is legally required or otherwise restricted (no matter where held or the source thereof) to be used directly or indirectly to purchase the Equipment. Lessee has not and will not establish any funds or accounts (no

matter where held or the source thereof) the use of which is legally required or otherwise restricted to pay directly or indirectly rental payments hereunder. Lessor and Lessee certify that, so long as any rental payments hereunder remain unpaid, moneys on deposit in the Escrow Fund will not be used in a manner that will cause this Lease Agreement to be classified as an "arbitrage bond" within the meaning of Section 148(a) of the Code.

If Lessee breaches the covenants contained in this Paragraph 19, the interest component of rental payments hereunder may become includible in gross income of the owner or owners thereof for federal income tax purposes. In such event, Lessee agrees to pay promptly after any such determination of taxability and on each rental payment date thereafter to Lessor an additional amount determined by Lessor to compensate such owner or owners for the loss of such excludability (including without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive (absent manifest error).

It is Lessor's and Lessee's intention that this Lease Agreement not constitute a "true" lease for federal income tax purposes and, therefore, it is Lessor's and Lessee's intention that Lessee be considered the owner of the Equipment hereunder for federal income tax purposes.

20. Lessee Representations and Warranties. Lessee hereby represents and warrants to and agrees with Lessor that:

(a) Lessee is a political subdivision of the State of California, within the meaning of Section 103(c) of the Code, and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such.

(b) Lessee has the power and authority under applicable law to enter into the transactions contemplated by this Lease Agreement and the Escrow Agreement and has been duly authorized to execute and deliver this Lease Agreement and the Escrow Agreement and to carry out its obligations hereunder and thereunder. Lessee has provided to Lessor a full, true and correct copy of a resolution or other appropriate official action of Lessee's governing body specifically authorizing Lessee to execute and deliver this Lease Agreement and the Escrow Agreement and all documents contemplated hereby and thereby. Lessee has provided to Lessor a full, true, and correct copy of an Incumbency Certificate in substantially the form attached as Exhibit E hereto relating to the authority of the officers who have executed and delivered this Lease Agreement and who will execute and deliver this Lease Agreement and the Escrow Agreement and all documents in connection herewith and therewith on behalf of Lessee.

(c) All requirements have been met and procedures have occurred in order to ensure the enforceability of this Lease Agreement and the Escrow Agreement, and Lessee has complied with such public bidding requirements, if any, as may be applicable to the transactions contemplated by this Lease Agreement and the Escrow Agreement.

(d) To the best knowledge of Lessee, Lessee is not subject to any legal or contractual limitation or provision of any nature whatsoever that in any way limits, restricts or prevents Lessee from entering into this Lease Agreement and the Escrow Agreement, or performing any of its obligations hereunder or thereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(e) To the best knowledge of Lessee, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease Agreement or the Escrow Agreement, or any other agreement or instrument to which Lessee is a party and that is used or contemplated for use in the consummation of the transactions contemplated by this Lease Agreement or the Escrow Agreement. All authorizations, consents, and approvals of governmental bodies or agencies required in connection with the execution and delivery by Lessee of this Lease Agreement and the Escrow Agreement or in connection with the carrying out by Lessee of its obligations hereunder and thereunder have been obtained.

(f) The payment of the rental payments or any portion thereof hereunder is not (under the terms of this Lease Agreement) directly or indirectly (i) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (ii) on a present value basis, derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. The Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local government unit. No portion of the purchase price for the Equipment will be used, directly or indirectly, to make or finance loans to any person other than Lessee.

(g) To the best knowledge of Lessee, the entering into and performance of this Lease Agreement and the Escrow Agreement will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest, or other encumbrance upon any assets of Lessee or on the Equipment pursuant to an indenture, mortgage, deed of trust, bank loan or credit agreement, or other instrument to which Lessee is a party or by which it or its assets may be bound, except as herein provided.

(h) Lessee's name as indicated on the first page of this Lease Agreement is its true, correct, and complete legal name.

(i) The useful life of the Equipment is reasonably expected not to be less than the Lease Term hereof.

(j) Lessee has entered into this Lease Agreement for the purpose of purchasing, acquiring, and leasing the Equipment and not for the purpose of refinancing any outstanding obligation of Lessee more than 90 days in advance of its payment or prepayment date. The purchase price for the Equipment has been or will be paid directly by Lessor from the Escrow Fund to the Vendor, and no portion of the purchase price for the Equipment has been or will be paid to Lessee as reimbursement for any expenditure paid by Lessee more than 60 days prior to the execution and delivery hereof.

(k) The application, statements, and credit or financial information submitted by it to Lessor are true and correct and made to induce Lessor to enter into this Lease Agreement and the Escrow Agreement.

(l) During the term of this Lease Agreement, Lessee shall (i) provide Lessor, at or prior to the end of each Fiscal Year (commencing with the current Fiscal Year), with current budgets or other proof of appropriation for the ensuing Fiscal Year and such other information relating to Lessee's ability to continue the Lease Term for the next succeeding Fiscal Year as may be reasonably requested by Lessor and (ii) furnish or cause to be furnished to Lessor, at Lessee's expense, as soon as available and in any event not later than nine months after the close of each Fiscal Year, the audited financial statements of Lessee at the close of and for such Fiscal Year, all in reasonable detail, audited by and with the report of Lessee's auditor.

(m) On the Commencement Date, Lessee shall cause to be executed and delivered to Lessor an Opinion of Lessee's Counsel in substantially the form attached as Exhibit F hereto.

(n) Lessee shall pay the excess (if any) of the actual costs of acquiring the Equipment hereunder over the amount deposited by Lessor in the Escrow Fund and interest earnings thereon.

(o) Lessee has experienced no material change in its financial condition since June 30, 2016.

(p) Lessee acknowledges that: (a) Lessor is acting solely for its own account and not as a fiduciary for Lessee or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor; (b) Lessor has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of Lessee with respect to its acquisition of the Equipment; and (c) Lessee has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to this Lease Agreement from its financial, legal and other advisors (and not Lessor) to the extent that Lessee desired to obtain such advice.

21. Execution in Counterparts; Chattel Paper. This Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; *provided, however*, that only Counterpart No. 1 hereof shall constitute chattel paper for purposes of the applicable Uniform Commercial Code.

22. Applicable Law. This Lease Agreement shall be construed under the laws of the State of California.

23. Binding Effect; Severability; Survival. This Lease Agreement shall not become effective until accepted by Lessor at its herein-described office, and upon such acceptance shall inure to and bind the parties, their successors, legal representatives, and assigns. No provision of this Lease Agreement that may be construed as unenforceable shall in any way invalidate any other provision hereof, all of which shall remain in full force and effect.

24. Miscellaneous Provisions. Any notice to a party hereunder shall be deemed given when mailed to that party by certified mail, return receipt requested, at its address set forth herein or such other address as either may designate for itself in such notice to the other. This Lease Agreement and the Escrow Agreement constitute the entire mutual understanding of the parties regarding the subject matter hereof and thereof and may not be modified except in writing, signed by the party against whom such modification is asserted. Upon the request of Lessor, Lessee shall at any time and from time to time execute and deliver such further documents and do such further acts as Lessor may

reasonably request in order fully to effect the purposes hereof and any assignment hereof. If a court with competent jurisdiction rules that the interest rate charged hereunder exceeds the maximum rate of interest allowed by applicable law, then the effective rate of interest hereunder shall be automatically reduced to the maximum lawful rate allowable under the applicable laws.

THE UNDERSIGNED HEREBY AGREE TO ALL OF THE TERMS AND CONDITIONS AS SET FORTH IN THIS EQUIPMENT LEASE-PURCHASE AGREEMENT.

HOLMAN CAPITAL CORPORATION, Lessor

CITY OF OROVILLE, Lessee

By: x _____
Lance S. Holman
President & CEO

By: x _____
Name: Linda L. Dahlmeier
Title: Mayor

Counterpart No. _____ of two manually executed and serially numbered counterparts. To the extent that this Lease Agreement constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT A
EQUIPMENT SCHEDULE TO EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED SEPTEMBER 12, 2017

1. DESCRIPTION OF THE EQUIPMENT:

Solar and Energy conservation measures purchased and installed pursuant to that certain Installment Agreement with ABM Building Solutions, LLC (the "Vendor") to reduce Lessee's energy consumption by installing HVAC, lighting retrofits and controls and generate power by installing solar photovoltaic panels. Financed by this Equipment Schedule dated September 12, 2017 to that certain Equipment Lease-Purchase Agreement dated September 12, 2017 by and between Holman Capital Corporation and City of Oroville, including, without limitation, the following:

Description	Total Cost	% of Total
HVAC	\$ 690,613.43	20.83%
Controls	\$ 53,736.25	1.62%
Lighting	\$ 485,673.99	14.65%
Solar PV	\$ 1,868,333.39	56.37%
Transformer Replacement	\$ 82,611.22	2.49%
PG&E QM Service Contract	\$ 106,301.72	3.21%
M&V Equipment Installation Cost	\$ 22,420.00	0.68%
Total Project Cost	\$ 3,309,690.00	99.85%
HCC Documentation Fee	\$ 5,000.00	0.15%
Net Financing Amount	\$ 3,314,690.00	100.00%

together with all accessories, attachments, substitutions and accessions.

2. EQUIPMENT LOCATION: City of Oroville, as more fully described on the Vendor Contract, including the Lessee's principal location at 1735 Montgomery Street, Oroville, CA 95965.

3. RENTAL PAYMENT SCHEDULE: The rental payments shall be made for the Equipment as follows. The following schedule is subject to change upon a change in the Maximum Federal Corporate Tax Rate (as hereinafter defined).

PAYMENT NUMBER	DATE DUE	TOTAL RENTAL PAYMENT DUE	INTEREST COMPONENT	PRINCIPAL COMPONENT	CONCLUDING PAYMENT ^o
0	09/12/2017				
1	03/12/2018	\$ 76,285.00	\$ 69,608.49	\$ 6,676.51	\$ 3,450,258.07
2	09/12/2018	\$ 76,285.00	\$ 69,468.28	\$ 6,816.72	\$ 3,443,148.23
3	03/12/2019	\$ 80,289.00	\$ 69,325.13	\$ 10,963.87	\$ 3,431,712.91
4	09/12/2019	\$ 80,289.00	\$ 69,094.89	\$ 11,194.11	\$ 3,420,037.46
5	03/12/2020	\$ 84,516.00	\$ 68,859.81	\$ 15,656.19	\$ 3,403,708.05
6	09/12/2020	\$ 84,516.00	\$ 68,531.03	\$ 15,984.97	\$ 3,387,035.73
7	03/12/2021	\$ 88,979.00	\$ 68,195.35	\$ 20,783.65	\$ 3,365,358.38
8	09/12/2021	\$ 88,979.00	\$ 67,758.89	\$ 21,220.11	\$ 3,343,225.81
9	03/12/2022	\$ 93,692.00	\$ 67,313.27	\$ 26,378.73	\$ 3,315,712.79
10	09/12/2022	\$ 93,692.00	\$ 66,759.32	\$ 26,932.68	\$ 3,287,622.01
11	03/12/2023	\$ 104,348.00	\$ 66,193.73	\$ 38,154.27	\$ 3,247,827.10
12	09/12/2023	\$ 104,348.00	\$ 65,392.49	\$ 38,955.51	\$ 3,207,196.51
13	03/12/2024	\$ 109,775.00	\$ 64,574.43	\$ 45,200.57	\$ 3,160,052.31
14	09/12/2024	\$ 109,775.00	\$ 63,625.21	\$ 46,149.79	\$ 3,111,918.08
15	03/12/2025	\$ 115,501.00	\$ 62,656.07	\$ 52,844.93	\$ 3,056,800.82
16	09/12/2025	\$ 115,501.00	\$ 61,546.33	\$ 53,954.67	\$ 3,000,526.10
17	03/12/2026	\$ 121,545.00	\$ 60,413.28	\$ 61,131.72	\$ 2,936,765.71
18	09/12/2026	\$ 121,545.00	\$ 59,129.51	\$ 62,415.49	\$ 2,871,666.36
19	03/12/2027	\$ 127,926.00	\$ 57,818.79	\$ 70,107.21	\$ 2,798,544.54
20	09/12/2027	\$ 127,926.00	\$ 56,346.53	\$ 71,579.47	\$ 2,723,887.15
21	03/12/2028	\$ 134,662.00	\$ 54,843.37	\$ 79,818.63	\$ 2,640,636.32
22	09/12/2028	\$ 134,662.00	\$ 53,167.17	\$ 81,494.83	\$ 2,555,637.21
23	03/12/2029	\$ 141,774.00	\$ 51,455.78	\$ 90,318.22	\$ 2,461,435.31
24	09/12/2029	\$ 141,774.00	\$ 49,559.10	\$ 92,214.90	\$ 2,365,255.17
25	03/12/2030	\$ 149,283.00	\$ 47,622.59	\$ 101,660.41	\$ 2,259,223.36
26	09/12/2030	\$ 149,283.00	\$ 45,487.72	\$ 103,795.28	\$ 2,150,964.88
27	03/12/2031	\$ 157,214.00	\$ 43,308.02	\$ 113,905.98	\$ 2,032,160.94

PAYMENT NUMBER	DATE DUE	TOTAL RENTAL PAYMENT DUE	INTEREST COMPONENT	PRINCIPAL COMPONENT	CONCLUDING PAYMENT ^o
28	09/12/2031	\$ 157,214.00	\$ 40,915.99	\$ 116,298.01	\$ 1,910,862.12
29	03/12/2032	\$ 165,589.00	\$ 38,473.73	\$ 127,115.27	\$ 1,778,280.89
30	09/12/2032	\$ 165,589.00	\$ 35,804.31	\$ 129,784.69	\$ 1,642,915.46
31	03/12/2033	\$ 174,435.00	\$ 33,078.83	\$ 141,356.17	\$ 1,495,480.98
32	09/12/2033	\$ 174,435.00	\$ 30,110.36	\$ 144,324.64	\$ 1,344,950.38
33	03/12/2034	\$ 183,779.00	\$ 27,079.54	\$ 156,699.46	\$ 1,181,512.84
34	09/12/2034	\$ 183,779.00	\$ 23,788.85	\$ 159,990.15	\$ 1,014,643.11
35	03/12/2035	\$ 193,650.00	\$ 20,429.06	\$ 173,220.94	\$ 833,973.67
36	09/12/2035	\$ 193,650.00	\$ 16,791.42	\$ 176,858.58	\$ 649,510.17
37	03/12/2036	\$ 204,079.00	\$ 13,077.39	\$ 191,001.61	\$ 450,295.50
38	09/12/2036	\$ 204,079.00	\$ 9,066.35	\$ 195,012.65	\$ 246,897.30
39	03/12/2037	\$ 122,100.44	\$ 4,971.09	\$ 117,129.35	\$ 124,731.39
40	09/12/2037	\$ 122,100.44	\$ 2,511.38	\$ 119,589.06	\$ -
		\$ 5,258,842.88	\$ 1,944,152.88	\$ 3,314,690.00	

^o Assumes that all rental payments and additional rentals due on and prior to that date have been paid.

4. INTEREST RATE: 4.20 % multiplied by the Margin Rate Factor.

“Margin Rate Factor” means the greater of (i) 1.0 and (ii) product of (a) one minus the Maximum Federal Corporate Tax Rate newly in effect multiplied by (b) one divided by the sum of one minus the Maximum Federal Corporate Tax Rate as of the Commencement Date (which for the avoidance of doubt equals 1.53846). The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

“Maximum Federal Corporate Tax Rate” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Bank, the maximum statutory rate of federal income taxation which could apply to the Bank).

5. COMMENCEMENT DATE: September 12, 2017

6. SCHEDULED LEASE TERM: 20 years

7. Lessee’s current Fiscal Year extends from July 1, 2017.

8. The terms and provisions of the Equipment Lease-Purchase Agreement described above (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.

9. Lessee hereby represents, warrants, and covenants that (i) its representations, warranties, and covenants set forth in the Equipment Lease-Purchase Agreement (particularly Paragraph 20 thereof) are true and correct as though made on the date of execution of this Schedule, and (ii) sufficient funds have been appropriated by Lessee for the payment of all rental payments due under this Schedule during Lessee’s current Fiscal Year.

CITY OF OROVILLE
as Lessee

HOLMAN CAPITAL CORPORATION,
as Lessor

By: _____
Name: Linda L. Dahlmeier
Title: Mayor

By: _____
Name: Lance S. Holman
Title: President & CEO

Counterpart No. ____ of two manually executed and serially numbered counterparts. To the extent that this Schedule constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1

EXHIBIT B

**NOTICE AND ACKNOWLEDGEMENT OF SALE OF RENTAL PAYMENTS AND
ASSIGNMENT OF LEASE AGREEMENT AND ESCROW AGREEMENT**

Holman Capital Corporation ("*Lessor*") and the City of Oroville ("*Lessee*") have entered into an Equipment Lease-Purchase Agreement and Equipment Schedule thereto both dated September 12, 2017 (the "*Lease Agreement*"), under which Lessee has, or will have prior to its execution hereof, leased equipment (the "*Equipment*") described therein.

Lessee is hereby notified that Lessor has assigned its right, title, and interest in and to the Lease Agreement, the leased Equipment, and the rental payments as permitted by the Lease Agreement.

Lessee is hereby directed to pay any and all rental payments and other amounts due under the Lease Agreement to Banner Bank, and/or its affiliates (the "*Assignee*"), as directed by the Assignee or a paying agent acting on behalf of Assignee, pursuant to the instructions contained in any invoice or notice. Lessee will also direct any and all correspondence, notice and servicing requests to the Assignee at the following address:

Banner Bank
1750 Howe Avenue, Suite 100
Sacramento, CA 95825

By signing this Notice and Acknowledgment, Lessee agrees that it will pay all amounts due under the Lease Agreement as directed in the invoice without any set-off or deduction whatsoever notwithstanding any defect in, damage to or requisition of any of the Equipment leased under the Lease Agreement, any other similar or dissimilar event, any defense, set-off, counterclaim or recoupment arising out of any claim against Lessor or Assignee.

Lessee further acknowledges and agrees that Assignee has not assumed any of Lessor's obligations or duties under the Lease Agreement or made any warranties whatsoever as to the Lease Agreement or the Equipment. Lessee agrees that no change may be made to the Lease Agreement without the prior written consent of Assignee.

By signing this Notice and Acknowledgment, Lessee warrants that its representations and warranties under the Lease Agreement are true and correct on the date hereof.

Date: September 12, 2017

CITY OF OROVILLE, as Lessee

By: _____
Name: Linda L. Dahlmeier
Title: Mayor

EXHIBIT C-1

INSURANCE CERTIFICATION

Holman Capital Corporation
25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92653

September 12, 2017

Re: Equipment Lease-Purchase Agreement dated September 12, 2017

In connection with the above-referenced Lease Agreement, City of Oroville, as lessee (the "Lessee") certifies that it has instructed the insurance agent named below (please fill in name, address, and telephone number):

Name of Agent: (Municipal Insurance Cooperative)
Address:
Phone:
to issue:

Liability Insurance. Lessee is required to maintain public liability insurance, personal injury and property damage with policy limits of \$10,000,000. The policy should be endorsed to
X name Banner Bank (the assignee of Holman Capital Corporation) as an additional insured.

Casualty Insurance. Lessee is required to maintain all risk extended coverage, malicious mischief and vandalism insurance for the Equipment described in the above-referenced
X Equipment Schedule in an amount not less than the greater of \$3,314,690.00 or the full replacement cost of the Equipment. Such insurance shall be endorsed to name Banner Bank, as a lender loss payee with respect to such Equipment.

The required insurance should also be endorsed to give Banner Bank at least 30 days prior written notice of the effective date of any material alteration or cancellation of coverage, and an endorsement confirming that the interest of Banner Bank shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee.

Proof of insurance coverage will be provided to Banner Bank prior to and/or commensurate with the Commencement Date of the Lease.

Very truly yours,

CITY OF OROVILLE, as Lessee

By: _____
Name: Linda L. Dahlmeier
Title: Mayor

EXHIBIT C-2

Holman Capital Corporation
25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92653

September 12, 2017

Re: Equipment Lease-Purchase Agreement dated September 12, 2017

In connection with the above-referenced Equipment Lease-Purchase Agreement, City of Oroville, as lessee (the "*Lessee*") certifies that it participates in an actuarially sound self-insurance program for property damage and public liability risks.

The following is attached (check all that apply):

- Letter from risk manager describing self-insurance program
- Other evidence of Lessee's participation in self-insurance program

Very truly yours,

CITY OF OROVILLE, as Lessee

By: _____
Name: Linda L. Dahlmeier
Title: Mayor

EXHIBIT D

ESSENTIAL USE CERTIFICATE

Holman Capital Corporation
25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92653

September 12, 2017

Re: Equipment Lease-Purchase Agreement dated September 12, 2017

I, Linda L. Dahlmeier, the Mayor of the City of Oroville, as lessee (the "*Lessee*"), am qualified to answer the questions set forth below regarding the Equipment to be acquired by Lessee in connection with the above-referenced Lease Agreement:

1. *What is the specific use of the Equipment?*
Through managing our control run times of new and existing equipment, we will expand our energy management control system and upgrade existing control systems where needed. Additionally, the new equipment will allow us to upgrade interior and exterior lighting systems. The installation of solar panels will generate electricity and reduce the use of utility-provided electricity.
2. *What increased capabilities will the Equipment provide?*
The new equipment is expected to provide improved air quality, better ventilation and cooling, better temperature control of occupied spaces along with improved control of equipment run-times, deliver more reliable air supply for conditioned spaces, and improve light levels for interiors and exteriors.
3. *Why is the Equipment essential to your ability to deliver governmental services?*
The new equipment will provide green benefits for the City, reduce use of non-renewable energy sources, and provide cost savings over the life of the project.
4. *Does the Equipment replace existing equipment? (If so, please explain why you are replacing the existing equipment)*
A portion of the new equipment replaces equipment that has exceed its useful life and requires high maintenance service and frequent emergency repairs. The solar installations are new features.
5. *Why did you choose this specific Equipment?*
The selected equipment is suitable as direct replacement, upgrade and/or additions to the existing outdated system.
6. *For how many years do you expect to utilize the Equipment?*
The City expects to operate the equipment beyond its individual expected service life, which ranges from 15 to 25 years.

Very truly yours,
CITY OF OROVILLE, as Lessee

By: _____
Name: Linda L. Dahlmeier
Title: Mayor

EXHIBIT E

INCUMBENCY CERTIFICATE

I, Scott E. Huber, do hereby certify that I am the City Attorney of the City of Oroville, a municipal corporation, which is a duly established and validly existing as a political subdivision of the State of California under the Constitution and laws of the State of California, and that I have custody of the records of such entity.

I hereby certify that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the City holding the offices set forth opposite their respective names. I further certify that:

- (i) The signatures set opposite their respective names and titles are their true and authentic signatures, and
- (ii) Such officers have the authority on behalf of such entity to:
 - a. Enter into that certain Equipment Lease-Purchase Agreement and Equipment Schedule both dated September 12, 2017 (the "*Lease Agreement*"), between the City of Oroville and Holman Capital Corporation, as lessor, and
 - b. Enter into that certain Escrow dated September 12, 2017 (the "*Escrow Agreement*"), between the City of Oroville, Banner Bank, as escrow agent, and Holman Capital Corporation, as lessor, and to execute various payment and disbursement request forms,
 - c. Execute Certificates of Acceptance and other certificate, documents, and agreements relating to the Lease Agreement and/or Escrow Agreement.

NAME	TITLE	SIGNATURE
Linda L. Dahlmeier	Mayor	_____ _____ _____

IN WITNESS WHEREOF, I have duly executed this Certificate on behalf of the City of Oroville, California.

September 12, 2017

Scott E. Huber, City Attorney

PLEASE PRINT ON LEGAL COUNSEL'S LETTER HEAD

EXHIBIT F

OPINION OF LESSEE'S COUNSEL

September 12, 2017

Holman Capital Corporation
25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92653

Re: Equipment Lease-Purchase Agreement and Equipment Schedule both dated September 12, 2017

Ladies and Gentlemen:

As counsel to the City of Oroville (the "*Lessee*"), we have examined a copy of the duly approved Equipment Lease-Purchase Agreement ("*Lease*") dated as of September 12, 2017 (collectively, the "*Lease Agreement*"), between the City of Oroville ("*Lessee*") and Holman Capital Corporation ("*Lessor*"), the form of the Escrow Agreement, together the Disbursement Request Form and Certificate of Acceptance (collectively, the "*Escrow Agreement*"), and related documents, certificates and exhibits attached thereto ("the *Lease*") and the proceedings taken by the Governing Body of the Lessee, to authorize on behalf of the Lessee the execution and delivery of the Lease Agreement and the Escrow Agreement on behalf of the Lessee ("the *Proceedings*").

We have assumed, without undertaking to verify the same by independent investigation, the following: (a) the authenticity of original documents and the genuineness of all signatures; (b) the conformity to the originals of all documents submitted to us as copies; (c) as to matters of fact, the truth, accuracy, and completeness of the information, representations, and warranties contained in the documents, certificates, records and papers we have reviewed; (d) compliance with all covenants and agreements contained in the Lease; (e) the due authorization of the execution, delivery and performance by Lessor of the Lease; and (f) the absence of any evidence extrinsic to the provisions of the Lease between the Parties, that the Parties intended a meaning contrary to that expressed below by the written provisions of the Lease.

The opinions hereinafter expressed are based on an analysis of existing laws, regulations, rulings and court decisions, and cover certain matters not directly addressed by such authorities. Moreover, the opinions hereinafter expressed may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or omitted or do occur and we disclaim any obligation to update this letter.

Based on the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Lessee is a municipal corporation, which is duly established and validly existing municipal corporation under the Constitution and laws of the State of California and a political subdivision thereof under Section 103 (c) of the Internal Revenue Code with full power and authority to adopt and/or enter into the Lease and the Proceedings.

2. The Lease and the Proceedings have been duly adopted, authorized, executed, and delivered by the Lessee, do not require the seal of the Lessee to be effective, valid, legal, or binding and, assuming due authorization, execution and delivery thereof by the other Parties thereto, constitute the legal, valid and binding obligations of the Lessee, enforceable against the Lessee in accordance with their terms, subject to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally.

3. The Lessee has complied with all applicable open public meeting laws and requirements with respect to the meeting at which the Proceedings were adopted, and the Lessee's execution of the Lease was authorized.

4. The Lessee has complied with all applicable procurement or public bidding laws of the State for the acquisition and leasing of the property (as defined in the Lease) including, without limitation, Section 4217 of the California Government Code.

5. To the best of our knowledge, there is no litigation, action, suit or proceeding pending or threatened before any court, administrative agency, arbitrator or governmental body that challenges the authority of the Lessee to enter into the Lease or the ability of Lessee to perform its obligation under the Lease and the transactions contemplated thereby.

The opinions set forth above are subject to the following additional qualifications:

1. The enforceability of the Lessee's obligation under the Lease is subject to the effect of applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or similar laws affecting creditors' rights, generally, and to the limitations on legal actions against municipal corporations in the State of California.
2. The enforceability of the Lessee's obligation under the Lease may be subject to good principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief (regardless of whether such enforceability is considered in a proceeding in equity or at law.)
3. We have not been engaged, nor have we undertaken to advise any Party or to opine as to any matters not specifically covered herein, including, but not limited to, matters relating to compliance with any tax or securities law.
4. We express no opinion as to matters governed by laws other than the laws of the State and the federal laws of the United States of America, and express no opinion as to the effect or enforceability of the provision of the Lease to the extent that: (1) such provisions require Lessee to waive trial by jury; or (2) such provision require Lessee to indemnify Lessor.
5. In our capacity as counsel, we have not made a physical inspection of the property securing the Lease, nor have we made a review of any site or engineering plan or specifications or any other documents for the installation of such property to determine whether they comply with applicable provisions of State, local or federal laws, ordinances, codes, rules and regulations. Accordingly, no opinion is expressed with respect to such matters, including, but not limited to zoning, subdivision, building codes, environmental or ecological matters.
6. These opinions may not be used in connection with any further subsequent transactions involving the Lessee and may not be reproduced, referred to or quoted in any financial statements, notes to financial statements, offering materials, disclosure materials or similar printed matter without the express written authorization of the undersigned.

No attorney-client relation has existed or exists between our firm and Lessor in connection with the authorization or delivery of the Lease or by virtue of this letter. This letter is delivered to the addressee hereof, solely for its benefit in connection with the execution and delivery of the Lease. The foregoing opinions may be relied upon by Lessor, its successors and assigns.

Respectfully submitted,

Firm Name

EXHIBIT G

BANK QUALIFIED CERTIFICATE

City of Oroville, as issuer, (“the Lessee”), under that certain Equipment Lease-Purchase Agreement (the “Agreement”) dated as of September 12, 2017, to which the Designation is attached, hereby designates the Agreement as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Lessee hereby represents that the Lessee reasonably anticipates that the Lessee and other entities that the Lessee controls will not issue tax-exempt obligations (including the Agreement) the aggregate principal amount of which exceed \$10,000,000 during the calendar year in which the Agreement is executed and delivered and interest commences to accrue thereunder.

This Designation is attached to and made a part of the Agreement and insures to the benefit of the Purchaser and its successors and/or assigns.

EXECUTED as of this 12th day of September, 2017.

CITY OF OROVILLE, as Lessee

By: _____
Name: Linda L. Dahlmeier
Title: Mayor

EXHIBIT H

POST-ISSUANCE TAX COMPLIANCE PROCEDURES

Dated: September 12, 2017

The following certificate is delivered in connection with the execution and delivery of the Equipment Lease-Purchase Agreement dated September 12, 2017 (the "Lease Agreement"), entered into between the City of Oroville (the "Lessee") and Holman Capital Corporation (the "Corporation"). Capitalized terms used herein have the meanings defined in the Lease Agreement.

Section 1. In General.

1.1. This Certificate is executed for the purpose of establishing the reasonable expectations of Lessee as to future events regarding the financing of certain equipment (the "Equipment") to be acquired by Lessor and leased to Lessee pursuant to and in accordance with the Equipment Schedule executed under the Agreement (together with all related documents executed pursuant thereto and contemporaneously herewith, the "Financing Documents"). As described in the Financing Documents, Lessor shall apply **\$3,314,690.00** (the "Principal Amount") toward the acquisition of the Equipment and closing costs, and Lessee shall make Rental Payments under the terms and conditions as set forth in the Financing Documents.

1.2. The individual executing this Certificate on behalf of Lessee is an officer of Lessee delegated with the responsibility of reviewing and executing the Financing Documents, pursuant to the resolution or other official action of Lessee adopted with respect to the Financing Documents, a copy of which has been delivered to Lessor.

1.3. The Financing Documents are being entered into for the purpose of providing funds for financing the cost of acquiring, equipping and installing the Equipment which is essential to the governmental functions of Lessee, which Equipment is described in the Equipment Schedule. The Principal Amount will be deposited in escrow by Lessor on the date of issuance of the Financing Documents and held by **Banner Bank**, as escrow agent (the "Escrow Agent") pending acquisition of the Equipment under the terms of that certain Escrow Agreement dated as of September 12, 2017 (the "Escrow Agreement"), by and between Lessor and Escrow Agent.

1.4. Lessee will timely file for each payment schedule issued under the Lease a Form 8038-G (or, if the invoice price of the Equipment under such schedule is less than \$100,000, a Form 8038-GC) relating to such Lease with the Internal Revenue Service in accordance with Section 149(e) of the Internal Revenue Code of 1986, as amended (the "Code").

1.5. The Lease is a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 2. Non-Arbitrage Certifications.

2.1. The Rental Payments due under the Financing Documents will be made with monies retained in Lessee's general operating fund (or an account or subaccount therein). No sinking, debt service, reserve or similar fund or account will be created or maintained for the payment of the Rental Payments due under the Financing Documents or pledged as security therefor.

2.2. There have been and will be issued no obligations by or on behalf of Lessee that would be deemed to be (i) issued or sold within fifteen (15) days before or after the date of issuance of the Financing Documents, (ii) issued or sold pursuant to a common plan of financing with the Financing Documents and (iii) paid out of substantially the same source of funds as, or deemed to have substantially the same claim to be paid out of substantially the same source of funds as, the Financing Documents.

2.3. Lessee does not and will not have on hand any funds that are or will be restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, as a substitute, replacement or separate source of financing for the Equipment.

2.4. No portion of the Principal Amount is being used by Lessee to acquire investments which produce a yield materially higher than the yield realized by Lessor from Rental Payments received under the Financing Documents.

2.5. The Principal Amount does not exceed the amount necessary for the governmental purpose for which the Financing Documents were entered into. Such funds are expected to be needed and fully expended for payment of the costs of acquiring, equipping and installing the Equipment.

2.6. Lessee does not expect to convey, sublease or otherwise dispose of the Equipment, in whole or in part, at a date which is earlier than the final Payment Date under the Financing Documents.

Section 3. Disbursement of Funds; Reimbursement to Lessee.

3.1. It is contemplated that the entire Principal Amount will be used to pay the acquisition cost of Equipment to the vendors or manufacturers thereof or for any financial advisory or closing costs, provided that, if applicable, a portion of the principal amount may be paid to Lessee as reimbursement for acquisition cost payments already made by it so long as the conditions set forth in Section 3.2 below are satisfied.

3.2. Lessee shall not request that it be reimbursed for Equipment acquisition cost payments already made by it unless each of the following conditions have been satisfied:

(a) Lessee adopted a resolution or otherwise declared its official intent in accordance with Treasury Regulation § 1.150-2 (the "Declaration of Official Intent"), wherein Lessee expressed its intent to be reimbursed from the proceeds of a borrowing for all or a portion of the cost of the Equipment, which expenditure was paid to the Vendor not earlier than sixty (60) days before Lessee adopted the Declaration of Official Intent;

(b) The reimbursement being requested will be made by a written allocation before the later of eighteen (18) months after the expenditure was paid or eighteen (18) months after the items of Equipment to which such payment relates were placed in service;

(c) The entire payment with respect to which reimbursement is being sought is a capital expenditure, being a cost of a type properly chargeable to a capital account under general federal income tax principles; and

(d) Lessee will use any reimbursement payment for general operating expenses and not in a manner which could be construed as an artifice or device under Treasury Regulation § 1.148-10 to avoid, in whole or in part, arbitrage yield restrictions or arbitrage rebate requirements.

Section 4. Use and Investment of Funds; Temporary Period.

4.1. Lessee has incurred or will incur, within six (6) months from the date of issuance of the Financing Documents, binding obligations to pay an amount equal to at least five percent (5%) of the Principal Amount toward the costs of the Equipment. An obligation is not binding if it is subject to contingencies within Lessee's control. The ordering and acceptance of the items of Equipment will proceed with due diligence to the date of final acceptance of the Equipment.

4.2. An amount equal to at least eighty-five percent (85%) of the Principal Amount will be expended to pay the cost of the Equipment by the end of the three-year period commencing on the date of this Certificate. No portion of the Principal Amount will be used to acquire investments that do not carry out the governmental purpose of the Financing Documents and that have a substantially guaranteed yield of four (4) years or more.

4.3. (a) Lessee covenants and agrees that it will rebate an amount equal to excess earnings on the Principal Amount deposited under the Escrow Agreement to the Internal Revenue Service if required by, and in accordance with, Section 148(f) of the Code, and make the annual determinations and maintain the records required by and otherwise comply with the regulations applicable thereto. Lessee reasonably expects to cause the Equipment to be acquired by September 12, 2017, but not later than September 12, 2018.

(b) Lessee will provide evidence to Lessor that the rebate amount has been calculated and paid to the Internal Revenue Service in accordance with Section 148(f) of the Code unless (i) the entire Principal Amount is expended on the Equipment by the date that is the six-month anniversary of the Financing Documents or (ii) the Principal Amount is expended on the Equipment in accordance with the following schedule: At least fifteen percent (15%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within six months from the date of issuance of the Financing Documents; at least sixty percent (60%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within 12 months from the date of issuance of the Financing Documents; and one hundred percent (100%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment prior to eighteen (18) months from the date of issuance of the Financing Documents.

(c) Lessee hereby covenants that (i) Lessee is a governmental unit with general tax powers; (ii) the Lease is not a "private activity bond" under Section 141 of the Code; and (iii) at least ninety-five percent (95%) of the Principal Amount is used for the governmental activities of Lessee.

Section 5. Escrow Account.

The Financing Documents provide that the monies deposited in escrow shall be invested until payments to the vendor(s) or manufacturer(s) of the Equipment are due. Lessee will ensure that such investment will not result in Lessee's obligations under the Financing Documents being treated as an "arbitrage bond" within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the "Code"), respectively. Any monies which are earned from the investment of these funds shall be labeled as interest earned. All such monies will be disbursed on or promptly after the date that Lessee accepts the Equipment. Lessee acknowledges that the provisions of Sections 2 and

4 herein are particularly applicable when the Principal Amount is funded into an Escrow Fund subject to the Escrow Agreement.

Section 6. No Private Use; No Consumer Loan.

6.1. Lessee will not exceed the private use restrictions set forth in Section 141 of the Code. Specifically, Lessee will not permit more than 10% of the Principal Amount to be used for a Private Business Use (as defined herein) if, in addition, the payment of more than ten percent (10%) of the Principal Amount plus interest earned thereon is, directly or indirectly, secured by (i) any interest in property used or to be used for a Private Business Use or (ii) any interest in payments in respect of such property or derived from any payment in respect of property or borrowed money used or to be used for a Private Business Use.

6.2. In addition, if both (A) more than five percent (5%) of the Principal Amount is used as described above with respect to Private Business Use and (B) more than five percent (5%) of the Principal Amount plus interest earned thereon is secured by Private Business Use property or payments as described above, then the excess over such five percent (5%) (the "Excess Private Use Portion") will be used for a Private Business Use related to the governmental use of the Equipment. Any such Excess Private Use Portion of the Principal Amount will not exceed the portion of the Principal Amount used for the governmental use of the particular project to which such Excess Private Use Portion is related. For purposes of this paragraph 6.2, "Private Business Use" means use of bond proceeds or bond financed-property directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and excluding use as a member of the general public.

6.3. No part of the Principal Amount or interest earned thereon will be used, directly or indirectly, to make or finance any loans to non-governmental entities or to any governmental agencies other than Lessee.

Section 7. No Federal Guarantee.

7.1. Payment of the principal or interest due under the Financing Documents is not directly or indirectly guaranteed, in whole or in part, by the United States or an agency or instrumentality thereof.

7.2. No portion of the Principal Amount or interest earned thereon shall be (i) used in making loans the payment of principal or interest of which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts if such investment would cause the financing under the Financing Documents to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 8. Miscellaneous.

8.1. Lessee shall keep a complete and accurate record of all owners or assignees of the Financing Documents in form and substance satisfactory to comply with the registration requirements of Section 149(a) of the Code unless Lessor or its assignee agrees to act as Lessee's agent for such purpose.

8.2. Lessee shall maintain complete and accurate records establishing the expenditure of the Principal Amount and interest earnings thereon for a period of five (5) years after payment in full under the Financing Documents.

8.3. To the best of the undersigned's knowledge, information and belief, the above expectations are reasonable and there are no other facts, estimates or circumstances that would materially change the expectations expressed herein.

8.4. The Lessee's Tax Identification Number is: 94-60000387.

8.5. The Lessee has adopted, or will adopt in a reasonable period post-closing, by resolution, separate written procedures regarding ongoing compliance with federal tax requirements necessary to keep, ensure and maintain the interest portions of the Rental Payments under the Lease Agreement as excluded from Lessor's gross income for federal income tax purposes, and will, on an annual basis, conduct an audit of the Lease Agreement to ensure compliance with such procedures

IN WITNESS WHEREOF, this Post-Issuance Tax Compliance Procedures Certificate has been executed on behalf of Lessee as of September 12, 2017.

CITY OF OROVILLE, CALIFORNIA

By: _____
Name: Linda L. Dahlmeier
Title: Mayor

EXHIBIT I:

ESCROW AGREEMENT

LESSOR:
Holman Capital Corporation
25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92653

ESCROW AGENT:
Banner Bank
1750 Howe Avenue, Suite 100
Sacramento, CA 95825

LESSEE:
City of Oroville
1735 Montgomery Street
Oroville, CA 95965

THIS ESCROW AGREEMENT (this "*Escrow Agreement*") is made as of September 12, 2017, between Holman Capital Corporation ("*Lessor*"), the City of Oroville ("*Lessee*"), and Banner Bank (the "*Escrow Agent*").

Lessor and Lessee have heretofore entered into that certain Equipment Lease-Purchase Agreement and Equipment Schedule both dated September 12, 2017 (the "*Lease Agreement*"). The Lease Agreement contemplates that certain Equipment described therein (the "*Equipment*") is to be acquired from the vendor(s) or manufacturer(s) thereof.

After acceptance of the Equipment by Lessee, the Equipment is to be leased by Lessor to Lessee pursuant to the terms of the Lease Agreement.

The Lease Agreement contemplates that Lessor will deposit with the Escrow Agent cash in the amount of \$3,314,690.00 (the "*Deposit Amount*"), for deposit into the escrow fund (the "*Escrow Fund*"), to be held in escrow by the Escrow Agent and applied on the express terms and conditions set forth herein. Such deposit into the Escrow Fund, together with all interest and additions received with respect thereto, is to be applied from time to time to pay the vendor(s) or manufacturer(s) of the Equipment its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the Equipment by Lessee). The Escrow Fund is to be held in Lessee's name for the benefit of Lessee and Lessor, and Lessee has granted to Lessor a first priority and perfected security interest in the Escrow Fund and any all proceeds, interest and other earnings thereon and investments therein to the Lessor by virtue of the execution of this Escrow Agreement without the need for any additional filings or financing statements.

The parties desire to set forth the terms on which the escrow is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, the parties agree as follows:

1. The Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The Escrow Agent agrees that the Escrow Fund shall be held irrevocably in trust for the account and benefit of Lessee and all interest earned with respect to the Escrow Fund shall accrue to the benefit of Lessee and shall be applied as expressly set forth herein.

To the limited extent required to perfect the first, priority security interest hereby granted by Lessee to Lessor in the cash and negotiable instruments from time to time held in the Escrow Fund, Lessor hereby appoints the Escrow Agent as its security agent, and the Escrow Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash and negotiable instruments on behalf of Lessor.

2. On such day as determined to the mutual satisfaction of the parties (the "*Commencement Date*"), Lessor shall deposit with the Escrow Agent cash in the amount of the Deposit Amount to be held by the Escrow Agent on the express terms and conditions set forth herein. The Escrow Agent agrees to accept the deposit of the Deposit Amount by Lessor with the Escrow Agent, and further agrees to hold the amount so deposited

together with all interest and other additions received with respect thereto in escrow on the express terms and conditions set forth herein.

3. The Escrow Agent shall at all times segregate the Escrow Fund into an account maintained for that express purpose, which shall be clearly identified on the books and records of the Escrow Agent as being held in its capacity as Escrow Agent. Cash, securities and other negotiable instruments held in the Escrow Fund from time to time shall be held or registered in the name of the Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor).
4. Lessee hereby directs the Escrow Agent to invest the cash held in the Escrow Fund from time to time in a Banner Bank non-interest bearing demand deposit account with no fees or costs or, in the event such fund is not at the time available, such other investments as Lessee may from time to time specify in writing, to the extent the same are at the time legal for investment of the funds being invested. Interest (if any) or other amounts earned and received by the Escrow Agent with respect to the Escrow Fund shall be deposited in and become a part of the Escrow Fund. No investment shall be made that would cause the Lease Agreement to be deemed to be an arbitrage bond within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended.
5. Lessor and Lessee hereby authorize the Escrow Agent to take the following actions with respect to the Escrow Fund:
 - a. From time to time, the Escrow Agent shall pay the vendor or manufacturer of the Equipment payments then due and payable, or reimburse Lessee for amounts that it has paid to the vendor or manufacturer of the Equipment, upon receipt of the following: (a) a duly executed Certificate of Acceptance and Payment Request in the form attached as Exhibit A hereto, (b) the vendor(s) or manufacturer(s) invoice(s) specifying the acquisition price of the Equipment described in the requisition request, and (c) any additional documentation required by Lessor.
 - b. If Lessor provides to the Escrow Agent written notice of the occurrence of an Event of Default or an Event of Nonappropriation by Lessee under the Lease Agreement, the Escrow Agent shall thereupon promptly remit to Lessor the entire balance of the Escrow Fund.
 - c. Upon receipt by the Escrow Agent of a duly executed Certificate of Acceptance and Payment Request identified as the final such request, the Escrow Agent shall transfer the then remaining balance of the Escrow Fund to Lessee, upon the express condition that Lessee hereby agrees to use such excess amount solely for capital expenditures as shall be approved by Lessee or, at the written direction of Lessee, for application against the interest component of the Lessee's payment obligation under the Lease Agreement, as provided therein, unless otherwise agreed by Lessor.
6. The Escrow Agent shall have no liability for acting upon any written instruction presented by Lessee and Lessor in connection with this Escrow Agreement that the Escrow Agent in good faith believes to be genuine. Furthermore, the Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own gross negligence, willful misconduct, or bad faith. The Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investments made pursuant to Section 4.
7. To the extent authorized by law, Lessee hereby agrees to indemnify and save the Escrow Agent harmless against any liabilities that it may incur in the exercise and performance of its powers and duties hereunder and that are not due to the Escrow Agent's gross negligence or willful misconduct. No indemnification will be made under this Section or elsewhere in this Escrow Agreement for damages arising solely out of gross negligence, willful misconduct, or bad faith by the Escrow Agent, its officers, agents, employees, successors or assigns.

8. The Escrow Agent may at any time resign by giving at least 30 days' prior written notice to Lessee and Lessor, but such resignation shall not take effect until the appointment of the successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Lessor and Lessee. In addition, the Escrow Agent may be removed at any time, with or without cause, by instrument in writing executed by Lessor and Lessee. Such notice shall set forth the effective date of the removal. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee and the predecessor Escrow Agent. Upon the effective date of resignation or removal, the Escrow Agent will transfer the Escrow Fund then held by it to the successor Escrow Agent selected by Lessor and Lessee.
9. This Escrow Agreement shall terminate upon receipt by the Escrow Agent of the written notice from Lessor specified in Section 5(b) or Section 5(c) hereof.
10. All notices hereunder shall be in writing, sent by certified mail, return receipt requested, or by mutually recognized overnight carrier addressed to the other party at its respective address shown on page 1 of this Escrow Agreement or at such other address as such party shall from time to time designate in writing to the other parties; and shall be effective on the date of receipt.
11. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of the Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Lessor and Lessee.
12. This Escrow Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification, or change of terms hereof shall bind any party unless in writing signed by all parties.
13. The Escrow Agent may employ agents, attorneys and accountants in connection with its duties hereunder and shall not be liable for any action taken or omitted in good faith in accordance with the advice of counsel, accountants, or other skilled persons.
14. This Escrow Agreement shall be governed by and be construed and interpreted in accordance with the internal laws of the State of California.
15. Information Required Under USA PATRIOT ACT: The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the day and year first above set forth.

LESSOR: **HOLMAN CAPITAL
CORPORATION**

LESSEE: **CITY OF OROVILLE**

By: _____
Lance S. Holman
President & CEO

By: _____
Linda L. Dahlmeier
Mayor

ESCROW AGENT: **BANNER BANK**

By: _____
Name: Bob Pedersen
Title: Public Finance Officer – Vice President

EXHIBIT A TO ESCROW AGREEMENT

CERTIFICATE OF ACCEPTANCE AND PAYMENT REQUEST

The following payment request is directed to Banner Bank (the "*Escrow Agent*"), as escrow agent under that certain Escrow Agreement dated September 12, 2017 (the "*Escrow Agreement*"), between the City of Oroville ("*Lessee*"), Holman Capital Corporation ("*Lessor*"), and the Escrow Agent. Because Holman Capital Corporation has assigned all of its right, title, and interest in and to the Escrow Agreement to Banner Bank, all references herein to "*Lessor*" shall mean Banner Bank.

The Escrow Agent is hereby requested to pay from the Escrow Fund established and maintained under the Escrow Agreement the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to Lessee). The equipment described below is part or all of the Equipment leased pursuant to that certain Equipment Lease-Purchase Agreement and Equipment Schedule both dated September 12, 2017 (the "*Lease Agreement*"), between Lessor and Lessee:

LOCATION	DESCRIPTION OF UNITS OF EQUIPMENT	AMOUNT	PAYEE
----------	--------------------------------------	--------	-------

Lessee hereby certifies and represents to and agrees with Lessor as follows with respect to the Equipment described above: (i) the Equipment has been delivered to the location(s) set forth in the Lease Agreement; (ii) a present need exists for the Equipment, which need is not temporary or expected to diminish in the near future; (iii) the Equipment is essential to and will be used by Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority; (iv) the estimated useful life of the Equipment based upon the manufacturer's representations and Lessee's projected needs is not less than the term of the Lease Agreement; (v) Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes as of the date of this Certificate; (vi) the Equipment is covered by insurance in the types and amounts required by the Lease Agreement; (vii) no Event of Default or Event of Nonappropriation, as those terms are defined in the Lease Agreement, and no event that with the giving of notice or lapse of time or both, would become an Event of Default or an Event of Nonappropriation, has occurred and is continuing on the date hereof; and (viii) sufficient funds have been appropriated by Lessee for the payment of all rental payments due under the Lease Agreement during Lessee's current Fiscal Year.

Based on the foregoing, the Escrow Agent is hereby authorized and directed to fund the acquisition of the Equipment set forth above by paying, or causing to be paid, the manufacturer(s)/vendor(s) the amounts set forth on the attached invoices from the Escrow Fund held under the Escrow Agreement in accordance with its terms.

The following documents are attached hereto and made a part hereof: (a) Original Invoice(s) and (b) Copies of Certificate(s) of Ownership, designating Lessee as legal owner and Lessor as secured party/lienholder, and evidence of filing.

IF REQUEST IS FINAL REQUEST, CHECK HERE . The undersigned hereby certifies that the items of Equipment described above, together with the items of Equipment described in and accepted by Certificates of Acceptance and Payment Requests previously filed by Lessee with Lessor constitute all of the Equipment subject to the Lease Agreement. By checking the foregoing box, Lessee certifies and confirms that Lessor has performed all of its obligations under the Lease Agreement.

Acceptance Date: _____

Approved:

BANNER BANK, as Lessor

CITY OF OROVILLE, as Lessee

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

SCHEDULE A TO ESCROW AGREEMENT:

NOTICE AND ACKNOWLEDGEMENT OF
ASSIGNMENT OF ESCROW AGREEMENT

Holman Capital Corporation ("Lessor"), City of Oroville ("Lessee"), and Banner Bank ("Escrow Agent") have entered into an Escrow Agreement dated September 12, 2017 (the "Escrow Agreement"), pursuant to which Lessor, or its Assignee (as defined below), has deposited cash into the Escrow Fund established thereunder, which funds are to be used by Lessee to acquire certain Equipment.

Escrow Agent is hereby notified that Lessor has assigned all of its right, title, and interest in and to, but not its obligations under, the Escrow Agreement to Banner Bank ("Assignee"), including, in particular, but without limitation, Lessor's security interest in the Escrow Fund and Lessor's right to approve all payment requests submitted by Lessee.

Date: September 12, 2017

LESSOR: HOLMAN CAPITAL
CORPORATION

LESSEE: CITY OF OROVILLE

By: _____
Lance S. Holman
President & CEO

By: _____
Linda L. Dahlmeier
Mayor

BANNER BANK

Name: Bob Pedersen
Title: Public Finance Officer – Vice President

CLOSING MEMORANDUM

**\$3,314,690.00 LEASE FOR SOLAR AND ENERGY CONSERVATION PROJECT
PURSUANT TO THAT EQUIPMENT LEASE-PURCHASE AGREEMENT AND EQUIPMENT SCHEDULE THERETO
DATED SEPTEMBER 12, 2017
BETWEEN CITY OF OROVILLE, AS LESSEE, AND
HOLMAN CAPITAL CORPORATION, AS LESSOR**

Pre-Closing: Pre-Closing will be held at the Lessee's convenience, on or before **September 8, 2017**. All documents will be executed and two (2) blue ink originals will be overnighted to Holman Capital Corporation, 25201 Paseo de Alicia, Suite 290, Laguna Hills, CA 92653 for delivery no later than 9:00 am on the morning of **September 8, 2017** and held in trust until such time as the wires and original documents are released by the Parties.

Closing: (1) By internal funds transfer and pending receipt of original, executed Lease Documents, on the morning of **September 12, 2017**, the Investor is authorized by Lessee to transfer via internal credit the Total Equipment Cost (as defined below) to Escrow Agent, pursuant to a general ledger credit to the Escrow Account as follows:

Bank Name: Banner Bank
ABA Number:
Account Number:
Account Name: City of Oroville

(2) By wire transfer and pending receipt of original, executed Lease Documents, on the morning of **September 12, 2017**, the Escrow Agent is authorized by Lessee to transfer via wire transfer the Issuance Costs (as defined below) to Lessor, as follows:

Bank Name: Community Business Bank
ABA Number: 121144191
Account Number: 201008281
Account Name: Holman Capital Corporation

Holman Capital Corporation will confirm by e-mail receipt of funds and then the release of all original documents held in trust, when such funds and/or documents are in the possession of each of the Parties. Upon confirmation by Escrow Agent of the Lease Proceeds, Lessee will wire closing costs, legal fees and other amounts to the parties in accordance with the invoices attached hereto.

Sources and Uses of Funds:

Principal Amount of Lease	\$ 3,314,690.00
TOTAL SOURCES	\$ 3,314,690.00
Total Equipment Cost:	\$ 3,309,690.00
Issuance Costs:	\$ 5,000.00
TOTAL LEASE PROCEEDS	\$ 3,314,690.00

Attest:

CITY OF OROVILLE

By: _____

Name: Linda L. Dahlmeier

Title: Mayor



Wednesday, August 23, 2017

Ruth Wright
Finance Director
City of Oroville
1735 Montgomery Street
Oroville, CA 95965

VIA E-MAIL

RE: Proposal for Lease Purchase Financing

Dear Ruth:

Holman Capital Corporation ("HCC") is pleased to present the City of Oroville its proposal for energy conservation project financing. The terms and conditions of our proposal are outlined as below:

FINANCING AMOUNT	INTEREST RATE	TERM	FIRST PAYMENT DUE	PERIODIC PAYMENTS	PAYMENTS	TOTAL PAYMENTS
\$ 3,314,690.00	4.20%	20 Years	180 Days	40	See Amortization	\$ 5,258,842.88

LESSEE:

City of Oroville. Lessee is a state or political subdivision within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code").

LESSOR:

Holman Capital Corporation, or its Assignee

TYPE OF FINANCING:

Tax-Exempt Capital Lease Agreement. Said Agreement shall be a net lease arrangement whereby Lessee is responsible for all costs of operation, maintenance, insurance, and taxes. The Agreement shall be based on the annual appropriation of funds.

USE OF PROCEEDS:

Energy Conservation Project

Description	Total Cost	% of Total
HVAC	\$ 690,613.43	20.83%
Controls	\$ 53,736.25	1.62%
Lighting	\$ 485,673.99	14.65%
Solar PV	\$ 1,868,333.39	56.37%
Transformer Replacement	\$ 82,611.22	2.49%
PG&E QM Service Contract	\$ 106,301.72	3.21%
M&V Equipment Installation Cost	\$ 22,420.00	0.68%
Total Project Cost	\$ 3,309,690.00	99.85%
HCC Documentation Fee	\$ 5,000.00	0.15%
Net Financing Amount	\$ 3,314,690.00	100.00%

BANK QUALIFICATION:	The Lessee reasonably anticipates that the total amount of tax-exempt obligations to be issued during calendar year 2017 will not exceed ten million (\$10,000,000.00) dollars.
PURCHASE OPTION:	<p>The purchase option can be exercised on any scheduled payment date.</p> <p>The current payment and purchase option are due should the Lessee decide to exercise the option.</p>
ESCROW FUNDING:	<p>HCC has assumed funding of an escrow account for this transaction on or about September 12, 2017.</p> <p>Escrow Agent will be selected by Lessee subject to HCC's credit approval. HCC will review and approve escrow disbursements prior to Escrow Agent disbursing the funds. It is assumed that all interest earnings will accrue for benefit of Lessee. This proposal also does not take into consideration the application of any interest earnings from the escrow fund of the account.</p>
ESCROW DISBURSEMENTS:	<p>HCC will request the following information from the Lessee to authorize disbursement of funds to vendors and or the Lessee from the escrow account:</p> <ul style="list-style-type: none">• Executed Disbursement Request Form• Executed Acceptance Certificate• Copy of Sales Contract• Proof of Payment (required if Lessee is requesting a reimbursement)
REIMBURSEMENT:	If Lessee intends to be reimbursed for any equipment cost associated with this Agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced, and must qualify under the Treasury Regulation Section 1.150.2.
INSURANCE:	The Lessee shall furnish confirmation of all risk physical damage insurance coverage for the full cost of the property plus one million (\$1,000,000.00) dollars combined single limit property damage and bodily injury insurance covering the property. HCC shall be named as loss payee and additional insured on such coverage.
PAY & PERFORMANCE BOND:	The Investor will be named as co-obligee on the pay and performance bond during the construction period.

AUTHORIZED SIGNORS:

The Lessee's governing board shall provide HCC with its resolution or ordinance authorizing this Agreement and shall designate the individual(s) to execute all necessary documents used therein.

LEGAL OPINION:

The Lessee's counsel shall furnish HCC with an opinion covering this transaction and the documents used herein. This opinion shall be in a form and substance satisfactory to HCC.

DOCUMENTATION:

Utilize standard HCC Loan agreement that will cover all facets of the transaction. A copy of the sample loan agreement will be forwarded to the Lessee upon acceptance of the proposal. The Lessee will be responsible for a \$5,000.00 documentation fee that has been added to the financing amount and will be paid at closing from lease proceeds.

RATE LOCK EXPIRATION:

If funding does not take place by **September 12, 2017**, the Loan Rate and Loan Payment Amounts will be adjusted to market conditions three (3) days prior to funding. Once set, the Loan Rate will remain fixed for the Loan Term.

FINANCIAL STATEMENTS:

Lessee shall provide to Lessor three (3) years of current financial statements, budgets, demographics, and proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested by Lessor.

This proposal is subject to final credit approval by the Credit/Investment Committee of Holman Capital Corporation and approval of the Loan documents in Holman Capital Corporation's sole discretion. To render a credit decision, Lessee shall provide HCC with the information requested above. Upon receipt of the signed proposal, we will endeavor to provide you with a timely commitment.

It is a pleasure to offer this proposal to you and we look forward to your favorable acknowledgment.

Sincerely,



Frank J. Gill IV
Vice President

AGREED TO AND ACCEPTED BY:

Name: _____

Title: _____

Date: _____

Transaction Process Management

Our seasoned finance professionals manage the transaction process from start to finish and are committed to delivering you a timely and professionally managed solution.

Project Discovery



- Three Years of Audited Financials
- Copy of Current Budget
- Description of the Project
- Project Cash Flows

Proposal Acceptance



HCC will prepare a written financing proposal for your review.

Account Set Up



HCC will request contact and billing information.

Credit and Risk Management



HCC will review the financial and project information to render a decision in a timely manner.

Financing Agreement Preparation



HCC emails the financing agreement to the lessee/borrower for review and approval.

Governing Body Approval



Finalized financing agreement is presented to the governing body for review, authorization, and execution.

Transaction Funding & Funds Disbursement

Executed financing agreement is returned to HCC for funding. Funds are disbursed under one of the following methodologies:

- Funds disbursed directly to the vendor.
- Funds placed in an interest bearing escrow account awaiting disbursement instructions.
- Funds disbursed to the borrower to reimburse for project expenditures. Proof of payment and compliance with applicable regulations is required.

Contact Us

Frank J. Gill
Vice President

25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92653
Phone: (949) 400-0969

Frank.Gill@HolmanCapital.com

www.HolmanCapital.com



SUBJECT TO AND MADE A PART OF THAT CERTAIN PROPOSAL DATED AUGUST 22, 2017

LESSEE: CITY OF OROVILLE
LESSOR: HOLMAN CAPITAL CORPORATION
COMMENCEMENT: 12-Sep-2017
TERM: 20 YEARS
1ST PAYMENT DUE: 12-Mar-2018
RATE: 4.2000%

Payment No.	Date	Payment	Interest	Principal	Purchase Option
0	9/12/2017				
1	3/12/2018	\$ 76,285.00	\$ 69,608.49	\$ 6,676.51	\$ 3,450,258.07
2	9/12/2018	\$ 76,285.00	\$ 69,468.28	\$ 6,816.72	\$ 3,443,148.23
3	3/12/2019	\$ 80,289.00	\$ 69,325.13	\$ 10,963.87	\$ 3,431,712.91
4	9/12/2019	\$ 80,289.00	\$ 69,094.89	\$ 11,194.11	\$ 3,420,037.46
5	3/12/2020	\$ 84,516.00	\$ 68,859.81	\$ 15,656.19	\$ 3,403,708.05
6	9/12/2020	\$ 84,516.00	\$ 68,531.03	\$ 15,984.97	\$ 3,387,035.73
7	3/12/2021	\$ 88,979.00	\$ 68,195.35	\$ 20,783.65	\$ 3,365,358.38
8	9/12/2021	\$ 88,979.00	\$ 67,758.89	\$ 21,220.11	\$ 3,343,225.81
9	3/12/2022	\$ 93,692.00	\$ 67,313.27	\$ 26,378.73	\$ 3,315,712.79
10	9/12/2022	\$ 93,692.00	\$ 66,759.32	\$ 26,932.68	\$ 3,287,622.01
11	3/12/2023	\$ 104,348.00	\$ 66,193.73	\$ 38,154.27	\$ 3,247,827.10
12	9/12/2023	\$ 104,348.00	\$ 65,392.49	\$ 38,955.51	\$ 3,207,196.51
13	3/12/2024	\$ 109,775.00	\$ 64,574.43	\$ 45,200.57	\$ 3,160,052.31
14	9/12/2024	\$ 109,775.00	\$ 63,625.21	\$ 46,149.79	\$ 3,111,918.08
15	3/12/2025	\$ 115,501.00	\$ 62,656.07	\$ 52,844.93	\$ 3,056,800.82
16	9/12/2025	\$ 115,501.00	\$ 61,546.33	\$ 53,954.67	\$ 3,000,526.10
17	3/12/2026	\$ 121,545.00	\$ 60,413.28	\$ 61,131.72	\$ 2,936,765.71
18	9/12/2026	\$ 121,545.00	\$ 59,129.51	\$ 62,415.49	\$ 2,871,666.36
19	3/12/2027	\$ 127,926.00	\$ 57,818.79	\$ 70,107.21	\$ 2,798,544.54
20	9/12/2027	\$ 127,926.00	\$ 56,346.53	\$ 71,579.47	\$ 2,723,887.15
21	3/12/2028	\$ 134,662.00	\$ 54,843.37	\$ 79,818.63	\$ 2,640,636.32
22	9/12/2028	\$ 134,662.00	\$ 53,167.17	\$ 81,494.83	\$ 2,555,637.21
23	3/12/2029	\$ 141,774.00	\$ 51,455.78	\$ 90,318.22	\$ 2,461,435.31
24	9/12/2029	\$ 141,774.00	\$ 49,559.10	\$ 92,214.90	\$ 2,365,255.17
25	3/12/2030	\$ 149,283.00	\$ 47,622.59	\$ 101,660.41	\$ 2,259,223.36
26	9/12/2030	\$ 149,283.00	\$ 45,487.72	\$ 103,795.28	\$ 2,150,964.88
27	3/12/2031	\$ 157,214.00	\$ 43,308.02	\$ 113,905.98	\$ 2,032,160.94
28	9/12/2031	\$ 157,214.00	\$ 40,915.99	\$ 116,298.01	\$ 1,910,862.12
29	3/12/2032	\$ 165,589.00	\$ 38,473.73	\$ 127,115.27	\$ 1,778,280.89
30	9/12/2032	\$ 165,589.00	\$ 35,804.31	\$ 129,784.69	\$ 1,642,915.46
31	3/12/2033	\$ 174,435.00	\$ 33,078.83	\$ 141,356.17	\$ 1,495,480.98
32	9/12/2033	\$ 174,435.00	\$ 30,110.36	\$ 144,324.64	\$ 1,344,950.38
33	3/12/2034	\$ 183,779.00	\$ 27,079.54	\$ 156,699.46	\$ 1,181,512.84
34	9/12/2034	\$ 183,779.00	\$ 23,788.85	\$ 159,990.15	\$ 1,014,643.11
35	3/12/2035	\$ 193,650.00	\$ 20,429.06	\$ 173,220.94	\$ 833,973.67
36	9/12/2035	\$ 193,650.00	\$ 16,791.42	\$ 176,858.58	\$ 649,510.17
37	3/12/2036	\$ 204,079.00	\$ 13,077.39	\$ 191,001.61	\$ 450,295.50
38	9/12/2036	\$ 204,079.00	\$ 9,066.35	\$ 195,012.65	\$ 246,897.30
39	3/12/2037	\$ 122,100.44	\$ 4,971.09	\$ 117,129.35	\$ 124,731.39
40	9/12/2037	\$ 122,100.44	\$ 2,511.38	\$ 119,589.06	\$ -
Grand Totals		\$ 5,258,842.88	\$ 1,944,152.88	\$ 3,314,690.00	

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS

**FROM: AMY BERGSTRAND, MANAGEMENT ANALYST III
BUSINESS ASSISTANCE/HOUSING DEVELOPMENT DEPARTMENT**

**RE: EXTENTION OF FIVE-YEAR DEADLINE TO DEVELOP/DISPOSE OF
HOUSING SUCCESSOR AGENCY PROPERTIES**

DATE: SEPTEMBER 5, 2017

SUMMARY

The Council, serving as the Successor Agency of the former Oroville Redevelopment Agency (RDA), may consider an extension of five-years to initiate the affordable housing development and/or disposal of the remaining housing assets that were transferred from the RDA to the Successor Agency.

DISCUSSION

The City of Oroville ("City") is the Housing Successor Agency ("Housing Successor") to the former Oroville Redevelopment Agency ("Agency"). Properties transferred from the former Agency to the City as Housing Successor must be developed for affordable housing purposes or sold by September 7, 2017, unless the City Council extends this time period by five years as permitted by state law.

The attached resolution would extend the time period to initiate development or disposal of the remaining housing assets to September 7, 2022.

All California redevelopment agencies were dissolved by State law on February 1, 2012. The former Agency's affordable housing rights, powers, assets, liabilities, duties, and obligations, excluding any amounts in the Agency's Low and Moderate Income Housing Fund, were transferred to the City as Housing Successor. Housing assets and liabilities were transferred to the City through a Housing Asset Transfer Form approved by the Department of Finance ("DOF") on September 7, 2012.

As a consequence of redevelopment dissolution, the former Agency originally transferred a total of 19 real properties to the City, as listed in the following table. Ten (10) of these properties have been disposed to date, leaving nine (9) left to be sold or developed. Of the 10 disposed properties, 9 have been sold through the City's Lease to Purchase Program and 1 property was sold to develop the Orange Tree Senior Housing project.

Properties Transferred from the Former Oroville Redevelopment Agency

City of Oroville

HAT Item	Address	Property Type	
<i>REMAINING PROPERTIES</i>			
2	1550 & 1560 Veatch St.	Vacant land	
5	3265 Glen Avenue	Single-family	
17	APN 033-232-021 (Oroville Dam Blvd)	Vacant land	
18	APN 033-232-001 (Oroville Dam Blvd & Highlands)	Vacant land	
1	1130 Pomona Avenue	Vacant land	
6	1289 Robinson St.	Single-family	
3	1729 Boynton Avenue	Single-family	
8	33 Canyon Highlands	Single-family	<i>Under contract for sale</i>
11	115 Worthy Avenue	Single-family	
<i>PROPERTIES THAT HAVE BEEN SOLD</i>			
9	2712 Spencer Avenue	Single-family	7/15/2014
10	3027 Florence Avenue	Single-family	2/19/2013
12	218 Windward Way	Single-family	8/20/2013
13	1800 Pinc Strcct	Single family	4/18/2013
14	2178 Bridge St.	Single-family	10/29/2012
15	2950 El Noble Ave.	Single-family	9/27/2013
16	1930 Grant Ave.	Single-family	10/20/2015
4	3054 Spencer Avenue	Single-family	12/30/2016
7	770 Robinson St.	Single-family	7/21/2016
19	1511 Robinson St.	Vacant land	12/15/2011

Of the remaining nine properties (“Remaining Properties”), two are under contract to be sold through the Lease to Purchase Program. The City is developing a strategy for the disposition or development of the other seven properties, which has been significantly challenged by numerous factors, including the reduction of state and federal assistance for affordable housing that has made financing and delivery of new housing assets more time consuming. This circumstance is not limited to Oroville; most communities in California are facing similar issues, particularly due to the reduction of tax credit financing available to new projects, which is the last remaining sizable source of funds for affordable housing in California with the elimination of redevelopment. At present, the City’s approach entails working with affordable housing developers and these assets may be necessary to assist in the underwriting of the Sierra Heights or Jamboree Housing projects provided both developers are able to secure sufficient state gap financing.

Should that not occur, the City may then look into a combination of sale and development of the remaining properties based on the feasibility and suitability of these sites for infill housing. Because the Sierra Heights and Jamboree Housing projects remain a strategic priority for the City (if not simply because of the number of units and the years of work the developers have put into these projects to date), it remains premature to sell the

affordable housing assets at this time. Should these projects continue to be delayed, the City may need to take more aggressive actions to initiate affordable housing development by employing these remaining assets as part of this infill development program. Staff will provide recommendations to the City Council following the results of the next round of tax credit applications due in March 2018.

Under Redevelopment Law, real properties acquired with housing funds had to see some initiation of development activities within five years, and the law allows a single extension of this timeframe for another five years. The Dissolution Act, specifically Health and Safety Code Section 34176.16, starts the first five-year time period from the date that the Department of Finance approved the transfer of housing assets from the former redevelopment agency to the housing successor agency. For Oroville, the DOF approved the transfer of housing assets to the City on September 7, 2012, meaning that the City would need to initiate activities for development or disposition by September 2017, or seek an extension of this time limit by another five years.

Handicapped without funding to acquire or underwrite projects, most housing successor agencies are limited in their ability to initiate development activities without an extension. The City has been unable to initiate development on the Remaining Properties due to the loss of funding from redevelopment dissolution. For this reason, City staff is recommending that the City Council extend the time period for initiation of housing activities on these remaining nine assets to September 2022 as described in the attached resolution.

The extension allows for the orderly and prudent use of affordable housing assets. While the City has considered selling some of the Remaining Properties, staff must adhere to several restrictions imposed by State Law on Housing Successor financing and housing production. State law requires housing successor agencies to spend Housing Asset Funds within certain limits based on income levels, age restrictions, and excess surplus thresholds. City staff does not recommend selling the Remaining Properties right away in order to preserve opportunities for future affordable housing development within the limits imposed by law, and to avoid accumulating an excess surplus. If the properties are sold, the sales proceeds would be deposited into the Housing Asset Fund, and if they are not spent on qualified expenses within a certain timeframe and threshold, the City could be forced to transfer funds to the State.

FISCAL IMPACT

There will be no impact to the General Fund at this time.

RECOMMENDATION

Adopt Resolution No. 8649 – A RESOLUTION OF THE OROVILLE CITY COUNCIL EXTENDING THE TIME PERIOD FOR THE DEVELOPMENT AND OR DISPOSITION OF HOUSING PROPERTIES TRANSFERRED FROM THE FORMER OROVILLE REDEVELOPMENT AGENCY, TO SEPTEMBER 7, 2022, PURSUANT TO HEALTH

AND SAFETY CODE SECTION 34176.1(e).

ATTACHMENT

A – Resolution No. 8649

**CITY OF OROVILLE
RESOLUTION NO. 8649**

A RESOLUTION OF THE OROVILLE CITY COUNCIL EXTENDING THE TIME PERIOD FOR THE DEVELOPMENT AND OR DISPOSITION OF HOUSING PROPERTIES TRANSFERRED FROM THE FORMER OROVILLE REDEVELOPMENT AGENCY, TO SEPTEMBER 7, 2022, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176.1(e)

WHEREAS, the Redevelopment Agency of the City of Oroville ("Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) ("HSC"); and

WHEREAS, the "Redevelopment Plan" for a redevelopment project known and designated as the "Oroville Project Area" was adopted and approved by Ordinance No. 1353 of the City of Oroville on July 6, 1981, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, in accordance with HSC Sections 33334.2 and 33334.3, the Redevelopment Plan provided for the collection of tax increment revenue and set aside not less than 20 percent of tax increment revenue into a Low and Moderate Income Housing Fund ("LMIHF") for the purposes of increasing, improving, and preserving the community's supply of affordable housing; and

WHEREAS, between 1981 and February 1, 2012, the Agency duly deposited tax increment revenue into its LMIHF, and used a portion of such funds over this time period to acquire real property to achieve the purposes of HSC Section 33334.2; and

WHEREAS, HSC Section 33334.16 provides that within five years from the date a property is acquired by a redevelopment agency with LMIHF monies, activities must be initiated consistent with the development of the property for affordable housing purposes, or the property must be sold and sales proceeds shall be deposited into the LMIHF; and

WHEREAS, HSC 33334.16 further states that the legislative body may extend the aforementioned property development or disposition deadline for one additional period not to exceed five years; and

WHEREAS, on February 1, 2012, the Agency was dissolved pursuant to HSC Sections 34170 to 34191.6; and

WHEREAS, the City of Oroville ("City") adopted Resolution No. 7848 on January 9, 2012 electing to retain the housing assets and functions of the former Agency,

effectively become the "Housing Successor Agency" to the former Agency pursuant to HSC Section 34176; and

WHEREAS, as a result of redevelopment dissolution pursuant to HSC Section 34176, a total of 19 LMIHF real property assets were transferred, at no cost, from the former Agency to the City's Low and Moderate Income Housing Asset Fund established pursuant to HSC 34176(d), with the requirement that such assets be used for affordable housing purposes. A list of these housing assets is contained herewith as Exhibit "A"; and

WHEREAS, 10 of the 19 properties have been sold by the City since February 1, 2012, with any sales proceeds deposited in the Low and Moderate Income Housing Asset Fund; and

WHEREAS, due in large part to the loss of funds resulting from the dissolution of redevelopment agencies in California and other factors, the City has been unable to initiate affordable housing activities at the remaining nine housing properties ("Remaining Properties") and is continuing to work with developers to maximize the use of these properties to achieve the original affordable housing objectives for which they were acquired, which may entail a combination of site development or disposition of the assets to generate local additional affordable housing funding; and

WHEREAS, pursuant to HSC 34176.1(e), the Dissolution Act amended HSC 33334.16 by establishing that the initial five-year period to initiate housing activities on real properties transferred to a housing successor commences not from the date of redevelopment acquisition, but from the date that the transfer of the housing assets was approved by the California Department of Finance, and continues to allow for an extension of this timeframe; and

WHEREAS, under amended provisions of HSC 34176.1(e), the City would have to initiate activities to develop affordable housing on or dispose of the Remaining Properties by September 7, 2017, which is five years from the date the Department of Finance approved the housing assets transferred from the Agency to the City; and

WHEREAS, as the City is continuing to pursue a multifaceted strategy to leverage these Remaining Properties to achieve affordable housing objectives, an extension as permitted by HSC 33334.16 is appropriate.

BE IT HEREBY RESOLVED by the City Council of the City of Oroville as follows:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The City Council finds and determines it is the City's intention that the Remaining Properties be developed for affordable housing purposes, or sold to fund other affordable housing activities as permitted by the HSC.

SECTION 3. The City Council finds and determines that the City may retain the Remaining Properties for an additional period not to exceed five years, or September 7, 2022, for the purpose of initiating affordable housing development activities.

SECTION 4. The City Clerk shall attest to the adoption of this Resolution.

PASSED and ADOPTED by the City Council of the City of Oroville at a regular meeting on September 5, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Donald Rust, Acting City Clerk

EXHIBIT A

Properties Transferred from the Former Oroville Redevelopment Agency

City of Oroville

HAT Item	Address	Property Type	
<i>REMAINING PROPERTIES</i>			
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17	APN 033-232-021 (Oroville Dam Blvd)	Vacant land	
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1	1130 Pomona Avenue	Vacant land	
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3	1729 Boynton Avenue	Single-family	
8	33 Canyon Highlands	Single-family	<i>Under contract for sale</i>
11	115 Worthy Avenue	Single-family	<i>sale</i>
<i>PROPERTIES THAT HAVE BEEN SOLD</i>			
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15	2950 El Noble Ave.	Single-family	9/27/2013
16	1930 Grant Ave.	Single-family	10/20/2015
4	3054 Spencer Avenue	Single-family	12/30/2016
7	770 Robinson St.	Single-family	7/21/2016
19	1511 Robinson St.	Vacant land	12/15/2011

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS

**FROM: RICK FARLEY, ENTERPRISE ZONE & BUSINESS ASSISTANCE
COORDINATOR (530) 538-4307
BUSINESS ASSISTANCE & HOUSING DEVELOPMENT
DEPARTMENT**

**RE: AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT
WITH REINARD W. BRANDLEY**

DATE: SEPTEMBER 5, 2017

SUMMARY

The Council may consider an Amendment to the Professional Services Agreement (PSA) with Reinard W. Brandley (Brandley), in the amount of \$50,000, for engineering services relating to the Oroville Municipal Airport (Airport).

DISCUSSION

In January 2017, the City applied for a Federal Aviation Administration (FAA) grant in the amount of \$50,000 for the engineering design of the construction of Taxiway K at the Oroville Municipal Airport. The FAA approved the grant request on July 21, 2017 and the grant funds are now available in the DELPHI payment system to be drawn down to pay for the FAA's 90% share. Brandley was identified in the grant application as the consultant engineer that would be performing the work and the FAA approved the grant as submitted. Even though Brandley's five-year contract has expired the FAA has approved allowing Brandley to perform the engineering work on this project for this grant. A copy of the FAA approval email from Mr. Abel Tapia is attached. The work is expected to take three months after the signing of the agreement. The City will be going out to RFP for another five-year airport engineering services contractor.

Staff is proposing an amendment to the existing contract with Brandley in the amount of \$50,000 for preparation of the City's engineering design of the Construction of Taxiway K at the Oroville Municipal Airport. The FAA grant for this project has been approved by the FAA. The City will be reimbursed 90% by the FAA for this project.

FISCAL IMPACT

Funds are available in the 2017/2018 budget:

Outside Services 4201-6360 \$27,576.99 (as of August 28, 2017)
Total cost to the Airport Fund is 10% of \$50,000, or \$5,000.

RECOMMENDATION

Adopt Resolution No. 8650 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH REINARD W. BRANDLEY, IN THE AMOUNT OF \$50,000, FOR ENGINEERING SERVICES RELATING TO THE OROVILLE MUNICIPAL AIRPORT – (Agreement No. 2006-12).

ATTACHMENTS

- A - Resolution No. 8650
- B - Agreement No. 2006-12
- C - Email from Abel Tapia, FAA Program Manager
- D – FAA Grant Agreement Approval and Funding Letter
- E – FAA Grant Application

**CITY OF OROVILLE
RESOLUTION NO. 8650**

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH REINARD W. BRANDLEY, IN THE AMOUNT OF \$50,000, FOR ENGINEERING SERVICES RELATING TO THE OROVILLE MUNICIPAL AIRPORT

(Agreement No. 2006-12)

WHEREAS, the City of Oroville has previously selected Reinard W. Brandley, Consulting Airport Engineer, as the most qualified firm, in response to a Request for Proposals for airport consulting services, and

WHEREAS, the City has negotiated with Reinard W. Brandley, Consulting Airport Engineer, for a fee of \$50,000 for the preparation of the City's engineering design of the Construction of Taxiway K at the Oroville Municipal Airport (Projects).

NOW THEREFORE, be it hereby resolved by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to execute an Amendment to the Professional Services Agreement with Reinard W. Brandley, Airport Consulting Engineer for the Projects. A copy of the Amendment is attached to this Resolution.
2. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting on September 5, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

/

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/

/

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Donald Rust, Acting City Clerk

TWELFTH AMENDMENT TO AGREEMENT NO. 2006 FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF OROVILLE AND REINARD W. BRANDLEY, CONSULTING AIRPORT ENGINEER

This Twelfth Amendment dated September 5, 2017, is to the Agreement No. 2006 between the **City of Oroville** ("City") and **Reinard W. Brandley, Consulting Airport Engineer** ("Consultant").

In consideration of the terms and conditions herein, the City and the Consultant agree that Agreement No. 2006 shall be amended as follows:

1. Consultant shall provide for City the additional consultant services set forth in Exhibit "A" attached to this Amendment.
2. City shall pay Consultant no more than an additional \$50,000 for the preparation of the City's engineering design of the Construction of Taxiway K at the Oroville Municipal Airport based on the fee proposals included in "Exhibit A" to this Amendment. Total compensation between the original Agreement, Amendments No. 1 – 12, and this Amendment shall not exceed \$418,532.
3. Conflicts between the Agreement, the First through Eleven Amendments, and this Twelfth Amendment shall be controlled by this Twelfth Amendment. All other provisions within Agreement No. 2006 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Agreement Amendment to be executed on the date first written above.

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/
/

CITY OF OROVILLE

REINARD W. BRANDLEY

By: _____
Linda L. Dahlmeier, Mayor

By: _____

Title: _____

Business License# 10001878

Tax ID No.: 94-1263809

APPROVED AS TO FORM:

ATTEST:

By: _____
Scott E. Huber, City Attorney

By: _____
Donald Rust, Acting City Clerk

ATTACHMENTS:

Exhibit A – Scope of Additional Services and Fee Proposal

EXHIBIT - A

Reinard W. Brandley
CONSULTING AIRPORT ENGINEER

6125 King Road, Suite 201
Loomis, California 95650

Telephone: (916) 652-4725
Fax: (916) 652-9029
e-mail: brandley@rwbrandley.com

August 17, 2017

Mr. Rick Farley
Airport Manager
City of Oroville
1735 Montgomery Street
Oroville, California 95965-4897

Subject: Oroville Municipal Airport
Construct Taxiway K
Proposal for Engineering Design Services

Dear Mr. Farley:

The City of Oroville has received a grant from the Federal Aviation Administration (AIP 3-06-0178-022-2017) for the engineering design of the Construction of Taxiway K at the Oroville Municipal Airport. Our office is pleased to present to the City of Oroville our proposal for providing engineering services necessary to design and develop plans and specifications for this project.

The engineering services included in our proposal are as follows:

- Planning and prep work including project scoping and layout and creating airspace case in OE/AAA – Construction Safety and Phasing Plan (7460-1).
- Topographic surveys
- Geotechnical studies and pavement design
- Engineering design and preparation of plans and specifications, Engineer's Report including Engineer's Estimate, and Construction Management Plan.

Our proposed cost for this work is as follows:

Task 1 – Planning/Prep Work – Scoping, Layout, File 7460-1	\$4,000
Task 2 – Field Work/Data Gather (Surveys and Soils)	20,000
Task 3 – Draft Plans & Specs (80%) & Estimate	21,000
Task 4 – Final Plans & Specs (100%) & Reports	<u>5,000</u>
Total Engineering Design	<u>\$50,000</u>

Mr. Rick Farley

-2-

August 17, 2017

Our standard billing rates that will apply during the design of this project are included in Table No. 1. A breakdown of fees showing time and materials for the total project and for each task is included in Table No. 2.

Assistance during bidding and award, engineering monitoring during construction, review of contractor submittals, resident engineering and inspection, and preparation of final reports and record drawings are not included in this phase of work. A separate contract will be required for this phase after you have received approval from F.A.A. for a grant to cover the cost of construction and construction management for this project.

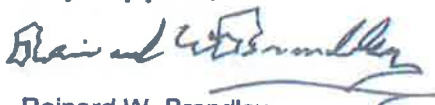
Our office is prepared to proceed immediately with this project upon receipt of an agreement and authorization to proceed and will complete the project within 90 days after start of work.

If this proposal is satisfactory, please prepare an agreement between the City of Oroville and our office for this work. The FAA requires that their Required Contract Provisions for Airport Improvement Program and for Obligated Sponsors be included as a part of all agreements. A copy of these provisions is attached for your use in preparing the agreement.

F.A.A. requires that you obtain approval from them prior to signing an agreement for engineering services. Please send a copy of the proposed agreement to Abel Tapia of F.A.A. and request that they approve this agreement.

We appreciate the opportunity of presenting this proposal and looking forward to working with you on this project.

Very truly yours,



Reinard W. Brandley

RWB:aw
Attachments

TABLE NO. 1

**Reinard W. Brandley
Consulting Airport Engineer
Standard Billing Rates**

Personnel

Reinard W. Brandley	\$250.00/Hour
Design Engineer/Geotechnical Engineer	\$150.00/Hour
Junior Engineer	\$100.00/Hour
Senior Drafter/CAD Technician	\$100.00/Hour
Junior Drafter/CAD Technician	\$90.00/Hour
Testing Technician	\$70.00/Hour
Project Administrator	\$90.00/Hour
Clerical	\$70.00/Hour

Travel and Equipment Rental

Per Diem	\$140/Day
Vehicle Rental	\$30.00/Day + \$0.40/Mile

Laboratory Tests/Topographic Surveys

Services by Others	Cost + 10%
Test Hole Drilling	Cost + 10%

August 2017

TABLE NO 2 - City Cost Estimate - Construct Taxiway K - Engineering Design

	Rates	TOTAL		TASK 1 Planning/Prep Work		TASK 2 Field Work/Data Gather		TASK 3 Draft Plans & Specs		TASK 4 Final Plans & Specs	
		Quant	Cost \$	Quant	Cost	Quant	Cost	Quant	Cost	Quant	Cost
COMPUTER & ENGINEERING SERVICES											
Project Manager - Principal - RW Brandley	\$250.00	38	9,750	4	1,000.00	16	3,750.00	16	4,000.00	4	1,000.00
Design Engineer/Geotechnical Engineer	\$150.00	90	13,500	0	1,200.00	20	3,000.00	50	7,500.00	12	1,800.00
Junior Engineer	\$100.00	42	4,200	0	0.00	0	0.00	34	3,400.00	8	800.00
Senior Drafter/CAD Technician	\$100.00	50	5,000	8	800.00	12	1,200.00	24	2,400.00	6	600.00
Junior Drafter/CAD Technician	\$80.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
Project Administrator	\$90.00	40	3,600	1	720.00	0	0.00	25	2,250.00	7	630.00
Clerical	\$70.00	22	1,540	5	350.00	0	0.00	15	1,050.00	2	140.00
Testing Technician	\$70.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
SUBTOTAL			37,590		4,070		7,950		20,600		4,970
MISCELLANEOUS/REIMBURSABLE SERVICES											
Per Diem (Per Day) Oroville	\$140.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
Milage (per Mile)	\$0.40	450	180	0	0.00	150	60.00	300	120.00	0	0.00
Vehicle Rental (Per Day)	\$30.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
Laboratory Rental (per Month)	\$200.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
Survey Equipment Rental (per Month)	\$200.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
Printing and Shipping	Lump Sum	1	250	0	0.00	0	0.00	1	250.00	0	0.00
Topographic Surveys	Lump Sum	1	10,000	0	0.00	1	10,000.00	0	0.00	0	0.00
Test Hole Drilling	Lump Sum					1	2,000.00				
SUBTOTAL		452	10,430		0		12,060		370		0
TOTAL ESTIMATED PRICE			48,020		4,070		20,010		20,970		4,970
USE			50,000		4,000		20,000		21,000		5,000

TASK 1 - Planning/Prep Work - Scoping, Layout, File 7460-1

TASK 2 - Field Work/Data Gather - Topographic Surveys/Geotechnical Studies & Pavement Design

TASK 3 - Draft Plans & Specs - 80% Plans & Specifications, Engineer's Estimate

TASK 4 - Final Plans & Specs - 100% Plans & Specifications, Engineer's Estimate, Engineer's Report, Safety Plan, and Construction Management Plan

ATTACHMENT "C"

Rick C. Farley

From: Abel.Tapia@faa.gov
Sent: Wednesday, August 30, 2017 1:30 PM
To: Rick C. Farley
Cc: brandley@rwbrandley.com; awells@rwbrandley.com
Subject: RE: Taxiway K engineering

Mr. Farley

We have reviewed the email that you have sent us. Based on several conversations that we recently had and the information provided we concur with your request to retain Brandley Engineering to perform and prepare the bid documents for the Taxiway K project. Please provide our office a copy of the negotiated engineering services contract to perform this work.

Abel Tapia
Program Manger
San Francisco Airports District Office
650-827-7621

From: Rick C. Farley [mailto:rfarley@cityoforoville.org]
Sent: Wednesday, August 30, 2017 11:40 AM
To: Tapia, Abel (FAA) <Abel.Tapia@faa.gov>
Cc: Reinard Brandley <brandley@rwbrandley.com>; Alaire Wells <awells@rwbrandley.com>
Subject: Taxiway K engineering

Good morning Abel.

We discussed on the phone that it would be OK to move forward with Brandley Engineering to do the Taxiway K engineering on FAA grant 3-06-0178-022-2017 Brandley was written into the grant application to the work and the grant was approved by the FAA as submitted. I have the contract agreement going to the Oroville City Council on Tuesday night (9-5-2017) for approval so that we can move this project forward. The Acting City Administrator is requiring that I have an email from you stating that it is OK for the City of Oroville, the sponsor, to have Brandley do the work. Otherwise, he will pull the item and I will have to go out for and RFP etc. We will be going out for an engineering firm ASAP but I would like to get this project done since the grant is approved and the funding is available. Would you please, if you agree, respond to me that it is OK to have Brandley move forward with doing the work on this \$50,000 project.

Thank you,
Rick Farley
City of Oroville
530-538-4307

This message may contain information and attachments that are considered confidential and are intended only for the use of the individual or entity addressed above. If you are not the intended recipient, then any use, disclosure, or dissemination of this information is prohibited. If you have received this message in error, please notify the original sender by telephone or by return email immediately. In addition, please delete this message and any attachments from your computer. Thank you.

ATTACHMENT "D"



U.S. Department
of Transportation
**Federal Aviation
Administration**

Western-Pacific Region

San Francisco Airports District Office
1000 Marina Boulevard, Suite 220
Brisbane, CA 94005-1835

July 21, 2017

Mr. Donald Rust
Director, Community Development
City of Oroville
1735 Montgomery Street Oroville,
California 95965

Dear Mr. Rust:

Airport: Oroville Municipal;
AIP Project No(s). 3-06-0178-022-2017;
Grant Agreement

This acknowledges receipt of the executed Grant Agreement(s) for the subject project(s).

Grant funds are now available in the Delphi eInvoicing System.

For any questions regarding the Delphi eInvoicing System, please contact Ms. Pet Mandap,
Programming Specialist, at (650) 827-7604 or pet.mandap@faa.gov.

Sincerely,
James W. Lomen
Manager, Airports District Office

ATTACHMENT "E"

APPLICATION FOR FEDERAL ASSISTANCE

**OROVILLE MUNICIPAL AIRPORT
OROVILLE, CALIFORNIA**

**2017 AIRPORT IMPROVEMENT PROGRAM –
CONSTRUCT TAXIWAY K - DESIGN**

DECEMBER 27, 2016

REINARD W. BRANDLEY

**CONSULTING AIRPORT ENGINEER
LOOMIS, CALIFORNIA**

Application for Federal Assistance SF-424

* 1. Type of Submission:
 Preapplication
 Application
 Changed/Corrected Application

* 2. Type of Application:
 New
 Continuation
 Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received:

4 Applicant Identifier:

5a. Federal Entity Identifier:
OVB:3-06-0176

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State: _____

7. State Application Identifier: _____

8. APPLICANT INFORMATION:

* a. Legal Name: City of Oroville

* b. Employer/Taxpayer Identification Number (EIN/TIN):
94-6000387

* c. Organizational DUNS:
0861234370009

d. Address:

* Street1: 1735 Montgomery Street

Street2: _____

* City: Oroville

County/Parish: Butte

* State: CA: California

Province: _____

* Country: USA: UNITED STATES

* Zip / Postal Code: 95965-4820

e. Organizational Unit:

Department Name:
Public Works

Division Name:
Oroville Municipal Airport

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr. * First Name: Donald

Middle Name: _____

* Last Name: Rust

Suffix: _____

Title: Director Community Development

Organizational Affiliation:

City of Oroville Community Development Oroville Municipal

* Telephone Number: 530-538-2433

Fax Number: 530-538-2426

* Email: drust@cityoforoville.org

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*** Other (specify):**

*** 10. Name of Federal Agency:**

Federal Aviation Administration

11. Catalog of Federal Domestic Assistance Number:

20.106

CFDA Title:

Airport Improvement Program

*** 12. Funding Opportunity Number:**

N/A

*** Title:**

13. Competition Identification Number:

N/A

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Oroville Municipal Airport, Oroville, Butte county, California - Design Construction of Taxiway K

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="54,000.00"/>
* b. Applicant	<input type="text" value="3,300.00"/>
* c. State	<input type="text" value="2,700.00"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="60,000.00"/>

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

- Yes
- No

If "Yes", provide explanation and attach

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

Title

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative: 

* Date Signed:

Application for Federal Assistance (Development Projects)

PART II – PROJECT APPROVAL INFORMATION

SECTION A	
<p>Item 1. Does this assistance request require State, local, regional, or other priority rating?</p> <p style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Name of Governing Body:</p> <p>Priority:</p>
<p>Item 2. Does this assistance request require State, or local advisory, educational or health clearances?</p> <p style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Name of Agency or Board:</p> <p>(Attach Documentation)</p>
<p>Item 3. Does this assistance request require clearinghouse review in accordance with OMB Circular A-95?</p> <p style="text-align: center;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>(Attach Comments)</p>
<p>Item 4. Does this assistance request require State, local, regional, or other planning approval?</p> <p style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Name of Approving Agency:</p> <p>Date:</p>
<p>Item 5. Is the proposal project covered by an approved comprehensive plan?</p> <p style="text-align: center;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Check one: State <input type="checkbox"/> Local <input checked="" type="checkbox"/> Regional <input type="checkbox"/></p> <p>Location of Plan: City of Oroville Public Works</p>
<p>Item 6. Will the assistance requested serve a Federal installation?</p> <p style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Name of Federal Installation:</p> <p>Federal Population benefiting from Project:</p>
<p>Item 7. Will the assistance requested be on Federal land or installation?</p> <p style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Name of Federal Installation:</p> <p>Location of Federal Land:</p> <p>Percent of Project: %</p>
<p>Item 8. Will the assistance requested have an impact or effect on the environment?</p> <p style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>(See instructions for additional information to be provided.)</p>
<p>Item 9. Will the assistance requested cause the displacement of individuals, families, businesses, or farms?</p> <p style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Number of: Individuals: Families: Businesses: Farms:</p>
<p>Item 10. Is there other related Federal assistance on this project previous, pending, or anticipated?</p> <p style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>(See instructions for additional information to be provided.)</p>

PART II – SECTION C

The Sponsor hereby represents and certifies as follows:

1. Compatible Land Use – The Sponsor has taken the following actions to assure compatible usage of land adjacent to or in the vicinity of the airport:

The City of Oroville and County of Butte regulate the use of Airport land by limiting (1) the height of structures and natural objects, and (2) activities compatible with Airport operations. City zoning regulations are pursuant to the provisions of Section 26 of the City Code. County zoning regulations are pursuant to Chapter 24, Article I, Airport Air Zoning, of the Code of Butte County, CA.

2. Defaults – The Sponsor is not in default on any obligation to the United States or any agency of the United States Government relative to the development, operation, or maintenance of any airport, except as stated herewith:

None

3. Possible Disabilities – There are no facts or circumstances (including the existence of effective or proposed leases, use agreements or other legal instruments affecting use of the Airport or the existence of pending litigation or other legal proceedings) which in reasonable probability might make it impossible for the Sponsor to carry out and complete the Project or carry out the provisions of the Grant Assurances, either by limiting its legal or financial ability or otherwise, except as follows:

None

4. Consistency with Local Plans – The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

5. Consideration of Local Interest – It has given fair consideration to the interest of communities in or near where the project may be located.

6. Consultation with Users – In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport which project is proposed.

7. Public Hearings – In projects involving the location of an airport, an airport runway or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

8. Air and Water Quality Standards – In projects involving airport location, a major runway extension, or runway location it will provide for the Governor of the state in which the project is located to certify in writing to the Secretary that the project will be located, designed, constructed, and operated so as to comply with applicable and air and water quality standards. In any case where such standards have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from such Administrator. Notice of certification or refusal to certify shall be provided within sixty days after the project application has been received by the Secretary.

PART II – SECTION C (Continued)

9. Exclusive Rights – There is no grant of an exclusive right for the conduct of any aeronautical activity at any airport owned or controlled by the Sponsor except as follows:

None

10. Land – (a) The sponsor holds the following property interest in the following areas of land* which are to be developed or used as part of or in connection with the Airport subject to the following exceptions, encumbrances, and adverse interests, all of which areas are identified on the aforementioned property map designated as Exhibit "A":

See attached Exhibit "A", Property Map, dated 9-10-13, approved by FAA in 2014.

The Sponsor further certifies that the above is based on a title examination by a qualified attorney or title company and that such attorney or title company has determined that the Sponsor holds the above property interests.

(b) The Sponsor will acquire within a reasonable time, but in any event prior to the start of any construction work under the Project, the following property interest in the following areas of land* on which such construction work is to be performed, all of which areas are identified on the aforementioned property map designated as Exhibit "A":

None

(c) The Sponsor will acquire within a reasonable time, and if feasible prior to the completion of all construction work under the Project, the following property interest in the following areas of land* which are to be developed or used as part of or in connection with the Airport as it will be upon completion of the Project, all of which areas are identified on the aforementioned property map designated as Exhibit "A"

None

*State the character of property interest in each area and list and identify for each all exceptions, encumbrances, and adverse interests of every kind and nature, including liens, easements, leases, etc. The separate areas of land need only be identified here by the area numbers shown on the property map.

PART III – BUDGET INFORMATION – CONSTRUCTION

SECTION A – GENERAL

1. Federal Domestic Assistance Catalog Number: _____
 2. Functional or Other Breakout: _____

SECTION B – CALCULATION OF FEDERAL GRANT

Cost Classification	Use only for revisions		Total Amount Required
	Latest Approved Amount	Adjustment + or (-)	
1. Administration expense	\$	\$	\$ 10,000.00
2. Preliminary expense			20,000.00
3. Land, structures, right-of-way			0.00
4. Architectural engineering basic fees			30,000.00
5. Other Architectural engineering fees			0.00
6. Project inspection fees			0.00
7. Land development			0.00
8. Relocation Expenses			0.00
9. Relocation payments to individuals and Businesses			0.00
10. Demolition and removal			0.00
11. Construction and project improvement			0.00
12. Equipment			0.00
13. Miscellaneous			0.00
14. Total (Lines 1 through 13)			60,000.00
15. Estimated income (if applicable)			0.00
16. Net Project Amount (Line 14 minus 15)			60,000.00
17. Less: Ineligible Exclusions			0.00
18. Add: Contingencies			0.00
19. Total Project Amt. (Excluding Rehabilitation Grants)			60,000.00
20. Federal Share requested of Line 19			54,000.00
21. Add Rehabilitation Grants Requested (100 Percent)			0.00
22. Total Federal grant requested (lines 20 & 21)			54,000.00
23. Grantee share			3,300.00
24. Other shares			2,700.00
25. Total Project (Lines 22, 23 & 24)	\$	\$	\$ 60,000.00

SECTION C – EXCLUSIONS		
Classification	Ineligible for Participation (1)	Excluded From Contingency Provision (2)
a. None	\$	\$
b.		
c.		
d.		
e.		
f.		
g. Totals	\$	\$
SECTION D – PROPOSED METHOD OF FINANCING NON-FEDERAL SHARE		
27. Grantee Share		
a. Securities		\$
b. Mortgages		
c. Appropriations (By Applicant)		3,300.00
d. Bonds		
e. Tax Levies		
f. Non Cash		
g. Other (Explain)		
h. TOTAL - Grantee share		3,300.00
28. Other Shares		
a. State		2,700.00
b. Other		
c. Total Other Shares		2,700.00
29. TOTAL		\$ 6,000.00
SECTION E – REMARKS		
<p>Plans and specifications for this project are incorporated by reference. The Construction Safety and Phasing Plan (CSPP) for this project is incorporated by reference. The Construction Management Plan for this project is incorporated by reference.</p>		

PART IV – PROGRAM NARRATIVE (Attach – See Instructions)

**OROVILLE MUNICIPAL AIRPORT – OROVILLE, CALIFORNIA
APPLICATION FOR FEDERAL ASSISTANCE - ENGINEERING
2017 AIRPORT IMPROVEMENT PROGRAM –
ENGINEERING DESIGN – CONSTRUCT TAXIWAY K**

**PART IV
PROGRAM NARRATIVE**

1. OBJECTIVES

An Application for Federal Aviation Administration Airport Improvement Program funds has been prepared for the engineering design of a pavement reconstruction project proposed to be included in the 2017 Airport Improvement Program at the Oroville Municipal Airport. A description of this project is as follows:

- Construct Taxiway K (50' x 425') - Currently access to the threshold at Runway 13 is from Taxiway K on the south side of Runway 13-31. To access the threshold at Runway 13 from the north side requires the pilots to cross Runway 13-31 at Taxiway L and proceed on Taxiways L and K. Construction of Taxiway K North will provide access to Runway 13 from the north side. This project will include new pavement, taxiway lights, and marking and is designed to enhance safety for the airfield and aircraft using the airport.

The threshold of Runway 20 has been relocated approximately 1,800 feet. The proposed construction of Taxiway K North is located on the original section of Runway 20 pavement. To avoid the confusing intersection of runway and taxiway pavements, the section of pavement on the extended section of Runway 20 will be removed to such an extent that a blast pad to Runway 20 remains as shown on the Project Sketch.

2. RESULTS OR BENEFITS EXPECTED

The construction of Taxiway K will improve safety on the airport and provide direct access to Runway 13 from the North Apron. The engineering design of this portion of Taxiway K will provide plans and specifications for the reconstruction of this taxiway.

3. APPROACH

- a. Plan of Action – Engineering Design - All airport design will conform to Advisory Circular 150/5300-13A, *Airport Design*. Specifications will be prepared based on Advisory Circular 150/5370-10G, *Standards for Specifying Construction of Airports*. All safety requirements as outlined in Advisory Circular 150/5370-2F, *Operational Safety on Airports During Construction* will be included in the Construction Safety and Phasing Plan prepared for this project.

The engineering design for this project will be performed as follows:

- a) Perform topographic surveys.
- b) Perform soil studies and pavement design studies.

- c) Perform complete engineering design.
- d) Prepare complete plans and specifications for the project, ready for bid.
- e) Prepare Engineer's Report including engineer's estimate of construction costs for the proposed project, Construction Safety and Phasing Plan, and Construction Management Plan.

b. **Schedule** – The proposed schedule for engineering design of this project is shown in bar-chart form on Attachment 3.

c. **Consultant** – The consultant who will work on the project will be Reinard W. Brandley, Consulting Airport Engineer. Brandley Engineering will perform the engineering design for this project.

4. GEOGRAPHIC LOCATION

The development of Taxiway K included in this project application will be at the Oroville Municipal Airport located in Oroville, Butte County, California. The areas to be served will be the City of Oroville and areas of Butte County that will be concerned with the airport improvements.

The locations and dimensions of the project are shown on the project sketch included as part of this Program Narrative.

5. SPONSOR'S REPRESENTATIVE

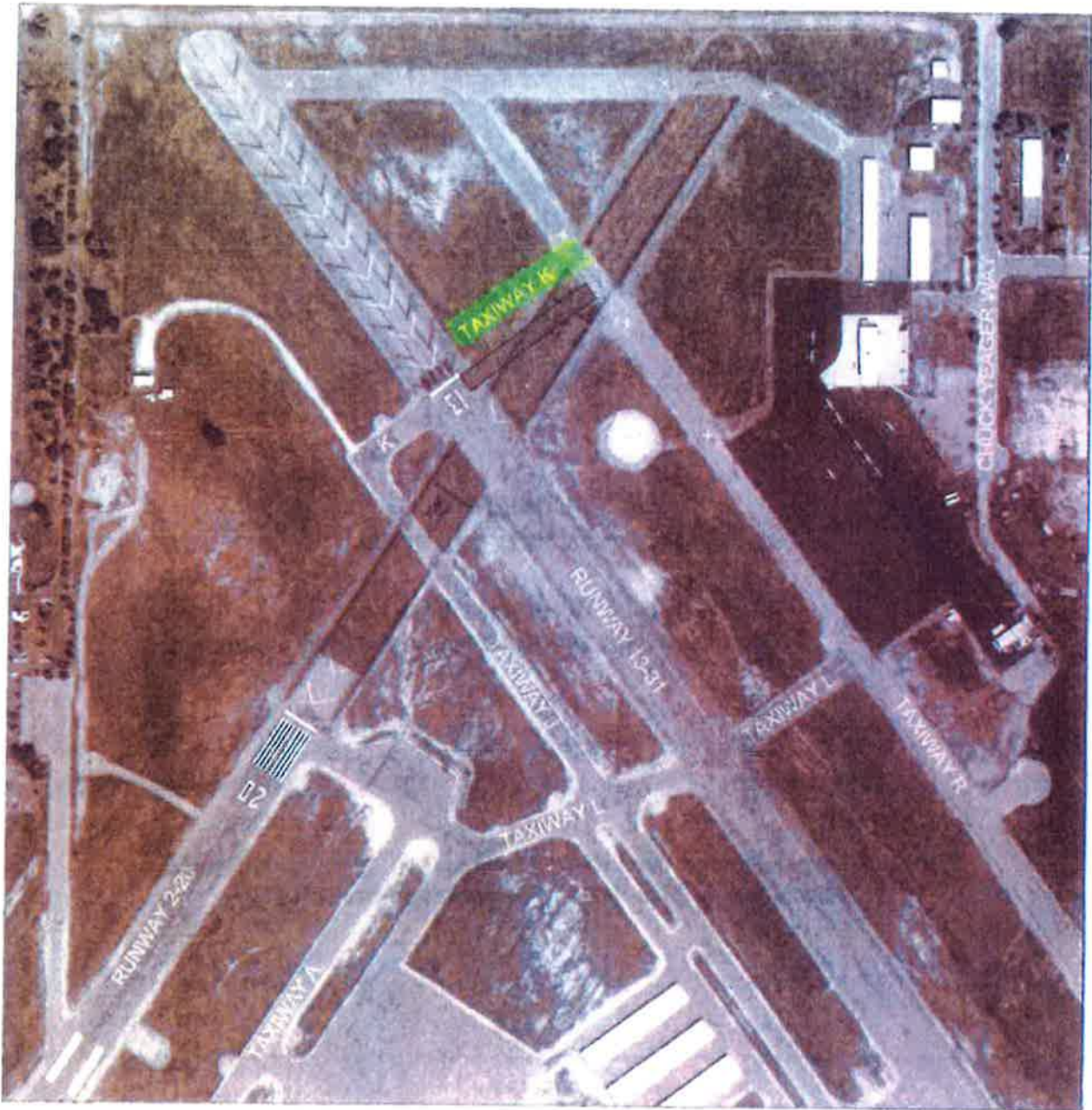
Donald Rust, Director of Community Development, Oroville Municipal Airport, City of Oroville Public Works, 1735 Montgomery Street, Oroville, California 95965, Telephone: 530-538-2433, Fax: 530-538-2426, Email: drust@cityoforoville.org

6. ATTACHMENTS

Also included in this application are the following attachments:

- Attachment 1 – Exhibit A, Property Map
- Attachment 2 – Cost Estimates
- Attachment 3 – Project Schedule
- Attachment 4 – NEPA Compliance
- Attachment 5 – DBE Program Approval
- Attachment 6 – Standard DOT Title VI Assurances
- Attachment 7 – Certification Regarding Lobbying
- Attachment 8 – System for Award Management (SAM) Registration
- Attachment 9 – Sponsor Certifications

**PROJECT SKETCH
TAXIWAY K**



PROJECT DATA

KEY	DESCRIPTION	DIMENSIONS
	TAXIWAY K CONSTRUCTION	50' x 428'
	REMOVE EXISTING ASPHALT	25,500 SQ FT



OROVILLE MUNICIPAL AIRPORT
OROVILLE, CALIFORNIA

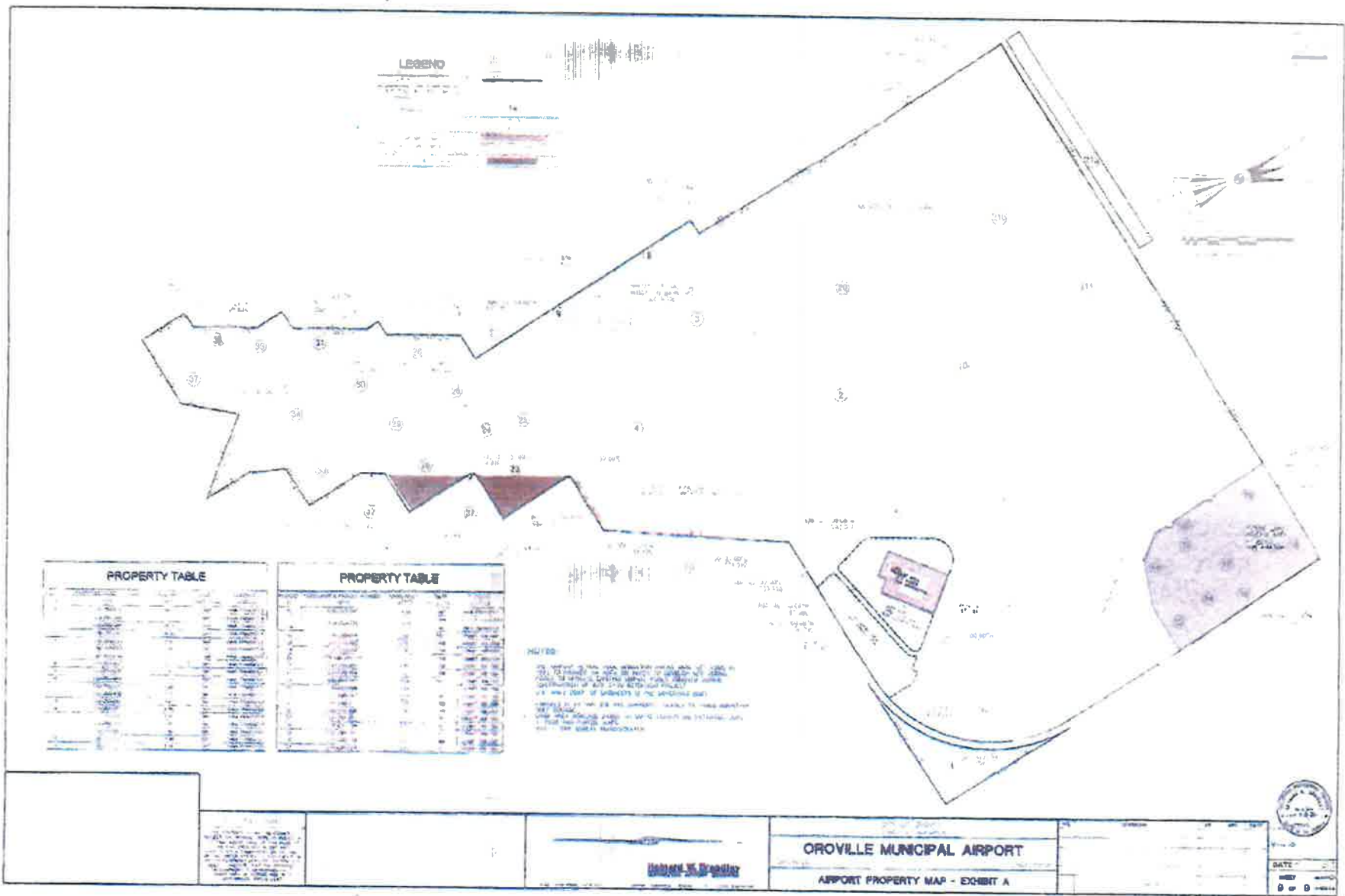
Reinard W. Brandley
CONSULTING AIRPORT ENGINEER

6125 King Road, Suite 201 Loomis, California 95650 (916) 652-4725

**ATTACHMENT 1
EXHIBIT "A", PROPERTY MAP**

**OROVILLE MUNICIPAL AIRPORT
OROVILLE, BUTTE COUNTY, CALIFORNIA**

Exhibit "A" Airport Property Map dated September 10, 2013, is included in this Attachment 1. This Property Map was approved in 2014.



LEGEND

[Symbol]	Runway
[Symbol]	Taxiway
[Symbol]	Obstacle
[Symbol]	Property Line
[Symbol]	Water
[Symbol]	Other

PROPERTY TABLE

Lot No.	Area (sq. ft.)	Owner
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
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81
82
83
84
85
86
87
88
89
90
91
92
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95
96
97
98
99
100

PROPERTY TABLE

Lot No.	Area (sq. ft.)	Owner
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
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146
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148
149
150

NOTES

1. All areas shown on this map are subject to the provisions of the applicable zoning ordinance.
2. The area shown in pink is reserved for future development.
3. The area shown in purple is reserved for future development.
4. The area shown in blue is reserved for future development.

ORVILLE MUNICIPAL AIRPORT

AIRPORT PROPERTY MAP - EXHIBIT A

DATE: _____

BY: _____

FOR: _____



**ATTACHMENT 2
COST ESTIMATES**

**OROVILLE MUNICIPAL AIRPORT
OROVILLE, BUTTE COUNTY, CALIFORNIA**

Cost Estimates of the project are included in this attachment as follows:

Attachment 2A – Breakdown of Engineering Costs

Attachment 2B – Breakdown of Administrative Costs

Attachment 2C - Summary of Project Costs

Also included in this attachment is the Independent Cost Estimate prepared by the Sponsor.

OROVILLE MUNICIPAL AIRPORT
OROVILLE, CALIFORNIA

2017 AIRPORT IMPROVEMENT PROGRAM - ENGINEERING

BREAKDOWN OF ENGINEERING COSTS

Engineering Design - Construct Taxiway K

Preliminary Engineering

Topographic Surveys:

2 Man Survey Crew	26 Hrs @ \$225	\$ 5,850.00
Cadd Operator	20 Hrs. @ \$105	2,100.00
Senior Drafter	20 Hrs. @ \$90	1,800.00
Travel Expenses		250.00

Soils/Pavement Design

Drill 4 Test Holes	4 Test Holes @ \$500	2,000.00
Principal Engineer - R. W. Brandley	15 Hrs @ \$250	3,750.00
Geotechnical Engineer	20 Hrs. @ \$125	2,500.00
Senior Drafter	20 Hrs. @ \$90	1,800.00
Mileage	150 Miles @ \$0.40	60.00

Total Preliminary Engineering \$ 20,110.00

Use \$ 20,000.00

Engineering Design:

Engineering Services up through Preparation of Plans, Specifications, and Reports

Principal Engineer - R. W. Brandley	30 Hrs @ \$250	\$ 7,500.00
Design Engineer	80 Hrs. @ \$125	10,000.00
Junior Engineer	50 Hrs. @ \$90	4,500.00
Senior Drafter	50 Hrs. @ \$90	4,500.00
Project Administrator	40 Hrs. @ \$75	3,000.00
Mileage	300 Miles @ \$0.40	120.00
Miscellaneous - Printing, Shipping, etc.		380.00

Total Engineering Design 30,000.00

Total Engineering Costs \$ 50,000.00

**OROVILLE MUNICIPAL AIRPORT
OROVILLE , CALIFORNIA**

2017 AIRPORT IMPROVEMENT PROGRAM - ENGINEERING

BREAKDOWN OF ADMINISTRATIVE COSTS

Engineering Design - Construct Taxiway K

<i>Project Set Up</i>			
Senior Civil Engineer	18 Hrs. @ \$110.36	\$ 1,986.48	
<i>Bid and Contract Award Advertisements</i>			\$ 1,986.48
<i>Grant Management</i>			
Senior Civil Engineer	36 Hrs. @ \$110.36	\$ 3,972.96	
<i>Construction Management</i>			3,972.96
<i>Project/Grant Closeout</i>			
Senior Civil Engineer	18 Hrs. @ \$110.36	\$ 1,986.48	
<i>Project/Grant Closeout</i>			1,986.48
<i>Legal Notices, Advertisements, Printing, etc.</i>			<u>2,000.00</u>
<i>Total - Administrative Costs</i>			\$ 9,945.92
<i>Use</i>			<u>\$ 10,000.00</u>

OROVILLE MUNICIPAL AIRPORT
OROVILLE, CALIFORNIA
2017 AIRPORT IMPROVEMENT PROGRAM - ENGINEERING
SUMMARY OF PROJECT COSTS

Description	Engineering Costs	Administrative Costs	Total Project Cost	F.A.A. Participation	Sponsor Participation
Construct Taxiway K	\$ 50,000	\$ 10,000	\$ 60,000	\$ 54,000	\$ 6,000
TOTAL	\$ 50,000	\$ 10,000	\$ 60,000	\$ 54,000	\$ 6,000



City of Oroville

COMMUNITY DEVELOPMENT DEPARTMENT

Donald Rust
DIRECTOR

1735 Montgomery Street
Oroville, CA 95965-4897
(530) 538-2401 – FAX (530) 538-2426
www.cityoforoville.org

January 31, 2017

Federal Aviation Administration
San Francisco Airports District Office
1000 Marina Blvd, Suite 220
Brisbane, CA 94005

Subject: 2017 AIP Engineering Design for Construction of Taxiway K

The City of Oroville (City) has received and reviewed grant application budgets for the following 2017 AIP design project for which the City will be submitting applications.

Airport Engineering Design

Construct Taxiway K

I have personally reviewed all aspects of the budgets prepared by the firm of Reinard Brandley, Airport Consulting Engineer (Brandley) and find that the proposed fees are reasonable and consistent with prior projects completed by Brandley for the City. I find that the budget review that has been completed satisfies the FAA's requirement for an Independent Fee Estimate and a Record of Negotiations.

Sincerely,

Donald Rust

Community Development Director
Acting City Administrator

"Oroville – California's best opportunity for a safe and diverse quality of life"

**ATTACHMENT 3
PROJECT SCHEDULES**

**OROVILLE MUNICIPAL AIRPORT
OROVILLE, BUTTE COUNTY, CALIFORNIA**

**ATTACHMENT 3 - PROJECT SCHEDULE - ENGINEERING - CONSTRUCT TAXIWAY K
OROVILLE MUNICIPAL AIRPORT**

	Month 1	Month 2	Month 3
PRELIMINARY DESIGN			
Topographic Surveys	■		
Soils and Pavement Design	■		
ENGINEERING DESIGN			
Engineering Design	■		
Prepare Plans and Specifications		■	■
Prepare Engineer's Report, CSPP, Construction Management Plan			■

**ATTACHMENT 4
NEPA COMPLIANCE**

**OROVILLE MUNICIPAL AIRPORT
OROVILLE, BUTTE COUNTY, CALIFORNIA**



U.S. Department
of Transportation
Federal Aviation
Administration

Western-Pacific Region
Airports Division

San Francisco Airports District Office
1000 Marina Boulevard, Suite 220
Brisbane, CA 94005-1835

January 20, 2015

Mr. Rick Walls
Interim City Engineer/Airport Manager
City of Oroville
1735 Montgomery Street
Oroville, CA 95966

Subject: Environmental Evaluation of Oroville Municipal Airport projects: Construct Taxiway K and Remove Pavement; and Install Precision Approach Path Indicator and Runway End Identifier Lights on Runway 2.

Dear Mr. Walls:

The Federal Aviation Administration (FAA) has reviewed the environmental information you submitted for the Taxiway K project; and Installation of Precision Approach Path Indicator and Runway End Identifier Lights on Runway 2. The FAA has determined the proposed projects are Categorical Excluded pursuant to FAA Order 1050.1E as it relates to the National Environmental Policy Act of 1969, as amended (NEPA). Therefore, no further federal environmental disclosure documentation for this project is necessary for NEPA purposes.

This letter notifies you that the proposed projects have complied with NEPA only. This is not a notice of final project approval of funding availability.

If you have any questions regarding this matter I am available at 650-827-7612, or email me at Douglas.Pomeroy@faa.gov.

Sincerely,

Douglas R. Pomeroy
Environmental Protection Specialist

ATTACHMENT 5
DBE PROGRAM APPROVAL

OROVILLE MUNICIPAL AIRPORT
OROVILLE, BUTTE COUNTY, CALIFORNIA

Rick C. Farley

From: Patricia.Wright@faa.gov
Sent: Tuesday, January 31, 2017 2:12 PM
To: Rick C. Farley
Subject: Oroville's DBE Plan
Attachments: FinalRulePart26012811.pdf; Guidance - Small Business Element 9-21-2011.pdf; Small Business Program Element Announcement 120811.pdf; FAA_Connect_System_Guidance_for_Airports_updated_12-20-2016.pdf

Hi, Rick.

I found the hard copy of the city's DBE Plan that was received in May 2015. My notes say Rick Walls and I were to discuss it during the week of April 25, 2016, but I don't think that ever happened.

Anyway, my checklist shows it looks okay except one thing – the Small Business Element Program is missing. Attached are guidance documents to help you put that together. Once received, I can approve the program. In the meantime, if you like I can give you a "provisional approval" that will help release the grant money. Let me know.

Also attached is the user manual for the FAA's online reporting system – *dbE-Connect* (soon to be changed to "FAA Connect"). Create a user profile and request access to Oroville and I'll approve it.

Let me know if you have any questions.

Patricia A. Wright

DBE/ACDBE Compliance Specialist
for Western-Pacific Region
Federal Aviation Administration

patricia.wright@faa.gov

Office: 310-725-3955

Cell: 619-512-6683 (Telework Mon./Wed./Fri.)

Mail: POB 92007, Los Angeles, CA 90009-2007

Address: 15000 Aviation Blvd., Lawndale, CA 90261



ACHIEVING SAFETY THROUGH DIVERSITY **Please click the image above to provide feedback.**

This e-mail message is intended solely for the recipient(s) above. The information may be privileged and confidential. If you are not the intended recipient of this message, notify the sender immediately and delete the original message. Thank You!

ATTACHMENT 6
STANDARD DOT TITLE VI ASSURANCES

OROVILLE MUNICIPAL AIRPORT
OROVILLE, BUTTE COUNTY, CALIFORNIA

STANDARD DOT TITLE VI ASSURANCES

City of Oroville (hereinafter referred to as the Sponsor) hereby agrees that as a condition to receiving Federal financial assistance from the Department of Transportation (DOT), it will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and all requirements imposed by 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation -- Effectuation of Title VI of the Civil Rights Act of 1964 (hereinafter referred to as the "Regulations") to the end that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this agreement. Without limiting the above general assurance, the Sponsor agrees concerning this grant that:

1. Each "program" and "facility" (as defined in Sections 21.23(e) and 21.23(b)) will be conducted or operated in compliance with all requirements of the Regulations.
 2. It will insert the clauses of Attachment 1 of this assurance in every contract subject to the Act and the Regulations.
 3. Where Federal financial assistance is received to construct a facility, or part of a facility, the assurance shall extend to the entire facility and facilities operated in connection therewith.
 4. Where Federal financial assistance is in the form of or for the acquisition of real property or an interest in real property, the assurance shall extend to rights to space on, over, or under such property.
 5. It will include the appropriate clauses set forth in Attachment 2 of this assurance, as a covenant running with the land, in any future deeds, leases, permits, licenses, and similar agreements entered into by the Sponsor with other parties:
 - (a) ~~for~~ for the subsequent transfer of real property acquired or improved with Federal financial assistance under this Project; and
 - (b) for the construction or use of or access to space on, over, or under real property acquired or improved with Federal financial assistance under this Project.
 6. This assurance obligates the Sponsor for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon, in which case the assurance obligates the sponsor or any transferee for the longer of the following periods:
 - (a) The period during which the property is used for a purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
 - (b) The period during which the Sponsor retains ownership or possession of the property.
 7. It will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he delegates specific authority to give reasonable guarantee that it, other sponsors, subgrantees, contractors, subcontractors, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Act, the Regulations, and this assurance.
 8. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Act, the Regulations, and this assurance.
-

THIS ASSURANCE is given in consideration of and for the purpose of obtaining Federal financial assistance for this Project and is binding on its contractors, the sponsor, subcontractors, transferees, successors in interest and other participants in the Project. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Sponsor.

DATED 02.01.17

CITY OF OROVILLE
(Sponsor)

By


Donald L. Rust, Director of Community Development

CONTRACTOR CONTRACTUAL REQUIREMENTS

ATTACHMENT 1

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. Compliance with Regulations. The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination. The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

3. Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. Information and Reports. The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the sponsor or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance. In the event of the contractor's non-compliance with the nondiscrimination provisions of this contract, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- a. Withholding of payments to the contractor under the contract until the contractor complies, and/or
- b. Cancellation, termination, or suspension of the contract, in whole or in part.

6. Incorporation of Provisions. The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

CLAUSES FOR DEEDS, LICENSES, LEASES, PERMITS OR SIMILAR
INSTRUMENTS

ATTACHMENT 2

The following clauses shall be included in deeds, licenses, leases, permits, or similar instruments entered into by the Sponsor pursuant to the provisions of Assurances 5(a) and 5(b).

1. The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.
 2. The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.
-

ATTACHMENT 7
CERTIFICATION REGARDING LOBBYING

OROVILLE MUNICIPAL AIRPORT
OROVILLE, BUTTE COUNTY, CALIFORNIA

**OROVILLE MUNICIPAL AIRPORT
OROVILLE, CALIFORNIA**

**2017 AIRPORT IMPROVEMENT PROGRAM – ENGINEERING
CONSTRUCT TAXIWAY K**

CERTIFICATION REGARDING LOBBYING

**Certification for Contracts, Grants, Loans
and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.



Signature/Authorized Certifying Official

City of Oroville

Applicant/Organization

Donald L. Rust
Director of Community Development

Typed Name and Title

02.01.17

Date Signed

ATTACHMENT 8
SYSTEM FOR AWARD MANAGEMENT (SAM)

OROVILLE MUNICIPAL AIRPORT
OROVILLE, BUTTE COUNTY, CALIFORNIA

SAM Search Results
List of records matching your search for :
Functional Area: Entity Management
Record Status: Active
Entity Name: City of Oroville

ENTITY <input type="text" value=""/>	OROVILLE, CITY OF, INC	Status:Active
DUNS: 613670868	+4:	CAGE Code: 4L000 DoDAAC:
Expiration Date: Feb 18, 2017 Has Active Exclusion?: No Delinquent Federal Debt?: No		
Address: 2055 LINCOLN ST		
City: OROVILLE	State/Province: CALIFORNIA	
ZIP Code: 95966-5325	Country: UNITED STATES	
ENTITY <input type="text" value=""/>	Oroville, City Of, Inc	Status:Active
DUNS: 086123437	+4:	CAGE Code: 47XD7 DoDAAC:
Expiration Date: Feb 18, 2017 Has Active Exclusion?: No Delinquent Federal Debt?: No		
Address: 1735 Montgomery St		
City: Oroville	State/Province: CALIFORNIA	
ZIP Code: 95965-4820	Country: UNITED STATES	
ENTITY <input type="text" value=""/>	OROVILLE, CITY OF	Status:Active
DUNS: 024229270	+4:	CAGE Code: 4JGA6 DoDAAC:
Expiration Date: Nov 4, 2016 Has Active Exclusion?: No Delinquent Federal Debt?: No		
Address: 1308 IRONWOOD ST		
City: OROVILLE	State/Province: WASHINGTON	
ZIP Code: 98844-0000	Country: UNITED STATES	

**ATTACHMENT 9
SPONSOR CERTIFICATIONS**

**OROVILLE MUNICIPAL AIRPORT
OROVILLE, BUTTE COUNTY, CALIFORNIA**

This attachment consists of the following Sponsor Certifications:
Attachment 9A – Drug-Free Workplace
Attachment 9B – Selection of Consultants
Attachment 9C – Project Plans and Specifications

**Drug-Free Workplace
Airport Improvement Program Sponsor Certification**

Sponsor: City of Oroville
 Airport: Oroville Municipal Airport
 Project Number: AIP 3-08-0178-
 Description of Work: Design: Construct Taxiway K

Application

49 USC § 47105(d) authorizes the Secretary to require certification from the sponsor that it will comply with the statutory and administrative requirements in carrying out a project under the Airport Improvement Program (AIP). General requirements on the drug-free workplace within federal grant programs are described in 2 CFR part 182. Sponsors are required to certify they will be, or will continue to provide, a drug-free workplace in accordance with the regulation. The AIP project grant agreement contains specific assurances on the Drug-Free Workplace Act of 1988.

Certification Statements

Except for certification statements below marked as not applicable (N/A), this list includes major requirements of the construction project. Selecting "yes" represents sponsor acknowledgement and confirmation of the certification statement. The term "will" means Sponsor action taken at appropriate time based on the certification statement focus area, but no later than the end of the project period of performance. This list is not comprehensive and does not relieve the sponsor from fully complying with all applicable statutory and administrative standards. The source of the requirement is referenced within parenthesis.

1. A statement has been or will be published prior to commencement of project notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the sponsor's workplace, and specifying the actions to be taken against employees for violation of such prohibition (2 CFR § 182.205).

Yes No N/A

2. An ongoing drug-free awareness program (2 CFR § 182.215) has been or will be established prior to commencement of project to inform employees about:

- a. The dangers of drug abuse in the workplace;
- b. The sponsor's policy of maintaining a drug-free workplace;
- c. Any available drug counseling, rehabilitation, and employee assistance programs; and
- d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

Yes No N/A

3. Each employee to be engaged in the performance of the work has been or will be given a copy of the statement required within item 1 above prior to commencement of project (2 CFR § 182.210).
 Yes No N/A
4. Employees have been or will be notified in the statement required by item 1 above that, as a condition employment under the grant (2 CFR § 182.205(c)), the employee will:
 a. Abide by the terms of the statement; and
 b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.
 Yes No N/A
5. The Federal Aviation Administration (FAA) will be notified in writing within 10 calendar days after receiving notice under item 4b above from an employee or otherwise receiving actual notice of such conviction (2 CFR § 182.225). Employers of convicted employees must provide notice, including position title of the employee, to the FAA (2 CFR § 182.300).
 Yes No N/A
6. One of the following actions (2 CFR § 182.225(b)) will be taken within 30 calendar days of receiving a notice under item 4b above with respect to any employee who is so convicted:
 a. Take appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; and
 b. Require such employee to participate satisfactorily in drug abuse assistance or rehabilitation programs approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.
 Yes No N/A
7. A good faith effort will be made, on a continuous basis, to maintain a drug-free workplace through implementation of items 1 through 6 above (2 CFR § 182.200).
 Yes No N/A

Site(s) of performance of work (2 CFR § 182.230):

Location 1

Name of Location: Oroville Municipal Airport
 Address: 225 Chuck Yeager Way Oroville, CA 95965

Location 2 (If applicable)

Name of Location:
 Address:

Location 3 (If applicable)

Name of Location:
 Address:

Attach documentation clarifying any above item marked with "no" response.

Sponsor's Certification

I certify, for the project identified herein, responses to the forgoing items are accurate as marked and additional documentation for any item marked "no" is correct and complete.

Executed on this 01 day of February, 2017

Name of Sponsor: City of Oroville

Name of Sponsor's Authorized Official: Donald L. Rust

Title of Sponsor's Authorized Official: Director of Community Development

Signature of Sponsor's Authorized Official:



A handwritten signature in blue ink, appearing to read "D. Rust", is written over a horizontal line.

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC § 1001 (False Statements) and could subject me to fines, imprisonment, or both.

Selection of Consultants
Airport Improvement Program Sponsor Certification

Sponsor: City of Oroville

Airport: Oroville Municipal Airport

Project Number: AIP 3-06-0178-

Description of Work: Design: Construct Taxiway K

Application

49 USC § 47105(d) authorizes the Secretary to require certification from the sponsor that it will comply with the statutory and administrative requirements in carrying out a project under the Airport Improvement Program (AIP). General requirements for selection of consultant services within federal grant programs are described in 2 CFR §§ 200.317-200.326. Sponsors may use other qualifications-based procedures provided they are equivalent to standards of Title 40 chapter 11 and FAA Advisory Circular 150/5100-14, Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects.

Certification Statements

Except for certification statements below marked as not applicable (N/A), this list includes major requirements of the construction project. Selecting "yes" represents sponsor acknowledgement and confirmation of the certification statement. The term "will" means Sponsor action taken at appropriate time based on the certification statement focus area, but no later than the end of the project period of performance. This list is not comprehensive and does not relieve the sponsor from fully complying with all applicable statutory and administrative standards. The source of the requirement is referenced within parenthesis.

1. Sponsor acknowledges their responsibility for the settlement of all contractual and administrative issues arising out of their procurement actions (2 CFR § 200.318(k)).
 Yes No N/A
2. Sponsor procurement actions ensure or will ensure full and open competition that does not unduly limit competition (2 CFR § 200.319).
 Yes No N/A
3. Sponsor has excluded or will exclude any entity that develops or drafts specifications, requirements, or statements of work associated with the development of a request-for-qualifications (RFQ) from competing for the advertised services (2 CFR § 200.319).
 Yes No N/A
4. The advertisement describes or will describe specific project statements-of-work that provide clear detail of required services without unduly restricting competition (2 CFR § 200.319).
 Yes No N/A

5. Sponsor has publicized or will publicize a RFQ that:
- Solicits an adequate number of qualified sources (2 CFR § 200.320(d)); and
 - Identifies all evaluation criteria and relative importance (2 CFR § 200.320(d)).
- Yes No N/A
6. Sponsor has based or will base selection on qualifications, experience, and disadvantaged business enterprise participation with price not being a selection factor (2 CFR § 200.320(d)).
- Yes No N/A
7. Sponsor has verified or will verify that agreements exceeding \$25,000 are not awarded to individuals or firms suspended, debarred or otherwise excluded from participating in federally assisted projects (2 CFR §180.300).
- Yes No N/A
8. A/E services covering multiple projects: Sponsor has agreed to or will agree to:
- Refrain from initiating work covered by this procurement beyond five years from the date of selection (AC 150/5100-14); and
 - Retain the right to conduct new procurement actions for projects identified or not identified in the RFQ (AC 150/5100-14).
- Yes No N/A
9. Sponsor has negotiated or will negotiate a fair and reasonable fee with the firm they select as most qualified for the services identified in the RFQ (2 CFR § 200.323).
- Yes No N/A
10. The Sponsor's contract identifies or will identify costs associated with ineligible work separately from costs associated with eligible work (2 CFR § 200.302).
- Yes No N/A
11. Sponsor has prepared or will prepare a record of negotiations detailing the history of the procurement action, rationale for contract type and basis for contract fees (2 CFR §200.318(i)).
- Yes No N/A
12. Sponsor has incorporated or will incorporate mandatory contract provisions in the consultant contract for AIP-assisted work (49 U.S.C. Chapter 471 and 2 CFR part 200 Appendix II)
- Yes No N/A
13. For contracts that apply a time-and-material payment provision (also known as hourly rates, specific rates of compensation, and labor rates), the Sponsor has established or will establish:
- Justification that there is no other suitable contract method for the services (2 CFR §200.318(j));
 - A ceiling price that the consultant exceeds at their risk (2 CFR §200.318(j)); and
 - A high degree of oversight that assures consultant is performing work in an efficient manner with effective cost controls in place 2 CFR §200.318(j)).
- Yes No N/A

14. Sponsor is not using or will not use the prohibited cost-plus-percentage-of-cost (CPPC) contract method. (2 CFR § 200.323(d)).

Yes No N/A

Attach documentation clarifying any above item marked with "no" response

Sponsor's Certification

I certify, for the project identified herein, responses to the foregoing items are accurate as marked and additional documentation for any item marked "no" is correct and complete.

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC § 1001 (False Statements) and could subject me to fines, imprisonment, or both.

Executed on this 01 day of February 2017

Name of Sponsor: City of Oroville

Name of Sponsor's Authorized Official: Donald L. Rust

Title of Sponsor's Authorized Official: Director of Community Development

Signature of Sponsor's Authorized Official: 

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC § 1001 (False Statements) and could subject me to fines, imprisonment, or both.

Project Plans and Specifications
Airport Improvement Program Sponsor Certification

Sponsor: City of Oroville

Airport: Oroville Municipal Airport

Project Number: AIP 3-06-0178-

Description of Work: Design: Construct Taxiway K

Application

49 USC § 47105(d) authorizes the Secretary to require certification from the sponsor that it will comply with the statutory and administrative requirements in carrying out a project under the Airport Improvement Program (AIP). Labor and civil rights standards applicable to AIP are established by the Department of Labor (www.dol.gov). AIP Grant Assurance C.1—General Federal Requirements identifies applicable federal laws, regulations, executive orders, policies, guidelines and requirements for assistance under AIP. A list of current advisory circulars with specific standards for procurement, design or construction of airports, and installation of equipment and facilities is referenced in standard airport sponsor Grant Assurance 34 contained in the grant agreement.

Certification Statements

Except for certification statements below marked as not applicable (N/A), this list includes major requirements of the construction project. Selecting "yes" represents sponsor acknowledgement and confirmation of the certification statement. The term "will" means Sponsor action taken at appropriate time based on the certification statement focus area, but no later than the end of the project period of performance. This list is not comprehensive and does not relieve the sponsor from fully complying with all applicable statutory and administrative standards. The source of the requirement is referenced within parenthesis.

1. The plans and specifications were or will be prepared in accordance with applicable federal standards and requirements, so that no deviation or modification to standards set forth in the advisory circulars, or FAA-accepted state standard, is necessary other than those explicitly approved by the Federal Aviation Administration (FAA) (14 USC § 47105).
 Yes No N/A

2. Specifications incorporate or will incorporate a clear and accurate description of the technical requirement for the material or product that does not contain limiting or proprietary features that unduly restrict competition (2 CFR §200.319).
 Yes No N/A

3. The development that is included or will be included in the plans is depicted on the current airport layout plan as approved by the FAA (14 USC § 47107).
 Yes No N/A

4. Development and features that are ineligible or unallowable for AIP funding have been or will be omitted from the plans and specifications (FAA Order 5100.38, par. 3-43).
 Yes No N/A
5. The specification does not use or will not use "brand name" or equal to convey requirements unless sponsor requests and receives approval from the FAA to use brand name (FAA Order 5100.38, Table U-5).
 Yes No N/A
6. The specification does not impose or will not impose geographical preference in their procurement requirements (2 CFR §200.319(b) and FAA Order 5100.38, Table U-5).
 Yes No N/A
7. The use of prequalified lists of individuals, firms or products include or will include sufficient qualified sources that ensure open and free competition and that does not preclude potential entities from qualifying during the solicitation period (2 CFR §319(d)).
 Yes No N/A
8. Solicitations with bid alternates include or will include explicit information that establish a basis for award of contract that is free of arbitrary decisions by the sponsor (2 CFR § 200.319(a)(7)).
 Yes No N/A
9. Concurrence was or will be obtained from the FAA if Sponsor incorporates a value engineering clause into the contract (FAA Order 5100.38, par. 3-57).
 Yes No N/A
10. The plans and specifications incorporate or will incorporate applicable requirements and recommendations set forth in the federally approved environmental finding (49 USC §47106(c)).
 Yes No N/A
11. The design of all buildings comply or will comply with the seismic design requirements of 49 CFR § 41.120. (FAA Order 5100.38d, par. 3-92)
 Yes No N/A
12. The project specification include or will include process control and acceptance tests required for the project by as per the applicable standard:
- a. Construction and installation as contained in Advisory Circular (AC) 150/5370-10.
 Yes No N/A
 - b. Snow Removal Equipment as contained in AC 150/5220-20.
 Yes No N/A
 - c. Aircraft Rescue and Fire Fighting (ARFF) vehicles as contained in AC 150/5220-10.
 Yes No N/A

13. For construction activities within or near aircraft operational areas(AOA):

- a. The Sponsor has or will prepare a construction safety and phasing plan (CSPP) conforming to Advisory Circular 150/5370-2.
- b. Compliance with CSPP safety provisions has been or will be incorporated into the plans and specifications as a contractor requirement.
- c. Sponsor will not initiate work until receiving FAA's concurrence with the CSPP (FAA Order 5100.38, Par. 5-29).

Yes No N/A

14. The project was or will be physically completed without federal participation in costs due to errors and omissions in the plans and specifications that were foreseeable at the time of project design (49 USC §47110(b)(1) and FAA Order 5100.38d, par. 3-100).

Yes No N/A

Attach documentation clarifying any above item marked with "no" response.

Sponsor's Certification

I certify, for the project identified herein, responses to the forgoing items are accurate as marked and additional documentation for any item marked "no" is correct and complete.

Executed on this 01 day of February 2017

Name of Sponsor: City of Oroville

Name of Sponsor's Authorized Official: Donald L. Rust

Title of Sponsor's Authorized Official: Director of Community Development

Signature of Sponsor's Authorized Official: 

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC § 1001 (False Statements) and could subject me to fines, imprisonment, or both.

**CITY OF OROVILLE
STAFF REPORT**

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS

**FROM: SCOTT E. HUBER, CITY ATTORNEY
ADMINISTRATION DEPARTMENT**

RE: PROCEDURE TO AMEND CITY CHARTER

DATE: SEPTEMBER 5, 2017

SUMMARY

The Council will receive a presentation regarding the procedure to amend the City Charter.

DISCUSSION

The City of Oroville is a charter city. As a charter city, voters can exercise a greater degree of local control than that provided by the California Legislature. In addition, voters can determine how their city government is organized and, with respect to municipal affairs, enact legislation different than that adopted by the state.

On August 1, 2017 Council meeting, the Mayor requested a presentation related to the process required to amend the Oroville City Charter.

FISCAL IMPACT

Presentation only. Any fiscal impacts will need to be analyzed based upon the specific direction provided by the Council.

RECOMMENDATION

Provide direction, as necessary.

ATTACHMENTS

None



CITY OF OROVILLE
FINANCE OFFICE
1735 MONTGOMERY STREET
OROVILLE, CA 95965-4897

530-538-2410

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS

FROM: RUTH WRIGHT, FINANCE DIRECTOR

RE: MONTHLY FINANCE DEPARTMENT REPORT

DATE: SEPTEMBER 5, 2017

CalCALPERS Pension Crisis – Public entities all over the State of California have been referring to the increases to the CalPERS pension cost increases as a pension crisis, or a pension tsunami, and at the very least, a very big problem. Many cities are projecting financial bankruptcy in as little as 5 years. You can hardly go through a day without hearing about it or seeing a news article about it.

- **What caused it?** To break it down, CalPERS plan assets are not projected to cover future retiree pay outs. How did that happen? One reason was investment rate of return projections. The investment rate of return that CalPERS was using to project growth on plan assets (7.5%) was high compared to the dismally low performance. Year 2016 was an all-time low of less than one percent rate of return on investments. All the while we, the municipal entities, are paying into our pensions based on an investment rate of return projections that were much rosier than reality. CalPERS hadn't calculated the dollar impact of reducing the investment rate of return for many years. Then finally, in December, 2016, they announced a rate reduction from 7.5% to 7.0% to be phased into the pension cost calculations. What causes concern is, this rate reduction is still not realistic. Economists predict a more likely rate of return of an average of 6% over the next six years. If this happens we will be widening the gap of funded plan assets and what is needed for retiree payouts. Based on this, we will be going further in the hole. Why didn't CalPERS match the expected rate of return (6.0%) and the rate of return we are making our payment based on (7.0%)? The simple answer is that just by reducing it to 7.0%, it is causing a terrible pension crisis in the State, lowering it to the true projection of 6% would require all of us to pay even more and the bankruptcies would double. Why is their investment rate of return so dismal? We've heard it all, bad housing investments, strict investment policy, bad investing in general. Whatever the cause, it has never been worse than it is now.
- **Why wasn't this predicted and planned for?** CalPERS is the largest US public pension fund and has been one of the leading pension organizations for many

years. A powerhouse of an organization, that everyone counted on, and enjoyed their success...while it lasted. Talk to some long-time City employees and you will hear about the day when the City's contribution was zero. Compare that to the 60.7% of salaries and wages we will pay in year 2021-2022. These cost increases are very recent and very steep. Every municipality under CalPERS got hit, we are not alone in this and we are not unique.

- **What are our options?** Forced to slash spending, forced to freeze positions as they become vacant, we have done these things and need to look again. The City is currently operating on a workforce of 97 positions, this is from a total 143 approved positions. That is a reduction of approximately one third of the approved work force. Sadly, the City is like many California municipalities in that 80% of our expenditures are salaries and benefits, there is just not much else to cut from. Look for new revenue sources? With none on the horizon, perhaps revisit the very unpopular temporary sales tax increase. Maybe not a full percent this time, maybe try a half percent. All options at this point are very unpopular but need to be discussed.
- **What actions can we take?** The squeaky wheel. Finance professionals of California are planning to attend CalPERS board meetings. This movement has already started. We will get three minutes each month to speak to them. This is our opportunity to let them know how their increases to fix their funding gap is affecting our communities.
- **Is there relief on the way?** - CalPERS announced a rate of return for 2017 of approximately 11%. Any year they experience a rate of return above the 7.0% is good news for us. They just need to keep it up. Also encouraging; CalPERS appointed a new chief executive officer back in October who shows promise in leading the way back to recovery.
- **Statistics?** Beginning July, 2017, local entities will pay CalPERS a total \$5.3 billion in pension contributions and rise to \$9.8 billion in fiscal year 2023. The City of Oroville estimates annual increases will total \$5,647,251 by the year 2023.

BUY A FIREFIGHTER BREAKFAST

ON 9/11



**Join our community in remembering 9/11 by
honoring Firefighters and Emergency Responders
and having breakfast with them on Sunday 9/10/17**

8:00 or 9:00 AM Sunday, September 10, 2017

Logan's Roadhouse Restaurant, Chico

**Tickets Available at the Chico and Oroville Chambers of Commerce
and online at: www.eventbright.com**

Organized by the Optimist Clubs of Chico and Oroville "Friends to Youth" and engendering "Respect for Law" in our communities. Any profits derived will support our "Friend to Youth Programs".
Contact: Larry Jendro ljendro@msn.com (530) 533-1413.



SATURDAY SEPTEMBER 16, 8AM-11AM

We are pleased to announce the Feather River Clean Up will continue this year due to the opening of Riverbend Park. This event is centered around the improvement of the Feather River, focusing mainly on the Oroville area. The cleanup will take place on Saturday, September 16, 2017 from 8:00 AM to 11:00 AM with a free volunteer BBQ immediately following at Bear Rock Pavilion in Riverbend Park. This is a great annual event that brings our community together to clean and beautify the Feather River.

Check in the day of the Clean Up at one of these three locations:
Bear Rock Pavilion in Riverbend Park • Bedrock Skate Park • Bedrock Tennis Courts

Contact FRRPD for more information at www.frrpd.com or call 530-533-2011.



City of Oroville

AUG 29 2017

Administration

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

California Department of Water Resources

Project No. 2100-180--California

NOTICE OF AVAILABILITY OF ENVIRONMENTAL ASSESSMENT

(August 23, 2017)

In accordance with the National Environmental Policy Act of 1969 and the Federal Energy Regulatory Commission's (Commission or FERC's) regulations, 18 Code of Federal Regulations Part 380, the Office of Energy Projects has reviewed an application filed by the California Department of Water Resources on May 17, 2017, and supplemented June 16 and June 20, 2017, to permanently reroute three existing primary transmission lines at the Feather River Project No. 2100 between the Hyatt Pumping-Generating Plant and the Table Mountain Substation. The proposal would allow California Department of Water Resources to continuously deliver electricity along a different route away from repair activities at the project's damaged main spillway and emergency spillway area. The Feather River Project is located on the Feather River in Butte County, California.

Staff prepared an environmental assessment (EA) for the application which analyzes the potential environmental effects of approving the requested transmission line modification. In the EA, staff concludes that such an approval, with specified environmental protection measures, would not constitute a major federal action that would significantly affect the quality of the human environment.

A copy of the EA is available for review at the Commission's Public Reference Room or may it be viewed on the Commission's website at www.ferc.gov using the "eLibrary" link. Enter the docket number P-2100-180 in the docket number field to access the document. For assistance, contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at 1-866-208-3676, or for TTY, 202-502-8659.

For further information, contact Mr. John Aedo at (415) 369-3335 or by email at john.aedo@ferc.gov.

Kimberly D. Bose,
Secretary.

