



OROVILLE CITY COUNCIL

Council Chambers
1735 Montgomery Street
Regular Meeting

DECEMBER 16, 2014
CLOSED SESSION 5:00 P.M.
OPEN SESSION 6:00 P.M.
AGENDA

"Oroville - California's best opportunity for a safe and diverse quality of life"

CLOSED SESSION (5:00 P.M.)

ROLL CALL

Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier

CONVENE TO CLOSED SESSION (ITEMS LISTED ON PAGE NO. 6)

RECONVENE TO OPEN SESSION

OPEN SESSION (6:00 P.M.)

PLEDGE OF ALLEGIANCE

PROCLAMATION / PRESENTATION

A Presentation by *Pacific Gas & Electric Company* relating to *Pipeline Safety Program*.

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter that is on the agenda to state your name and the agenda item on which you wish to speak. When that item comes up on the agenda, you will be asked to step to the podium, repeat your name for the record, and make your presentation or ask questions regarding the agenda item. Following your remarks, Council and/or staff may respond to your comments or questions. **Presentations are limited to three minutes per person.** Under Government Code Section 54954.3

the time allotted for presentations may be limited.

CONSENT CALENDAR

1. **APPROVAL OF THE MINUTES OF THE DECEMBER 2, 2014 REGULAR MEETING OF THE OROVILLE CITY COUNCIL** – minutes attached

2. **ENVIRONMENTALLY PREFERABLE PURCHASING AND PRACTICES POLICY** – staff report

The Council may consider an Environmentally Preferable Purchasing and Practices Policy. (**Randy Murphy, City Administrator**)

Council Action Requested: **Adopt Resolution No. 8309 – A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING THE ENVIRONMENTALLY PREFERABLE PURCHASING AND PRACTICES POLICY.**

3. **RATIFICATION OF THE TIRE-DERIVED PRODUCT GRANT APPLICATION** – staff report

The Council may consider ratifying the submission of a Tire-Derived Product Grant Application to CalRecycle on December 3, 2014 in the amount of \$36,000. (**Randy Murphy, City Administrator**)

Council Action Requested: **Adopt Resolution No. 8310 – A RESOLUTION OF THE OROVILLE CITY COUNCIL RATIFYING ALL DOCUMENTS RELATING TO THE FISCAL YEAR 2014-2015 TIRE-DERIVED PRODUCT GRANT.**

4. **AMENDMENT TO AIRPORT GROUND LEASE WITH PAUL SATUR** – staff report

The Council may consider a Amendment to the Airport Ground Lease Agreement with Paul Satur, Trustee of the Paul Satur Revocable Trust, reassigning the Lease to Priss Harman. (**Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer**)

Council Action Requested: **Adopt Resolution No. 8311 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE AIRPORT GROUND LEASE AGREEMENT WITH PAUL SATUR, TRUSTEE OF THE PAUL SATUR REVOCABLE TRUST, REASSIGNING THE LEASE TO PRISS HARMAN – (Agreement No. 1746-2).**

5. **UPDATE TO THE CITY OF OROVILLE'S MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE** – staff report

The Council will receive information regarding the approval by the Butte Local Agency Formation Commission of the City of Oroville's updated Municipal Service Review and Sphere of Influence. (**Donald Rust, Director of Community Development and Luis Topete, Associate Planner**)

Council Action Requested: **None.**

6. **TIME EXTENSION OF THE INTERIM NEGOTIATION PERIOD OF THE MASTER LEASE AGREEMENT FOR THE OPERATION, MAINTENANCE AND MANAGEMENT OF THE OROVILLE STATE THEATRE** – staff report

The Council will receive a report and may provide direction to staff regarding the need for a time extension to complete negotiations with the State Theatre Arts Guild, Inc. to take over the operation, maintenance and management of the Oroville State Theatre. (**Donald Rust, Director of Community Development**)

Council Action Requested: **Direct staff to continue to negotiate the Final Master Lease Agreement with the State Theatre Arts Guild, Inc. for the operation, maintenance and management of the Oroville State Theatre.**

7. INVESTMENT POLICY ADOPTION FOR 2015 – staff report

The Council may consider adopting the 2015 Investment Policy for the City of Oroville. **(Karolyn Fairbanks, City Treasurer)**

Council Action Requested: **Adopt Resolution No. 8312 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE ADOPTION OF THE 2015 INVESTMENT POLICY FOR THE CITY OF OROVILLE.**

8. DECLARATION AND DISPOSAL/DONATION OF SURPLUS PROPERTY – staff report

The Council may consider the declaration and disposal/donation of items listed on the Surplus Property List. **(Randy Murphy, City Administrator and Tyson Pardee, IT Manager)**

Council Action Requested: **Declare the items listed as surplus and authorize that the items be added to the Surplus Property List and donated or disposed of.**

9. AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH QUALITY CODE PUBLISHING – staff report

The Council may consider an Amendment to the Professional Services Agreement with Quality Code Publishing to provide codification services relating to the City's Municipal Code, in an amount not to exceed \$15,550. **(Randy Murphy, City Administrator and Jamie Hayes, Assistant City Clerk)**

Council Action Requested: **Adopt Resolution No. 8313 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH QUALITY CODE PUBLISHING TO PROVIDE CODIFICATION SERVICES RELATING TO THE CITY'S MUNICIPAL CODE, IN AN AMOUNT NOT TO EXCEED \$15,550 – (Agreement No. 3027-1).**

PUBLIC HEARINGS - None

REGULAR BUSINESS

10. REQUEST FROM COMPREHENSIVE MANAGEMENT, INC. TO PURCHASE CITY-OWNED PROPERTY FOR THE DEVELOPMENT OF A PARKING LOT – staff report

The Council may consider a request from Dr. Steven H. Horn to purchase a City-owned property identified as APN: 012-160-055 for the development of a parking lot to service his existing business, Comprehensive Management, Inc. located at 1877 Myers Street. **(Donald Rust, Director of Community Development and Luis Topete, Associate Planner)**

Council Action Requested: **Direct staff as necessary.**

11. OUTDOOR BOAT STORAGE LAND USE ENTITLEMENT AND PAYMENT PLAN – staff report

The Council may provide staff direction regarding a required land use entitlement for the outdoor storage of boats at 2319 W. Lincoln Street (APN 012-230-012) and consider a payment plan for the processing of a

use permit. **(Donald Rust, Director of Community Development and Luis Topete, Associate Planner)**

Council Action Requested:

1. **Per Oroville Municipal Code section 26-16.140(B), require the Applicant to abide with the use permit approval process for the intended land use of outdoor boat storage; and**
2. **Adopt Resolution No. XXXX – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING A USE PERMIT PAYMENT PLAN FOR THE BUSINESS IDENTIFIED AS “PRECISION CRAFT BOATWORKS” LOCATED AT 2139 W. LINCOLN STREET.**

12. PURCHASE OF NEW POLICE VEHICLES, FIRE VEHICLE AND PUBLIC WORKS VEHICLES – staff report

The Council may consider the purchase of (12) 2015 Ford Police Interceptor Utility vehicles, (1) 2015 Ford F350 Fire vehicle, (1) 2015 Ford F150 Public Works vehicle, and (2) 2015 Ford F350 Parks and Trees Dump Trucks from Oroville Ford. **(Bill La Grone, Director of Public Safety and Donald Rust, Director of Community Development)**

Council Action Requested:

1. **Authorize the Public Safety Department to enter into a lease with Ford Motor Credit Municipal Leasing for the purchase of (13) Police/Fire vehicles from Oroville Ford utilizing State Contract pricing and authorize the “piggy back” purchase of emergency equipment and installation from Lehr Auto Electric and Emergency Equipment utilizing the City of Woodland’s Purchase Agreement, pursuant to Government Code section 54205.**
2. **Authorize the Public Works Department to enter into a lease with Ford Motor Credit Municipal Leasing for the purchase of (3) Public Works vehicles from Oroville Ford utilizing State Contract pricing.**
3. **Authorize the City Purchasing Officer to dispose of vehicles which may be surpluses following the purchase of said vehicles.**
4. **Authorize the Finance Director to adjust affected budgets, as necessary.**

13. MONTHLY SUMMARY OF INVESTMENTS AND MONTHLY FINANCIAL REPORTS FOR NOVEMBER 2014 – reports attached

The Council will receive a copy of the Monthly Summary of Investments and the Monthly Financial Reports for November 2014. **(Ruth Wright, Director of Finance)**

Council Action Requested: **Acknowledge receipt of the November 2014 Monthly Summary of Investments and Monthly Financial Reports.**

SUCCESSOR AGENCY

14. ADOPTION OF REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN – staff report

The Commission may consider the revised Long-Range Property Management Plan, which includes four additional properties, pursuant to Health and Safety Code section 34191.5 for the liquidation of non-housing physical property assets of the former Oroville Redevelopment Agency. **(Rick Farley, RDA Coordinator)**

Commission Action Requested: **Adopt Resolution No. 14-07 – A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5.**

15. BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF OROVILLE AND THE OROVILLE SUCCESSOR AGENCY FOR THE USE OF EXCESS BOND PROCEEDS- staff report

The Council/Commission may consider a Bond Expenditure Agreement between the City of Oroville and the Oroville Successor Agency for the transfer of approximately \$3,368,183 of excess bond proceeds to the City of Oroville for implementation of projects consistent with the original bond covenants. **(Rick Farley, RDA Coordinator)**

Council/Commission Action Requested:

1. **Adopt Resolution No. 8315 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE THE BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF OROVILLE AND THE OROVILLE SUCCESSOR AGENCY – (Agreement No. 3099).**
2. **Adopt Resolution No. 14-08 – A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE AUTHORIZING AND DIRECTING THE CHAIRPERSON TO EXECUTE THE BOND EXPENDITURE AGREEMENT BETWEEN THE OROVILLE SUCCESSOR AGENCY AND THE CITY OF OROVILLE– (Agreement No. 14-01).**

16. PROCEEDINGS FOR REFUNDING CERTAIN TAX ALLOCATION BONDS – staff report

The Commission may consider the issuance of bonds in order to refund the former Redevelopment Agency's 2002 Loan Obligation, 2004A Loan Obligation and 2004B Loan Obligation, approving the execution and delivery of an indenture of trust, and authorizing certain other actions in connection therewith. **(Rick Farley, RDA Coordinator)**

Commission Action Requested: **Adopt Resolution No. 14-09 – A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY TO THE FORMER OROVILLE REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS, AND APPROVING THE FORM OF AN INDENTURE OF TRUST AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.**

MAYOR/ COUNCIL REPORTS

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

- Butte County Association of Governments (BCAG)
- Butte County Air Quality Management (BCAQMD)
- Butte Local Agency Formation Commission (LAFCo)

CITY ADMINISTRATOR/ ADMINISTRATION REPORTS

- Finance Department – activity report

CORRESPONDENCE

- Department of Housing & Community Development, received December 1, 2014
- Comcast, received December 4, 2014
- Pacific Gas & Electric Company, received December 8, 2014
- Butte County Department of Public Health, received December 10, 2014

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 Police Officers' Association, and Oroville Fire Fighters' Association.
2. Pursuant to Government Code Section 54957(b), the Council will meet with Labor Negotiators and City Attorney to consider the appointment, employment, evaluation of performance, discipline, and/or dismissal of a public employee related to the following position: Public Safety Director.
3. Pursuant to Government Code Section 54957(b), the Council will meet with Labor Negotiators and City Attorney to consider the appointment, employment, evaluation of performance, discipline, and/or dismissal of a public employee related to the following position: Community Development Director.
4. Pursuant to Government Code Section 54956.8, the Council will meet with Real Property Negotiators, City Administrator and City Attorney, regarding the property identified as 2066 Bird Street, Oroville.
5. Pursuant to Government Code section 54956.9(a), the Council will meet with the City Administrator, Director of Community Development, and City Attorney relating to existing litigation: Raymond Redwine v. Gil Zarate, Butte County Superior Court, Case No. 163119.
6. Pursuant to Government Code section 54956.9(b), the Council will meet with the City Administrator and the City Attorney regarding potential litigation – three cases.

ADJOURNMENT

The meeting will be adjourned. A regular meeting of the Oroville City Council will be held on Tuesday, January 6, 2014 at 8:00 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
DECEMBER 2, 2014 – 5:00 P.M.**

The agenda for the December 2, 2014 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 Wednesday, November 26, 2014, at 3:21 p.m.

The December 2, 2014 regular meeting of the Oroville City Council was called to order by Mayor Dahlmeier at 5:05 p.m.

ROLL CALL

Present: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox,
Mayor Dahlmeier
Absent: None

Staff Present:

Randy Murphy, City Administrator
Bill La Grone, Director of Public Safety
Donald Rust, Director of Community Development
Luis Topete, Associate Planner
Karolyn Fairbanks, Treasurer
Dean Hill, Jr., Assistant Fire Chief

Scott Huber, City Attorney
Jamie Hayes, Assistant City Clerk
Ruth Wright, Director of Finance
Allen Byers, Assistant Police Chief
Liz Ehrenstrom, Human Resource Analyst III

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Dahlmeier, with assistance from her Granddaughter, Alijah Lopez.

PROCLAMATION / PRESENTATION

Liisa Stark, Union Pacific Railroad Director of Public Affairs, gave a presentation relating to Transporting Crude Oil by Rail.

Ken Sweet expressed concerns relating to transporting crude oil by rail through the Feather River Canyon.

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

Skip George – Item No. 10

Allen Young – Item No. 15

CONSENT CALENDAR

A motion was made by Council Member Bunker, seconded by Council Member Pittman, to approve the following Consent Calendar, with exception to Item No. 10:

1. **APPROVAL OF THE MINUTES OF THE NOVEMBER 18, 2014 REGULAR MEETING OF THE OROVILLE CITY COUNCIL** – minutes attached

2. **LEASE AGREEMENT WITH CATALYST DOMESTIC VIOLENCE SERVICES** – staff report

The Council considered a Lease Agreement with Catalyst Domestic Violence Services to utilize a portion of the Centennial Cultural Center located at 1931 Arlin Rhine Memorial Drive, Oroville, for approximately six (6) months. **(Bill La Grone, Director of Public Safety)**

Council Action Requested: **Adopt Resolution No. 8298 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH CATALYST DOMESTIC VIOLENCE SERVICES FOR RENT OF OFFICE SPACE AT THE CENTENNIAL CULTURAL CENTER LOCATED AT 1931 ARLIN RHINE MEMORIAL DRIVE, OROVILLE – (Agreement No. 3097).**

3. **SIDE LETTER TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF OROVILLE AND THE OROVILLE POLICE OFFICERS' ASSOCIATION – NON-SWORN UNIT** – staff report

The Council considered a Side Letter to the Memorandum of Understanding (MOU) between the City of Oroville and the Oroville Police Officers' Association – Non-Sworn Unit (OPOA-NSU), relating to Article 7.2 – Shift Schedule and Rotation. **(Randy Murphy, City Administrator and Liz Ehrenstrom, Human Resource Analyst II)**

Council Action Requested: **Adopt Resolution No. 8299 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A SIDE LETTER TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF OROVILLE AND THE OROVILLE POLICE OFFICERS' ASSOCIATION – NON SWORN UNIT – (Agreement No. 1448-8).**

4. **MADAM RUBY'S USE PERMIT PAYMENT PLAN REQUEST** – staff report

The Council considered a request from Madam Ruby, located at 1751 Oro Dam Boulevard, Suite No. 7, for a monthly payment plan for the processing of a use permit. **(Donald Rust, Director of Community Development and Luis Topete, Associate Planner)**

Council Action Requested: **Adopt Resolution No. 8300 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING A USE PERMIT PAYMENT PLAN FOR THE BUSINESS IDENTIFIED AS "MADAM RUBY" LOCATED AT 1751 ORO DAM BOULEVARD, SUITE NO. 7 (APN: 035-050-051).**

5. PURCHASE OF A SOLAR INVERTER FOR THE CITY HALL SOLAR SYSTEM – staff report

The Council considered the purchase of a solar inverter for the City Hall solar system from the lowest responsible bidder, Alameda Electric, in the amount of \$21,447. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested:

- 1. Authorize the purchase of a solar inverter from Alameda Electrical Distributors, in an amount not to exceed \$21,446.25.**
- 2. Authorize a transfer from Contingency to Supplemental Adjustment No. 2014/15-1202-05.**

6. FEDERAL AVIATION ADMINISTRATION LAND USE CHANGE AUTHORIZATION – staff report

The Council considered a Land Use Change Authorization with the Federal Aviation Administration for the Oroville Municipal Airport. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested: **Adopt Resolution No. 8301– A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A LAND USE CHANGE AUTHORIZATION WITH THE FEDERAL AVIATION ADMINISTRATION FOR THE OROVILLE MUNICIPAL AIRPORT.**

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

The Council considered an Amendment to the Professional Services Agreement with Reinard W. Brandley, in the amount of \$4,667, for engineering services relating to the Oroville Municipal Airport. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested: **Adopt Resolution No. 8302 – 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 \$4,667, FOR THE PREPARATION OF A CATEGORICAL EXCLUSION FOR THE RUNWAY 2 PAPI AND RUNWAY K PROJECTS AT THE OROVILLE MUNICIPAL AIRPORT – (Agreement No 2006-10).**

8. AMENDMENT TO AIRPORT GROUND LEASE WITH ROGER M. GRUBBS – staff report

The Council considered a 10-year extension to the Airport Ground Lease with Roger M. Grubbs. **(Donald Rust, Director of Community Development and Rick Walls, Interim City Engineer)**

Council Action Requested: **Adopt Resolution No. 8303 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A TEN YEAR EXTENSION OF THE AIRPORT GROUND LEASE AGREEMENT WITH ROGER M. GRUBBS – (Agreement No. 1351-2).**

9. FUND BALANCE POLICY IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB) STATEMENT NO. 54 – staff report

The Council considered formally adopting the Fund Balance Policy which defines the fund balance categories in accordance with Government Accounting Standards Board (GASB) Statement No. 54. **(Randy Murphy, City Administrator and Ruth Wright, Director of Finance)**

Council Action Requested: **Adopt Resolution No. 8304 – A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING THE FUND BALANCE POLICY.**

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

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

Ayes: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor
Wilcox, Mayor Dahlmeier
Noes: None
Abstain: None
Absent: None

ITEMS REMOVED FROM THE CONSENT CALENDAR

10. REVISIONS AND ADOPTION OF OROVILLE FIRE DEPARTMENT’S MANUAL POLICY NO. 1615 – APPARATUS STAFFING – staff report

The Council considered the revision and adoption of the Oroville Fire Department’s Manual Policy No. 1615 relating to Apparatus Staffing. **(Bill La Grone, Director of Public Safety)**

This item was removed from the Consent Calendar for the inclusion of a discussion with Item No. 10, 11 and 16.

Skip George, President of the Oroville Fire Fighters’ Association (OFFA), confirmed the OFFA’s concurrence with revisions to the Oroville Fire Department Policy Manual Policies 1615 – Apparatus Staffing, 1655 – Training Benchmarks and 1670 – Lieutenant Classification, as well as the establishment of two Battalion Chiefs.

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

- 1. Adopt Resolution No. 8305 - A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE REVISIONS TO THE OROVILLE FIRE DEPARTMENT’S POLICY NO. 1615 AND ADOPTING THE POLICY AS PART OF THE OFFICIAL OROVILLE FIRE DEPARTMENT POLICY MANUAL; and**

2. **Adopt Resolution No. 8306 - A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE REVISIONS TO THE OROVILLE FIRE DEPARTMENT'S MANUAL POLICY NO. 1655 – TRAINING BENCHMARKS AND POLICY NO. 1670 – LIEUTENANT CLASSIFICATION AND ADOPTING THE POLICIES AS PART OF THE OFFICIAL OROVILLE FIRE DEPARTMENT POLICY MANUAL; and**
3. **Direct staff to negotiate necessary changes to the Memorandum of Understanding between the City of Oroville and the Oroville Fire Fighters' Association regarding the Oroville Fire Department Manual Policy No. 1655 – Training Benchmarks and Policy No. 1670 – Lieutenant Classification; and**
4. **Adopt Resolution No. 8308 - A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE RESTRUCTURING OF THE FIRE DEPARTMENT TO INCLUDE TWO BATTALION CHIEFS AND ADOPT THE SALARY SCHEDULE OF THE POLICE LIEUTENANT AS THE SALARY SCHEDULE FOR FIRE BATTALION CHIEFS; and**
5. **Approve Budget Adjustment No. 2014/15-1202-06 as indicated in the December 2, 2014 staff report.**

The motion was passed by the following vote:

Ayes: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier
 Noes: None
 Abstain: None
 Absent: None

PUBLIC HEARINGS - None

REGULAR BUSINESS

11. **REVISIONS AND ADOPTION OF THE OROVILLE FIRE DEPARTMENT POLICY NO. 1655 – TRAINING BENCHMARKS AND POLICY NO. 1670 – LIEUTENANT CLASSIFICATION – staff report**

The Council considered the revisions and adoption of the Oroville Fire Department Manual Policy No. 1655 – Training Benchmarks and Policy No. 1670 – Lieutenant Classification. **(Bill La Grone, Director of Public Safety)**

****This item was discussed and decided consecutively with Item No. 10.***

Council Action Requested:

1. **Adopt Resolution No. 8306 - A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE REVISIONS TO THE OROVILLE FIRE DEPARTMENT'S MANUAL POLICY NO. 1655 – TRAINING BENCHMARKS AND POLICY NO. 1670 – LIEUTENANT CLASSIFICATION AND ADOPTING THE POLICIES AS PART OF THE OFFICIAL OROVILLE FIRE DEPARTMENT POLICY**

MANUAL; and

2. **Direct staff to negotiate necessary changes to the Memorandum of Understanding between the City of Oroville and the Oroville Fire Fighters' Association regarding the Oroville Fire Department Manual Policy No. 1655 – Training Benchmarks and Policy No. 1670 – Lieutenant Classification.**

12. RECOMMENDED REVISION TO CITY RESERVE POLICY, INCREASING THE FEE WAIVER RESERVE – staff report

The Council considered adopting the proposed Reserve Policy, increasing the Fee Waiver Reserve. **(Randy Murphy, City Administrator, Ruth Wright, Director of Finance and Glenn Lazof, Finance Project Manager)**

A motion was made by Council Member Bunker, seconded by Council Member Pittman, to:

Adopt Resolution No. 8307 – A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING THE RECOMMENDED REVISION TO CITY RESERVE POLICY, INCREASING THE FEE WAIVER RESERVE.

The motion was passed by the following vote:

Ayes: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier
Noes: None
Abstain: None
Absent: None

13. COST RECOVERY FOR EMERGENCY MEDICAL RESPONSE – staff report

The Council considered providing direction to staff regarding the drafting of an ordinance regarding excessive or abusive use of the Emergency Medical System. **(Bill La Grone, Director of Public Safety)**

Following discussion, the Council directed staff to:

1. **Work with Butte County Emergency Medical Service for any potential cost recovery strategies; and**
2. **Continue to participate in the Butte County Fire Advanced Life Support Committee.**
3. **Prepare an ordinance relating to the potential cost recovery for the abuse of Emergency Medical Services.**

14. CAMPING AND STORAGE OF PERSONAL PROPERTY IN PUBLIC AREAS – PROPOSED ORDINANCE – staff report

The Council heard a presentation regarding a request from several Council Members related to camping and storage of personal property in public areas. **(Scott Huber, City Attorney)**

Following discussion, the Council directed staff to:

1. **Continue to enforce Police patrols throughout the community parks.**
2. **Utilize Assembly Bill 109 – Public Safety Realignment funding to create a pilot program to offset the impacts of homelessness by guiding individuals to local resources, such as homeless shelters and day programs.**
3. **Utilize Code the Enforcement Division to enforce local ordinances to increase an enforcement presence within the community parks.**

15. STIPEND INCREASE - CITY COUNCIL, MAYOR, AND TREASURER STIPENDS – staff report

The Council considered adopting recommended revisions to Fiscal Year 2015 budget relating to City Council, Mayor, and Treasurer Stipends. **(Randy Murphy, City Administrator, Ruth Wright, Director of Finance and Glenn Lazof, Finance Project Manager)**

Allen Young spoke in support of stipend increases for the Mayor, Council Members, and Treasurer.

Following discussion, a motion was made by Council Member Simpson, seconded by Council Member Bunker, to:

Reflect an increase in monthly Stipends as follows: Mayor \$500, City Council and Treasurer \$400, effective July 2015, in the 2015 - 2016 adopted budget.

The motion was passed by the following vote:

Ayes: Council Members Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox,
Mayor Dahlmeier
Noes: Council Member Andoe
Abstain: None
Absent: None

16. STRUCTURE OF THE OROVILLE FIRE DEPARTMENT – staff report

The Council considered making the Battalion Chief position within the Fire Department permanent. **(Bill La Grone, Director of Public Safety)**

****This item was discussed and decided consecutively with Item No. 10.***

1. **Adopt Resolution No. 8308 - A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING THE RESTRUCTURING OF THE FIRE DEPARTMENT TO INCLUDE TWO BATTALION CHIEFS AND ADOPT THE SALARY SCHEDULE OF THE POLICE LIEUTENANT AS THE SALARY SCHEDULE FOR FIRE BATTALION CHIEFS; and**
2. **Approve Budget Adjustment No. 2014/15-1202-03 as indicated in the December 2, 2014 staff report.**

17. MONTHLY SUMMARY OF INVESTMENTS AND MONTHLY FINANCIAL REPORTS FOR OCTOBER 2014 – reports attached

The Council received a copy of the Monthly Summary of Investments and the Monthly Financial Reports for October 2014. **(Randy Murphy, City Administrator)**

The Council acknowledged receipt of the October 2014 Monthly Summary of Investments and Monthly Financial Reports.

MAYOR/ COUNCIL REPORTS

Vice Mayor Wilcox reported that the Chinese Temple Complex had recently been featured in the Sacramento Bee.

Council Member Bunker reported that the Oroville Economic Development Corporation would be hosting a Christmas Social at the Bird Street Café on December 10, 2014.

CITY ADMINISTRATOR/ ADMINISTRATION REPORTS

Ruth Wright, Director of Finance, reported that a Request for Proposals was currently open regarding Integrated Financial Accounting Software.

Bill La Grone, Director of Public Safety, reported that City Fire Department personnel were attending a Union Pacific Railroad sponsored training relating to disaster mitigation.

City Administrator, Randy Murphy, reported a Caltrans alert relating to deer season.

UPCOMING EVENTS

- December 5, 2014 – Christmas Tree Lighting
- December 13, 2014 – Christmas Light Parade

CORRESPONDENCE - None

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON NON-AGENDA ITEMS

The following individuals spoke in opposition to the removal of Sycamore Trees located on Feather River Boulevard:

Ken Sweet
Celia Hirschman

Dennis Norton
Kent Fowler

Alan Cartwright
Bill Bynum

Joe Wilson, PG&E Representative, participated in the discussion of the removal of trees. Following discussion, an Ad-hoc Committee was appointed comprised of Council Member Berry and Council Member Bunker, to review the proposed removal of trees. A report relating to this issue will be heard at the December 6, 2014 regular City Council meeting.

Laura Coleman and Hershaw Ray Coleman spoke to the Council in regards to the death of their son, Victor Coleman.

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 and Oroville Fire Fighters' Association.
2. Pursuant to Government Code Section 54956.8, the Council met with Real Property Negotiators, City Administrator and City Attorney, regarding the property identified as 2066 Bird Street, Oroville.
3. Pursuant to Government Code section 54956.9(a), the Council met with the City Administrator, Director of Community Development, and City Attorney relating to existing litigation: Americanwest Bank v. Oroville Economic and Community Development Corp., et al., Butte County Superior Court, Case No. 161808.
4. Pursuant to Government Code section 54956.9(b), the Council met with the City Administrator and the City Attorney regarding potential litigation – three cases.
5. Pursuant to Government Code section 54956.95, the Council met with City Administrator, City Attorney and Human Resource Officer relating to Worker's Compensation Case No. TBD.

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

ADJOURNMENT

The meeting was adjourned at 9:18 p.m. A regular meeting of the Oroville City Council will be held on Tuesday, December 16, 2014, at 5:00 p.m.

Randy Murphy, City Clerk

Linda L. Dahlmeier, Mayor

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND COUNCIL MEMBERS

FROM: RANDY MURPHY, CITY ADMINISTRATOR

RE: ENVIRONMENTALLY PREFERABLE PURCHASING AND PRACTICES POLICY

DATE: DECEMBER 16, 2014

SUMMARY

The Council may consider an Environmentally Preferable Purchasing and Practices (EPPP) Policy.

DISCUSSION

The City is required to have an EPPP Policy adopted by resolution in order to apply for CalRecycle grants including the Tire-Derived Product Grant.

Staff is requesting that the Council adopt the reviewed EPPP Policy. The City has been following an EPPP Policy that was prepared and assumed to have been adopted three years ago that stated that the Policy would be reviewed every three years. However, after searching for a Resolution that adopted that Policy, none could be found. The EPPP Policy has been reviewed by the Recycling Coordinator and only very minor changes have been made.

The primary purpose of this policy is to minimize negative environmental impacts of the City's activities by ensuring the procurement of services and products that:

- reduce toxicity
- conserve natural resources, materials, and energy
- maximize recyclability and recycled content

A collateral purpose is to support markets for recycled goods and other environmentally preferable products and services.

FISCAL IMPACT

The City Could potentially pay slightly more for some items depending on how often accepted reasonable cost varies from the otherwise lowest responsible bidder.

CC-2

RECOMMENDATION

Adopt Resolution No. 8309 – A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING THE ENVIRONMENTALLY PREFERABLE PURCHASING AND PRACTICES POLICY.

ATTACHMENT(S)

Resolution No. 8309
Environmentally Preferable Purchasing and Practices Policy

**CITY OF OROVILLE
RESOLUTION NO. 8309**

A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING THE ENVIRONMENTALLY PREFERABLE PURCHASING AND PRACTICES POLICY

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

- a. The City Council of the City of Oroville hereby adopts the Environmentally Preferable Purchasing and Practices Policy. A copy of this Policy has been attached as Exhibit "A".
- b. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting on December 16, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

**ENVIRONMENTALLY PREFERABLE PURCHASING AND PRACTICES POLICY
FOR
REDUCTION OF WASTE AND INCREASE OF RECYCLING
CITY OF OROVILLE**

BACKGROUND

The State of California has recognized the necessity of reducing waste and increasing reuse and recycling. It has created regulations by which local governing agencies must abide in order to protect the home of current as well as future residents. By incorporation environmental considerations in public purchasing, the City of Oroville can serve this requirement by reducing its burden on the local and global environment, removing unnecessary hazards from its operations, protecting public health, reducing costs and liabilities, and potentially improving the environmental quality of the region. This program is an effective way to direct the City's effort in procuring environmentally preferable products and services.

PURPOSE

The primary purpose of this policy is to minimize negative environmental impacts of the City's activities by ensuring the procurement of services and products that:

- reduce toxicity
- conserve natural resources, materials, and energy
- maximize recyclability and recycled content

A collateral purpose is to support markets for recycled goods and other environmentally preferable products and services.

DEFINITIONS

The following terms shall have the assigned definitions for all purposes under this policy:

- A. **City of Oroville** means the City of Oroville elected officials, staff, and agencies.
- B. **Environmentally Preferable Products and Services** means products and services that have a lesser or reduced effect on human health and the environment when compared with competing products that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product.
- C. **Life Cycle Cost** means the amortized annual cost of a product, including capital costs, installation costs, operating costs, maintenance costs, and disposal costs discounted

over the lifetime of the product.

- D. **Practicable** means sufficient in performance and available at a reasonable price
- E. **Recyclable Product** means a product which, after its intended end use, can demonstrably be diverted from the City of Oroville's solid waste stream for use as a raw material in the manufacture of another product.
- F. **Recycled Material** means material and byproducts that have been recovered or diverted from solid waste, and have been utilized in place of raw or virgin material in manufacturing a product. It is derived from post-consumer recycled material, manufacturing waste, industrial scrap, agricultural waste, and other waste material, but does not include material or byproducts generated from, and commonly reused within, an original manufacturing process.
- G. **Virgin Material** means any material occurring in its natural form. Virgin Material is used in the form of raw material in the manufacture of new products.

PROGRAM

The City of Oroville commits to:

1. Procure environmentally preferable products and services where criteria have been established by governmental or other widely recognized authorities (e.9. Energy Star, EPA Eco Purchasing Guidelines).
2. Integrate environmental factors into the City's buying decisions where external authorities have not established criteria. Examples:
 - replacing disposables with reusables or recyclables
 - supporting eco-labeling practices by buying products bearing such labels in preference to others, where they are available and provide value for money
 - taking into account life cycle costs and benefits
 - evaluating, as appropriate, the environmental performance of vendors in providing products and services
3. Raise staff awareness on the environmental issues affecting procurement by providing relevant information and training.
4. Encourage suppliers and contractors to offer environmentally preferable products and services at competitive Prices.

5. Encourage providers of services to consider environmental impacts of service delivery.
6. Comply with all environmental legislative and regulatory requirements in the procurement of products and services.

Nothing in this policy shall be construed as requiring a department, agency or contractor to procure products that do not perform adequately for their intended use or are not available at a reasonable price in a reasonable period of time.

Procedures and Guidelines may be established as necessary to ensure the continuation of a strong Environmental Procurement Policy.

Responsibility

All City of Oroville departments, offices and agencies shall identify and purchase the most environmentally responsible products and services that are available for the intended purpose and that meet the performance requirements. Factors that should be considered when determining the environmentally preferable good or service include, but are not limited to:

- Minimization of virgin material use in product or service life cycle
- Maximization of recycled products used in product or service life cycle
- Environmental cost of entire product or service life cycle
- Reuse of existing products or materials in product or service life cycle
- Recyclability of product
- Minimization of packaging
- Reduction of energy/water consumption
- Toxicity reduction or elimination
- Elimination of uncertified hardwoods in product or service life cycle
- Durability and maintenance requirements
- Ultimate disposal of the product

Purchasing Staff Responsibilities:

1. Develop and maintain information about environmentally preferable products and recycled products containing the maximum practicable amount of recycled materials, to be purchased by departments, agencies, consultants and contractors whenever possible.

2. Inform departments, agencies and contractors of their responsibilities under this policy and provide implementation assistance.
3. Institute product testing and trial service to evaluate environmentally responsible alternatives pursuant to established testing guidelines.
4. Require the use of recycled materials and recycled products by incorporating them in bid specifications where practicable;
5. Disseminate information on recycled and environmentally preferable product procurement requirements, specifications, and performance to assist vendors with procurement opportunities with the City.
6. Establish guidelines governing the review and approval of specifications for the procurement of selected materials based on considerations of recycling, energy and water conservation, life cycle costing and other environmental considerations.
7. Submit reports of policy impacts when requested.

Department and Agency Responsibilities:

1. Evaluate each requested product and service to determine the extent to which the specifications could include an environmentally preferable option.
2. Ensure that contracts issued by the departments and agencies include environmentally preferable products and recycled products wherever practicable.
3. Determine standard at which products are considered environmentally preferable and use in selective criteria.
4. Expand the awareness and use of environmentally preferable products.

Goals and Steps to Reach Them

A. 15 % Reduction in Office Paper Waste

Step 1 Establish baseline of office paper use.

Step 2 Identify staff who will educate and work with staff

Step 3 Provide encouragement for double-sided copies and printing

. Post notices at copiers/printers to remind staff to use both sides

. Post instructions on how to print on both sides

Step 4 Encourage single-sided paper re-use

. Create note/scratch pads with used paper that does not contain confidential information

. Place boxes for single-side used paper near copy machines and printers

- . Designate one drawer per copier for "used" paper (on one side) for drafts, etc.

Step 5 Reduce excess printing and copying

- . Define and implement procedures that save paper, such as previewing documents on computer before printing, verifying the number of copies needed, and formatting to avoid excessive white space and blank pages.
- . Avoid use of fax cover pages - use a stamp/post-it to address it
- . Evaluate extent of overruns and develop strategies for reducing them.
- . Evaluate mailing lists: remove duplicate names and determine if recipients still want Board mailings.
- . Encourage use of email as primary correspondence with City and local agencies.

Step 6 Publicize the results to staff so they can see the plan is working to reduce waste.

B. Ideas to Reduce Other Office Waste

1. Encourage use of reusable containers for food
2. Replace paper towels with hand dryers in restrooms
3. Reuse packaging materials
4. Contact companies to be removed from unwanted mailing/fax lists
5. Provide durable cups/plates/cutlery and cloth towels in place of disposable items in staff lunchroom

B. Reducing and Recycling for Maintenance

1. Concrete should be used for future grinding.
2. Grindings brought to the yard could be used for shoulder backing.
3. Scrap metal, batteries, motor oil, antifreeze, cleaning solvents and break fluid should be recycled by outside vendors.
4. Freon should be recycled by staff.
5. Leaf pickup is deposited on City property and should be used for future recycling.

Document Review

This policy must be reviewed again in three years.

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND COUNCIL MEMBERS

FROM: RANDY MURPHY, CITY ADMINISTRATOR

RE: RATIFICATION OF THE TIRE-DERIVED PRODUCT GRANT APPLICATION

DATE: DECEMBER 16, 2014

SUMMARY

The Council may consider ratifying the submission of a Tire-Derived Product Grant Application to CalRecycle on December 3, 2014, in the amount of \$36,000.

DISCUSSION

Staff is requesting that the Council ratify the Tire-Derived Product Grant Application that was submitted to CalRecycle on December 3, 2014, in the amount of \$36,000. CalRecycle has made a total of \$823,747 available state-wide for this grant solicitation subject to funding availability. \$150,000 is the maximum available for individual grants. The grant term is for two years and the project must be completed and the final request for reimbursement made to CalRecycle no later than April 1, 2017. However, if the City's Grant Application is approved, staff expects to be able to complete the projects by June 30, 2015.

The grant funds will be used to purchase cover for the playground areas under and around the playground equipment in Hewitt and Rotary Parks with 9 -12 inches of green tire-derived rubber mulch. This is the same material and color that was purchased for Hammon Park earlier this year. The estimated cost of the 25 tons of material for each park is \$18,000. An estimate of the total cost of the 50 tons of mulch material was received from NSP3 in Redding in the amount of \$35,930.40. If the Grant Application is successful, the City will go out to bid for the material but an estimated cost and Tire-Derived Product (TDP) certification from a supplier were required to be submitted with the grant application.

Parks & Trees personnel will install the mulch and Gary Layman, Building Official, is licensed to do the required inspections.

FISCAL IMPACT

Minimal impact to the General Fund.

RECOMMENDATIONS

Adopt Resolution No. 8310 – A RESOLUTION OF THE OROVILLE CITY COUNCIL RATIFYING ALL DOCUMENTS RELATING TO THE FISCAL YEAR 2014-2015 TIRE-DERIVED PRODUCT GRANT.

ATTACHMENT(S)

Resolution No. 8310

**CITY OF OROVILLE
RESOLUTION NO. 8310**

A RESOLUTION OF THE OROVILLE CITY COUNCIL RATIFYING ALL DOCUMENTS RELATING TO THE CALRECYCLE FY 2014-2015 TIRE-DERIVED GRANT APPLICATION IN THE AMOUNT OF \$36,000

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

- a. The Council hereby ratifies all documents relating to the CalRecycle FY 2014-2015 Tire-Derived Product Grant.
- b. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting on December 16, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
RICK WALLS, INTERIM CITY ENGINEER
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: AMENDMENT TO AIRPORT GROUND LEASE WITH PAUL SATUR

DATE: DECEMBER 16, 2014

SUMMARY

The Council may consider an amendment to the Airport Ground Lease Agreement with Paul Satur, Trustee of the Paul Satur Revocable Trust, reassigning the Lease to Priss Harman.

DISCUSSION

Mr. Paul Satur has been leasing 9,600 square feet of ground at the Airport for a private airplane hangar since June 5, 2007 (Agreement No. 1746). Mr. Satur passed away earlier this year and the airplane hangar has been sold to Bud and Priss Harman. The hangar sale is currently in escrow and requires a reassignment of the ground lease from Paul Satur to the Harman's prior to the close of escrow. Reassignment of the ground lease is allowed by Section 6 of the lease, with the approval of the City. Staff recommends approval of this request.

FISCAL IMPACT

None – After the reassignment, ground lease rent will be paid by Bud and Priss Harman with rent proceeds to be deposited into the Airport Fund.

RECOMMENDATIONS

Adopt Resolution No. 8311 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE GROUND LEASE AGREEMENT WITH PAUL SATUR, TRUSTEE OF THE PAUL SATUR REVOCABLE TRUST, REASSIGNING THE LEASE TO PRISS HARMAN – (AGREEMENT NO. 1746-2).

ATTACHMENTS

Resolution No. 8311
Agreement No. 1746-2

CC-4

**CITY OF OROVILLE
RESOLUTION NO. 8311**

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE AIRPORT GROUND LEASE AGREEMENT WITH PAUL SATUR, TRUSTEE OF THE PAUL SATUR REVOCABLE TRUST REASSIGNING THE LEASE TO PRISS HARMAN

(Agreement No. 1746-2)

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 Airport Ground Lease Agreement with Paul Satur, Trustee of the Paul Satur Revocable Trust, reassigning the lease to Priss Harman. A copy of the Amendment is attached to this Resolution 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 December 16, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

AMENDMENT TO AIRPORT GROUND LEASE AGREEMENT

This Second Amendment (Amendment) dated December 16, 2014 is to Agreement No. 1746 between the City of Oroville ("City") and Paul Satur, Trustee of the Paul Satur Revocable Trust ("Lessee").

In consideration of the terms and conditions herein, the City and Lessee agree that Agreement No. 1746 shall be amended as follows:

1. The lease is hereby reassigned from Paul Satur, Trustee of the Paul Satur Revocable Trust to Priss Harman.
2. Conflicts between the Agreement and this Amendment shall be controlled by this Amendment. All other provisions within Agreement No. 1746 shall remain in full force and effect, including the collection of rents.

CITY OF OROVILLE

PAUL SATUR REVOCABLE TRUST

By: _____
Linda L. Dahlmeier, Mayor

By: _____

ATTEST:

PRISS HARMAN

By: _____
Randy Murphy, City Clerk

By: _____

APPROVED AS TO FORM:

By: _____
Scott E. Huber, City Attorney

OROVILLE AIRPORT GROUND LEASE

IT IS HEREBY AGREED by and between the CITY OF OROVILLE, a Municipal Corporation (LESSOR), and PAUL SATUR, TRUSTEE, SATUR FAMILY TRUST, (LESSEE) as follows:

1. Description of Property.

LESSOR hereby leases to LESSEE and LESSEE hereby hires from LESSOR all that certain real property located at the Oroville Municipal Airport, as more particularly described in Exhibits "A" and "B" attached hereto, which exhibits are by this reference incorporated herein. The Property is known to have storm drain improvements below the ground surface, specifically, a 12-inch diameter storm drain pipe. LESSEE warrants that during the construction of certain improvements on the Property proposed by LESSEE, that the storm drain pipe will be protected from damage. The cost to repair any damage to the storm drain pipe caused by LESSEE shall be paid for by the LESSEE. LESSOR warrants that at any time in the future should LESSOR determine that modifications to the existing storm drain pipe are required, that such storm drain pipe will be abandoned in place and the improvements constructed by the LESSOR will not be disturbed due to such storm drain pipe modifications.

2. Term of Lease.

A. Term. The term of this lease shall be for a period of twenty five (25) years, commencing June 5, 2007, and ending June 5, 2032.

B. OPTION TO RENEW. LESSEE is given the option to extend the term of all the provisions contained in this Lease for one (1) five (5) year periods following expiration of the initial term, by giving notice of exercise of the option to LESSOR at least six (6) months, but not more than one (1) year, before the expiration of the term or extended term; provided, however, that if LESSEE is in default on the date of giving the option notice, the option notice shall be totally ineffective, or if LESSEE is in default on the date the extended term is to commence the extended term shall not commence and the Lease shall expire at the end of the initial term.

3. Rental.

LESSEE covenants and agrees to pay to LESSOR a rental of \$204.00 Dollars per quarter, which rental shall be payable in quarterly installments in advance. The first quarterly payment shall be made upon the execution of this Lease and quarterly payments shall proceed thereafter. Rent shall be increased 3% at the end of each 5-year period.

4. Use of Premises.

The initial and primary use of the leased premises by LESSEE shall be for an airplane hangar. Lessee may do minor servicing and mechanical work on aircraft, such as oil changes and tune-ups. Lessee may restore a classic aircraft or assemble a kit aircraft and engines from components and parts supplied by the manufacturer and approved vendors. LESSEE may perform the required FAA annual inspections and compliance with the FAA mandated Airworthiness Directives and compliance with the manufacturers service bulletins. LESSEE shall not otherwise provide commercial or public services, either profit or non-profit at the premises.

5. Construction, Financing and Improvements.

- (A) LESSEE shall not construct, alter, remove or replace any building, improvement or facility without first submitting to LESSOR all plans, designs and descriptions of same and obtaining from LESSOR its approval in writing as to all the terms, conditions, locations, utility, use, effect and architectural design of same. The aforesaid approval shall not be withheld unreasonably. LESSOR shall have thirty (30) days from the date of submission to indicate its approval or disapproval thereof and the reasons therefor, and, in the event LESSOR does not so indicate its disapproval, the aforesaid lack of approval shall constitute approval of said plans, designs and descriptions so submitted.
- (B) LESSOR's right to develop or improve any part of the airport shall not be limited in any way by this Paragraph 5, provided that the use, enjoyment and free access to the leased premises not be impaired. However, nothing in this lease notwithstanding, should the LESSOR in its sole and absolute discretion determine at any time during the existence of this lease that LESSOR has a need for the real property the subject of this lease, LESSOR, in its sole and absolute discretion, may relocate LESSEE's hangar building to another location on the Oroville Municipal Airport of equal size, (the "substituted property"), at LESSOR's sole cost and expense. In such event, this lease shall terminate as to the real property described herein on Exhibit "A" and this lease and the balance of the term of this lease shall apply to the substituted property.
- (C) All improvements previously or hereafter constructed by LESSEE shall be and remain the property of LESSEE, and may be removed by LESSEE at the expiration of this Lease. If said improvements have not been removed within one hundred twenty (120) days subsequent to the expiration of this Lease, the same shall be deemed abandoned by LESSEE and shall become the property of the LESSOR.

Except as set forth in hereinabove, LESSEE shall not make, or suffer to

be made, any alterations of the said premises or any part thereof, without the written consent of LESSOR first had and obtained. LESSEE shall keep the leased premises free from any liens arising out of any work performed, material furnished, or obligations incurred by LESSEE, and shall indemnify and hold LESSOR harmless therefrom.

6. Assignment.

LESSEE shall not assign this Lease or any portion of said real property or rights hereunder without the written consent of LESSOR first obtained, which consent shall not be unreasonably withheld.

7. Insurance and Indemnity.

(A) LESSEE shall indemnify and hold Lessor and the property of LESSOR, including said premises and any buildings or improvements now or hereafter on said premises, free and harmless from any and all liability, claims, loss, damages, or expenses resulting from Lessee's occupation and use of said premises, specifically including without limitation, any liability, claim, loss, damage or expense arising by reason of:

- (1) The death or injury of any person, including LESSEE or any person who is an employee or agent of LESSEE, or by reason of the damage to or destruction of any property, including property owned by LESSEE or by any person who is an employee or agent of LESSEE, from any cause whatever while such person or property is in, or on, said premises, or in any way connected with said premises or with any of the improvements or personal property on said premises;
- (2) The death or injury of any person, including LESSEE or any person who is an employee or agent of LESSEE, or by reason of the damage to or destruction of any property including property owned by LESSEE or any person who is an employee or agent of LESSEE, caused or allegedly caused by either (a) the condition of said premises or some building or improvement on said premises, or (b) some act or omission on said premises of LESSEE or any person in, on, or about said premises with the permission and consent of LESSEE;
- (3) Any work performed on said premises or materials furnished to said premises at the instance or request of LESSEE or any person or entity acting for or on behalf of LESSEE; or
- (4) LESSEE's failure to perform any provision of this Lease or to comply with any requirement of law or any requirement imposed on

LESSEE or said premises by any duly authorized governmental agency or political subdivision.

- (B) LESSEE shall, at LESSEE'S own cost and expense, secure promptly after execution of this Lease and maintain during the entire term of this Lease a broad form comprehensive coverage policy of public liability insurance issued by an insurance company acceptable to LESSOR and authorized to issue liability insurance in California, insuring LESSEE and LESSOR against loss or liability caused by or connected with LESSEE'S occupation and use of said premises under this Lease in amounts not less than:

\$1,000,000.00 for combined single-limit bodily injury and property damage liability;

8. Obligations of LESSEE:

- (A) The use and occupancy of said premises by LESSEE shall be without cost or expense to LESSOR. It is understood and agreed that LESSOR is not obligated to furnish any utility services, such as gas, water, electricity and sewers, to LESSEE during the period of occupancy. LESSEE shall assume and pay for any necessary fire extinguisher for building interior and meters for measuring service of lights, water, sewer and gas.
- (B) LESSEE agrees at its own expense to cause the lands leased and any improvements and appurtenances thereon to be maintained in a presentable condition, consistent with good business practice and equal in appearance and character to other similar improvements at the Airport. The maintenance responsibilities in this paragraph include the landscaped areas immediately surrounding the buildings to be constructed by LESSEE.
- (C) LESSEE agrees at its own expense to cause to be removed from the leased premises all waste, garbage and rubbish, and agrees not to deposit the same on any part of the Airport.
- (D) LESSEE shall save the LESSOR harmless of and from any and all costs or charges for utility services furnished to or required by LESSEE during the term of this Lease; provided, however, that LESSEE is hereby given the right to connect to any and all storm and sanitary sewers, water and electricity utility outlets, at its own cost and expense, and shall pay for any and all services charges incurred or used on said leased premises.
- (E) LESSEE shall operate the business in a first class manner, in accordance with the highest standard for this type of operation. The service shall at all times be prompt, courteous and efficient. The LESSEE specifically agrees:

- (a) That in its operation and the operation of all its facilities on the Airport, neither it nor any person or organization occupying space or facilities thereon, will discriminate against any person or class of persons by reason of race, color, age, religion, creed, sex, handicap, marital status or national origin in the use of any facilities provided for the public on the Airport.
 - (b) That in rendering to the public any service, it will furnish said service on a fair, equal and not unjustly discriminatory basis to all users thereof, and will charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that LESSEE may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reduction to volume purchasers.
- (F) LESSEE will comply with the requirements of Section 3-19 of the Oroville City Code and will obey the Rules and Regulations set forth in Ordinance No. 1067 with amendments as may from time to time be promulgated by LESSOR or its authorized agents in charge of the Airport to ensure the safe and orderly conduct of the Airport, and LESSEE shall obey such rules and regulations as may from time to time be promulgated by the United States or any department or agency thereof and by the State of California for like purposes.
- (G) LESSEE accepts the leased premises in their present condition and LESSEE, without expense to LESSOR, will make all the necessary improvements.
- (H) In the event LESSEE does not maintain the premises in a satisfactory condition in accordance with the terms of this Lease, LESSOR shall have the right to perform necessary maintenance thereon at LESSEE's expense.

9. Fees and Taxes.

LESSEE shall pay and discharge promptly all lawful taxes and assessments which may be levied by the state, county or other tax levying body on any taxable interest of LESSEE, as well as all taxes and assessments on taxable personal property of whatever nature owned by LESSEE and located on the leased premises. LESSEE shall promptly pay all excise, licenses and permit fees of whatever nature applicable to the operation of LESSEE's business.

10. Worker's Compensation.

Upon request of LESSOR, LESSEE shall provide to LESSOR evidence of its compliance with the Worker's Compensation and Unemployment Compensation

laws of the State of California.

11. Breach.

- (A) Should LESSEE breach this Lease and abandon said premises prior to the natural expiration of this Lease, LESSOR may continue this lease in effect by not terminating LESSEE'S right to possession of said premises, in which event LESSOR shall be entitled to recover the rent specified in this Lease as it becomes due under this Lease.

- (B) All covenants and agreements contained in this Lease are declared to be conditions to this Lease. Should LESSEE default in the performance of any covenant, condition or agreement contained in this Lease and the default not be cured within sixty (60) days after written notice of the default is served on LESSEE by LESSOR, then LESSOR may terminate this Lease, and
 - (1) Bring an action to recover from LESSEE:
 - (a) The worth at the time of award of the unpaid rent which had been earned at the time of termination of the Lease;
 - (b) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination of the Lease until the time of award exceeds the amount of rental loss that LESSEE proves could have been reasonably avoided;
 - (c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that LESSEE proves could be reasonably avoided; and
 - (d) Any other amount necessary to compensate LESSOR for all detriment proximately caused by LESSEE'S failure to perform his obligations under this Lease; and
 - (2) Bring an action in addition to or in lieu of the action described in subparagraph (1) of this section, to re-enter and regain possession of said premises in the manner provided by the laws of unlawful detainer of the State of California then in effect.

- (C) Should LESSEE become insolvent as defined in this section, LESSOR may, by giving sixty (60) days written notice to LESSEE or to the person appointed to manage LESSEE'S affairs at the address for such person appearing in the official records of the Court that appointed him, terminate

this Lease and forfeit LESSEE'S interest in said premises and in any improvements or facilities in, on, or pertaining to said premises. For purposes of this section, LESSEE shall be conclusively presumed to have become insolvent if LESSEE:

- (1) Has a receiver appointed to take possession of all or substantially all of LESSEE'S property because of insolvency, except that LESSEE shall have sixty (60) days in which to have the receiver removed; or
 - (2) Makes a general assignment for the benefit of creditors.
- (D) The remedies given to LESSOR in this paragraph 11. shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law and elsewhere provided in this Lease.
- (E) The waiver by LESSOR of any breach by LESSEE of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by LESSEE either of the same or a different provision of this Lease.
- (F) On expiration or sooner termination of this Lease, LESSEE shall surrender said premises to LESSOR in as good, safe and clean condition as practicable.

12. Compliance with Law.

LESSEE shall at his sole cost and expense comply with all the requirements of all City, County, State and Federal authorities now in force, or which may hereafter be in force pertaining to the said premises, and shall faithfully observe in the use of the premises all City and County ordinances, and State and Federal Statutes, now in force or which may hereafter be in force. If any Federal Agency determines that any of the uses hereunder violate any deed restrictions set forth in the grant to LESSOR, LESSOR may terminate this Lease.

13. Attorney's Fees.

In any action or proceeding between LESSOR and LESSEE to enforce any provision of this Lease, the prevailing party shall be awarded attorney's fees and costs.

14. Notice.

For the purpose of giving notice under any of the foregoing provisions by one party herein to the other, it is agreed said notice may be sent to the following respective addresses and that said notice shall be conclusively deemed received

at the expiration of forty-eight (48) hours after the mailing thereof:

LESSOR: City Administrator
City of Oroville
1735 Montgomery Street
Oroville, CA 95965

LESSEE: Paul Satur
P.O. Box 1199
Helendale, CA 92342-1199

15. Time of Essence.

Time is of the essence of each and every term and provision of this Lease.

16. Airport Appropriated by Federal Government.

If the airport or any part thereof is appropriated by the Federal Government in a national emergency and, as a result thereof, LESSEE is prohibited by Federal law, rule or regulation from using or occupying the premises, and LESSEE for such reason does not use or occupy the premises and is not otherwise compensated for loss of use caused thereby, then, during the period in which all these conditions exist, LESSEE shall not be entitled to recover from LESSOR. Each and every provision, term and condition of this Lease shall remain in force and effect, unless by reason of the Federal Government's having appropriated the airport or any part thereof, LESSEE shall be physically or legally prevented from carrying out such provisions, terms and conditions; LESSEE's obligation in this regard shall be suspended only during the period of time LESSEE is prevented from carrying out such obligations by reason of such appropriation by the Federal Government. The term of this Lease shall not be extended because of the occurrence of the above conditions.

17. Non-discrimination.

The LESSEE, in the operation and use of the lands and buildings at the Oroville Airport will not on the grounds of race, age, religion, color, sex, handicap, marital status or national origin discriminate or commence discrimination against any person, or group of persons, in any manner prohibited by Part 15 of the Federal Aviation Regulations. Non-compliance with the above assurances shall constitute a material breach and, in the event of such non-compliance, LESSOR may take appropriate action to enforce compliance, may terminate the lease agreement to which this covenant relates, or seek judicial enforcement.

18. Agreement with the United States.

This Lease shall be subordinate to the provisions of any existing or future

agreement between LESSOR and the United States of America relative to the use, operation or maintenance of the Airport, the execution of which agreement had been or may now or hereafter be required as a condition precedent to the expenditure of Federal Funds for the development of the Airport; provided, that if, in the consequence of the subordination of this Lease to such agreement, LESSEE is required to give up any part or all of these leased premises or to alter, remove and/or relocate any part or all of its improvements, adjustment of rent shall be made by mutual agreement between LESSOR and LESSEE.

19. Rights to Amend.

In the event the Federal Aviation Agency requires modifications or changes in this Lease as a condition precedent to the granting of funds for the improvement of the air terminal or lands and improvement covered by its laws, rules or regulations, LESSEE agrees to consent to such amendments, modifications or requirements of this Lease as may be reasonably required to obtain such funds; provided, however, that in no event will LESSEE be required, pursuant to this paragraph, to agree to an increase in the rent provided for hereunder or to a change in the use (provided it is an authorized use hereunder) to which LESSEE has put the leased premises.

20. Compliance with Federal Regulation.

LESSEE, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained or otherwise operated on said property described in this Lease for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, LESSEE shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964.

21. Compliance with Department of Transportation Regulations.

LESSEE, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land, that: (1) no person on the grounds of race, age, religion, color, sex, handicap, marital status 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 furnishings of services thereon, no person on the grounds of race, age, religion, color, sex, handicap, marital status or national origin shall be excluded from participation in, denied

benefits of, or otherwise be subject to discrimination, (3) that LESSEE shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

22. Breach of Non-discrimination Covenants.

In the event of breach of any of the above nondiscrimination covenants, LESSOR shall have the right to terminate the Lease and to render and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR are followed and completed including expiration of appeal rights.

23. Non-Discriminatory Prices.

LESSEE shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that LESSEE may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

24. Remedy for Noncompliance.

Noncompliance with Paragraph 20 above shall constitute a material breach hereof, and, in the event of such noncompliance, LESSOR shall have the right to terminate this Lease and the estate hereby created without liability therefore or, at the election of the LESSOR or the United States, either or both said Governments shall have the right to judicially enforce provisions.

25. Insertion in Agreements.

LESSEE agrees that it shall insert the above six (6) provisions in any lease agreement, contract, etc., by which LESSEE grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises herein leased.

26. Affirmative Action.

LESSEE assures it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, sex, handicap, marital status or national origin, be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. LESSEE assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or

activity covered by this subpart. LESSEE assures it will require that its covered suborganizations provide assurances to LESSEE that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

27. Further Development.

LESSOR reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of LESSEE and without hindrance or interference.

28. Maintenance of Landing Area.

LESSOR reserves the right, but shall not be obligated to LESSEE, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of LESSEE in this regard.

29. Lease Subordinate to Agreements with United States.

This Lease may be subordinate to provisions and requirements of any existing or future agreement between LESSOR and the United States, relative to the development, operation or maintenance of the Airport.

30. Compliance with Notification and Review Requirements.

LESSEE agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the premises.

31. Non-Exclusive Right under Federal Aviation Act.

It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act.

32. Property Interest Subject to Taxation.

The property interest which is the subject of this Lease may be subject to property taxation if created, and the party in whom the possessory interest is vested may be subject to the payment of property taxes on such interest.

33. Further documents.

At any time, and from time to time, within twenty-one (21) days after notice of request by either party, the other party shall execute, acknowledge, and deliver to the requesting party, or to such other recipient as the notice shall direct, a statement certifying that this Lease is unmodified and in full force and effect, or, if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement. The statement shall also state the dates to which the rent has been paid in advance. The statement shall be such that it can be relied on by any other auditor, creditor, commercial banker, and investment banker of either party, and by any prospective purchaser or encumbrancer of the premises or improvements, or both, or of all or any parts of LESSEE's or LESSOR's interests under this Lease.

A failure to execute, acknowledge, and deliver on request the statement described above, within the specified time, shall constitute acknowledgement to all persons entitled to rely on the statement that this Lease is unmodified and in full force and effect and that the rent has been duly and fully paid to and including the respective due date immediately preceding the date of the notice of request, and shall constitute a waiver with respect to all persons entitled to rely on the statement of any defaults that may exist before the notice, and shall be an event of default.

34. Definitions.

Person means person or persons or other entity or entities, or any combination of persons or entities.

LESSOR means the person who is the owner at the time in question of the premises, whether singular or plural in number and whether named in this Lease as LESSOR or having become the successor in interest of the named LESSOR, or the successor of a successor whether by assignment, foreclosure or other transfer, and whether intentional or inadvertent or by operation of law.

LESSEE means the person named as LESSEE in the Lease, whether singular or plural in number, or the person who at the time in question is the successor in interest of LESSEE, or the successor of a successor whether by assignment, foreclosure or other transfer, and whether intentional or inadvertent or by operation of law. It does not, however, include any person claiming under any assignment or other transfer prohibited by this Lease, and this definition does not alter the provisions of this Lease relating to assignment or sub-letting.

Improvements means all buildings, structures, and improvements, and all additions to or improvements of or in, now or at any time hereafter, located on the premises and including, but not limited to, all the foundations and footings therefor, all fixtures, appliances, furnaces, boilers, machinery, engines, motors, compressors, dynamos, fittings, pipings, connections, conduits, ducts, partitions, and equipment and apparatus of every kind and description now or hereafter affixed or attached to or incorporated in any such building, structure or improvements, including all machinery and equipment used or procured for use in connection with or for the heating, cooling, lighting, plumbing, ventilation, air-conditioning, refrigeration, cleaning, or general operation of any such building, structure, or any improvement, but shall not include property which may be removed by a sub-tenant pursuant to a sub-lease.

Sub-lease means a lease by LESSEE of the premises or improvements, whether such lease is a lease subordinate to this Lease or a direct lease of improvements reserved by LESSEE. The term also includes licenses, concessions, or other agreements relating to the use or occupancy of the premises granted by LESSEE resulting in income payable to LESSEE.

Sub-tenant means the tenant under a sub-lease.

Gender. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes corporation, partnership, or other legal entity when the context so requires.

Plural. The singular number includes the plural, and vice versa, whenever the context so requires.

Exhibits. All exhibits to which the reference is made in this Lease are incorporated in this Lease by the respective references to them, whether or not they are actually attached. Reference to "this Lease" includes matters incorporated by reference.

Force Majeure means a cause beyond an obligated party's reasonable control, including, but not limited to, strikes, lockouts or labor disputes, riots, wars, fires, floods, earthquakes, accidents, embargoes, governmental restrictions, regulations or controls, or acts of God.

Environmental Laws means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or

imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Hazardous Substances includes without limitation:

- (a) Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, or pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;
- (b) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];

(c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) Any material, waste, or substance that is

1. a petroleum or refined petroleum product,
2. asbestos,
3. polychlorinated biphenyl,
4. designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,
5. a flammable explosive, or
6. a radioactive material.

35. Environmental laws/hazardous substances.

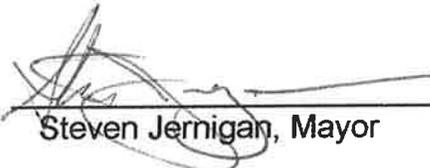
LESSEE will obey all environmental laws and will not permit any hazardous substances on the premises without the permission of LESSOR.

IN WITNESS WHEREOF, we have hereunto set our hands on June 5, 2007 at Oroville, California.

LESSOR:

CITY OF OROVILLE

BY:



Steven Jernigan, Mayor

LESSEE:

By:



Paul Satur

AMENDMENT TO AIRPORT GROUND LEASE AGREEMENT

This First Amendment (Amendment) dated July 2, 2013 is to Agreement No. 1746 between the City of Oroville ("City") and Paul Satur, Trustee, Satur Family Trust ("Lessee").

In consideration of the terms and conditions herein, the City and Lessee agree that Agreement No. 1746 shall be amended as follows:

1. The lease is hereby reassigned from the Paul Satur, Trustee, Satur Family Trust to the Paul Satur, Trustee of the Paul Satur Revocable Trust.
2. Lessee shall pay all taxes and assessments relating to any personal property owned by Lessee. Lessee shall pay all taxes required by Butte County, or any other public agency on any taxable interest of Lessee, including but not limited to possessory interest or possessory tax.
3. Conflicts between the Agreement and this Amendment shall be controlled by this Amendment. All other provisions within Agreement No. 1746 shall remain in full force and effect.

CITY OF OROVILLE

PAUL SATUR

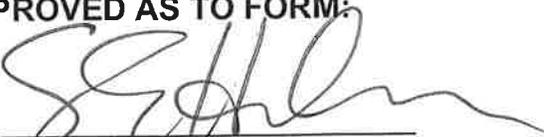
By: 
Linda L. Dahlmeier, Mayor

By: 

ATTEST:

By: 
Peter Cosentini, Interim City Clerk

APPROVED AS TO FORM:

By: 
Scott E. Huber, City Attorney

ACKNOWLEDGMENT

State of California)
) ss
County of BUTTE)

On August 2, 2013, before me, SANDRA OLSON, Notary Public, personally appeared PAUL SATUR, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Sandra Olson (SEAL)

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR DAHLMEIER, COUNCIL MEMBERS AND
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
LUIS A. TOPETE, ASSOCIATE PLANNER (530) 538-2408
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: UPDATE TO THE CITY OF OROVILLE'S MUNICIPAL SERVICE
REVIEW AND SPHERE OF INFLUENCE**

DATE: DECEMBER 16, 2014

SUMMARY

The Council may receive information regarding the approval by the Butte Local Agency Formation Commission (LAFCo) of the City of Oroville's updated Municipal Service Review (MSR) and Sphere of Influence (SOI).

BACKGROUND

Municipal Service Review (MSR)

The Cortese-Knox-Herzberg Act requires that a MSR be conducted prior to, or in conjunction with, the update of an entity's SOI. A MSR is a comprehensive, contemporary analysis of service provision by each of the special districts and cities within the legislative authority of the LAFCo. It essentially evaluates the capability of an agency to deliver the services it is empowered to provide.

The current City of Oroville Municipal Service Review, which was adopted by the Commission on October 1, 2009, contained an evaluation of the municipal services provided by the City and the information in the MSR provided the baseline information for the SOI study. However, due to significant changes to City finances and operations in recent years, information in the 2009 MSR warranted a fresh evaluation in order to effectively evaluate the proposed SOI. Portions of the MSR were significantly revised to ensure that the MSR contained an updated description of the ability of the City of Oroville to provide municipal services to the proposed SOI.

Sphere of Influence (SOI)

A SOI is defined as a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCo. The intent of a SOI is to identify the most appropriate areas for an agency's extension of services in the foreseeable future (i.e.,

CC-5

10-20 year horizon). Accordingly, territory included in an agency's sphere is an indication that the probable need for service has been established, and that the subject agency has been determined by LAFCo to be the most logical service provider for the area. State law requires LAFCo to review and update, as necessary, the SOI of each local agency not less than every five years.

The current Sphere of Influence Plan for the City of Oroville was adopted in April 1985 as a part of the Oroville - Thermalito Area Sphere of Influence Study and consumed the majority of the developed area surrounding the City. The City's SOI has remained virtually unchanged since the 1985 SOI Plan was adopted aside from increased development in the unincorporated urban area around the City. Although there have been no significant changes to the City's SOI since 1985, the existing SOI Plan is significantly out of date and a comprehensive SOI update was warranted.

DISCUSSION

At the Butte LAFCo meeting held on December 4, 2014, the Commission reviewed and considered the draft SOI plan and MSR update for the City of Oroville. The City proposed to add 1,104 parcels, totaling approximately 9,838 acres, to the existing SOI. The City also proposed to remove 276 parcels, totaling approximately 2,445 acres, from the existing SOI. The following table summarizes the previous SOI and what changes occurred as a result of the approval:

Current SOI (excluding City boundaries)	18,304 acres
Area Added to SOI	+9,838 acres
Area Removed from SOI	-2,445 acres
Total Area of Updated SOI	25,697 acres
Net Change in SOI	+7,393 acres

As part of the update, the unincorporated community of Palermo was added to the City's SOI as a Special Study Area and the community of Kelley Ridge, which was existing in the City's SOI, was designated as a Special Study Area. These Special Study Areas are intended to recognize the spatial relationship of these developed communities to the City, their close socio-economic ties to the City and, in the case of Palermo, the potential need for urban level services at some point in the near future. However, at this time, it is not appropriate to make a full commitment to place these communities within the City's SOI until such time as annexation appears more imminent.

Although the net area of the City's SOI increased, the following table gives a summary of the types of lands that were added to the City's SOI.

Current Oroville SOI (excluding City boundaries)	18,304 acres
Area proposed to be added to Oroville SOI	+9,838 acres
Area proposed to be removed from Oroville SOI	-2,445 acres
Total Size of Updated Oroville SOI	25,697 acres

State-owned lands in updated SOI (undevelopable-open space lands)	-5,955 acres
Special Study Areas (precludes annexation at this time)	-6,172 acres
Total Area Unavailable for City Development	12,127 acres
Area available for possible development in Updated SOI	13,570 acres
Difference between current SOI acres and proposed SOI	-4,734 acres

Following a discussion, the Commission voted unanimously to approve the update to the MSR and SOI. Supervisor Bill Connelly, who sits as a Commissioner on Butte LAFCo, provided favorable remarks and complimented the City on their efforts.

FISCAL IMPACT

The Annexation Fund has a balance of \$37,384 as of November 30, 2014. The Annexation Fund is currently being used for various LAFCo fees. There is currently a deposit held by LAFCo in the amount of \$20,000 to use towards these fees as well.

RECOMMENDATIONS

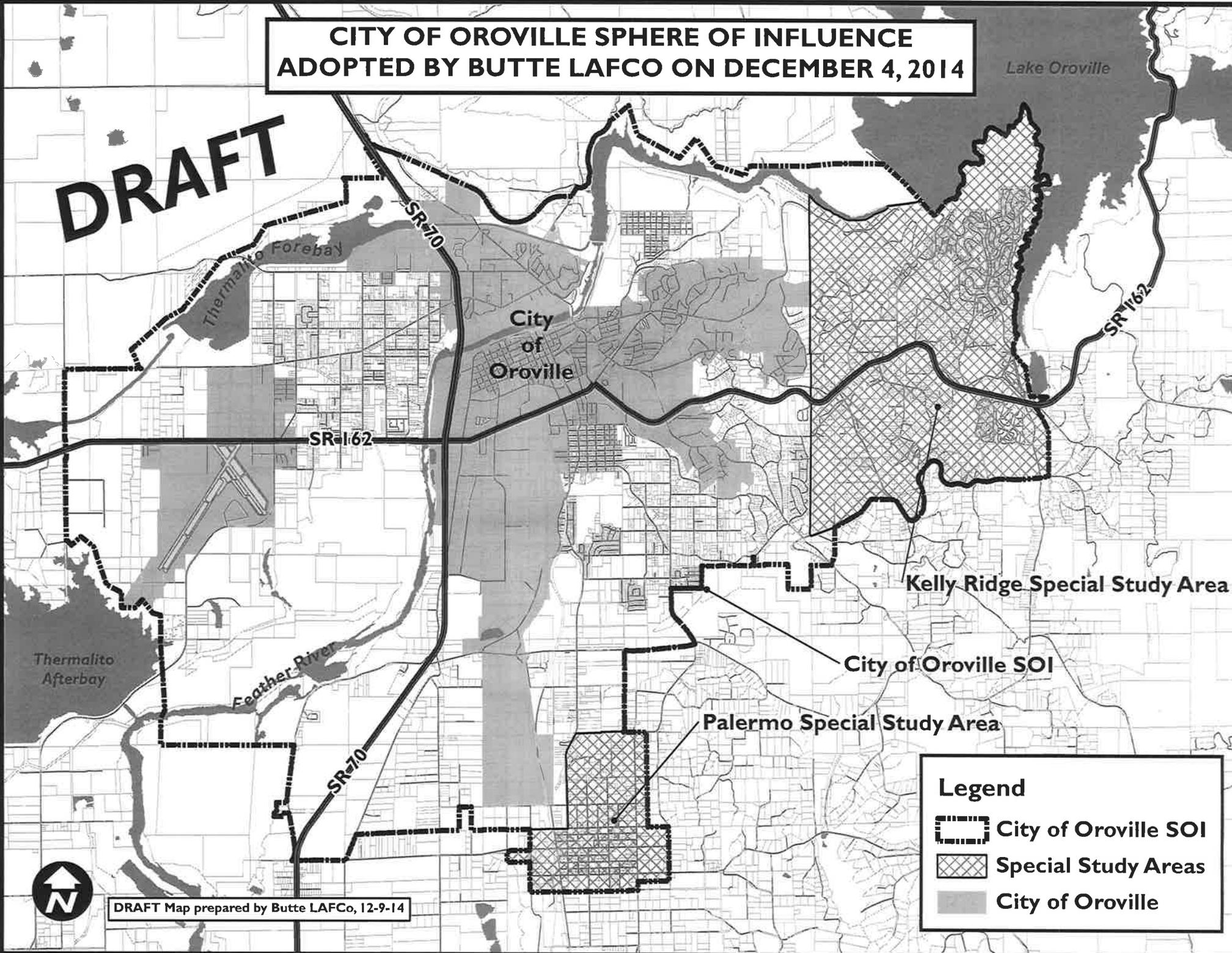
For informational purposes only.

ATTACHMENTS

Map of New City Sphere of Influence

**CITY OF OROVILLE SPHERE OF INFLUENCE
ADOPTED BY BUTTE LAFCO ON DECEMBER 4, 2014**

DRAFT



Kelly Ridge Special Study Area

City of Oroville SOI

Palermo Special Study Area

Legend

-  City of Oroville SOI
-  Special Study Areas
-  City of Oroville

DRAFT Map prepared by Butte LAFCo, 12-9-14

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD L. RUST, DIRECTOR (530) 538-2433
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: TIME EXTENSION OF THE INTERIM NEGOTIATION PERIOD OF THE
MASTER LEASE AGREEMENT FOR THE OPERATION, MAINTENANCE,
AND MANAGEMENT OF THE OROVILLE STATE THEATRE**

DATE: DECEMBER 16, 2014

SUMMARY

The Council will receive a report and may provide direction to staff regarding the need for a time extension to complete negotiations with the State Theatre Arts Guild, Inc. (STAGE) to take over the operation, maintenance and management of the Oroville State Theatre.

DISCUSSION

At the May 6, 2014 meeting, the Council directed staff to negotiate with STAGE to develop a lease agreement to allow them to take over the operation, maintenance and management of the Oroville State Theatre.

On June 6, 2014, the City ad-hoc committee met with representatives from STAGE to negotiate to take over the operation and general maintenance of the Oroville State Theatre. The City and STAGE have agreed to enter into a 90 day negotiating period to develop a lease agreement of the Theatre.

At the June 17, 2014 meeting, the Council directed staff to negotiate the final agreement with STAGE for the operation, maintenance and management of the Oroville State Theatre by September 30, 2014. However, the final agreement is close to being completed, but additional time is required to complete the agreement. The City and STAGE believe the final agreement will be complete soon, both agree that a time extension is required to complete the negotiations.

The City is proposing to provide up to \$30,000 the first year to cover the utility cost to allow STAGE to be able to start operating, maintaining, and managing the Theatre on a daily basis.

At the October 7, 2014 meeting, the Council received a report and Staff indicated that the final Master Lease Agreement would be back to the City Council for final approval no later December 16, 2014, however, there have been several delays for each organization that has now required an additional time extension. Staff believes that the final version can be delivered within the next few weeks, and requests that a time extension until March 31, 2015 be granted.

FISCAL IMPACT

1. Currently, the City estimates an average State Theatre event costs \$1,000 from the General Fund. Net fiscal impacts cannot be determined until the final agreement is reviewed. Current services provided by STAGE will represent a savings to the General Fund and increased contributions from the City over current costs will offset those savings.
2. Minimal cost to the General Fund for the City Staff time to work with STAGE representatives to complete the negotiation of the lease agreement over the next 90 days.

RECOMMENDATIONS

Direct staff to continue to negotiate the final Master Lease Agreement with STAGE for the operation, maintenance and management of the Oroville State Theatre.

ATTACHMENTS

None

CITY OF OROVILLE

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

FROM: KAROLYN J. FAIRBANKS, CITY TREASURER

RE: INVESTMENT POLICY ADOPTION FOR 2015

DATE: DECEMBER 16, 2014

SUMMARY

The Council may consider adopting the 2015 Investment Policy for the City of Oroville.

DISCUSSION

State law requires that a policy be formally adopted on an annual basis. There are no changes from the 2014 Policy.

FISCAL IMPACT

None

RECOMMENDATION

Adopt Resolution No. 8312 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE ADOPTION OF THE 2015 INVESTMENT POLICY FOR THE CITY OF OROVILLE.

ATTACHMENTS

Resolution No. 8312
Investment Policy

**CITY OF OROVILLE
RESOLUTION NO. 8312**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING THE 2015
INVESTMENT POLICY FOR THE CITY OF OROVILLE**

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

- a. The Council hereby adopts the Investment Policy for 2015. A copy of the Policy is attached hereto as Exhibit "A."
- b. The City Clerk shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting on December 16, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

City of Oroville/
Oroville Public Financing Authority
Statement of Investment Policy

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City of Oroville/
Oroville Public Financing Authority
Statement of Investment Policy

- 1.0** **Policy:** The City of Oroville and Oroville Public Financing Authority (the City) shall invest public funds in such a manner as to comply with all state and local statutes; insure prudent money management; provide for daily cash flow requirements; and meet the objectives in priority order of safety, liquidity and return on investments.
- 2.0** **Scope:** This Investment Policy covers all financial assets under the direct authority of the City.
- 2.1 The City's funds are accounted for in the Comprehensive Annual Financial Report (CAFR). The Financial Report identifies the fund types involved as follows:
- 2.1.1 General Fund
 - 2.1.2 Special Revenue Funds
 - 2.1.3 Capital Project Funds
 - 2.1.4 Enterprise Funds
 - 2.1.5 Internal Service Funds
 - 2.1.6 Trust Funds
 - 2.1.7 Miscellaneous Special Funds
 - 2.1.8 Any new funds created by these legislative bodies unless specifically exempted
- 2.2 Investment of bond proceeds will be held separately when required by the bond indentures or when necessary to meet arbitrage regulations.
- 3.0** **Prudence:** The standard of prudence to be used shall be the prudent investor standard and shall be applied in the context of managing the overall portfolio. Investments shall be made with judgment and care (under circumstances then prevailing) which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
- 3.1 Any investment official exercising his or her assigned authority with due diligence and prudence in accordance with the written procedures and the Investment Policy will not be held personally liable for any individual investment losses or for total portfolio losses provided deviations from expectations are reported in a

timely fashion and appropriate action is taken to control adverse developments.

4.0 Objectives: The primary objectives of investment activities in order of priority shall be:

4.1 *Safety:* Safety of principal is the prime objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

4.2 *Liquidity:* The City's investment portfolio shall be structured in a manner which strives to time the maturity of securities with cash requirements to remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated.

4.3 *Return on Investments:* The City shall attempt to obtain a reasonable return after basic requirements of safety and liquidity have been met.

5.0 Delegation of Authority: Authority to manage the investment program is derived from the City Charter, City Code and the Government Code of the State of California. Management responsibility for the investment program is hereby delegated to the Treasurer who shall be responsible for all transactions undertaken and shall establish a system of controls and procedures. The City Council shall appoint someone to act only in the absence of the Treasurer. The Treasurer has the authority to sign all contracts related to the investment of public funds.

5.1 *Investment Procedures:* The Treasurer shall establish written procedures for the operation of the investment program consistent with this investment policy. The procedures should include reference to safekeeping, PSA repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer and approved by the legislative bodies.

6.0 Ethics and Conflicts of Interest: Officers, employees, elected and appointed officials involved in the investment process shall act responsibly as custodians of the public trust; avoid any transaction that might impair the public confidence or the City's ability to serve the citizens; refrain from personal business activities that could conflict with proper execution of the investment program or could impair their ability to make impartial

investment decisions and abide by the City's adopted Conflict of Interest Code incorporated by reference into this Investment Policy.

7.0 Authorized Financial Dealers and Institutions: To promote the optimum yield on the investment of City funds, investment procedures shall be designed to encourage competitive bidding on transactions from approved financial institutions or broker-dealers.

- 7.1 All financial institutions and broker-dealers who desire to become qualified bidders for investment transactions must meet the following minimum requirements:
 - 7.1.1 Must certify that they have read and agree to comply with the investment policies of the Authority.
 - 7.1.2 Must be a primary or regional dealer that qualifies under the Securities and Exchange Commission Rule 15C3-1 (uniform Net Capital Rule).
 - 7.1.3 Must have an office in California.
 - 7.1.4 Must be experienced in institutional trading practices and familiar with the California Government Code as related to investments for local governmental agencies.
 - 7.1.5 Must have been in business for at least three years.
 - 7.1.6 Must provide proof of National Association of Security Dealers certification.
 - 7.1.7 Other criteria as may be established in the investment Procedures Manual of the Authority.
- 7.2 All financial institutions in which the Authority's public funds are deposited will supply the Treasurer with the following:
 - 7.2.1 Current audited financial statements.
 - 7.2.2 Depository contracts.
 - 7.2.3 A copy of the latest FDIC call report.
 - 7.2.4 Proof that the institution is state or federally chartered.

.8.0 Authorized Investments: The Treasurer may invest city funds in the following instruments as specified under Section 53601 et seq., of the California Government Code, as now read or hereafter amended, and as further limited in this policy. In the case of bond proceeds permissible investments are limited to those specified in the bond documents in accordance with Section 5922 of the Government Code or other applicable laws. Investments in Deferred Compensation funds are limited to those investments allowed under Section 53609 of the Government Code.

- 8.1 Except as provided above, the following investments are authorized, as further limited herein:
 - 8.1.1 Obligations of the U.S. Government, its agencies, or Instrumentalities - Maximum 100%.
 - 8.1.2 Time Certificates of Deposits Maximum 30%. Deposits should not exceed two year maturity. Deposits will be collateralized or insured in accordance with the investment policy and placed with nationally or state chartered banks, a savings association and/or a state or federal credit

- union, not to exceed \$1,000,000 with one institution.
- 8.1.3 Local Agency Investment Fund (LAIF) of the State of California Maximum 100%. Investments will be made in accordance with laws and regulations governing these funds. Local Agency Investment Fund (State Pool) Demand Deposits maximum allowed currently is \$50,000,000 per account.
 - 8.1.4 Repurchase agreements Maximum 20%. Must be fully collateralized at 110%, have a maturity of no more than ten days, and will only be with primary dealers of the Federal Reserve Bank who have long term debt rated at AAA by Moody's or Standard and Poor.
 - 8.1.5 Passbook Savings Account Demand Deposits Maximum 50%. Deposits must be insured if under FDIC limit allowed by law, collateralized if over that limit, and not exceed \$1,000,000.
with one institution.
 - 8.1.6 Money Market/Mutual Funds Maximum 15%. Funds must consist of instruments permitted under Sections 53601 and 53635 of the Government Code.
 - 8.1.7 Bankers Acceptance Maximum 30% and have a maturity of no longer than 180 days.
 - 8.1.8 Investments held separately. Investment of bond funds will be made in conformance with the trust indenture for each issue. Such funds will be held separately when required.
- 8.2 If repurchase agreements are legal and authorized by policy, a Master Repurchase Agreement must be signed with the bank or dealer.

9.0 Review of Investment Portfolio: The securities held by the City must be in compliance with Section 8.0 Authorized and Suitable Investments at the time of purchase. To assure subsequent compliance, the Treasurer shall at least quarterly review the portfolio to identify any securities that do not comply and establish procedures to report to the City critical incidents of noncompliance.

10.0 Investment Pools/Mutual Funds: Governmental sponsored pools and/or mutual funds should be carefully reviewed prior to investing and should be monitored on an ongoing basis. Requisite information on the pool includes a statement of investment policy and objectives, a list of allowable investments, disclosure regarding settlement and safeguarding of investments, description of securities pricing (fair value) and whether GASB 31 compliant, an explanation of interest calculations and distributions plus fee disclosures, deposit and withdrawal restrictions, and disclosure of audit findings and reports.

11.0 Collateralization: Investments in time certificates of deposit shall be fully insured up to the maximum allowed by law, currently \$250,000, by the Federal Deposit Insurance Corporation, the National Credit Union Share

Insurance Fund, or the Federal Savings and Loan Insurance Corporation, as appropriate. Investments in time certificates of deposit in excess of the maximum amount allowed by law shall be properly collateralized. Section 53652 of the California Government Code requires that the depository pledge securities with market value of at least 10% in excess of the City's deposit as collateral in government securities. The City Treasurer is responsible for entering into deposit contracts with each depository. Collateral for investments in Repurchase agreements must consist of U. S. Treasury obligations or U. S. Agency obligations. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest.

- 12.0 Safekeeping and Custody:** All security transactions, including collateral for repurchase agreements shall be conducted on a delivery versus payment (DVP) basis. Securities will be held by a third party custodian, or in the case of bond proceeds the Trustee, designated by the Treasurer and evidenced by safekeeping receipts.
- 13.0 Diversification:** The purpose of diversification is to reduce the overall portfolio risks while attaining market average rates of return. The maximum allowable percentage of investments in any one category will be diversified as required by law, or as provided by this policy, whichever is lower. In addition, with the exception of U.S. Treasury securities and the Local Agency Investment Fund, no more than 50% of the total portfolio will be vested in a single security type or with a single financial institution (excluding demand deposits and bond proceeds if allowed by the bond trustee).
- 14.0 Maximum Maturities:** No investment shall be made with a maturity of more than three (3) years unless the Governing Body specifically authorizes the investment. As a general rule the City will not invest in securities maturing more than two (2) years from date of purchase unless they represent reserve funds or other monies set aside to satisfy long term needs such as capital accumulation funds. To the extent possible, investment maturities will be matched against anticipated cash flow requirements.
- 15.0 Internal Control:** The City shall establish an annual process of independent review by the external auditor. This review will provide internal control by assuring compliance with policies and procedures.
- 16.0 Performance Standards:** The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles commensurate with the investment risk constraints and the cash flow needs. The basis used by the Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to the portfolio investment duration.

- 17.0 Reporting:** The Treasurer shall provide a monthly report to the City Council regarding investment activity and returns on all portfolios which provides a clear picture of the status of the current investment portfolio. The report shall include: Type of investment, issuer, purchase date, date of maturity, amount of deposit or cost of the investment, face value of securities, current market value of securities, rate of interest and interest earnings. If any of the funds are managed by a contracted party, a description shall be included in the report. The report shall be reviewed and signed by the Treasurer, the Finance Director and the City Administrator.
- 18.0 Investment Policy Adoption:** In accordance with Section 53646(a) of the California Government Code, the Treasurer shall render to the City legislative body a Statement of Investment Policy no less frequently than once a year . The City's Investment policy and any modifications shall be adopted by Resolution of the Oroville City Council and Oroville Public Financing Authority. Any State Law changes during the year are automatically incorporated into this policy.
- 19.0 Glossary:** Because this policy is available to the public as well as the governing body, a glossary of related terminology is a part of the policy.

Glossary

Accrued Interest. Interest earned but not yet received.

Agencies. Federal Agency securities and/or Government-sponsored enterprises. -

Arbitrage. Generally, transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a difference in prices in the two markets.

Asked. The price at which securities are offered.

Bankers' Acceptances (BA's). A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Basis point. One basis point is one hundredth of one percent (.01).

Benchmark. A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid. The price offered by a buyer of securities.

Bond. A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows including periodic interest payments and a principal repayment.

Bond Equivalent Yield (BEY). An annual yield, expressed as a percentage, describing the return provided to bond holders. A bond equivalent yield is double the simple interest, semiannual yield.

Book value. The value at which a debt security is shown on the holder's balance sheet. Book value is the cost less amortization of premium or accretion of a discount.

Broker. A broker brings buyers and sellers together for a commission.

Certificate of Deposit (CD). A deposit of funds in a bank or savings and loan association for a specified term that earns interest at a specified rate or rate formula.

Collateral. Securities, evidence of deposit or other property, which a borrower pledges for repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper. Unsecured short-term promissory notes issued by corporations, with maturities ranging from 2 to 270 days, which may be sold on a discount basis or may bear interest. Firms with lower ratings or without well known names usually back their commercial paper with guarantees or bank letters of credit.

Comprehensive Annual Financial Report (CAFR). The official annual financial report of the City. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Corporate Medium Term Notes. Unsecured promissory notes issued by corporations operating within the United States. The notes are in the one to five year maturity range.

Coupon. The annual rate of interest that a bond's issuer promises to pay the bond holder on the bond's face value. Also, a certificate attached to a bond evidencing interest due on a payment date.

Credit Risk. The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return). The interest paid on an investment expressed as a percentage of the current price of the security. Current yield is only accurate for investments purchased at par.

Custody. The service of an organization, usually a financial institution, of holding (and reporting) a customer's securities for safekeeping. The financial institution is known as the custodian.

Dealer. A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account -

Debenture. A bond secured only by the general credit of the issuer.

Delivery versus Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Derivatives. Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor; or financial contracts based upon noticed amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Discount. The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities. Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, (e.g., U. S. Treasury Bills).

Diversification. Dividing investment funds among a variety of securities, offering independent returns.

Duration. A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

Federal Credit Agencies. Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g. S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC). A federal agency that insures

bank deposits, currently up to \$250,000 per entity. Federal Funds Rate. The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB). Government sponsored wholesale banks which lend funds and provide correspondent banking service to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal National Mortgage Association (FNMA or Fannie Mae). A federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation and assumes and guarantees that all security holders will receive timely payment of principal and interest. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are highly liquid and are widely accepted.

Federal Open Market Committee (FOMC), Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System. The central bank of the United States which consists of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members.

Government National Mortgage Association (GNMA or Ginnie Mae). Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages.

Interest Rate. The annual yield earned on an investment, expressed as a percentage.

Liquidity. The quality of an asset that permits it to be converted quickly into cash without a significant loss in value.

Local Agency Investment Fund (LAIF). A special fund in the State Treasury which local agencies may use to deposit funds for investment and for reinvestment. Each agency is currently limited by LAIF to an investment of \$50 million.

Marketability. The measure of ease with which a security can be sold in the secondary market.

Market Risk. Defined as market value fluctuations due to overall changes in the general level of interest rates structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long term securities for the sole purpose of short term speculation.

Market Value - The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement. A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower

Maturity Date. The date upon which the principal or stated value of an investment becomes due and payable.

Money Market. The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Mutual Fund. An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the Securities and Exchange Commission (SEC) disclosure guidelines.

Offer. The price asked by a seller of securities.

Open Market Operations. Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Portfolio. Collection of securities held by an investor.

Primary Dealer. A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

Principal. The face amount or par value of a debt instrument.

Prudent Person Standard. A standard of conduct where a person acts with care, skill, prudence, and diligence when investing or reinvesting.

Qualified Public Depositories. A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of the state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return. The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO). A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security buyer in effect lends the seller money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

Reverse Repurchase Agreement (Reverse REPO). A reverse-repurchase agreement involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

Safekeeping. A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Securities & Exchange Commission (SEC) Agency created by Congress to protect investors in securities transaction by administering securities legislation.

Secondary Market. A market made for the purchase and sale of outstanding issues following the initial distribution.

Treasury Bills. A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bonds. Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. government and having initial maturities of more than ten years.

Treasury Notes. Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to ten years.

Trustee. A Bank designated as the custodian of funds and the official representative for bondholders. In this capacity, the trustee is responsible for enforcing the bondholders contract with the issuer.

Uniform Net Capital Rule. Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield. The rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND CITY COUNCIL MEMBERS

**FROM: RANDY MURPHY, CITY ADMINISTRATOR
TYSON PARDEE, IT MANAGER**

**RE: DECLARATION AND DISPOSAL/DONATION OF SURPLUS
PROPERTY**

DATE: DECEMBER 16, 2014

SUMMARY

The Council may consider the declaration and disposal/donation of items listed on the Surplus Property List.

DISCUSSION

Section 2-64 of the Code of the City of Oroville requires that fixed assets and other surplus property of the City be declared surplus before being disposed of by the Purchasing Agent (City Administrator). If any of the items to be declared surplus are worth more than \$5,000, competitive bids are required and these items would have to be brought to the Council for further consideration after bids are obtained.

The City Purchasing Agent can also transfer these items to other public agencies such as school districts.

After the equipment has been declared surplus, staff must follow the following process to surplus the item:

1. If appropriate, the items will be offered to other public agencies at no cost.
2. If the City Purchasing Agent feels that the City will realize more from the sale than it would cost to dispose of the item, the item will be offered for sale.
3. The disposal of the surplus property will be a team effort involving all department heads. Items will be sold by any one of four means: direct sale to be held by the City; sale to a third party after advertisement; transfer to an auctioneer who will receive a portion of the proceeds as compensation or; internet auction. If the item has no value it will be scrapped or taken to the dump, to be recycled, if possible.
4. Any items from which the City expects to net more than \$5,000 will be bid in accordance with City policy. The bids will be brought to the City Council for approval.

Surplus Items:

<u>Asset #</u>	<u>Workstations</u>	<u>Serial #</u>
4163	Dell Optiplex GX620 (P4 HT)	8C7LMB1
4053	HP Pavilion 742n	MX22916544
4072	Dell Optiplex GX270 (P4)	CCFMN31
4090	Dell Dimension 4600 (P4)	9WB7041
4268	IBM 43P Model 150	10-ABCF0
3869	White Box	
4180	Dell Optiplex GX520 (PD)	7SPWYC1
4166	Dell Dimension 9200 (PD)	41FVGC1
4080	Dell Dimension XPS (P4)	6KYG041
4089	Dell Dimension 4600 (P4)	1WB7041
4083	Dell Dimension 4600 (P4)	7WB7041
4091	Dell Dimension 4600 (P4)	3WB7041
4066	Dell Precision 360	HMYCG31
4092	Dell Dimension 4600 (P4)	CWB7401
4082	Dell Dimension XPS (P4)	5KYG041
4114	Dell Dimension 4600	5GNWD51
4087	Dell Dimension 4600	BMD4X3
4188	ASUS (Whitebox)	None
4085	Dell Inspiron 5150	

FISCAL IMPACT

No revenue is expected as items will be donated or disposed of.

RECOMMENDATIONS

Declare the items listed as surplus and authorize that the items be added to the Surplus Property List and donated or disposed of.

ATTACHMENTS

None

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND CITY COUNCIL MEMBERS

**FROM: RANDY MURPHY, CITY ADMINISTRATOR
JAMIE HAYES, ASSISTANT CITY CLERK**

**RE: AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
WITH QUALITY CODE PUBLISHING**

DATE: DECEMBER 16, 2014

SUMMARY

The Council may consider an Amendment to the Professional Services Agreement with Quality Code Publishing to provide codification services for the City's Municipal Code, in an amount not to exceed \$15,550.

DISCUSSION

On August 6, 2013, the Council approved a Professional Services Agreement with Quality Code Publishing for updating, republishing and posting the City Code online.

A well-maintained City Code serves the City and the public by providing updated and current Code regulations, making it easier and more efficient to locate accurate and up-to-date information. The City of Oroville's Municipal Code (Code) was last re-codified in 2002.

The Code has been updated and published onto the Internet. The next step will be a review for the structural reorganization of the Code, including a potential for re-organization and re-numbering of the Code to make it more user friendly for both the City and the public. The cost for these additional services is \$15,550.

FISCAL IMPACT

Funds for this service are available in the City Clerk's approved budget.

RECOMMENDATION

Adopt Resolution No. 8313 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH QUALITY CODE PUBLISHING TO PROVIDE CODIFICATION SERVICES FOR THE CITY'S CODE BOOK, IN AN AMOUNT NOT TO EXCEED \$15,550 – (Agreement No. 3027-1).

ATTACHMENTS

Resolution No. 8313
Agreement No. 3027-1
Quality Code Publishing Recodification Pricing

**CITY OF OROVILLE
RESOLUTION NO. 8313**

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH QUALITY CODE PUBLISHING TO PROVIDE CODIFICATION SERVICES FOR THE CITY'S CODE BOOK, IN AN AMOUNT NOT TO EXCEED \$15,500

(Agreement No. 3027-1)

NOW THEREFORE, be it hereby resolved by the Oroville City Council as follows:

1. The Council hereby authorizes and directs the Mayor to execute an Amendment to the Professional Services Agreement with Quality Code Publishing in an amount not to exceed \$15,500.
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 December 16, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

FIRST AMENDMENT TO AGREEMENT NO. 3027 FOR CODIFICATION SERVICES BETWEEN THE CITY OF OROVILLE AND QUALITY CODE PUBLISHING

This First Amendment dated December 16, 2014, is to the Agreement No. 3027 between the **City of Oroville** ("City") and **Quality Code Publishing** ("Consultant").

In consideration of the terms and conditions herein, the City and the Consultant agree that Agreement No. 3027 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 \$15,550 for the Code Analysis & Review, including Code Structural Plan, Recodification, Final Editing, Indexing, Formatting, Proofreading, Printing, and for providing Tabbed Divider Pages and Binders .
3. The \$15,550 authorized by this Amendment shall be used only to pay the Consultant to complete the Recodification of the Oroville Municipal Code Book
4. Conflicts between the Agreement, and this First Amendment shall be controlled by this First Amendment. All other provisions within Agreement No. 3027 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.

CITY OF OROVILLE

QUALITY CODE PUBLISHING

By: _____
Linda L. Dahlmeier, Mayor

By: _____
Title: _____

Business License# _____

Tax ID No.: _____

APPROVED AS TO FORM:

ATTEST:

By: _____
Scott E. Huber, City Attorney

By: _____
Randy Murphy, City Clerk

ATTACHMENTS:

Exhibit A – Scope of Additional Services and Fee Proposal

5. RECODIFICATION PRICING (revised 9/29/14)

Based on the 2013 republished code, which is 651 pages, I estimate the recodified code will be approximately ~~800~~ **650** pages, and assuming the City would require 10 printed copies with binders and tabbed dividers, the estimated cost to recodify would be:

Code Analysis & Review including Code Structural Plan (CSP) (flat fee).....	\$3,500.00
Recodification – 800 650 pages @ \$17.00 per page	\$11,050.00
Tabbed divider pages – minimum order 25 sets (Optional)	\$400.00
Binders – 10 @ \$60.00 per binder (Optional)	\$600.00
Estimated Total Cost.....	\$15,550.00

SCHEDULE FOR COMPLETION

Code Analysis & Review with CSP	2-3 months
Final Editing/Indexing/Formatting/Proofreading/Printing	2-3 months

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
LUIS A. TOPETE, ASSOCIATE PLANNER (530) 538-2408
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: REQUEST FROM COMPREHENSIVE MANAGEMENT INC. TO
PURCHASE CITY-OWNED PROPERTY FOR THE DEVELOPMENT OF A
PARKING LOT**

DATE: DECEMBER 16, 2014

SUMMARY

The Council may consider a request from Dr. Steven H. Horn to purchase a City-owned property identified as APN: 012-160-055 for the development of a parking lot to service his existing business, Comprehensive Management Inc., located at 1877 Myers Street.

DISCUSSION

Dr. Steven H. Horn, CEO of Comprehensive Management Inc. located at 1877 Myers Street, has submitted a letter to the City requesting to purchase a City-owned property identified as APN: 012-160-055, located east of the intersection of Myers Street and Kitrick Avenue. The property is currently vacant and approximately 0.25 acres (10,890 square feet) in size. The intent is to develop the property into a parking lot to serve the applicant's existing business. Comprehensive Management Inc. is affiliated with the Oroville Hospital for the purpose of performing medical billing. They anticipate their business activities to grow over the next few years and are also anticipating an increase in their personnel needs. The additional parking will help facilitate their expected growth.

FISCAL IMPACT

Potential revenue to the General Fund equal to the fair market value of the property.

RECOMMENDATION

Direct staff as necessary.

ATTACHMENTS

- A – Letter from Comprehensive Management, Inc.
- B – Vicinity Map
- C – Photos
- D – Drawings

EXHIBIT - A

Comprehensive Management Inc.

10/13/2014

City of Oroville

Mayor of Oroville, Council Members

RE: Vacant lot

Dear Mayor and Council Members,

This letter is the follow-up as per discussion this morning with Mr. Louis Topete. I, CEO of Comprehensive Management Inc., Dr. Steven H. Horn, wish to express my interest in purchasing the vacant lot located adjacent (north) of 1855 Myers St. Oroville, Ca. The purpose to acquire the said property is to develop it into a parking lot. Comprehensive Management Inc. currently is located at 1877 Myers St., Oroville Ca. We are affiliated with Oroville Hospital for the purpose of performing Medical Billing. We anticipate a robust growth curve over the next few years, in which we anticipate increasing our personnel needs. The additional parking will help facilitate that growth.

Please consider my request. It is my understanding that this offer needs to go through the proper channels. Please expedite as you see fit, and please get back to me with direction, moving forward.

Thank You,

Dr. Steven H. Horn, CEO



Comprehensive Management Inc.

Contact:

530-533-8243 ext 500, ask for me.

e-mail- drshhorn@yahoo.com

1877 Myers Street
Oroville, CA 95966

(530) 533-8243

(530) 533-8623 fax

www.compmgmt@yahoo.com

Vicinity Map

EXHIBIT - B



0 62.5 125 250 375 500 Feet



Produced By: City of Oroville
Community Development Department

EXHIBIT - C



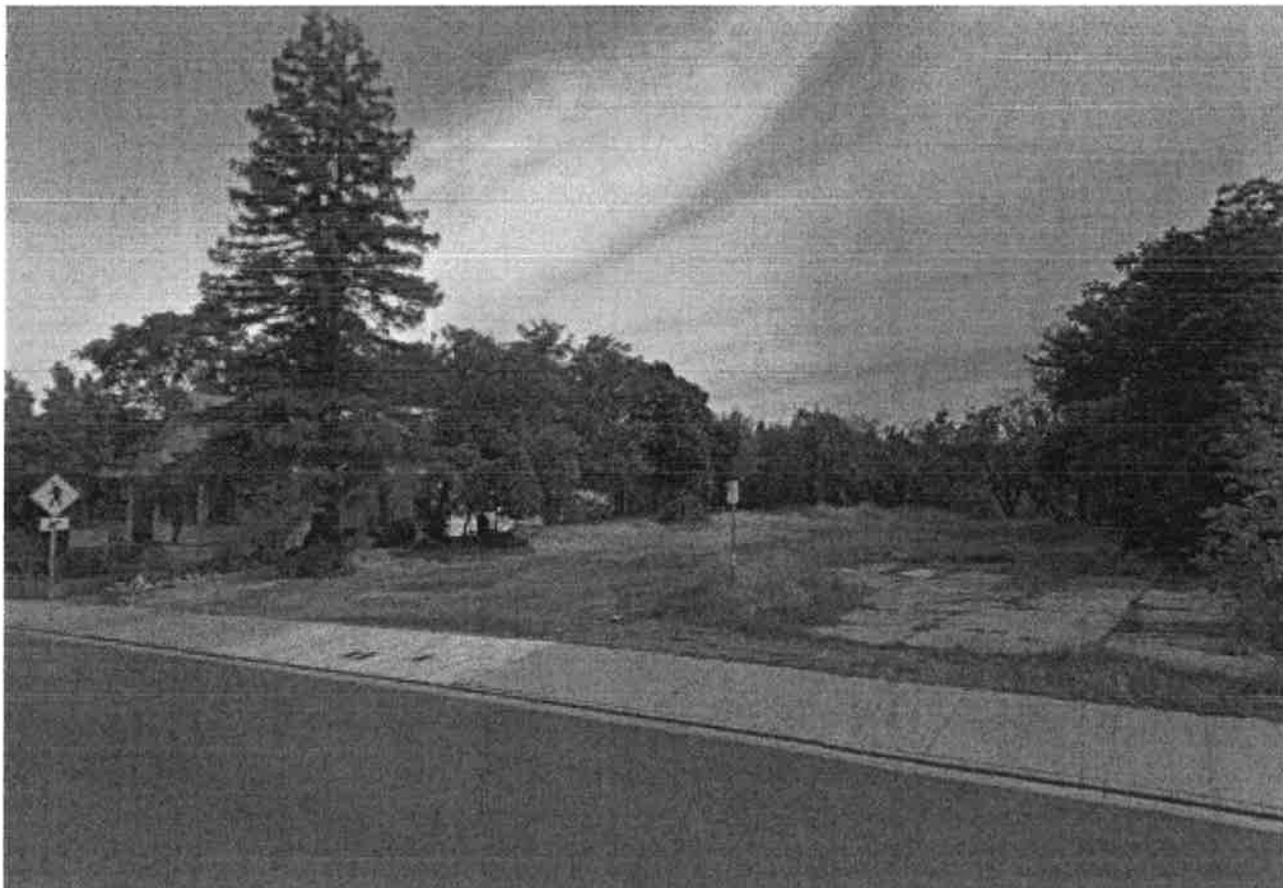
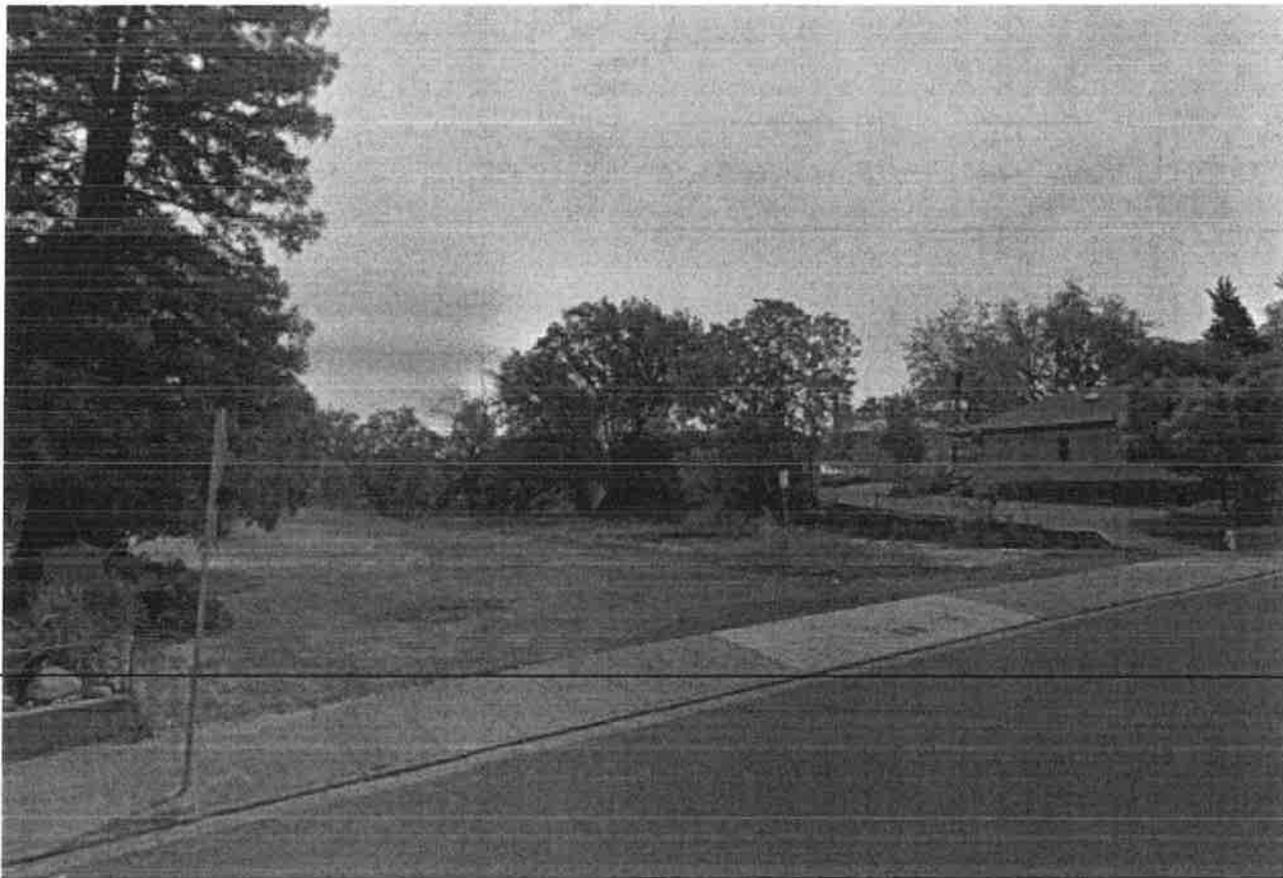
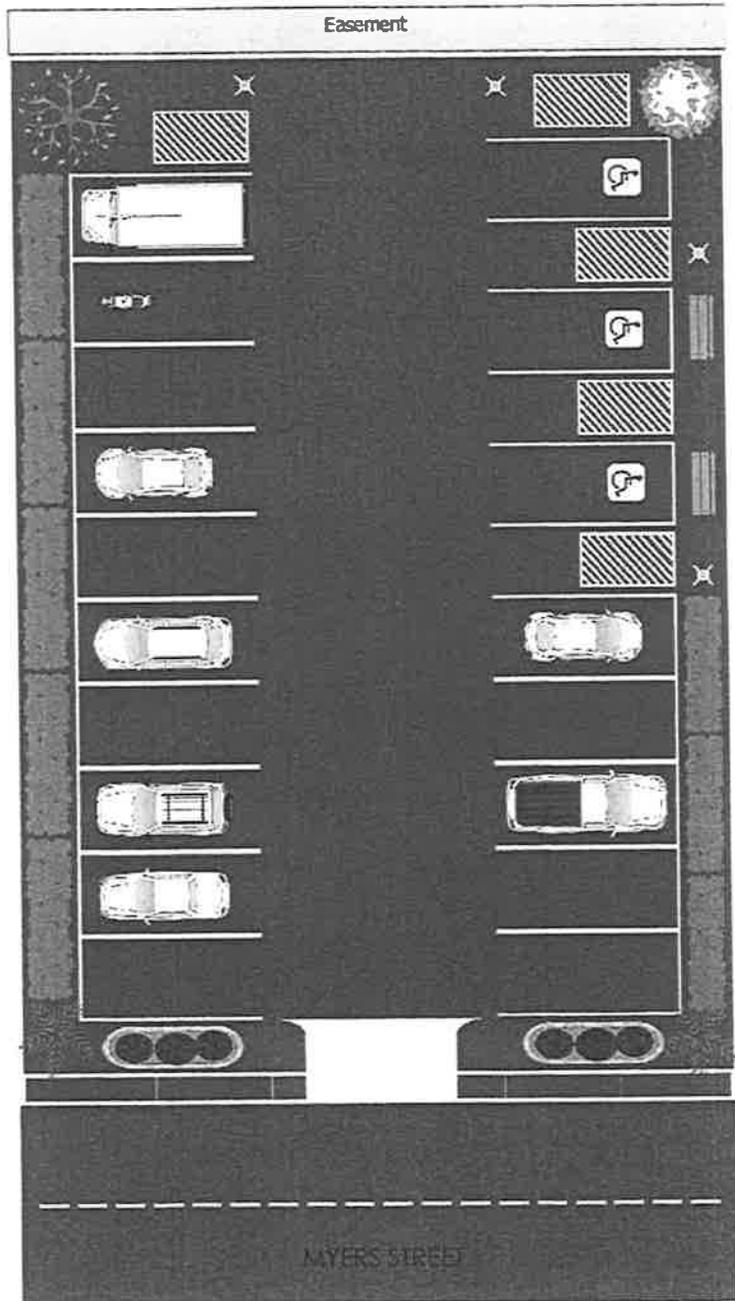


EXHIBIT "D"

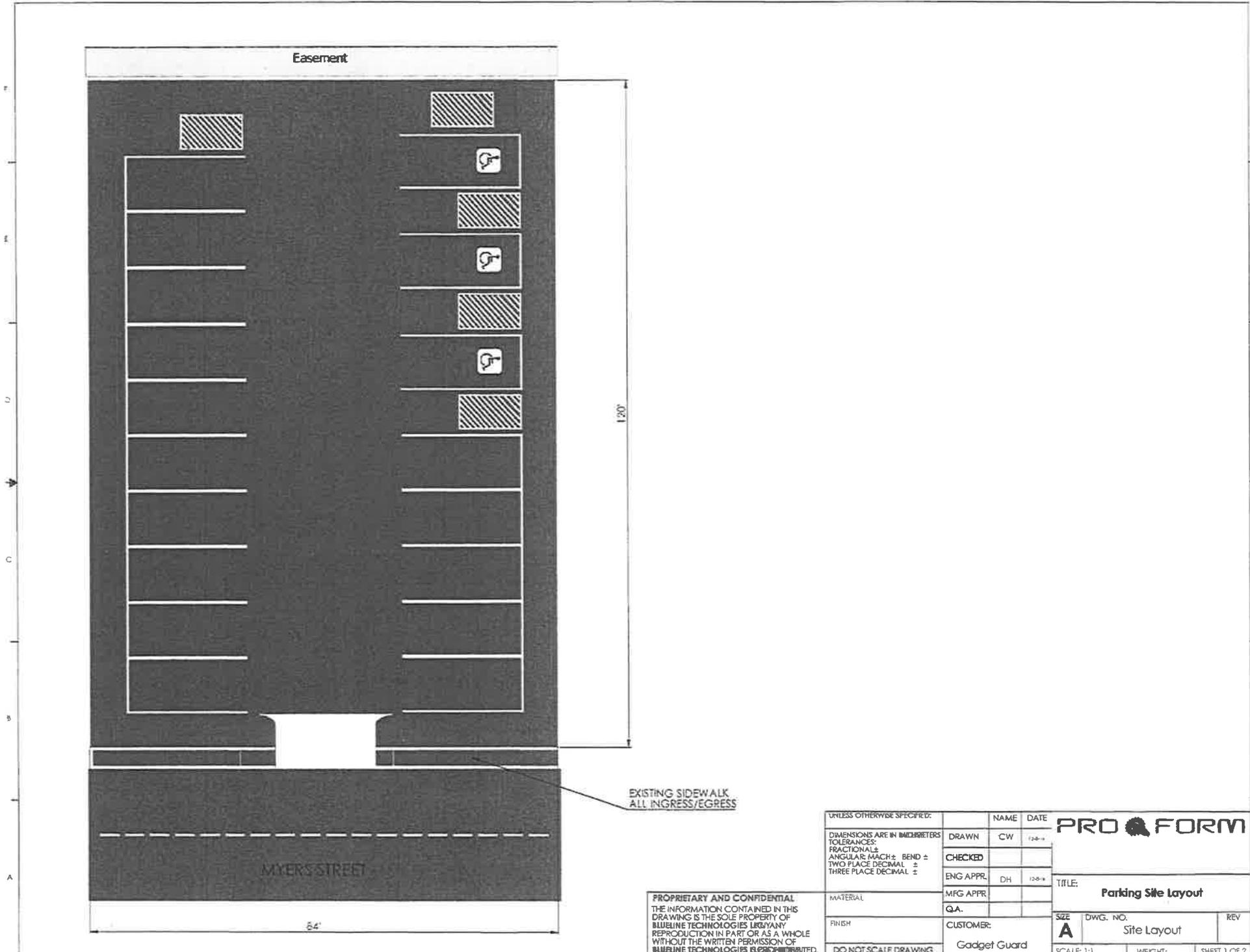


A
B
C
D
E

PROPRIETARY AND CONFIDENTIAL
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UNLESS OTHERWISE SPECIFIED:		NAME	DATE
DIMENSIONS ARE IN MILLIMETERS TOLERANCES: FRACTIONAL: ± ANGULAR: MACH ± BEND ± TWO PLACE DECIMAL ± THREE PLACE DECIMAL ±	DRAWN	CW	2-6-14
	CHECKED		
	ENG APPR	DH	2-6-14
	MFG APPR		
MATERIAL	Q.A.		
FINISH	CUSTOMER:		
DO NOT SCALE DRAWING	Gadget Guard		

PRO FORM			
TITLE: Parking Site Layout			
SIZE	DWG. NO.	REV	
A	Site Layout		
SCALE: 1:1	WEIGHT:	SHEET 2 OF 2	



120'

EXISTING SIDEWALK
ALL INGRESS/EGRESS

MYERS STREET

64'

PROPRIETARY AND CONFIDENTIAL
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DIMENSIONS ARE IN INCHES/FEET TOLERANCES: FRACTIONAL ± ANGULAR: MACH ± BEND ± TWO PLACE DECIMAL ± THREE PLACE DECIMAL ±	DRAWN	CW	12-8-19		
	CHECKED				
	ENG APPR.	DH	12-8-19		
	MFG APPR.				
	QA				
TITLE: Parking Site Layout					
MATERIAL	CUSTOMER:		SIZE	DWG. NO.	REV
FINISH	Gadget Guard		A	Site Layout	
DO NOT SCALE DRAWING		SCALE: 1:1		WEIGHT:	SHEET 1 OF 2

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
LUIS A. TOPETE, ASSOCIATE PLANNER (530) 538-2408
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: OUTDOOR BOAT STORAGE LAND USE ENTITLEMENT AND PAYMENT
PLAN**

DATE: DECEMBER 16, 2014

SUMMARY

The Council may provide staff direction regarding a required land use entitlement for the outdoor storage of boats at 2139 W. Lincoln Street (APN: 012-230-012) and consider a payment plan for the processing of a use permit.

DISCUSSION

On December 3, 2014 the City's Community Development Department received a Zoning Clearance / Occupancy Permit application from Precision Craft Boatworks for boat repair, retail sales of boat parts, catalog sales, manufacturing of houseboats, and the outdoor storage of boats at 2139 W. Lincoln Street (APN: 012-230-012). The property has a zoning designation of Commercial / Light Manufacturing (CLM). Per the City's Municipal Table 26-33.010-1, all the intended uses are permitted by right, subject to a zoning clearance, with the exception of the outdoor storage, which requires a use permit. Pursuant to Section 26-16.140(B) of the City's Municipal Code, in commercial and mixed-use districts, 1 or more outdoor storage containers and storage areas with a total area of up to 250 square feet shall be allowed on a site as of right, subject to the requirements of this section. All other outdoor storage containers and storage areas, including storage areas for uses that are customarily conducted outdoors, shall be required to obtain a use permit.

On December 10, 2014, the business owner met with the City's Senior Code Enforcement Specialist and the Community Development Director and stated that he agreed to pay for and go through the use permit approval process and requested a payment plan be considered due to his financial hardship. The use permit application was submitted the following day on December 11th.

CC-11

Because this land use request is similar to the request from Old Hickory Sheds, staff is seeking direction from the Council on what land use entitlement to require from Precision Craft Boatworks for the proposed business. As the Council may recall, , the Council took an action, at the November 4, 2014 Council meeting, to direct staff to process the outdoor display and sales of Old Hickory Sheds at 2006 4th Street (APN: 031-160-006) as an administrative permit and amend the City's Zoning Code Section 26-16.130 to allow the outdoor display of merchandise to reach 15 feet in height before a use permit is required.

FISCAL IMPACT

Permit	Price	Tech Fee	Total
Use Permit	\$2,822.00	\$169.32	\$2,991.32
Administrative Permit	\$572.00	\$34.32	\$606.32

The above price of a use permit is a deposit, which staff charges for its time and materials used for processing the permit (e.g. staff time, newspaper notice, property owner mailings, etc.). Any remaining funds at the end of the process are returned to the applicant. For more complex projects where the initial deposit gets depleted, staff would put the project on hold until additional funds are deposited.

Staff believes the use permit process is the appropriate course of action for the proposed outdoor storage of large houseboats.

RECOMMENDATIONS

1. Per Oroville Municipal Code section 26-16.140(B), require the applicant to abide with the use permit approval process for the intended land use of outdoor boat storage; and
2. Adopt Resolution No. 8314 – A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING A USE PERMIT PAYMENT PLAN FOR THE BUSINESS IDENTIFIED AS “PRECISION CRAFT BOATWORKS” LOCATED AT 2139 W. LINCOLN STREET (APN: 012-230-012).

ATTACHMENTS

A - Resolution No. 8314

**CITY OF OROVILLE
RESOLUTION NO. 8314**

A RESOLUTION OF THE OROVILLE CITY COUNCIL APPROVING A USE PERMIT PAYMENT PLAN FOR THE BUSINESS IDENTIFIED AS "PRECISION CRAFT BOATWORKS" LOCATED AT 2139 W. LINCOLN STREET (APN: 012-230-012)

WHEREAS, on December 3, 2014, the City received a Zoning Clearance/Occupancy Permit application (Permit TRAK #: B1412-009) for the business address 2139 W. Lincoln Street (APN: 012-230-012), which has a zoning designation of Commercial/Light Manufacturing (CLM); and

WHEREAS, one of the indicated uses proposed was the outdoor storage of boats; and

WHEREAS, per the Oroville Municipal Code (OMC) Section 26-16.140(B), the outdoor storage of items in a container or area in excess of 250 square feet requires a use permit in all commercial and mixed-use districts; and

WHEREAS, on December 10, 2014, staff met with the applicant to discuss available options for moving forward. Due to financial constraints, the applicant has requested the Council consider a monthly payment plan with maximum monthly payments of \$150, until the full cost of the use permit is paid.

NOW, THEREFORE, BE IT RESOLVED BY THE OROVILLE CITY COUNCIL AS FOLLOWS:

The Oroville City Council hereby approves a use permit payment plan subject to the following conditions:

1. As use permits are full cost recovery items, staff will process the use permit and account for all staff time, City resources, and other associated costs.
2. Once processing of the use permit is completed, a breakdown of the costs will be provided to the applicant and staff will work with the City's Finance Department to bill the applicant for \$150 monthly payments, until the full cost of the use permit is paid.
3. Pursuant to Public Resources Code Section 21089, and as defined by the Fish and Wildlife Code Section 711.4, fees (\$50) are payable by the project applicant to file the Notice of Exemption with Butte County by the City of Oroville – Community Development Department within five working days of approval of this project.
4. As a condition of approval for the use permit, if all use permit fees have not been paid in full at the end of the payment period, the use permit shall be revoked.

PASSED AND ADOPTED by the City Council of the City of Oroville at a regular meeting held on December 16, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

**CITY OF OROVILLE
STAFF REPORT**

**TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS
RANDY MURPHY, CITY ADMINISTRATOR**

**FROM: BILL LA GRONE, DIRECTOR OF PUBLIC SAFETY
DONALD RUST, DIRECTOR OF COMMUNITY DEVELOPMENT**

**RE: AUTHORIZATION TO PURCHASE NEW POLICE VEHICLES, FIRE
VEHICLE, AND PUBLIC WORKS VEHICLES**

DATE: DECEMBER 16, 2014

SUMMARY

The Council may consider the purchase of (12) 2015 Ford Police Interceptor Utility vehicles, (1) 2015 Ford F350 Fire vehicle, (1) 2015 Ford F150 Public Works vehicle, and (2) 2015 Ford F350 Parks and Trees Dump trucks from Oroville Ford.

DISCUSSION

The Public Safety Department was authorized to purchase 13 new vehicles in the 2014/2015 budget cycle, along with the necessary emergency equipment, utilizing a four year lease.

POLICE

The Police vehicles will be used to replace some vehicles in our aged fleet. Most of the vehicles currently in operation have in excess of 100,000 miles and require regular significant maintenance and repair to keep them on the road. Our fleet is also looking its age, as the majority of the vehicles have minor damage and paint that is chipping and peeling.

The Council may not be aware of the fact that Ford has stopped producing the traditional Ford Crown Victoria Police Interceptor. Ford now offers two Police packages, the Ford Interceptor (Ford Taurus), and the Ford Police Interceptor Utility (Ford Explorer). The Police Department has looked at both vehicles. It is the opinion of the Department that the Ford Utility will best suit our needs. The Ford Interceptor (Taurus) is too small and does not accommodate the Officer in the front and does not have adequate room in the back for an Arrestee of any size. This change in vehicle will require the purchase of all new emergency equipment. None of our existing equipment can be used on the new vehicles.

CC-12

These vehicles will be purchased from the local Ford dealership, Oroville Ford. Oroville Ford has offered these vehicles to the City at State Contract bid pricing, which will comply with bidding requirements. This purchase will keep the City's dollars local. See Exhibit 1 for additional details.

The Emergency Equipment purchase and installation has previously been put out to bid in October 2014 by the City of Woodland Police Department. Lehr Auto Electric and Emergency Equipment was the low bidder and awarded the City of Woodland contract. The Oroville Public Safety Department is requesting permission to "piggy back" off of this bid, and award this contract to Lehr Auto Electric and Emergency Equipment. Further, Lehr Auto Electric and Emergency Equipment has an established relationship with the mechanic shop for the City of Oroville. The lead Mechanic for the City of Oroville prefers Lehr due to the quality of work performed by Lehr's shop. See Exhibit 2, attached to this staff report, for additional details related to the emergency equipment.

FIRE

The Fire vehicle will be used to augment our fleet. The Fire Department has not had a vehicle capable of pulling our Confined Rescue Trailer or the Kiwanis Burn house. The Fire Department has been dependent upon Public Works for a vehicle capable of towing these trailers. The Fire Department has also lacked a change out vehicle for Fire crews on Strike Teams. This Vehicle will fulfill all of the needs mentioned.

The vehicle selected with input from the City's Lead Mechanic is the 2015 Ford F350. This vehicle has the necessary towing capacity and cab room to meet our needs. This vehicle will be purchased from the local Ford dealership, Oroville Ford. Oroville Ford has offered this vehicle to the City at State Contract bid pricing. This purchase will keep the City's dollars local.

PUBLIC WORKS

The Public Works vehicles will be used to replace some of their aged fleet. Most of the vehicles currently in operation have in excess of 100,000 miles and require regular significant maintenance and repair to keep them on the road. The Public Works fleet is also looking its age, as the majority of the vehicles have minor damage and paint that is chipping and peeling, and floors have rusted out. In short, these vehicles are in poor condition.

The Public Works realized the opportunity existed to acquire another much needed vehicle. The Public Safety Department was authorized an additional \$80,000.00 to up fit its new vehicles with Emergency Equipment. Through negotiations it has been possible to have the cost of the Emergency Equipment placed into the annual lease. The Emergency Equipment in the annual lease frees up the \$80,000.00 for other purposes. This money, along with additional funding the Department has available within the Sewer Fund and Park Development Impact Fee Fund, will cover the cost of the additional vehicles on the annual lease.

The Public Works Department is requesting permission to purchase (1) 2015 Ford F150, and (2) Ford F350 Dump Trucks. These vehicles will be purchased from the local Ford dealership, Oroville Ford. Oroville Ford has offered these vehicles to the City at State Contract bid pricing. This purchase will keep the City's dollars local. See Exhibit 1, attached to this staff report, for additional details.

The total cost for this project including all vehicles and emergency equipment is \$639,904.30, which includes sales tax of \$44,644.49. Ford Motor Credit Company offers this Municipal lease on a (4) Four year term, with an annual payment of \$159,332.58. This lease has an underwriting fee of \$425.00. At term end the City can purchase all of this equipment for \$1.00 dollar. See Exhibit 4 for additional details.

This lease contains no pre-payment penalty. Finance is looking into options for the City to Fund this purchase internally and relieve the \$43,000 finance cost over the life of the lease.

FISCAL IMPACT

Funding for this project is provided in the 2014/2015 Police Department budget, Sewer Fund, and Park Development Fee. A budget adjustment is required to transfer appropriations to the proper Departments. It should be noted that the the Director of Public Safety is optimistic that availability of another strike force vehicle will result in increased revenue to the City.

RECOMMENDATIONS

1. Authorize the Public Safety Department to enter into a lease with Ford Motor Credit Municipal Leasing for the purchase of (13) Police/Fire vehicles from Oroville Ford utilizing State Contract pricing and authorize the "piggy back" purchase of emergency equipment and installation from Lehr Auto Electric and Emergency Equipment utilizing the City of Woodland's purchase agreement, pursuant to Government Code section 54205.
2. Authorize the Public Works Department to enter into a lease with Ford Motor Credit Municipal Leasing for the purchase of (3) Public Works vehicles from Oroville Ford utilizing State Contract pricing.
3. Authorize the City Purchasing Officer to dispose of vehicles which may be surpluses following the purchase of said vehicles. Disposal will be in a manner that brings greatest value to the City, which may include auction as feasible.
4. Authorize the Finance Director to adjust affected budgets, as necessary.

ATTACHMENTS

1. Oroville Ford Sales bid, and specification sheet for vehicles.
2. Lehr Auto Electric and Emergency Equipment specification Sheet
3. City of Woodland Police Department bid package and City Council Resolution awarding bid to Lehr Auto Electric and Emergency Equipment



Municipal Finance Department
1 American Road, MD 7500
Dearborn, Michigan 48126

November 24, 2014

Chris Goodhue
Oroville Ford
flrngc33@yahoo.com

RE: **City of Oroville, CA, Revised Quote #81155**

Ford Credit Municipal Finance is pleased to present the following financing options for your review and consideration.

Quantity	Description	Price
1	2015 Ford F350	\$41,165.88
12	2015 Ford Interceptor Utility	\$38,472.50
1	Ford F-150	\$25,393.93
2	Ford F-350's	\$33,515.00

Total Amount Financed*	Number of Payments	Payment Timing	APR	Payment Factor	Payment Amount
\$595,684.81	4	Annual in Advance	4.70%	0.267478	\$159,332.58

*\$425.00 underwriting fee included

EXPIRATION DATE: 02/28/2015

This quotation, until credit approved, is not a commitment by Ford Credit Municipal Finance. It has been prepared assuming that the lease qualifies for Federal Income Tax Exempt Status for Ford Credit Company LLC under Section 103 of the IRS Code. Financing is subject to credit review and approval of acceptable documentation by Ford Credit Municipal Finance.

Ford Credit Municipal Finance Program

- There is no security deposit, no prepayment penalty, and no mileage penalty.
- At inception, the new equipment title/registration indicates the municipality as Registered Owner, with Ford Motor Credit Company LLC as first lien holder.
- At term end, the municipality buys the equipment for \$1.

Thank you for allowing Ford Credit Municipal Finance the opportunity to provide this quotation. If you have any questions regarding the option presented, need additional options, or would like to proceed with the approval process, please contact me at (800) 241-4199, option 1.

Sincerely,

Janet Doty

Janet Doty
Marketing Coordinator
jdoty@ford.com



We look forward to assisting you as we have other customers.

"We recently financed two deals, the first was easy, a seamless experience, the second was made EASY due to the diligence of your staff. I appreciate the professionalism your team displayed and how they went over and above the line of duty. You have certainly earned our business". Brian K., Pine Lawn, MO. 02/19/2014

==>

Dealer: F72* 52

2015 F-SERIES SD

Page: 1 of 2

Order No: 1000 Priority: G3 Ord FIN: QC936 Order Type: 5B Price Level: 515

Ord PEP: 600A Cust/Flt Name: CITY OF OROVI PO Number:

	RETAIL	DLR INV		RETAIL	DLR INV
X2B F250 4X4 S/C	\$36040	\$33247.00	JOB #1 BUILD		
142" WHEELBASE			10000# GVWR PKG		
Z1 OXFORD WHITE		425	50 STATE EMISS	NC	NC
A VNYL 40/20/40			SPARE TIRE/WHL5	NC	NC
S STEEL		52B	BRAKE CONTROLR	270	230.00
600A PREF EQUIP PKG			12.5K TRLR HTCH	NC	NC
.XL TRIM			TELE TT MIR-PWR		
.TRAILER TOW PKG					
572 .AIR CONDITIONER	NC	NC	TOTAL BASE AND OPTIONS	47595	40884.60
.AM/FM STER/CLK			TOTAL	47595	40884.60
99T 6.7L V8 DIESEL	8480	7229.00	*THIS IS NOT AN INVOICE*		
44W 6-SPEED AUTO	NC	NC	*TOTAL PRICE EXCLUDES COMP PRICE ALLOW*		
TBM LT245 BSW AT 17	125	107.00			
X3H 3.31 ELOCKING	390	333.00	* MORE ORDER INFO NEXT PAGE *		
90L PWR EQUIP GROUP	895	763.00	F8=Next		
F1=Help	F2=Return to Order	F3/F12=Veh Ord Menu			
F4=Submit	F5=Add to Library	F9=View Trailers			
S006 - MORE DATA IS AVAILABLE.					QC09534

2015 Ford F250
 Super CAB
 \$34,985⁶⁰
 TAX is NOT Included

==>

Dealer: F72152

2015 EXPLORER 4-DOOR

Page: 1 of 2

Order No: 1000 Priority: G2 Ord FIN: QC936 Order Type: 5B Price Level: 515

Ord Code: 500A Cust/Flt Name: CITY OF OROVI PO Number:

		RETAIL	DLR INV		RETAIL	DLR INV
K8A	4DR POLICE	\$30185	\$28450.00	59E	KEY CODE 1435X	\$50 \$45.00
	.112.6" WB			60R	NOISE SUPPRESS	100 87.00
YZ	OXFORD WHITE			61S	CONFIG STR WHL	155 136.00
9	CLTH BKTS/VNL R			66A	FRONT HDLMP PKG	915 797.00
W	BLACK INTERIOR				.GRILL WIRING	
500A	EQUIP GRP			68G	RR DR/LK INOP	35 30.00
99R	.3.7L V6 TIVCT	NC	NC	794	PRICE CONCESSN	
44C	.6-SPD AUTO TRAN	NC	NC			
53M	SYNC SYSTEM	295	258.00	TOTAL BASE AND OPTIONS		32900 29270.45
	CA BOARD FEES	NC	.65	TOTAL		32900 29270.45
	FRT LICENSE BKT	NC	NC	*THIS IS NOT AN INVOICE*		
18W	RR WINDOW DEL	35	30.00	*TOTAL PRICE EXCLUDES COMP PRICE ALLOW*		
422	CALIF EMISSIONS	NC	NC			
43D	COURTESY DISABL	20	17.00	* MORE ORDER INFO NEXT PAGE *		
51Y	DRV SDE SPT LMP	215	187.00	F8=Next		

F1=Help

F2=Return to Order

F3/F12=Veh Ord Menu

F4=Submit

F17=Delete Entry

F9=View Trailers

S006 - MORE DATA IS AVAILABLE.

QC09534

2015 Ford Police Utility

\$28,680.45 Each

7



CONTACT US

My Account



Bid Notification

Procurement Solutions

Resources

Newsroom

Company

View Contract

CONTRACT	
Title	Enforcement Vehicles
Contract Number	1-12-23-14
Department	State Wide
Description	This contract covers the estimated two (2) year requirements of the State of California for 2013 or current model year Enforcement Vehicles. This contract is MANDATORY for all State of California departments and available for use by participating local governmental agencies.
Start Date	May 25, 2012
Visibility	Agency Only
Expiration Date	May 24, 2015
Total Contract Amount	\$0.00
Mandatory	Mandatory
Contacts	Timothy P Smith PHONE: 916-375-4451 EMAIL: Timothy.Smith@dgs.ca.gov
Supplier	# - Folsom Lake Ford
Solicitation	#1009-014 - Enforcement Vehicles
Classifications	[251017] Safety and rescue vehicles [921015] Police services

Contract Documents

FILE	EXPIRES
1-12-23-14 Supplement 1.pdf [download]	
1-12-23-14 Attachment A1 - Contract Pricing.xls [download]	
1-12-23-14 Contract Notification User Instructions.pdf [download]	
1-12-23-14 Attachment B1.pdf [download]	
1-12-23-14 Attachment B2.pdf [download]	
1-12-23-14 Attachment C.pdf [download]	
1-12-23-14 Attachment D1 - Sedan .pdf [download]	
1-12-23-14 Attachment D2 - Utility .pdf [download]	
Vehicle Acceptance Letter.pdf [download]	

Contract Items

LOT NAME	PRODUCT CODE	TITLE	SUPPLIER	PRICE	UNIT
	P2M	Police Interceptor Sedan	Folsom Lake Ford	\$23,242.00	each
	K8A	Police Interceptor Utility Vehicle	Folsom Lake Ford	\$26,578.00	each

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CONTRACT PRICING

Contractor: FOLSOM LAKE FORD
Vehicle: ENFORCEMENT SEDAN, POLICE INTERCEPTOR

TERMS: \$500.00 discount per vehicle for payment within 20 days

FORD ENFORCEMENT SEDAN POLICE INTERCEPTOR								
Contract Line Item Number (CLIN)	Unit of Measure	Quantity in Unit of Measure	Item Description	Manufacturer (OEM)	UNSPSC Code	Manufacturer Part Number (OEM #)	SKU #	State Contract Price
101	EACH	1	Law Enforcement High Speed Police Interceptor in accordance with specification 2310-1951 dated 3/14/2012	FORD	2510702	P2M	P2M	\$23,242.00
102	EACH	1	Extended Powertrain Warranty	FORD	2510702	FOMOCO	FOMOCO	Included
103	PAIR	1	Ballistic Door Panel Option - Supply and install front driver and passenger door mounted ballistic panels rated National Institute of Justice (NIJ) Type III	BLS MFG.	2510702	65C	PAIR	Included
OPTION DELETE CREDIT								
Contract Line Item Number (CLIN)	Unit of Measure	Quantity in Unit of Measure	Item Description	Manufacturer (OEM)	UNSPSC Code	Manufacturer Part Number (OEM #)	SKU #	State Contract Price
103	PAIR	1	DELETE Ballistic Door Panel Option - Supply and install front driver and passenger door mounted ballistic panels rated National Institute of Justice (NIJ) Type III - Less 10%	BLS MFG.	2510702	65C	PAIR	(\$2,536.00)
FOLSOM LAKE FORD DEALER CATALOG								
Group Seg. ID	Item Description			Catalog Date	UNSPSC Code	Contract Discount % Above Dealer Cost		
A	Attachment D1, Dealer Catalog - Sedan Police Interceptor Price List			3/17/2014	2510702	10%		

**Attachment A - Contract Pricing RANK 1
 Supplement 2
 Fleet Vehicles - TRUCKS
 Contract 1-14-23-20 A - G**

Terms: \$200 discount per vehicle for payment with 20 days - Riverview International
 \$500 discount per vehicle for payment with 20 days - All other dealers

Contact Line Item # (CLIN)	Description	FOB	UNSPSC Code	Unit of Measure (UOM)	Quantity in Unit of Measure	Make	Model	Most recent supplement changes are in <i>Bold, Blue Italics</i>		Dealer	Contract #
								Vehicle Contract Unit Price	Service Plan Contract Unit Price		
1	Small Pickup Truck, 4x2, Regular Cab, Regular Box , 150 Horsepower, GASOLINE Fueled, 108 in. WB, 4500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Toyota	Tacoma	\$18,555.00	\$1,295.00	Hanford Toyota	1-14-23-20C
2	Small Pickup Truck, 4x2, Extra Cab, Regular Box , 150 Horsepower, GASOLINE Fueled, 125 in. WB, 4500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Toyota	Tacoma	\$21,271.00	\$1,295.00	Hanford Toyota	1-14-23-20C
3	Small Pickup Truck, 4x2, Crew Cab, Short Box , 230 Horsepower, GASOLINE Fueled, 125 in. WB, 4500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Toyota	Tacoma	\$23,859.00	\$1,295.00	Hanford Toyota	1-14-23-20C
4	Small Pickup Truck, 4x4, Regular Cab, Regular Box , 150 Horsepower, GASOLINE Fueled, 108 in. WB, 5000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Toyota	Tacoma	\$22,405.00	\$1,295.00	Hanford Toyota	1-14-23-20C
5	Small Pickup Truck, 4x4, Extra Cab, Regular Box , 150 Horsepower, GASOLINE Fueled, 125 in. WB, 5000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Toyota	Tacoma	\$24,712.00	\$1,295.00	Hanford Toyota	1-14-23-20C
6	Small Pickup Truck, 4x4, Crew Cab, Short Box , 230 Horsepower, GASOLINE Fueled, 125 in. WB, 5000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Toyota	Tacoma	\$26,614.00	\$1,295.00	Hanford Toyota	1-14-23-20C
7	Full Size Pickup, 4x2, Regular Cab, Regular Box , 300 Horsepower, E85 Fueled, 119 in. WB, 6000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ford	F150	\$15,877.00	\$499.00	Wondries Fleet Group	1-14-23-20E

Contact Line Item # (CLIN)	Description	FOB	UNSPSC Code	Unit of Measure (UOM)	Quantity in Unit of Measure	Make	Model	Vehicle Contract Unit Price	Service Plan Contract Unit Price	Dealer	Contract #
8	Full Size Pickup, 4x2, Extra Cab, Regular Box , 300 Horsepower, E85 Fueled, 140 in. WB, 6500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ford	F150	\$18,428.00	\$499.00	Wondries Fleet Group	1-14-23-20E
9	Full Size Pickup, 4x2, Crew Cab, Short Box , 300 Horsepower, E85 Fueled, 140 in. WB, 6500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ram	Ram 1500	\$20,548.00	\$499.00	Elk Grove Auto Group	1-14-23-20B
10	Full Size Pickup, 4x4, Regular Cab, Regular Box , 300 Horsepower, E85 Fueled, 119 in. WB, 6000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ford	F150	\$19,270.00	\$499.00	Wondries Fleet Group	1-14-23-20E
11	Full Size Pickup, 4x4, Extra Cab, Regular Box , 300 Horsepower, E85 Fueled, 140 in. WB, 6500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ram	Ram 1500	\$21,399.00	\$499.00	Elk Grove Auto Group	1-14-23-20B
12	Full Size Pickup, 4x4, Crew Cab, Short Box , 300 Horsepower, E85 Fueled, 140 in. WB, 6500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ram	Ram 1500	\$23,297.00	\$499.00	Elk Grove Auto Group	1-14-23-20B
13	Full Size Pickup, Crew Cab, Short Box , HYBRID-ELECTRIC Fueled, 140 in. WB, 7000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	NONE					
14	Full Size Pickup, Extra Cab, Regular Box , DIESEL Fueled, 140 in. WB, 6500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ram	Ram 1500	\$30,421.00	\$800.00	Swift Superstore	1-14-23-20G
15	Full Size Pickup, Extra Cab, Regular Box , PLUG-IN HYBRID ELECTRIC Fueled, 141 in. WB, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	NONE					
16	Full Size Pickup, 4x2, Regular Cab, Regular Box , 360 Horsepower, GASOLINE Fueled, 133 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ford	F250	\$18,503.00	N/A	Downtown Ford Sales	1-14-23-20A

Most recent supplement changes are in **Bold, Blue Italics**

Contact Line Item # (CLIN)	Description	FOB	UNSPSC Code	Unit of Measure (UOM)	Quantity in Unit of Measure	Make	Model	Vehicle Contract Unit Price	Service Plan Contract Unit Price	Dealer	Contract #
17	Full Size Pickup, 4x2, Extra Cab, Regular Box , 360 Horsepower, GASOLINE Fueled, 141 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ford	X2A	\$21,186.00	N/A	Wondries Fleet Group	1-14-23-20E
18	Full Size Pickup, 4x2, Crew Cab, Short Box , 360 Horsepower, GASOLINE Fueled, 149 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ford	W2A	\$22,113.00	N/A	Wondries Fleet Group	1-14-23-20E
19	Full Size Pickup, 4x4, Regular Cab, Regular Box , 360 Horsepower, GASOLINE Fueled, 133 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ford	F250	\$21,719.00	N/A	Downtown Ford Sales	1-14-23-20A
20	Full Size Pickup, 4x4, Extra Cab, Regular Box , 360 Horsepower, GASOLINE Fueled, 141 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ford	F250	\$23,476.00	N/A	Downtown Ford Sales	1-14-23-20A
21	Full Size Pickup, 4x4, Crew Cab, Short Box , 360 Horsepower, GASOLINE Fueled, 149 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ram	Ram 2500	\$24,360.00	N/A	Elk Grove Auto Group	1-14-23-20B
22	Full Size Pickup, 4x2, Regular Cab, Regular Box , CNG Fueled, 133 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ford	F250	\$28,153.00	N/A	Downtown Ford Sales	1-14-23-20A
23	Full Size Pickup, 4X2, Regular Cab, Regular Box , 380 lb.-ft. Torque, GASOLINE Fueled, 133 in. WB, 10100 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101507	Each	1	Ford	F3A	\$20,347.00	N/A	Wondries Fleet Group	1-14-23-20E
24	Truck, Cab & Chassis, 4X2, Regular Cab, 380 lb.-ft. Torque, GASOLINE Fueled, 60 in. CA, 10200 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	Ford	F350	\$21,532.00	N/A	Downtown Ford Sales	1-14-23-20A
25	Truck, Cab & Chassis, 4X2, Regular Cab, 380 lb.-ft. Torque, GASOLINE Fueled, 60 in. CA, 15000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	Ford	F4G	\$26,898.00	N/A	Wondries Fleet Group	1-14-23-20E

Most recent supplement changes are in **Bold**, *Blue Italics*

Contact Line Item # (CLIN)	Description	FOB	UNSPSC Code	Unit of Measure (UOM)	Quantity in Unit of Measure	Make	Model	Vehicle Contract Unit Price	Service Plan Contract Unit Price	Dealer	Contract #
26	Truck, Cab & Chassis, 4X2, Regular Cab, 650 lb.-ft. Torque, DIESEL Fueled, 60 in. CA, 15000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	Ford	F4G	\$33,500.00	N/A	Wondries Fleet Group	1-14-23-20E
27	Truck, Cab & Chassis, 4X2, Regular Cab, CNG Fueled, 60 in. CA, 15000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	Ford	F450	\$36,931.00	N/A	Downtown Ford Sales	1-14-23-20A
28	Truck, Cab & Chassis, 4X2, Regular Cab, 380 lb.-ft. Torque, GASOLINE Fueled, 84 in. CA, 19500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	Ford	F5G	\$29,040.00	N/A	Wondries Fleet Group	1-14-23-20E
29	Truck, Cab & Chassis, 4X2, Regular Cab, 650 lb.-ft. Torque, DIESEL Fueled, 84 in. CA, 19500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	Ford	F5G	\$35,651.00	N/A	Wondries Fleet Group	1-14-23-20E
30	Truck, Cab & Chassis, 4X2, Regular Cab, CNG Fueled, 84 in. CA, 19500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	Ford	F5G	\$38,419.00	N/A	Wondries Fleet Group	1-14-23-20E
31	Truck, Cab & Chassis, 4X2, Regular Cab, 450 lb.-ft. Torque, GASOLINE Fueled, 102 in. CA, 25500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	Ford	F6F	\$41,335.00	N/A	Wondries Fleet Group	1-14-23-20E
32	Truck, Cab & Chassis, 4X2, Regular Cab, 660 lb.-ft. Torque, DIESEL Fueled, 102 in. CA, 25500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	Ford	F6F	\$51,791.00	N/A	Wondries Fleet Group	1-14-23-20E
33	Truck, Cab & Chassis, 4X2, Regular Cab, 800 lb.-ft. Torque, DIESEL Fueled, 108 in. CA, 30000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	International	Durastar	\$68,620.00	N/A	Riverview International	1-14-23-20F
34	Truck, Cab & Chassis, 4X2, Regular Cab, 860 lb.-ft. Torque, DIESEL Fueled, 120 in. CA, 33000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	International	Durastar	\$70,343.00	N/A	Riverview International	1-14-23-20F

Most recent supplement changes are in **Bold, Blue Italics**

Contact Line Item # (CLIN)	Description	FOB	UNSPSC Code	Unit of Measure (UOM)	Quantity in Unit of Measure	Make	Model	Most recent supplement changes are in <i>Bold, Blue Italics</i>		Dealer	Contract #
								Vehicle Contract Unit Price	Service Plan Contract Unit Price		
35	Truck, Cab & Chassis, 6X4, Regular Cab, 1150 lb.-ft. Torque, DIESEL Fueled, 138 in. CA, 54000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Sacramento	25101600	Each	1	International	Workstar	\$86,695.00	N/A	Riverview International	1-14-23-20F
36	Small Pickup Truck, 4x2, Regular Cab, Regular Box , 150 Horsepower, GASOLINE Fueled, 108 in. WB, 4500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Toyota	Tacoma	\$18,659.00	\$499.00	Wondries Fleet Group	1-14-23-20E
37	Small Pickup Truck, 4x2, Extra Cab, Regular Box , 150 Horsepower, GASOLINE Fueled, 125 in. WB, 4500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Toyota	Tacoma	\$21,049.00	\$499.00	Wondries Fleet Group	1-14-23-20E
38	Small Pickup Truck, 4x2, Crew Cab, Short Box , 230 Horsepower, GASOLINE Fueled, 125 in. WB, 4500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Toyota	Tacoma	\$23,859.00	\$1,295.00	Hanford Toyota	1-14-23-20C
39	Small Pickup Truck, 4x4, Regular Cab, Regular Box , 150 Horsepower, GASOLINE Fueled, 108 in. WB, 5000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Toyota	Tacoma	\$22,542.00	\$499.00	Wondries Fleet Group	1-14-23-20E
40	Small Pickup Truck, 4x4, Extra Cab, Regular Box , 150 Horsepower, GASOLINE Fueled, 125 in. WB, 5000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Toyota	Tacoma	\$24,712.00	\$1,295.00	Hanford Toyota	1-14-23-20C
41	Small Pickup Truck, 4x4, Crew Cab, Short Box , 230 Horsepower, GASOLINE Fueled, 125 in. WB, 5000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Toyota	Tacoma	\$26,641.00	\$499.00	Wondries Fleet Group	1-14-23-20E
42	Full Size Pickup, 4x2, Regular Cab, Regular Box , 300 Horsepower, E85 Fueled, 119 in. WB, 6000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	F150	\$15,671.00	\$499.00	Wondries Fleet Group	1-14-23-20E
43	Full Size Pickup, 4x2, Extra Cab, Regular Box , 300 Horsepower, E85 Fueled, 140 in. WB, 6500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	F150	\$18,228.00	\$499.00	Wondries Fleet Group	1-14-23-20E

Contact Line Item # (CLIN)	Description	FOB	UNSPSC Code	Unit of Measure (UOM)	Quantity in Unit of Measure	Make	Model	Most recent supplement changes are in <i>Bold, Blue Italics</i>		Dealer	Contract #
								Vehicle Contract Unit Price	Service Plan Contract Unit Price		
44	Full Size Pickup, 4x2, Crew Cab, Short Box , 300 Horsepower, E85 Fueled, 140 in. WB, 6500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ram	Ram 1500	\$20,873.00	\$499.00	Elk Grove Auto Group	1-14-23-20B
45	Full Size Pickup, 4x4, Regular Cab, Regular Box , 300 Horsepower, E85 Fueled, 119 in. WB, 6000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	F150	\$19,070.00	\$499.00	Wondries Fleet Group	1-14-23-20E
46	Full Size Pickup, 4x4, Extra Cab, Regular Box , 300 Horsepower, E85 Fueled, 140 in. WB, 6500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	F150	\$21,255.00	\$499.00	Wondries Fleet Group	1-14-23-20E
47	Full Size Pickup, 4x4, Crew Cab, Short Box , 300 Horsepower, E85 Fueled, 140 in. WB, 6500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ram	Ram 1500	\$23,592.00	\$499.00	Elk Grove Auto Group	1-14-23-20B
48	Full Size Pickup, Crew Cab, Short Box , HYBRID-ELECTRIC Fueled, 140 in. WB, 7000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	NONE					
49	Full Size Pickup, Extra Cab, Regular Box , DIESEL Fueled, 140 in. WB, 6500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ram	Ram 1500	\$32,600.00	\$499.00	Elk Grove Auto Group	1-14-23-20B
50	Full Size Pickup, Extra Cab, Regular Box , PLUG-IN HYBRID ELECTRIC Fueled, 141 in. WB, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	NONE					
51	Full Size Pickup, 4x2, Regular Cab, Regular Box , 360 Horsepower, GASOLINE Fueled, 133 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	F2A	\$18,654.00	N/A	Wondries Fleet Group	1-14-23-20E
52	Full Size Pickup, 4x2, Extra Cab, Regular Box , 360 Horsepower, GASOLINE Fueled, 141 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	X2A	\$20,986.00	N/A	Wondries Fleet Group	1-14-23-20E

Contact Line Item # (CLIN)	Description	FOB	UNSPSC Code	Unit of Measure (UOM)	Quantity in Unit of Measure	Make	Model	Vehicle Contract Unit Price	Service Plan Contract Unit Price	Dealer	Contract #
53	Full Size Pickup, 4x2, Crew Cab, Short Box , 360 Horsepower, GASOLINE Fueled, 149 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	W2A	\$21,913.00	N/A	Wondries Fleet Group	1-14-23-20E
54	Full Size Pickup, 4x4, Regular Cab, Regular Box , 360 Horsepower, GASOLINE Fueled, 133 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	F2B	\$21,816.00	N/A	Wondries Fleet Group	1-14-23-20E
55	Full Size Pickup, 4x4, Extra Cab, Regular Box , 360 Horsepower, GASOLINE Fueled, 141 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	X2B	\$23,525.00	N/A	Wondries Fleet Group	1-14-23-20E
56	Full Size Pickup, 4x4, Crew Cab, Short Box , 360 Horsepower, GASOLINE Fueled, 149 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	W2B	\$24,553.00	N/A	Wondries Fleet Group	1-14-23-20E
57	Full Size Pickup, 4x2, Regular Cab, Regular Box , CNG Fueled, 133 in. WB, 8500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	F250	\$28,153.00	N/A	Downtown Ford Sales	1-14-23-20A
58	Full Size Pickup, 4X2, Regular Cab, Regular Box , 380 lb.-ft. Torque, GASOLINE Fueled, 133 in. WB, 10100 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101507	Each	1	Ford	F3A	\$20,147.00	N/A	Wondries Fleet Group	1-14-23-20E
59	Truck, Cab & Chassis, 4X2, Regular Cab, 380 lb.-ft. Torque, GASOLINE Fueled, 60 in. CA, 10200 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	Ford	E3E	\$21,652.00	N/A	Wondries Fleet Group	1-14-23-20E
60	Truck, Cab & Chassis, 4X2, Regular Cab, 380 lb.-ft. Torque, GASOLINE Fueled, 60 in. CA, 15000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	Ford	F4G	\$26,698.00	N/A	Wondries Fleet Group	1-14-23-20E
61	Truck, Cab & Chassis, 4X2, Regular Cab, 650 lb.-ft. Torque, DIESEL Fueled, 60 in. CA, 15000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	Ford	F4G	\$33,300.00	N/A	Wondries Fleet Group	1-14-23-20E

Most recent supplement changes are in **Bold, Blue Italics**

Contact Line Item # (CLIN)	Description	FOB	UNSPSC Code	Unit of Measure (UOM)	Quantity in Unit of Measure	Make	Model	Vehicle Contract Unit Price	Service Plan Contract Unit Price	Dealer	Contract #
62	Truck, Cab & Chassis, 4X2, Regular Cab, CNG Fueled, 60 in. CA, 15000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	Ford	F450	\$36,931.00	N/A	Downtown Ford Sales	1-14-23-20A
63	Truck, Cab & Chassis, 4X2, Regular Cab, 380 lb.-ft. Torque, GASOLINE Fueled, 84 in. CA, 19500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	Ford	F5G	\$28,840.00	N/A	Wondries Fleet Group	1-14-23-20E
64	Truck, Cab & Chassis, 4X2, Regular Cab, 650 lb.-ft. Torque, DIESEL Fueled, 84 in. CA, 19500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	Ford	F5G	\$35,451.00	N/A	Wondries Fleet Group	1-14-23-20E
65	Truck, Cab & Chassis, 4X2, Regular Cab, CNG Fueled, 84 in. CA, 19500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	Ford	F5G	\$38,219.00	N/A	Wondries Fleet Group	1-14-23-20E
66	Truck, Cab & Chassis, 4X2, Regular Cab, 450 lb.-ft. Torque, GASOLINE Fueled, 102 in. CA, 25500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	Ford	F6F	\$41,135.00	N/A	Wondries Fleet Group	1-14-23-20E
67	Truck, Cab & Chassis, 4X2, Regular Cab, 660 lb.-ft. Torque, DIESEL Fueled, 102 in. CA, 25500 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	Ford	F6F	\$51,591.00	N/A	Wondries Fleet Group	1-14-23-20E
68	Truck, Cab & Chassis, 4X2, Regular Cab, 800 lb.-ft. Torque, DIESEL Fueled, 108 in. CA, 30000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	International	Durastar	\$68,620.00	N/A	Riverview International	1-14-23-20F
69	Truck, Cab & Chassis, 4X2, Regular Cab, 860 lb.-ft. Torque, DIESEL Fueled, 120 in. CA, 33000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	International	Durastar	\$70,343.00	N/A	Riverview International	1-14-23-20F
70	Truck, Cab & Chassis, 6X4, Regular Cab, 1150 lb.-ft. Torque, DIESEL Fueled, 138 in. CA, 54000 lb. GVWR, in accordance with Specification 2310-2626 Dated 9/24/13	Los Angeles	25101600	Each	1	International	Workstar	\$86,695.00	N/A	Riverview International	1-14-23-20F

Most recent supplement changes are in **Bold, Blue Italics**

Most recent supplement changes are in *Bold, Blue Italics*

Contact Line Item # (CLIN)	Description	FOB	UNSPSC Code	Unit of Measure (UOM)	Quantity in Unit of Measure	Make	Model	Vehicle Contract Unit Price	Service Plan Contract Unit Price	Dealer	Contract #
Contact Line Item # (CLIN)	Description	FOB	Unit of Measure (UOM)	Quantity in Unit of Measure	Make	Model	Contract Unit Price				
n/a	Additional options, (cost plus)	n/a	various	various	n/a	n/a	Dealer Cost + 10 %				
n/a	Removal of options, (cost minus)	n/a	various	various	n/a	n/a	Dealer Cost + 10 %				

Contacts:
 Downtown Ford Sales - (916) 442-6931
 Hanford Toyota - (559) 707-5735
 Winner Chevrolet - (916) 429-4700
 Elk Grove Auto Group (916) 429-4700
 Riverview International (916) 669-0253
 Wondries Fleet Group (626) 457-5590



EXHIBIT 2

01 Northgate Blvd.
 Sacramento, CA. 95834
 Parts Dept. 916-646-6626
 Service Dept 916-646-6636
 Fax 916-646-6656
GROUND

QUOTATION **
 Ord # 01 20334
 P/O # UTILITY

Page 1
 Br Acct
 00 55155

NET 30 DAYS

IRENE SHAW
 OROVILLE CITY OF
 1735 MONTGOMERY ST
 OROVILLE CA 95965

OROVILLE CITY OF
 1735 MONTGOMERY ST
 OROVILLE CA 95965

SA MA
 5/27/14
 11:31:09
 Expires
 9/03/2014

Lin	Qty	Part Number	S Description	Wt.Each	Net	Value
001	1	WH SW8RRBB	F LIBERTY EXT 48.		1649.0000	1649.00
002	1	WH STPKT83	STRAP KIT			
003	1	WH CCSRNTA3	F CENCOM SAFFIRE		595.0000	595.00
004	1	WH SA315P	F SIREN SPEAKER		195.0000	195.00
005	1	WH SAK44	F SPEAKER BRACKET		25.2000	25.20
006	1	GJ 7160-0411	UTILITY CONSOLE		432.0000	432.00
007	1	GJ 7160-0321	F 3" FACE PLATE		19.2000	19.20
008	1	GJ 7160-0339	F 4.5" FACE PLATE		16.8000	16.80
009	1	GJ 3130-0361	2" FACE PLATE			
010	1	GJ 3130-0152	F 1/2 BLANK FILLE			
011	1	GJ 7160-0431	2" USB AUDIO		63.2000	63.20
012	1	SE GK10301S1U	F DUAL WEAPON MT		319.2000	319.20
013	1	SE PK1134ITU12SCA	8XL PARTITION		599.2000	599.20
014	1	AD SUVIC1311	F SEAT/SCREEN		889.6100	889.61
015	1	SE WK0514ITU12	F WINDOW GUARDS		167.2000	167.20
016	1	SE DK0598ITU12	F ALUM DOOR PANL		127.2000	127.20
017	2	WH IONGROM	F ION GROMMET MNT		4.9000	9.80
018	1	WH IONA	F ION LED AMBER		120.4000	120.40
019	1	WH IONB	F ION LED BLUE		120.4000	120.40
020	1	PP 03-0212	F UTIL HRNS REAR		595.0000	595.00
021	1	LE WH1	WIRE HARNESS		45.0000	45.00
022	1	RD NMO-K-DS	COAX CABLE		18.9900	18.99
023	1	RD QWFT120	F ANTENNA WHIP		19.0000	19.00
024	1	WH VTX609R	F VERTEX RED		90.3000	90.30
025	1	WH VTX609B	F VERTEX BLUE		90.3000	90.30
026	1	SE BK0534ITU12	F PB400 UTILITY A		263.2000	263.20
027	1	WH PAR28E	WHELEN ENG.		131.6000	131.60
028	1	WH PAR28D	WHELEN ENG.		131.6000	131.60
029	2	WH P28FX11	F EXPL FOG MOUNT		5.6000	11.20
030	1	LA I	INSTALLATION		2575.0000	2575.00

2015 Ford Utility

32	9319.60		175.00			698.97
TOTAL UNITS	PART TOTAL	CORE TOTAL	FREIGHT	HANDLING	OTHER	TAX
					PAY THIS AMOUNT	\$ 10193.57

WWW.LEHRAUTO.COM SALES@LEHRAUTO.COM

RCVD BY: _____

EXHIBIT "3"

Notice Inviting Bids – 2015 Ford Utility Police Interceptor (AWD)

**City of Woodland
655 N. Pioneer Ave
Woodland, CA 95776**

**City Contact:
Troy Thompson
troy.thompson@cityofwoodland.org
530-661-5956**

SECTION A. NOTICE INVITING BIDS

A.1 .General Description of Work

The City of Woodland is soliciting bids from qualified Ford Dealerships for six (6) 2015 Ford Interceptors All-Wheel Drive vehicles for the Woodland Police Department. The City of Woodland will choose one dealership for the purchase of these vehicles.

A.2. Schedule of Bid Period Activities

The tentative schedule and terms of the activities of the project is as follows:

October 17, 2014 – Notice Inviting Bids published, bid period commences

October 27, 2014 – Bids due by 4:00 pm

October 31, 2014 – Award Date

November 3-7, 2014 – Purchase Order Sent to Dealership

A.3. Sealed Bid Submissions

Bids must be sealed and can be either dropped off or mailed to 655 N. Pioneer Avenue, Woodland, CA 95776 no later than 4:00 pm on Monday, October 27th, 2014.

A.4. Owner Contact for Questions

Bidder must refer all inquiries relating to the requirements of this bid offer to Troy Thompson, Fleet & Facilities Manager, at 530-661-5956, or by e-mail at troy.thompson@cityofwoodland.org. Bidders can also address their inquiries by mail or walk-in at 655 N. Pioneer Avenue, Woodland, CA 95776.

SECTION B. DESCRIPTION OF WORK

B.1. Quote Details

Dealership must provide a quote on company letterhead with the following details:

- a. Dealer point of contact name, phone number and email address
- b. Base price of vehicle
- c. Price of Lehr build-up (see Exhibit "A")
- d. Price for each option (see Exhibit "B")
- e. Subtotals
- f. Taxes, fees and transportation
- g. Specify discount if offered
- h. Warranty information
- i. Net terms

SECTION C. EVALUATION

C.1. Evaluation Criteria

The City will endeavor to receive bids from at least three different dealerships.

The City will award the contract to the lowest responsive bidder taking into account the full price of the vehicle, applicable taxes/fees, optional features, and warranty terms. There will also be a 5% local bidder preference.

C.2. Award of Proposal

If the proposal is \$15,000 or less, the proposal may be awarded by the Public Works Director. If the proposal is between \$15,001 and \$50,000, the proposal may be awarded by the City Manager. If the proposal is over \$50,000 it shall be presented to the City Council for award. Contracts will be awarded to the lowest and responsible bidder. If two (2) or more bids are the same and the lowest, the authorized contracting party may accept the one it chooses.

C.3. Rejection of Bids

The City may reject any or all bids received if the estimates for the purchase exceed the allotted budget, and may waive any minor irregularities in each bid received.

SECTION D. BID SPECIFICATIONS

D.1. SCOPE:

This specification describes the State of California minimum requirements for an All-Wheel Drive (AWD) utility vehicle to be used in high-speed highway traffic and general law enforcement work. The vehicle will at times be operated at speeds in excess of 100 miles per hour for both short and long durations. It will be driven on all types of roads, and road surfaces and at altitudes ranging from approximately 200 feet below sea level to 10,000 feet above sea level. Ambient temperatures to which the vehicle will be exposed will range from approximately 0°F to 120°F. The manufacturer shall use components, materials and design practices that are the best available in the industry for the type of operational conditions to which the vehicles will be subjected. Engine, transmission, driveline, differential, brake, suspension, wheel, tire and other component parts of the vehicle shall be selected to give maximum performance, service life, as well as safety and not merely meet the minimum requirements of this specification. Where necessary, the component parts shall exceed the usual quantity, quality, or capacity generally supplied with standard production vehicles in order to withstand the unusual strain, exposure, temperature, wear and use required for a police application.

D.2. RULES AND REGULATIONS:

Vehicles shall comply with all applicable California Vehicle Code (CVC), Code of Federal Regulations, Title 49, "Federal Motor Vehicle Safety Standard" (FMVSS) and California Code of Regulations, Title 13, "Motor Vehicles" rules and regulations (except emissions regulations). Vehicles shall also comply with Society of Automotive Engineers (SAE) J 1100, "Motor Vehicle Dimensions" in addition to all other applicable SAE standards. In addition, all vehicles shall comply with all other Federal and State rules, regulations and safety standards applicable to the vehicle type in effect on the date of the opening of the invitation for bid. Vehicles shall meet 50 State emissions requirements that allow the resale of these vehicles to the general public as originally equipped upon emergency vehicle "service life" completion.

D.3. VEHICLE CERTIFICATION:

All vehicles shall be certified by the manufacturer as a "Police Pursuit Utility Vehicle" and shall be suitable for high-speed pursuit or emergency driving. All vehicles shall meet the following minimum specifications:

D.4. REQUIREMENTS:

D.4.1. General: Each vehicle shall be new (unused), current model year production. Each vehicle shall be supplied with all equipment and accessories indicated as standard equipment in the manufacturer's published literature unless specifically deleted as stated in this specification. Optional equipment necessary to meet the requirements of this specification shall also be installed.

D.4.2. Engine: The engine shall be a manufacturer's "Police Package"

configuration equipped with altitude compensating electronic fuel injection. The engine shall have a displacement, to be determined by the manufacturer, sufficient so that all performance requirements described in Section 1.0, Scope and Section 4.26, Performance Requirements are achieved. The engine shall be designed to operate knock free at all engine and vehicle speeds on unleaded.

D.4.3. Engine Oil Cooler: An auxiliary engine oil cooler shall be installed if required to maintain oil < 300°F, under operating conditions described in the Section 1 of this specification.

D.4.4. Fuel Supply System: The fuel supply system shall be of such a design to eliminate vapor lock when the engine is operating in high ambient temperatures or during periods of extended idling.

D.4.5. Fuel Tank: The fuel tank furnished shall be the largest capacity available.

D.4.6. Cooling System: The cooling system shall be liquid pressurized, forced circulation type. The manufacturer shall provide the heaviest duty cooling system components and recovery system applicable to the model offered. The cooling system design and capacity shall maintain the engine at optimum temperature, under all operating conditions specified, without any loss of coolant or overheating of engine and components. The cooling system shall be free of contaminants that may affect cooling system component longevity and performance. Optimum engine temperature shall be maintained with the vehicle loaded to the vehicle manufacturer's published maximum gross vehicle weight rating (GVWR) and continually operated in all operating environments described within the scope of this specification.

D.4.7. Electrical System: The electrical system shall be 12 volt negative ground. All wiring shall include weather proof connectors. The vehicle battery shall be the optional heaviest duty type available, compatible with the vehicle charging system and intended for police service. The vehicle battery shall have a minimum of 660 cold cranking amps, with a manufacturing date not exceeding six (6) months prior to vehicle delivery. Vehicles will not be accepted with batteries exhibiting less than 90 percent of full charge at time of delivery. The generator/alternator shall be the highest capacity optional generator/alternator listed in the manufacturer's current police package brochure applicable to the vehicle bid. It shall have a minimum 160 amp output.

D.4.8. Transmission: The transmission shall be fully automatic transmission equipped with auxiliary transmission fluid coolers, if necessary, to maintain oil operating temperatures not to exceed 275° allowing the installation of CHP radio and equipment.

D.4.9. Steering: The power steering system shall be equipped with a fluid cooler, if necessary, to maintain power steering fluid operating temperatures not to exceed 300°F, maximum.

D.4.10. Brakes: The brakes shall be power assisted and feature an anti-lock brake system (ABS). All four wheels shall be equipped with disc brakes. Friction material shall be designed for police applications.

D.4.11. Wheels and Tires: Each vehicle shall be supplied with five (5) matching wheels and tires. One (1) of the five (5) shall be a matching full size wheel and spare tire. A space saver type spare tire is not acceptable. The wheels shall have

a safety ridge rolled into the rim or otherwise designed to prevent the tire from separating from the wheel in the event of a flat. Wheels shall be steel construction, designed for police applications. Lug nuts shall be covered with a center cap. Manufacturer's standard Tire Pressure Monitoring System shall be supplied. If a tire pressure activation tool is needed to reset the light on the tire pressure monitoring system, one tool shall be provided for each vehicle as part of this requirement. The vehicle manufacturer shall test and certify tires as acceptable for original equipment and replacement installation on the police package vehicle specified in this invitation for bid. Any wheel weights used shall be "non-lead" type.

D.4.12. Suspension: The front and rear suspension including shock absorbers shall be designed for police work. Front and rear stabilizer bars are required.

D.4.13. Differential: The differential shall be the conventional type, ring and pinion gears, with a ratio designed to give the best overall performance for the transmission and tire size installed on vehicle. The gear ratio shall be the same on all vehicles.

D.4.14. Radio Suppression: The system shall not cause or be affected by any electrical magnetic interference (EMI) or radio frequency interference (RFI) including but not limited to the following radio frequencies currently in use by CHP vehicles:

- Low Band: 39 - 46 MHz Transmit and Receive
- Repeaters: 153 -155 MHz Transmit and Receive
- Radio, UHF 440 - 490 MHz Transmit and Receive

- AlliedRadio 806 - 870 MHz Transmit and Receive
- AlliedRadio 581 - 866 MHz Transmit and Receive
- AlliedRadio 159- 173 MHz Transmit and Receive
- AlliedRadio 150- 174 MHz Transmit and Receive
- Radio / Repeater 764 - 806 MHz Transmit and Receive
- Canines 26 - 28 MHz Receive
- Canines 303.9 MHz Receive
- Computers: 896-901 MHz Transmit, 935-940 MHz Receive
- Canines: 303.875 MHz Receive

The system shall not cause more than one (1) dB of radio degradation at the antenna whether it be radiated or conducted radio frequency interference (RFI), or electromagnetic interference (EMI). If the system causes any two or all three types of interference, the total combined allowable receiver degradation is 1 dB at all CHP frequencies.

D.4.15. Body: The body shall be a four door, sport utility with center post. Protective body side molding shall not be installed on the vehicle. This is to permit installation of an Agency insignia (33" long by 20" high) without trim interference. The wheel wells shall be constructed so that OEM approved tire chains or cables may be installed in a conventional manner, without clearance problems and without causing body or structural damage to the vehicle.

D.4.16. Exterior Color: The body shall be painted manufacturer's gloss black. The roof panel and lower portion of both front doors below the window belt line shall be painted manufacturer's gloss bright white. After-factory applied paint to

accomplish the white portion of the two-tone paint scheme is acceptable if factory applied black and white two-tone paint configuration is unavailable from the manufacturer.

D.4.17. Interior/Seat Upholstery: Front seats shall be bucket type accommodating the installation of a center console by the end user. A 60/40 split bench / bucket type seat is not acceptable. The driver's seat shall be power adjustable and shall be designed for maximum comfort, support and durability. The front and rear seat shall be the manufacturer's standard cloth upholstery.

D.4.18. Speedometer: The vehicle described in this specification will be used in law enforcement and speedometer accuracy is essential. The speedometer shall be calibrated and be accurate within two (2) miles per hour at speeds from 15 to 100 miles per hour of the true vehicle speed, within the environmental operating conditions specified in Section 1.0 Scope. The dial face shall be marked up to a minimum of 140 miles per hour. The design of the speedometer shall be such to insure accuracy throughout the life of the vehicle. The face markings shall be in increments no greater than two (2) miles per hour. The face shall contain the wording "Certified Speedometer," or other wording to indicate that speedometer accuracy is certified, or a letter of certification of accuracy shall be provided with each unit. The bidder shall specify the size, brand and model of tires for which the speedometer is certified. The speed indicator pointer shall not cover more than a two mile per hour section of the scale.

D.4.19. Payload: The vehicle shall have a minimum payload of 1500 lbs when configured in the standard Police Pursuit rated version.

D.4.20. Radio: Vehicle shall be factory equipped with the factory radio and at least two (2) front mounted radio speakers and two (2) rear mounted radio speakers.

D.4.21. Spotlights: The vehicle shall be supplied with a factory installed spotlight accommodation package for each side of the vehicle including predrilled "A" pillar posts and any required door/door weather-strips modifications.

D.4.22. Hood-Latch Release: The hood latch release shall be mounted inside the front passenger compartment so that the hood cannot be readily opened from outside the vehicle. The release shall be readily accessible to the seated driver.

D.4.23. Floor Covering: The floor covering of the front and rear floor may be standard rubber, vinyl or carpet. The color shall be keyed to the upholstery color. OEM floor mats shall be included for carpeted vehicles.

D.4.24. Interior Area: The Vehicle shall be equipped with 1st and 2nd row seats only, and shall have a seating capacity of minimum 5.

D.4.25. Miscellaneous Equipment: The vehicle shall be equipped with the following miscellaneous equipment:

- Tilt steering wheel
 - Recommended and installed by the manufacturer of the vehicle.
- Vehicle air conditioning system shall include any components required to protect the compressor from excessively high head pressure.
- Dual electric horns or dual note horn.

- Halogen headlamps, high and low beam.
- When vehicle front doors are opened, none of the interior map/dome/courtesy light(s) shall illuminate automatically.
- At least one map/dome/courtesy light shall be manually operated by the driver to illuminate the lap of the seated driver by pulling on the inside handle.
- Switches located on the driver's side door control panel with a lockout feature to prevent other windows from being operated when locked out by the driver.
- Include a set of four (4) total keys shall be supplied for each vehicle. Each vehicle shall be keyed individually.
- Left and right remote control outside mirrors. Similar in appearance and mounted on left and right front doors. Both mirrors shall be controllable from the driver's seat.

D.4.26. Performance Requirements: See Exhibit 1 for testing methodology.

D.4.26.1 All vehicles shall have a top speed of not less than 120 MPH.

D.4.26.2 All vehicles delivered against this specification shall be capable of sustained high-speed operation at wide open throttle for a minimum of 25 miles without damage to the power train.

D.4.26.3 All vehicles shall meet the following acceleration requirements.

The following acceleration tests are to be performed on level ground at nominal sea level elevation:

- 0 to 60 miles per hour in 10.0 seconds or less.

The following acceleration test will be performed on level ground at

approximately 6,000 feet of elevation:

- 0 to 60 miles per hour in 13.0 seconds or less.

D.4.26.4. All vehicles shall meet the following braking requirements.

Test Methodology:

All tests will be performed on a level, dry, paved surface. Operating will be made from a speed of 90 miles per hour, driven in order to aid cooling of the brakes. Brake pull to the right or left and within its own lane will be evaluated, test will be repeated. Brake pull to the right or left and within its own lane will again be evaluated, not be acceptable. Average stopping distance of the vehicle, be no more than 350 feet.

Fade Resistance:

The vehicle shall be subjected to a simulated pursuit course approximately four (4) miles in length and approximately seven (7) minutes in duration. Not more than twenty (20) "slow and clear the intersection" brake applications while traversing simulated city street. The "slow and clear the intersection" brake applications will be at speeds of less than 10 miles per hour.

Acceptance:

The City of Woodland reserves the right to test the performance of any vehicle offered to confirm the vehicles ability to meet the acceleration, top speed and braking performance requirements as described herein.

EXHIBIT "A"
LEHR BUILD-UP QUOTE



4707 Northgate Blvd
Sacramento, CA 95834
Parts Dept. 916-646-6626
Service Dept 916-646-6636
Fax 916-646-6656

**** QUOTATION ****
Ord # 01 24509
P/O # WOODLAND UTL

Page 1

NET 30 DAYS

INSTALLED

Br Acct
00 15075

SOLD TO
FOLSOM LAKE FORD
12755 FOLSOM BLVD
FOLSOM CA 95630

SHIP TO
FOLSOM LAKE FORD
12755 FOLSOM BLVD
FOLSOM CA 95630

SA HO
8/22/14
14:14:27
Expires
11/29/2014

Lin	Qty	Part Number	S Description	Wt.Each	Net	Value
001	1	WH SW8RRBB	F LIBERTY EXT 48.		1725.0000	1725.00
002	1	WH STPKT83	F STRAP KIT			
003	1	WH CCSRNTA3	F CENCOM SAFFIRE		625.0000	625.00
004	1	WH SA315P	F SIREN SPEAKER		205.0000	205.00
005	1	WH SAK1	F SPEAKER BRACKET		22.5000	22.50
006	2	WH VTX609J	VERTEX SPLT R/B		87.1400	174.28
007	2	WH VTXFB	F VERTX BEZEL BLK		5.9500	11.90
008	1	SE BK2017ITU12	PB450 2 ION		531.0500	531.05
009	1	GJ 7160-0411	F UTILITY CONSOLE		435.0000	435.00
010	1	GJ MCS-MICPLT	F FACEPLATE MIC C		39.5900	39.59
011	1	GJ 7160-0431	F 2" USB AUDIO		65.1500	65.15
012	1	GJ 7160-0339	F 4.5" FP CENCOM		28.5000	28.50
013	1	GJ 7160-0321	F 3" FP XTL RADIO		28.5000	28.50
014	1	SE GK10301S1U	F DUAL WEAPON MT		329.7200	329.72
015	1	SE PK1130ITU12SCA	F 10XL POLY PART		667.2100	667.21
016	1	AD SUVIC1311	F SEAT/SCREEN		950.0000	950.00
017	1	AD MLP01-017	F WINDOW UPGRADE		45.0000	45.00
018	1	WH IONB	F ION LED BLUE		123.3000	123.30
019	1	WH IONR	F ION LED RED		123.2000	123.20
020	2	WH IONGROM	F ION GROMMET MNT		5.0500	10.10
021	1	WH VTX609R	F VERTEX RED		93.0900	93.09
022	1	WH VTX609B	F VERTEX BLUE		93.0900	93.09
023	1	PP 03-0211	F UTIL HRNS FRONT		625.0000	625.00
024	1	RD NMO-K-DS	F COAX CABLE		18.9900	18.99
025	1	SE WK0595ITU12	F POLY WINDOW GAR		196.8400	196.84
026	1	SE DK0100ITU12	F DOOR PANELS UTI		193.8100	193.81
027	1	LA I	INSTALLATION		195.0000	195.00
028	1	LA I	INSTALLATION		2692.0000	2692.00
029	1	GJ 3130-0152	F 1/2 BLANK FILLE			
030	1	GJ 3130-0153	F 1 FILLER PANEL			
031	1	GJ 3130-0155	F 3 FILLER PANEL			
032	1	GJ 7160-0220	F 9" ARM W/TILT		263.5000	263.50
033	1	LA I	INSTALLATION		225.0000	225.00
034	1	HS DS-DELL-231	DEL DOCK		630.0000	630.00
035	1	HS LPS-105	F POWER SUPPLY		117.0000	117.00
036	1	FS LF12ERB	F LITLITE,12RHEO,		47.6300	47.63
037	1	SL 22051	F DC CHARGE CORD		10.8200	10.82
038	1	SL 22052	F CHARGE SLV		10.0500	10.05
039	1	MS X0006UY9G1	F 12" USB CABLE		10.5000	10.50

TOTAL UNITS	PART TOTAL	CORE TOTAL	FREIGHT	HANDLING	OTHER	TAX
RCD BY: _____						PAY THIS AMOUNT \$

WWW.LEHRAUTO.COM SALES@LEHRAUTO.COM

CONTINUED



4707 Northgate Blvd.
 Sacramento, CA. 95834
 Parts Dept. 916-646-6626
 Service Dept 916-646-6636
 Fax 916-646-6656

** QUOTATION **

Page 2

Ord # 01 24509
 P/O # WOODLAND UTL

Br Acct
 00 15075

NET 30 DAYS

INSTALLED

FOLSOM LAKE FORD
 12755 FOLSOM BLVD
 FOLSOM CA 95630

FOLSOM LAKE FORD
 12755 FOLSOM BLVD
 FOLSOM CA 95630

SA HO
 8/22/14
 14:14:27
 Expires
 11/29/2014

Qty	Part Number	Description	Wt.Each	Net	Value
-----	-------------	-------------	---------	-----	-------

1. Cage plexiglass
2. In drive wigwag and siren
3. AR15 gun rack hand cuff type
4. Radio's power is from key switch

42	11562.32		225.00			
TOTAL UNITS	PART TOTAL	CORE TOTAL	FREIGHT	HANDLING	OTHER	TAX
					RCVD BY	PAY THIS AMOUNT \$ 11787.32

WWW.LEHRAUTO.COM SALES@LEHRAUTO.COM

Technical Specification

EXHIBIT "B"
OPTIONS

Ready For the Road Package:

All-in Complete Package – Includes Police Interceptor Packages: 66A, 66B, 66C

Plus:

67H

- Whelen Cencom Light Control Head with dimmable backlight
- Light Control / Relay Cencom Wiring (wiring harness) w/additional input/output pigtails
- High current pigtail
- Whelen Specific WECAN Cable (console to cargo area) connects Cencom to control head
- Pre-wiring for grille LED lights, siren and speaker (80A)
- Rear console plates (85R) – contours through 2nd row channel for wiring
- Grille linear LED lights (Red / Blue)
- 100 – Watt siren / speaker
- Hidden Door Lock Plunger /Rear – Door Handles Inoperable (52P)
- Wiring Harness: Two (2) 50 amp battery ground circuit in RH rear quarter

15

- License Plate Bracket – Front

D

- Dark Car Features – Courtesy door lamp disable when any door is opened

17T

- Dome Lamp – Red / White in cargo area

6 B

- Side Marker LED – Side view mirrors

51S

- Dual (driver and passenger) (unity)

92R

- Glass – Solar tint 2nd row only, privacy glass on rear quarter and litigate window

21B

- Rear window cameras (includes electrochromic rear view mirror – video is displayed in rear view mirror)

68G

- Rear – door handles inoperable / locks inoperable

59B

- Keyed alike – 1284x

90E

- Ballistic door panels - driver and pass front doors

76R

- Reversing sensor

17A

- Aux air conditioning

**REPORT OF
INVESTMENTS**

NOVEMBER 2014

**CITY OF OROVILLE/OROVILLE SUCCESSOR AGENCY
OROVILLE PUBLIC FINANCING AUTHORITY
MONTHLY SUMMARY OF INVESTMENTS
November 2014**

CERTIFICATION:

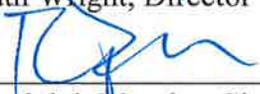
I certify that the information provided above is correct to the best of my knowledge and that (1) all investments are made in accordance with the investment policy and the laws of the State of California and (2) that sufficient funds are available to meet the anticipated expenditures for the next six months.



Ruth Wright, Director of Finance

12/11/14

Date



Randolph Murphy, City Administrator

12/11/14

Date



Karolyn J. Fairbanks, City Treasurer

12/11/14

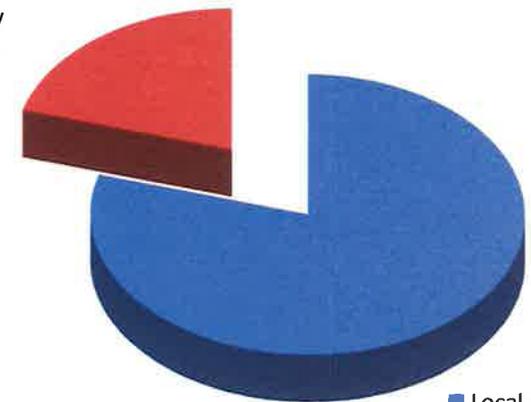
Date

Summary of Investments				
	Yield	Oct-14	Yield	Nov-14
Local Agency Investment Fund (LAIF)	0.261%	16,779,840	0.261%	16,779,840
Proposed Transfer to Successor Agency				(1,303,630)
Adjusted Total				15,476,210
Local Agency Investment Fund (LAIF) Successor Agency	0.261%	2,695,436	0.261%	2,695,436
Proposed Transfer to From LAIF				1,303,630
Adjusted Total				3,999,066
Total Pooled Investments		19,475,276		19,475,276

City Investment Portfolio - Investments held in Trust		
	Yield to Maturity	Market Value
2002 Tax Allocation Revenue Bonds		
Blackrock Provident Institutional Funds	0.01%	1,438,538
Union Bank		
2004 Series A Tax Allocation Revenue Bonds		
Bayerische Landesbank	4.40%	425,406
Blackrock Provident T Fund	0.01%	9,255
2004 Series B Tax Allocation Revenue Bonds		
Bayerische Landesbank	4.40%	75,973
Blackrock Provident T Fund	0.01%	1,653
Total		1,950,825

Distribution of Pooled Investments		
	% Split	Fair Value
Local Agency Investment Fund (LAIF)	79.5%	15,476,210
Local Agency Investment Fund (LAIF) Successor Agency	20.5%	3,999,066
Total Pooled Investments	100%	19,475,276

Local Agency Investment Fund (LAIF) Successor Agency 20.5%



Local Agency Investment Fund (LAIF) 79.5%

**OROVILLE SUCCESSOR AGENCY
STAFF REPORT**

TO: CHAIRPERSON AND BOARD MEMBERS

FROM: RICK FARLEY, RDA COORDINATOR

RE: ADOPTION OF THE REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN

DATE: DECEMBER 16, 2014

SUMMARY

The Commission may consider the revised Long-Range Property Management Plan (LRPMP), which includes four additional properties, pursuant to Health and Safety Code section 34191.5 for the liquidation of non-housing physical property assets of the former Oroville Redevelopment Agency.

DISCUSSION

The Oversight Board reviewed and approved a LRPMP on August 27, 2014, and the LRPMP was submitted to Department of Finance (DOF). Since that time, City staff has done additional research into non-housing properties that are owned by the former Redevelopment Agency. One of the added properties was previously thought to be a housing asset and was therefore not included in the August 2014 LRPMP. However, upon further research, the property was not transferred to the Housing Successor Agency despite being included on other housing asset lists. This prompted City staff to conduct further research, which uncovered three additional properties, for a total of four additional properties added to the LRPMP. In addition, the DOF has requested minor modifications to the LRPMP table.

Long Range Property Management Plan

The former Oroville Redevelopment Agency ("Agency") is the owner of record on the title for ten properties in Oroville.

As stated in the August 2014 LRPMP:

- Four of these properties (750, 2044, 2060 and 2062 Montgomery Street), are proposed to be sold by the Successor Agency with the proceeds of the sale to be distributed to taxing entities by the Butte County Auditor-Controller in accordance with the Dissolution Act.

- Two properties (035-290-003 and 035-290-039) are vacant land and are to be transferred to the City for retention of the properties for future development.

Compensation agreements with the taxing entities will be entered into for these two properties in accordance with the Dissolution Act.

- There are no material changes in the LRPMP to these six properties.

Four additional properties have been added to the revised LRPMP:

- 1330 Downer Street, 1305 Myers Street, Olive Highway Property No. 1, Olive Highway Property No. 2. All four of these properties are vacant lots and are proposed to be sold by the Successor Agency with the proceeds of the sale to be distributed to taxing entities by the Butte County Auditor-Controller in accordance with the Dissolution Act.

FISCAL IMPACT

The cost for the preparation of the LRPMP will come out of the Successor Agency's Administrative Budget Allowance.

RECOMMENDATION

Adopt Resolution No. 14-07 - A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE REVISED LONG RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5.

ATTACHMENTS

Resolution No. 14-07
LRPMP Property Report
LRPMP Property Inventory Data Worksheet

**SUCCESSOR AGENCY
RESOLUTION NO. 14-07**

**A RESOLUTION OF THE SUCCESSOR AGENCY OF THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE APPROVING THE
REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO
HEALTH AND SAFETY CODE SECTION 34191.5**

WHEREAS, the Oversight Board of the Oroville Successor Agency of the former Redevelopment Agency of the City of Oroville ("Oversight Board") has been established to direct the Successor Agency to the Redevelopment Agency of the City of Oroville ("Successor Agency") to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the Dissolution Act (enacted by Assembly Bills 26 and 1484, as codified in the California Health and Safety Code); and

WHEREAS, among the duties of successor agencies under the Dissolution Act is the preparation of a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency for consideration by a local Oversight Board and California Department of Finance ("DOF") for purposes of administering the wind-down of financial obligations of the former Redevelopment Agency; and

WHEREAS, the Long-Range Property Management Plan shall be submitted to the Oversight Board and DOF within six months after receiving a Finding of Completion from DOF; and

WHEREAS, the Long-Range Property Management Plan shall include an inventory of all properties in the Community Redevelopment Property Trust Fund ("Trust"), which was established to serve as the repository of the former redevelopment agency's real properties; and

WHEREAS, the Oroville Successor Agency received a Finding of Completion from DOF on May 6, 2014;

WHEREAS, a Long-Range Property Management Plan was approved by the Oversight Board on August 27, 2014, however four additional properties are being added to the revised Plan;

WHEREAS, the revised Long-Range Property Management Plan, attached hereto as Exhibit "A", has been prepared by staff and consultants consistent with the provisions of the Dissolution Act, Health and Safety Code Section 34191.5, and the guidelines made available by DOF; and

WHEREAS, the Successor Agency desires to approve the revised Long-Range Property Management Plan and transmit it to DOF as required.

BE IT HEREBY RESOLVED by the Successor Agency as follows:

1. The Successor Agency of the former Redevelopment Agency of the City of Oroville hereby approves and adopts the revised Long-Range Property Management Plan required by HSC Section 34191.5.
2. The Secretary shall attest to the adoption of this Resolution.

PASSED AND ADOPTED by the Successor Agency at a meeting on December 16, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda L. Dahlmeier, Chairperson

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, Agency Counsel

Randy Murphy, Secretary

LONG-RANGE PROPERTY MANAGEMENT PLAN

Successor Agency to the
Oroville Redevelopment Agency

REVISED December 16, 2014

Successor Agency to the Oroville Redevelopment Agency
Long-Range Property Management Plan

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INTRODUCTION

Assembly Bill ("AB") 1484, enacted in June of 2012, requires all successor agencies for former redevelopment agencies that owned property as of the time of redevelopment dissolution in 2011 to prepare a Long Range Property Management Plan ("PMP"). The PMP governs the disposition and use of property held by the former redevelopment agency pursuant to legal requirements, as detailed in the next section.

This is the Long Range Property Management Plan for the Successor Agency to the Oroville Redevelopment Agency ("Successor Agency").

EXECUTIVE SUMMARY

The former Oroville Redevelopment Agency ("Agency") is the owner of record on the title for ten properties in Oroville.

- Eight of these properties (750, 2044, 2060 and 2062 Montgomery Streets, 1330 Downer Street, 1305 Myers Street, 013-260-055 and 013-260-056), are proposed to be sold by the Successor Agency with the proceeds of the sale to be distributed to taxing entities by the Butte County Auditor-Controller in accordance with the Dissolution Act.
- Two properties (035-290-003 and 035-290-039) are vacant land and are to be transferred to the City for retention of the properties for future development. Compensation agreements with the taxing entities will be entered into for these two properties in accordance with the Dissolution Act.

STATEMENT OF LEGAL REQUIREMENTS

Pursuant to Health and Safety Code section 34191.5 (part of AB 1484), each successor agency that holds property from a former redevelopment agency is required to submit a PMP to the State Department of Finance ("DOF") within six months after receiving a "Finding of Completion" from DOF. Prior to the submittal of the PMP to DOF, the successor agency's oversight board must approve the PMP.

In general, the PMP addresses the disposition and use of the real properties of the former redevelopment agency. AB 1484 requires that the PMP include all of the following components:

1. Inventory of all properties in the Community Redevelopment Property Trust Fund ("Trust Fund"), established to serve as the repository of the former redevelopment agency's real properties. This inventory shall consist of all of the following information:
 - a. **Date of acquisition** of the property and the value of the property at that time, and an estimate of the current value of the property.
 - b. **Purpose** for which the property was acquired.
 - c. **Parcel data**, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan.
 - d. **Estimate of the current value** of the parcel including, if available, any appraisal information.

- e. **Estimate of any lease, rental, or any other revenues** generated by the property, and a description of the contractual requirements for the disposition of those funds.
 - f. **History of environmental contamination**, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
 - g. Description of the **property's potential for transit-oriented development and the advancement of the planning objectives** of the successor agency
 - h. Brief history of **previous development proposals** and activity, including the rental or lease of property.
2. Address the use or disposition of all the properties in the Trust Fund. Permissible uses include:
- a. **Retention for governmental use** pursuant to subdivision (a) of Section 34181;
 - b. **Retention for future development;**
 - c. **Sale** of the property; or
 - d. **Use of property to fulfill an enforceable obligation.**
3. Separately identify and list properties in the Trust Fund dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all the following shall apply:
- a. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.
 - b. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subsection 3(a) above, the proceeds from the sale shall be distributed as property tax to the taxing entities.
 - c. Property shall not be transferred to a successor agency, city, county, or city and county, unless the PMP has been approved by the oversight board and DOF.

PROPERTY VALUATION ESTIMATES AND LIMITATIONS

The Dissolution Act requires that a property management plan include an estimate of the value of property, to provide the oversight board, DOF and other interested parties information on the properties involved. DOF has stated officially they do not expect successor agencies to obtain appraisals on properties if none currently exist, so no such appraisals have been prepared for this PMP.

Instead, an estimate of property value was prepared by the Successor Agency's independent consultant based on the book value provided by the city and analysis of comparable property sales and values of similar properties. It is often difficult to assess property values of former redevelopment properties given the unique deficiencies (size, contamination, location, etc.) Coming out of a real estate recession, it still can be difficult to identify comparable properties in the area because sales volumes of small, infill parcels can be very limited. Not just in Oroville, but elsewhere, many redevelopment agencies have a number of blighted properties in their inventory that were not yet restored to a marketable condition at the time of dissolution.

The property values shown herein reflect book values at the time of purchase, or where book values are not available an Agency estimate has been provided. Given the very soft real estate market in Oroville following the Global Financial Crisis, property values have been slow to recover so despite the passage of time, market values are likely to be at or perhaps even below values of the time of purchase.

PROPERTY INVENTORY – FORMER AGENCY PROPERTIES

The former Agency owned ten parcels at dissolution. The properties are shown in the Property Inventory Data table attached. The property sites are organized by "Permissible Uses" under AB 1484 and a detailed description of the properties is provided below.

The Property Inventory Data table (Attachment 1) utilizes the DOF-created database that provides a matrix of all of the information required pursuant to Health and Safety Code Section 34191.5(c) (part of AB 1484).

It is important to note the following in reviewing the PMP:

- Estimates of current value of property were provided by RSG based on the individual methodologies described under each property profiled in this PMP. As the DOF has provided to RSG in written communication for other cities, the DOF does not require a new appraisal report to be prepared for the purposes of a PMP, even if a recent appraisal does not exist. The Successor Agency will be developing a marketing plan to solicit viable purchase offers on the eight properties designated for sale following DOF approval of this PMP. The ultimate value of the properties sold will be determined based on what the market bears and not what has been estimated.
- Data contained in the "Value at Time of Purchase" column in the Property Inventory Data table includes all available information obtained resulting from comprehensive title research and City staff's best efforts to locate the information.

Properties to be Retained for Future Development

Two properties listed below are proposed to be transferred to the City of Oroville for retention for future development. A description of the properties, including the legally required information, aerial maps, and photographs of each property, are presented in this section.

The Oroville Redevelopment Agency acquired parcels 035-290-003 and 035-290-039 ("Gateway properties") in July 2008 as part of a concerted effort to reverse blighting conditions in and around the City's primary gateway entrance to Downtown Oroville from Highway 70. Underperforming retail, severely blighted and substandard residential in the immediate area, and environmental conditions on the property have historically deterred private investment on the property and surrounding vacant properties, leading to further physical and economic deterioration.

Development of these properties remains a high priority for the City of Oroville even with the dissolution of redevelopment. Revitalization of the City's historic downtown core relies heavily on the successful development of the Gateway properties, and such the Successor Agency proposed to transfer these properties to the City of Oroville for future development.

The City shall return to the Oversight Board no later than three years following approval of the Long Range Property Management Plan by the Department of Finance to demonstrate the progress it has made to develop the properties.

Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following information is provided for each of the Gateway properties. The remainder of the information required but not listed below is provided for in Attachment 1.

GATEWAY PROPERTY NO. 1 (PROPERTY 1)

Address: Along Feather River and Hwy 70 (No situs address available)

APN: 035-290-003

Lot Size: 4.27 acres

Acquisition Date: July 17, 2008

Value at Time of Purchase: \$300,000

Purpose of Acquisition: Eliminate blight and for the commercial development of a hotel, restaurant, and commercial/retail development.

Property Type (DOF Category) Vacant Land/Lot

Property Type (City Proposed) Future Development

Current Zoning: C-2, Intensive Commercial

Estimated Current Value: \$300,000

Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.

Environmental History: Previously included in the Brownfield Priority List for US EPA community-wide Brownfields Assessment Grant Program.

Advancement of Planning Objectives: Eliminate blight and commercial development of a hotel, restaurant, and retail/commercial project.

Previous Development Proposals: A private developer has previously indicated interest in developing the property. Once the PMP has been approved and the property transferred to the City for future development, the City will evaluate the development proposal and enter into compensation agreements with the taxing entities.

Permissible Use: Retention for future development.

GATEWAY PROPERTY NO. 1 (PROPERTY 1)

Aerial Photo:



Street View:



GATEWAY PROPERTY NO. 2 (PROPERTY 2)

Address: Along Feather River and Feather River Blvd
APN: 035-290-039
Lot Size: 15.39 acres
Acquisition Date: July 17, 2008
Value at Time of Purchase: \$350,000
Purpose of Acquisition: Eliminate blight and for the commercial development of a hotel, restaurant, and commercial/retail development.
Property Type (DOF Category) Vacant Land/Lot
Property Type (City Proposed) Future Development
Current Zoning: C-2, Intensive Commercial
Estimated Current Value: \$650,000 combined value with Property 1
Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.
Environmental History: Previously included in the Brownfield Priority List for US EPA community-wide Brownfields Assessment Grant Program.
Advancement of Planning Objectives: Eliminate blight and commercial development of a hotel, restaurant, and retail/commercial project.
Previous Development Proposals: A private developer has previously indicated interest in developing the property. Once the PMP has been approved and the property transferred to the City for future development, the City will evaluate the development proposal and enter into compensation agreements with the taxing entities.
Permissible Use: Retention for future development.

GATEWAY PROPERTY NO. 2 (PROPERTY 2)

Aerial Photo:



Street View:



Properties to be Sold by Successor Agency

Eight properties listed below are proposed to be for sale and the revenue from the sales to be distributed to taxing entities. A description of the properties, including the legally required information, aerial maps, and photographs of each property, are presented in this section.

Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following characteristics apply to all eight of the following properties listed under "Sale of Property":

- **Estimate of Income Revenue:** None
- **Contractual Requirements for Use of Income/Revenue:** None
- **Description of Property's Potential for Transit Oriented Development:** No potential for transit-oriented development.
- **History of Development Proposals:** There is no history of development proposals nor rentals or leases for these eight properties.
- **Permissible Use:** Sale of property with the revenues from the sales to be distributed to taxing entities.

The remainder of the information required by Health and Safety Code Section 34191.5(c) is provided below and in Attachment 1.

2062 MONTGOMERY STREET (PROPERTY 3)

Address: 2062 Montgomery Street
APN: 012-032-009
Lot Size: 0.11 acres
Acquisition Date: July 14, 2004
Value at Time of Purchase: \$9,000
Purpose of Acquisition: 2062, 2060 and 2044 Montgomery Street were offered in a tax sale by the Butte County Tax Collector's Office due to delinquent property taxes on June 24, 2012. The properties did not sell and remained within the control of Butte County ever since. At that time, redevelopment agencies were eligible to acquire tax-defaulted properties without the necessity of bidding at a public auction. In order to help eliminate blight and further improve the Downtown core, the properties were acquired by the Redevelopment Agency through the County tax-defaulted properties.

Property Type (DOF Category) Commercial
Property Type (City Proposed) Sale of property
Current Zoning: C-2, Intensive Commercial
Estimated Current Value: \$9,368
Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.

Environmental History: The property was previously included in Brownfield Priority List for US EPA community-wide Brownfields Assessment Grant Program.

Advancement of Planning Objectives: Eliminate blight and commercial development in the Downtown core.

Permissible Use: Sale of property with the revenues from the sales to be distributed to taxing entities.

2062 MONTGOMERY STREET (PROPERTY 3)

Aerial Photo:



Street View:



2060 MONTGOMERY STREET (PROPERTY 4)

Address: 2060 Montgomery Street
APN: 012-032-010
Lot Size: 0.14 acres
Acquisition Date: July 14, 2004
Value at Time of Purchase: \$11,500
Purpose of Acquisition: 2062, 2060 and 2044 Montgomery Street were offered in a tax sale by the Butte County Tax Collector's Office due to delinquent property taxes on June 24, 2012. The properties did not sell and remained within the control of Butte County ever since. At that time, redevelopment agencies were eligible to acquire tax-defaulted properties without the necessity of bidding at a public auction. In order to help eliminate blight and further improve the Downtown core, the properties were acquired by the Redevelopment Agency through the County tax-defaulted properties.

Property Type (DOF Category) Commercial
Property Type (City Proposed) Sale of Property
Current Zoning: C-2, Intensive Commercial
Estimated Current Value: \$11,867
Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.

Environmental History: The property was previously included in Brownfield Priority List for US EPA community-wide Brownfields Assessment Grant Program.

Advancement of Planning Objectives: Eliminate blight and commercial development in the Downtown core.

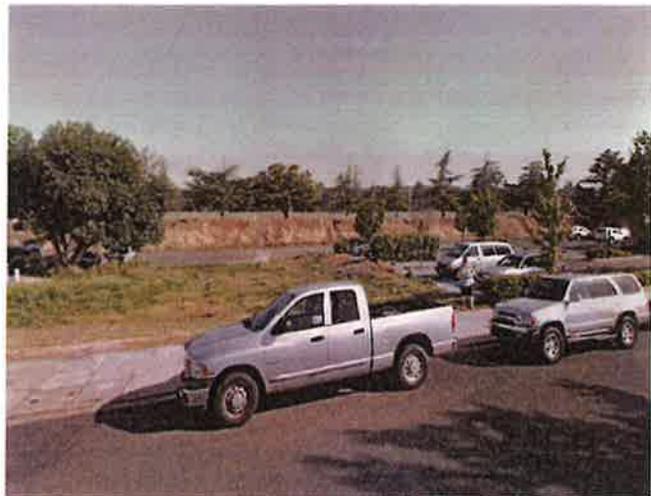
Permissible Use: Sale of property with the revenues from the sales to be distributed to taxing entities.

2060 MONTGOMERY STREET (PROPERTY 4)

Aerial Photo:



Street View:



2044 MONTGOMERY STREET (PROPERTY 5)

Address: 2044 Montgomery Street
APN: 012-032-010
Lot Size: 0.15 acres
Acquisition Date: July 14, 2004
Value at Time of Purchase: \$11,500
Purpose of Acquisition: 2062, 2060 and 2044 Montgomery Street were offered in a tax sale by the Butte County Tax Collector's Office due to delinquent property taxes on June 24, 2012. The properties did not sell and remained within the control of Butte County ever since. At that time, redevelopment agencies were eligible to acquire tax-defaulted properties without the necessity of bidding at a public auction. In order to help eliminate blight and further improve the Downtown core, the properties were acquired by the Redevelopment Agency through the County tax-defaulted properties.

Property Type (DOF Category) Commercial
Property Type (City Proposed) Sale of Property
Current Zoning: C-2, Intensive Commercial
Estimated Current Value: \$11,870
Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.

Environmental History: The property was previously included in Brownfield Priority List for US EPA community-wide Brownfields Assessment Grant Program.

Advancement of Planning Objectives: Eliminate blight and commercial development in the Downtown core.

Permissible Use: Sale of property with the revenues from the sales to be distributed to taxing entities.

2044 MONTGOMERY STREET (PROPERTY 5)

Aerial Photo:



Street View:



750 MONTGOMERY STREET (PROPERTY 6)

Address: 750 Montgomery Street
APN: 012-061-009
Lot Size: 0.61 acres
Acquisition Date: March 25, 2008
Value at Time of Purchase: \$169,000
Purpose of Acquisition: Eliminate blight from the Gateway area of the City.
Property Type (DOF Category) Commercial
Property Type (City Proposed) Sale of Property
Current Zoning: C-2, Intensive Commercial
Estimated Current Value: \$162,972
Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.
Environmental History: The property was previously included in Brownfield Priority List for US EPA community-wide Brownfields Assessment Grant Program.
Advancement of Planning Objectives: Eliminate blight and commercial development in the Downtown core.
Permissible Use: Sale of property with the revenues from the sales to be distributed to taxing entities.

750 MONTGOMERY STREET (PROPERTY 6)

Aerial Photo:



Street View:



1330 DOWNER STREET (PROPERTY 7)

Address: 1330 Downer Street
APN: 012-035-004
Lot Size: 0.23 acres
Acquisition Date: March 8, 2006
Value at Time of Purchase: \$106,593
Purpose of Acquisition: Tax defaulted property acquired from the County to eliminate blight.
Property Type (DOF Category) Commercial
Property Type (City Proposed) Sale of Property
Current Zoning: C-1, Limited Commercial
Estimated Current Value: \$
Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.
Environmental History: The property was previously included in Brownfield Priority List for US EPA community-wide Brownfields Assessment Grant Program.
Advancement of Planning Objectives: Eliminate blight and commercial development in the Downtown core.
Permissible Use: Sale of property with the revenues from the sales to be distributed to taxing entities.

1330 DOWNER STREET (PROPERTY 7)

Aerial Photo:



Street View:



1305 MYERS STREET (PROPERTY 8)

Address: 1305 Myers Street
APN: 012-035-015
Lot Size: 0.24 acres
Acquisition Date: October 5, 1998
Value at Time of Purchase: \$55,000
Purpose of Acquisition: Acquired from the City of Oroville for purposes consistent with the Redevelopment Plan.
Property Type (DOF Category) Commercial
Property Type (City Proposed) Sale of Property
Current Zoning: C-1, Limited Commercial
Estimated Current Value: \$
Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.
Environmental History: None.
Advancement of Planning Objectives: Eliminate blight and commercial development in the Downtown core.
Permissible Use: Sale of property with the revenues from the sales to be distributed to taxing entities.

1305 MYERS STREET (PROPERTY 8)

Aerial Photo:

1305 Myers Street



Street View:



OLIVE HIGHWAY PROPERTY NO. 1 (PROPERTY 9)

Address: Olive Highway (No situs address available)
APN: 013-260-055
Lot Size: 0.79 acres
Acquisition Date: August 9, 1996
Value at Time of Purchase: \$2,400 combined with Property 10
Purpose of Acquisition: Drainage slope and channel.
Property Type (DOF Category) Commercial
Property Type (City Proposed) Sale of Property
Current Zoning: C-2, Heavy Commercial
Estimated Current Value: \$
Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.
Environmental History: None.
Advancement of Planning Objectives: Preserve drainage for adjacent properties.
Permissible Use: Sale of property with the revenues from the sales to be distributed to taxing entities.

OLIVE HIGHWAY PROPERTY NO. 1 (PROPERTY 9)

Aerial Photo:

013-260-055



Street View:



Subject property is a slope located behind this property.

OLIVE HIGHWAY PROPERTY NO. 2 (PROPERTY 10)

Address: Olive Highway(No situs address available)
APN: 013-260-056
Lot Size: 0.59 acres
Acquisition Date: August 9, 1996
Value at Time of Purchase: \$2,400 combined with Property 9.
Purpose of Acquisition: Drainage slope and channel.
Property Type (DOF Category) Commercial
Property Type (City Proposed) Sale of Property
Current Zoning: C-2, Heavy Commercial
Estimated Current Value: \$
Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.
Environmental History: None.
Advancement of Planning Objectives: Preserve drainage for adjacent properties.
Permissible Use: Sale of property with the revenues from the sales to be distributed to taxing entities.

OLIVE HIGHWAY PROPERTY NO. 2 (PROPERTY 10)

013-260-056

Aerial Photo:



Street View:



Subject property is a slope located behind this property.

Properties Retained For Purposes of Fulfilling an Enforceable
Obligation

There are no properties to be retained for the purpose of fulfilling an Enforceable Obligation, as defined in AB x1 26.

ATTACHMENTS

1 - Property Inventory Data (DOF Form)

No.	HSC 34191.5 (c)(1)(C)		Property Type	HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)			Date of Estimated Current Value	Estimated Current Value Basis	SALE OF PROPERTY (if applicable)		Property Value/Sale Info	
	Address or Description	APN		Permissible Use	If Sale of Property, specify intended use of sale proceeds	Permissible Use Detail	Acquisition Date	Value at Time of Acquisition			Estimated Current Value	Proposed Sale Value		Proposed Sale Date
1	Gateway Property No. 1	035-290-003	Vacant Lot/Land	Future Development	N/A	The City of Oroville has designated this site as the primary "Gateway" entry into their Downtown-Gateway focus area. The property was acquired in 2008 as part of a concerted effort to reverse blighting conditions in and around the City's primary gateway entrance into Downtown Oroville from Highway 70. The City intends to attract private investment for hotel, restaurants, and a mix of commercial and retail space.	7/17/2008	\$ 300,000	\$ 300,000	6/30/2013	Book	N/A	2015	
2	Gateway Property No. 2	035-290-039	Vacant Lot/Land	Future Development	N/A	The City of Oroville has designated this site as the primary "Gateway" entry into their Downtown-Gateway focus area. The property was acquired in 2008 as part of a concerted effort to reverse blighting conditions in and around the City's primary gateway entrance into Downtown Oroville from Highway 70. The City intends to attract private investment for hotel, restaurants, and a mix of commercial and retail space.	7/17/2008	\$ 350,000	\$ 350,000	6/30/2013	Book	N/A	2015	
3	2062 Montgomery Street	012-032-009	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	7/14/2004	\$ 9,000	\$ 9,368	6/30/2013	Book	\$ 9,368	2015	
4	2060 Montgomery Street	012-032-010	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	7/14/2004	\$ 11,500	\$ 11,867	6/30/2013	Book	\$ 11,867	2015	
5	2044 Montgomery Street	012-032-010	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	7/14/2004	\$ 11,500	\$ 11,870	6/30/2013	Book	\$ 11,870	2015	
6	750 Montgomery Street	012-061-009	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	3/25/2008	\$ 169,000	\$ 162,972	6/30/2013	Book	\$ 162,972	2015	
7	1330 Downer Street	012-035-004	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	3/8/2006	\$ 106,593					2015	
8	1305 Myers Street	012-035-015	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	10/5/1988	\$ 55,000					2015	
9	Olive Hwy Property No. 1	013-260-055	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	8/9/1996	\$ 1,200					2015	
10	Olive Hwy Property No. 2	013-260-056	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	8/9/1996	\$ 1,200					2015	

No.	HSC 34191.5 (c)(1)(B)	HSC 34191.5 (c)(1)(C)		HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)	Other Property info
	Purpose for which property was acquired	Lot Size	Current Zoning	Estimate of Current Parcel Value	Annual Estimate of Income/Revenue	Are there any contractual requirements for use of income/revenue?	Has there been historic environmental contamination, studies, and/or remediation, and designation as a brownfield site for the property?	Does the property have the potential as a transit oriented development?	Were there advancements to the successor agency's planning objectives?	Does the property have a history of previous development proposals and activity?	
1	Commercial development of a hotel, restaurant, retail/commercial project.	4.27 Acres	C-2	\$ 300,000	0	No	Yes	No	Yes	Yes	
2	Commercial development of a hotel, restaurant, retail/commercial project.	15.39 Acres	C-2	\$ 350,000	0	No	Yes	No	Yes	Yes	
3	Tax-defaulted property acquired through the County to eliminate blight.	0.11 Acres	C-2	\$ 9,368	0	No	Yes	No	Yes	No	
4	Tax-defaulted property acquired through the County to eliminate blight.	0.14 Acres	C-2	\$ 11,867	0	No	Yes	No	Yes	No	
5	Tax-defaulted property acquired through the County to eliminate blight.	0.16 Acres	C-2	\$ 11,870	0	No	Yes	No	Yes	No	
6	Commercial development of gateway entrance from Hwy 70 to Downtown core.	0.61 Acres	C-2	\$ 162,972	0	No	Yes	No	Yes	No	
7	Tax-defaulted property acquired through the County to eliminate blight.	0.23 Acres	C-1	\$ -	0	No	Yes	No	Yes	No	
8	Acquired from the City of Oroville for purposes consistent with the Oroville Redevelopment Plan.	0.24 Acres	C-1	\$ -	0	No	No	No	Yes	No	
9	Drainage Channel	0.79 Acres	C-2	\$ -	0	No	No	No	Yes	No	
10	Drainage Channel	0.59 Acres	C-2	\$ -	0	No	No	No	Yes	No	

**OROVILLE CITY COUNCIL/
OROVILLE SUCCESSOR AGENCY
STAFF REPORT**

**TO: MAYOR AND, COUNCIL MEMEBERS/
CHAIRPERSON AND BOARD MEMBERS/
RANDY MURPHY, CITY ADMINISTRATOR**

FROM: RICK FARLEY, RDA COORDINATOR

**RE: BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF
OROVILLE AND THE OROVILLE SUCCESSOR AGENCY FOR
THE USE OF EXCESS BOND PROCEEDS**

DATE: DECEMBER 16, 2014

SUMMARY

The Council and the Successor Agency of the former Redevelopment Agency of the City of Oroville may consider a Bond Expenditure Agreement between the City of Oroville and the Successor Agency for the transfer of approximately \$3,368,163 of excess bond proceeds to the City of Oroville for implementation of projects consistent with the original bond covenants.

DISCUSSION

Pursuant to AB 1484, the amended state legislation dissolving redevelopment agencies, Health and Safety Code Section 34191.4(c), successor agencies are allowed to spend so-called "excess bond proceeds", which are pre-2011 tax allocation bond proceeds that are otherwise not obligated for a project, once a Finding of Completion has been received from the Department of Finance ("DOF"). The expenditure of these excess bond proceeds must still comply with the bond covenants for which the bonds were issued.

The former Redevelopment Agency of the City of Oroville issued bonds as follows:

- 1995 Tax Allocation Revenue Bond - \$5,000,000
- 2002 Tax Allocation Revenue Bond - \$18,255,000
- 2004 Series A Tax Allocation Revenue Bond - \$8,480,000
- 2004 Series B Tax Allocation Revenue Bond - \$2,145,000

Of those bond revenue funds that were originally issued for project implementation, approximately \$3,368,163 remain unspent as excess bond proceeds.

The Oroville Successor Agency received their Finding of Completion on May 6, 2014 and at this time requests approval of a Bond Expenditure Agreement between the City of Oroville and the Successor Agency which would authorize the transfer of all unspent bond proceeds from the Successor Agency to the City in order to complete projects and activities consistent with the bond covenants. As of the last accounting, there is approximately \$3,368,183 in excess bond proceeds from the Series 1995, Series 2002 and Series 2004 tax allocation bonds. The amount is approximate due to accruing

interest, and the total amount to be transferred to the City may be adjusted after the execution of the Agreement, to the actual amount on the day of the transfer.

The attached Bond Expenditure Agreement will be a master agreement authorizing the City to use excess bond proceeds transferred from the Successor Agency, consistent with bond covenants, on projects and programs indicated in the original bond documents. As shown in the attached official statements for the bond issuances, the bonds were originally issued for projects for the Oroville Redevelopment Project No. 1 including public facility improvements, private development projects, rehabilitation projects, revitalization of the Oroville Riverfront and downtown areas, parking and road improvements, purchase of land and buildings for resale to private developers, loans to private developers and a revolving loan fund, and other projects allowed under the Redevelopment Plan. Allowing the City to implement these projects with the excess bond proceeds would help to revitalize the Oroville Redevelopment Project No. 1 area which would in turn help improve property values in the area.

FISCAL IMPACT

Approval of the Bond Expenditure Agreement would allow the City of Oroville receive excess bond funds to implement approximately \$3,368,183 worth of projects consistent with the bond covenants and the original intent of the bonds.

RECOMMENDATIONS

City Council Resolution:

Adopt Resolution No. 8315 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE THE BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF OROVILLE AND THE OROVILLE SUCCESSOR AGENCY – (Agreement No. 3099).

Successor Agency Resolution:

Adopt Resolution No. 14-08 – A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE AUTHORIZING AND DIRECTING THE CHAIRPERSON TO EXECUTE THE BOND EXPENDITURE AGREEMENT BETWEEN THE OROVILLE SUCCESSOR AGENCY AND THE CITY OF OROVILLE– (Agreement No. 14-01).

ATTACHMENTS

Resolution No. 8315
Resolution No. 14-08
Bond Expenditure Agreement No. 3099 & 14-01

Full copies of the 1995 Tax Allocation Revenue Bond Official Statement, 2002 Tax Allocation Revenue Bond Official Statement and 2004 Series A and Series B Tax Allocation Revenue Bond Official Statement are available upon request in the City Clerk's Office during normal business hours, Monday through Friday, between the hours of 8:00 am – 5:00 pm

**CITY OF OROVILLE
RESOLUTION NO. 8315**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND
DIRECTING THE MAYOR TO EXECUTE THE BOND EXPENDITURE AGREEMENT
BETWEEN THE CITY OF OROVILLE AND THE OROVILLE SUCCESSOR AGENCY**

(Agreement No. 3099)

WHEREAS, the Oroville Successor Agency ("Successor Agency") received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on May 6, 2014; and

WHEREAS, Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute "excess bond proceeds obligations" that shall be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, as of its last accounting, the Successor Agency has determined it is holding so-called "excess bond proceeds" in the amount of approximately \$3,368,383 (said amount may be adjusted, increased or decreased after the date of this Agreement) that are not otherwise obligated for a project or other enforceable obligations from the 1995, 2002, 2004 Series A and Series B Tax Allocation Revenue Bonds for the Oroville Redevelopment Project No. 1; and

WHEREAS, the Successor Agency desires to provide these excess bond proceeds to the City of Oroville to enable the City to use such funds, in a manner consistent with the original bond covenants, to undertake projects and programs that were not previously funded and obligated by Successor Agency or the City; and

WHEREAS, the Agreement would advance the City's community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. The City Council has found that the use of excess bond proceeds to fund projects detailed in the Agreement is in accordance with Health and Safety Code Sections 33445, 33445.1, and 33679, the original bond covenants, and other applicable laws; and

WHEREAS, the Oversight Board of the Oroville Successor Agency has determined that the expenditure of excess bond proceeds in accordance with the attached Agreement will benefit the affected taxing entities, and has approved the execution of

the attached Agreement and the provision of excess bond proceeds to the City for the purposes described.

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

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The Mayor is hereby authorized to execute the Bond Expenditure Agreement between the Oroville Successor Agency and the City of Oroville for the transfer of excess bond proceeds currently held by the Successor Agency.

SECTION 3. 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 December 16, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, City Attorney

Randy Murphy, City Clerk

**SUCCESSOR AGENCY
RESOLUTION NO. 14-08**

**A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE AUTHORIZING AND
DIRECTING THE CHAIRPERSON TO EXECUTE THE BOND EXPENDITURE
AGREEMENT BETWEEN THE OROVILLE SUCCESSOR AGENCY AND THE CITY
OF OROVILLE**

(Agreement No. 14-01)

WHEREAS, the Oroville Successor Agency ("Successor Agency") received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on May 6, 2014; and

WHEREAS, Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute "excess bond proceeds obligations" that shall be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, as of its last accounting, the Successor Agency has determined it is holding so-called "excess bond proceeds" in the amount of approximately \$3,368,383 (said amount may be adjusted, increased or decreased after the date of this Agreement) that are not otherwise obligated for a project or other enforceable obligations from the 1995, 2002, 2004 Series A and Series B Tax Allocation Revenue Bonds for the Oroville Redevelopment Project No. 1; and

WHEREAS, the Successor Agency desires to provide these excess bond proceeds to the City of Oroville to enable the City to use such funds, in a manner consistent with the original bond covenants, to undertake projects and programs that were not previously funded and obligated by Successor Agency or the City; and

WHEREAS, the Agreement would advance the City's community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. The City Council has found that the use of excess bond proceeds to fund projects detailed in the Agreement is in accordance with Health and Safety Code Sections 33445, 33445.1, and 33679, the original bond covenants, and other applicable laws; and

WHEREAS, the Oversight Board of the Oroville Successor Agency has determined that the expenditure of excess bond proceeds in accordance with the attached

Agreement will benefit the affected taxing entities, and has approved the execution of the attached Agreement and the provision of excess bond proceeds to the City for the purposes described.

BE IT HEREBY RESOLVED by the Successor Agency as follows:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The Oroville Successor Agency Chairperson is hereby authorized to execute the Bond Expenditure Agreement between the Oroville Successor Agency and the City of Oroville for the transfer of excess bond proceeds currently held by the Successor Agency.

SECTION 3. The Secretary shall attest to the adoption of this Resolution.

PASSED and ADOPTED by the Successor Agency to the Oroville Redevelopment Agency at a regular meeting on December 16, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda L. Dahlmeier, Chairperson

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, Agency Counsel

Randy Murphy, Secretary

BOND EXPENDITURE AGREEMENT

This Bond Expenditure Agreement (the "Agreement") is entered into effective December 17, 2014, by and between the City of Oroville, a municipal corporation (the "City"), and the Oroville Redevelopment Successor Agency, successor agency to the Redevelopment Agency of the City of Oroville under Health and Safety Code Section 34173 ("Oroville SA") pursuant to City Council Resolution No. _____, Oroville SA Resolution No. _____, and the Oroville Oversight Board Resolution No. _____.

Recitals

A. Oroville SA received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on May 6, 2014.

B. Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute "excess bond proceeds obligations" that shall be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS").

C. Oroville SA has so so-called "excess bond proceeds," i.e., pre-2011 tax allocation bond proceeds that are not otherwise obligated for a project or other enforceable obligation from the 1995, 2002 and 2004 Series A and Series B Tax Allocation Revenue Bonds for the Oroville Redevelopment Project No.1. Oroville SA wishes to use such proceeds for redevelopment purposes consistent with applicable bond covenants.

D. The California Community Redevelopment Law (Health and Safety Code Section 33000, et seq.) provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies. Under Health and Safety Code Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. Health and Safety Code Section 33220(e) specifically authorizes a city to enter into an agreement with its redevelopment agency or any other public entity to further redevelopment purposes. Health and Safety Code Section 34178 allows a successor agency and its sponsoring city to enter into agreements with the approval of the oversight board.

E. Oroville SA desires to provide excess bond proceeds to the City to enable the City to use such funds, in a manner consistent with the original bond covenants; to undertake projects and programs that were not previously funded and obligated by Oroville SA or the City. The transfer of these funds to the City would advance the City's community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. The City Council has found that the use of excess bond proceeds to fund projects is in accordance with Health and Safety Code Sections 33445, 33445.1, and 33679, the bond covenants, and other applicable law. The Oroville Oversight Board has determined that the

expenditure of excess bond proceeds in accordance with this Agreement will benefit the affected taxing entities, and has approved the execution of this Agreement and the provision of excess bond proceeds to the City for the purposes described herein.

F. In order to facilitate the use of excess bond proceeds consistent with the bond covenants, Oroville SA and the City have negotiated this Agreement requiring the transfer of current excess bond proceeds by Oroville SA to the City, and the City's use of such proceeds consistent with applicable bond covenants. The parties intend that this Agreement shall constitute an excess bond proceeds obligation within the meaning of Health and Safety Code Section 34191.4(c)(2)(A) to be paid from excess bond proceeds. With Oversight Board approval, Oroville SA will list this Agreement, and the requirement to transfer excess bond proceeds herein, on its Recognized Obligation Payment Schedule ("ROPS") for July through December 2015 ("ROPS 15-16A") as an obligation to be funded with excess bond proceeds.

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

1. RECITALS

The recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

2. Oroville SA'S OBLIGATIONS

Oroville SA shall have the following obligations under this Agreement:

2.1. **CURRENT EXCESS BOND PROCEEDS.** Oroville SA shall transfer to the City Excess Bond Proceeds currently held by Oroville SA in an amount of **\$3,368,183** (said amount may be adjusted, increased or decreased after the date of this Agreement to the actual amount on the date of transfer).

2.2. **FUTURE EXCESS BOND PROCEEDS.** Oroville SA shall transfer to the City all future Excess Bond Proceeds held or received by Oroville SA. Such future Excess Bond Proceeds shall include, without limitation, (1) Bond Proceeds previously obligated to a project or other Enforceable Obligation that become unobligated for any reason, (2) Bond Proceeds that become available in the form of rents, sale proceeds, loan repayments, or other revenues that are generated by properties or other assets acquired and/or improved with Bond Proceeds and that are not otherwise obligated to a project or other Enforceable Obligation, and (3) any other funds held by Oroville SA that qualify as Excess Bond Proceeds under this Agreement.

The parties intend that payments of future Excess Bond Proceeds be made to the City as soon as possible after such Excess Bond Proceeds become available. The transfer of future Excess Bond Proceeds shall be made pursuant to an approved ROPS within 30 days of the commencement of the relevant ROPS period. Oroville SA shall be responsible for ensuring that payments of future Excess Bond Proceeds, as such funds become available, are included on the next possible ROPS.

2.3. **PROJECTS FUNDED BY EXCESS BOND PROCEEDS.** Oroville SA assigns to the City all responsibilities in relation to the administration of any projects or programs funded by Excess Bond Proceeds. Oroville SA assigns to the City all contracts entered into by Oroville SA or the former Redevelopment Agency of the City of Oroville related to activities to be

funded by Excess Bond Proceeds, with the exception of those contracts retained by Oroville SA relating to Enforceable Obligations.

3. CITY'S OBLIGATIONS

The City shall have the following obligations under this Agreement:

3.1. **RETENTION OF EXCESS BOND PROCEEDS.** The City shall accept, hold, and disburse Excess Bond Proceeds transferred to the City by Oroville SA under this Agreement, including current Excess Bond Proceeds and future Excess Bond Proceeds. The City shall retain any Excess Bond Proceeds that it receives, such as revenue generated from properties acquired or improved with Excess Bond Proceeds or payments on loans funded from Excess Bond Proceeds, without any obligation to return such funds to Oroville SA, and shall use such funds for uses consistent with applicable bond covenants.

3.2. **USE OF EXCESS BOND PROCEEDS.** The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity consistent with the original bond covenants applicable to the particular Excess Bond Proceeds, and must comply with all requirements of federal tax law and all applicable requirements of the California Community Redevelopment Law as to the use of such funds. The City shall be solely responsible for ensuring that Excess Bond Proceeds are maintained and spent in accordance with bond covenants and other applicable laws. The City may transfer funds between approved projects, programs and activities, as long as the transfer is within a single project area if applicable bond covenants restrict such funds to a particular project area.

The City shall indemnify and defend Oroville SA, and its officers and agents, against, and shall hold Oroville SA, and its officers and agents, harmless from, any claims, causes of action, or liabilities arising from the misuse of Excess Bond Proceeds by the City or the failure of the City to ensure that Excess Bond Proceeds are used in accordance with bond covenants, federal tax law, and the California Community Redevelopment Law.

The City assumes all contracts entered into by Oroville SA or the former Redevelopment Agency of the City of Oroville related to activities to be funded by Excess Bond Proceeds, with the exception of those contracts retained by Oroville SA relating to Enforceable Obligations. The City shall perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each project.

4. ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS

4.1. This Agreement constitutes the entire understanding and agreement of the parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

4.2. This Agreement is intended solely for the benefit of the City and Oroville SA. Notwithstanding any reference in this Agreement to persons or entities other than the City and Oroville SA, there shall be no third party beneficiaries under this Agreement.

4.3. All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

5. SEVERABILITY

If any term, provisions, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

6. DEFAULT

If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract or to seek specific performance. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party.

7. BINDING ON SUCCESSORS

This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

8. FURTHER ASSURANCES

Each party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of this Agreement.

[SIGNATURES ON NEXT PAGE]

In witness whereof, the undersigned parties have executed this Bond Expenditure Agreement effective as of the date first above written.

“CITY”

THE CITY OF OROVILLE,
a municipal corporation

By: _____
Linda L. Dahlmeier, Mayor

Approved as to form and legality:

By: _____
City Attorney

“OROVILLE SA”

THE OROVILLE REDEVELOPMENT SUCCESSOR AGENCY, successor agency to the
Redevelopment Agency of the City of Oroville under Health and Safety Code Section 34173

By: _____
Linda L. Dahlmeier, Chairperson

Approved as to form and legality:

By: _____
Oroville SA Counsel

**OROVILLE SUCCESSOR AGENCY
STAFF REPORT**

TO: CHAIRPERSON AND BOARD MEMBERS

FROM: RICK FARLEY, RDA COORDINATOR

RE: PROCEEDINGS FOR REFUNDING CERTAIN TAX ALLOCATION BONDS

DATE: DECEMBER 16, 2014

SUMMARY

The Commission may consider the issuance of bonds in order to refund the former Redevelopment Agency's 2002 Loan Obligation, 2004A Loan Obligation and 2004B Loan Obligation, approving the execution and delivery of an indenture of trust, and authorizing certain other actions in connection therewith.

DISCUSSION

In order to reduce annual debt service costs and increase residual distributions to the taxing agencies, the Successor Agency to the former Oroville Redevelopment Agency will consider approving the issuance of refunding bonds. The proposed refunding bonds would refund the Agency's 2002 Loan Obligation, the 2004A Loan Obligation, and perhaps the 2004B Loan Obligation (collectively, the "2002 and 2004 Loan Obligations"). It is anticipated the refunding could be completed by March of next year, subject to approvals by the Successor Agency, Oversight Board and Department of Finance.

Attached to this staff report is a Successor Agency resolution that initiates the refunding process by approving the execution and delivery of an indenture of trust, approving agreements for professional services necessary for the issuance of the refunding bonds, requesting Oversight Board approval of the issuance of the refunding bonds and the approval of professional services contracts, requesting certain determinations by the Oversight Board, and providing for other matters properly relating thereto.

Successor Agency staff and its financing team have prepared a preliminary feasibility analysis which demonstrates the significant benefits of refunding the 2002 and 2004 Loan Obligations. In general, the 2002 and 2004 Loan Obligations are being refunded in order to reduce remaining payments, and is therefore consistent with the provisions of the Dissolution Act. The refunding would in turn increase the amount of Residual Redevelopment Property Tax Trust Funds that are available to distribute to affected taxing entities.

The attached resolution authorizes the refinancing of the 2002 and 2004 Loan Obligations and finds that the issuance is in the financial interests of the taxing entities and will comply with all governing laws. Upon its approval and review by both the Successor Agency and Oversight Board, the Oversight Board's resolution and the refunding bond issuance documents (e.g., savings analysis memo and Indenture of Trust) will be transmitted to the California Department of Finance for review, which could take up to 65 days, after which the refunding may proceed.

CC-16

FISCAL IMPACT

The estimated present value savings over the remaining life of the bonds is \$3,290,000 to the taxing entities. Savings are expressed net of all costs associated with the refunding bond issuance. Average annual savings is estimated to be \$242,000. When divided among the various taxing entities, the City of Oroville is anticipated to capture an average of approximately \$58,500 per year through 2031.

RECOMMENDATION

Adopt Resolution No. 14-09 – A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY TO THE FORMER OROVILLE REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS, AND APPROVING THE FORM OF AN INDENTURE OF TRUST AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

ATTACHMENTS

Resolution No. 14-09
Memorandum to Oversight Board and Department of Finance by NHA Advisors
Indenture of Trust

OROVILLE SUCCESSOR AGENCY

RESOLUTION NO. 14-09

A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY TO THE FORMER OROVILLE REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS, AND APPROVING THE FORM OF AN INDENTURE OF TRUST AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Redevelopment Agency of the City of Oroville (the "Prior 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) (the "Law"), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, the "Redevelopment Plan" for a redevelopment project known and designated as the "Oroville Project Area" has been 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, the Prior Agency previously entered into a Loan Agreement with the Oroville Public Financing Authority (the "Authority") dated as of October 31, 2002 pursuant to which the Authority loaned the proceeds of its 2002 Tax Allocation Revenue Bonds (Oroville Redevelopment Project No. 1) to the Prior Agency (the "2002 Loan") and the Prior Agency pledged its tax increment revenues as the security for the repayment of the Loan (the "2002 Loan Obligation"); and

WHEREAS, the Prior Agency previously entered into a Loan Agreement with the Oroville Public Financing Authority (the "Authority") dated as of August 5, 2004 pursuant to which the Authority loaned the proceeds of its 2004 Tax Allocation Revenue Bonds, Series A (Oroville Redevelopment Project No. 1) to the Prior Agency (the "2004A Loan") and the Prior Agency pledged its tax increment revenues as the security for the repayment of the Loan (the "2004A Loan Obligation"); and

WHEREAS, the Prior Agency previously entered into a Loan Agreement with the Oroville Public Financing Authority (the "Authority") dated as of August 5, 2004 pursuant to which the Authority loaned the proceeds of its 2004 Tax Allocation Revenue Bonds, Series B (Oroville Redevelopment Project No. 1) to the Prior Agency (the "2004B Loan") and the Prior Agency pledged its tax increment revenues as the security for the repayment of the Loan (the "2004B Loan Obligation"); and

WHEREAS, for the corporate purposes of the Successor Agency, the Successor Agency desires to issue at this time tax allocation refunding bonds in an aggregate principal amount of _____ Dollars (_____) (the "Bonds"), and to irrevocably set aside a portion of the proceeds of such Bonds in a separate segregated trust fund which will be used to refund the outstanding 2002 Loan Obligation and 2004A Loan Obligation of the Prior Agency, to pay costs in connection with the issuance of the Bonds and to make certain other deposits as required by this Indenture; and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Redevelopment Agency of the City of Oroville being dissolved as of February 1, 2012; and

WHEREAS, the powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency; and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund the bonds or other indebtedness of the Prior Agency to provide savings to the Successor Agency, provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, the Successor Agency wishes at this time to issue bonds in the approximate principal amount of Nineteen Million Five Hundred Thousand Dollars (\$19,500,000) (the "2015 Bonds"), secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), all pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, the Successor Agency wishes at this time to approve matters relating to the issuance and sale of the 2015 Bonds;

BE IT HEREBY RESOLVED by the Successor Agency as follows:

SECTION 1. Subject to the provisions of the Indenture referred to in Section 2 hereof, the issuance of the 2015 Bonds in the aggregate principal amount of approximately Nineteen Million Five Hundred Thousand Dollars (\$19,500,000) for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2015 Bonds pursuant to the Indenture approved by Section 2 of this Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) are hereby approved on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture. The 2015 Bonds will be dated, will bear interest at the rates, will mature on the dates, will be issued in the form, will be subject to redemption, and will be as otherwise provided in the Indenture, as the same will be completed as provided in this Resolution. The proceeds of the sale of the 2015 Bonds shall be applied as provided in the Indenture. The 2015 Bonds may be issued as a single issue, or from time to time, in separate series, as the Successor Agency shall determine. The approval of the issuance of the 2015 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2015 Bonds, without the need for any further approval from the Oversight Board.

SECTION 2. The Indenture of Trust in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein (the "Indenture"), is hereby approved. The Chairman and the Secretary of the Successor Agency are hereby authorized and directed to execute and deliver the Indenture in the form presented at this meeting with such changes insertions and omissions as may be requested by Bond Counsel and approved by the Chairman, said execution being conclusive evidence of such approval.

SECTION 3. The Chairman of the Successor Agency, the Executive Director of the Successor Agency, the Secretary of the Successor Agency, and any other proper officer of the Successor Agency, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments, relating to the 2015 Bonds, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution and the Indenture, including, as necessary, the preparation of a Bond Purchase Contract, a private placement memorandum, an Official Statement, a Continuing Disclosure Agreement, the 2002 Escrow Agreement, the 2004A Escrow Agreement and any additional agreements as may be required to carryout the purposes hereof. The form of each of the documents shall be presented to the Successor Agency at a future meeting for approval.

SECTION 4. Union Bank of California, N.A. is hereby appointed as Trustee and Dissemination Agent, Stradling Yocca Carlson & Rauth, a Professional Corporation, is hereby appointed as Bond Counsel and Disclosure Counsel, NHA Advisors is hereby appointed as financial advisor to the Successor Agency, Southwest Securities is hereby appointed underwriter and/or placement agent and Rosenow Spevacek Group, Inc. is hereby appointed as fiscal consultant to the Successor Agency.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED by the Successor Agency to the Oroville Redevelopment Agency at a regular meeting on December 16, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda L. Dahlmeier, Chairperson

APPROVED AS TO FORM:

ATTEST:

Scott E. Huber, Agency Counsel

Randy Murphy, Secretary

MEMORANDUM

To: Oversight Board
State Department of Finance

Date: December 9, 2014

From: Mark Northcross / Eric Scriven
Financial Advisor to the Successor Agency to the Redevelopment Agency of the City of Oroville

RE: Refunding of Outstanding Revenue Bonds of the Successor Agency to the Redevelopment Agency of the City of Oroville

Introduction

Dissolution Act; Successor Agency - On June 29, 2011, Assembly Bill No. 26 (1st Extraordinary Session) ("AB 26") was enacted together with a companion bill, Assembly Bill No. 27 (2nd Extraordinary Session) ("AB 27"). The provisions of AB 26 provided for the dissolution of all redevelopment agencies. The provisions of AB 27 permitted redevelopment agencies to avoid dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, California Redevelopment Association, et al., v. Matosantos, et al., 53 Cal. 4th 231 (Cal. Dec. 29, 2011), challenging the constitutionality of AB 26 and AB 27. The California Supreme Court largely upheld AB 26, invalidated AB 27, and held that AB 26 may be severed from AB 27 and enforced independently. As a result of AB 26 and the Matosantos decision, all redevelopment agencies in the State were dissolved as of February 1, 2012, including the Redevelopment Agency of the City of Oroville (the "Redevelopment Agency"), and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies. The City of Oroville (the "City") acts as successor agency to the Redevelopment Agency (the "Successor Agency").

The primary provisions enacted by AB 26 relating to the dissolution and wind down of former redevelopment agency affairs are codified in Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 ("AB 1484"), enacted as Chapter 26, Statutes of 2012 (as amended from time to time, the "Dissolution Act").

Refunding Bonds under the Dissolution Act - Section 34177.5 of the Health & Safety Code, which was added to the Dissolution Act by AB 1484, authorizes the Successor Agency to issue bonds for the purpose of refunding outstanding tax allocation bonds of the Redevelopment Agency or the Successor Agency to provide savings to the Successor Agency provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds does not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of

issuance. If the foregoing conditions are satisfied, the initial principal amount of the refunding bonds may be greater than the outstanding principal amount of the bonds to be refunded.

Requirement for Independent Financial Advisor - Section 34177.5(h) requires the Successor Agency to make diligent efforts to ensure that the lowest long-term cost financing is obtained, and requires the successor agency to make use of an independent financial advisor in developing financing proposals and to make the work products of the financial advisor available to the Department of Finance at its request.

This report is written by NHA Advisors LLC, which has been engaged as the independent financial advisor to the Successor Agency, to analyze the possible refunding of the Successor Agency's outstanding bonds.

Outstanding Bonds

The Redevelopment Agency previously issued the following outstanding bonds (collectively, the "Outstanding Bonds"), as shown in Table 1 below:

Table 1
Redevelopment Agency of the City of Oroville

	Series 2002	2004 Series A	2004 Series B
Tax Status	Tax Exempt	Tax Exempt	Taxable
Security	Non-housing set aside tax increment	Non-housing set aside tax increment	Non-housing set aside tax increment
Original Par Value	\$18,255,000	\$8,480,000	\$2,145,000
Outstanding Par Amount	\$12,555,000	\$8,480,000	\$555,000
Current Interest Rate	4.99%	4.93%	5.50%
Reserve Fund	Funded from bond proceeds	Funded from bond proceeds	Funded from bond proceeds
Issuance Date	10/31/02	8/5/04	8/5/04
Call Options	Any date after 9/15/12	Any date after 9/15/14	Not callable
Final Maturity	9/15/30	9/15/31	9/15/16

As shown in Table 1, the Redevelopment Agency issued \$18,255,000 in tax exempt tax allocation bonds in 2002 secured by the non-housing tax increment of the Redevelopment Agency. These 2002 bonds have a final maturity of September 15, 2030, with \$12,555,000 of principal outstanding. In 2004, the Redevelopment Agency issued \$8,480,000 in tax exempt tax allocation bonds secured by the non-housing tax increment of the Redevelopment Agency. These 2004 Series A bonds have a final maturity of September 15, 2031, with all of the original principal remaining outstanding. The Redevelopment Agency also issued \$2,145,000 in 2004 Series B taxable tax allocation bonds secured by the non-housing tax increment of the Redevelopment Agency. The 2004 Series B bonds have a final maturity of September 15, 2016, with \$555,000 of principal outstanding.

Overview of the Refunding Opportunity

We have analyzed the potential refunding of the tax exempt 2002 bonds and the tax exempt 2004 Series A bonds as a single tax exempt public offering. We have analyzed refunding all three outstanding series, even though the 2004 Series B bonds are not callable until 2016. Under the dissolution act, leaving the 2004 Series B bonds outstanding results in an approximately \$20 million refunding for the Series 2002 and 2004 Series A bonds being subordinate to \$555,000 in 2004 Series B bonds. This could have a significant adverse

impact on the perception of the credit of the refunding. Table 2 below shows a summary of the potential savings from a refunding of all three outstanding series of bonds issued by the Redevelopment Agency:

Table 2
Public Offering - Projected Savings

Total Cash Flow Savings	\$4,117,941
Average Annual Cash Flow Savings	\$242,300
Total Present Value Savings	\$3,291,605
Par Value	\$19,485,000
Current Outstanding Principal	\$21,590,000
Assumed Closing Date	March 17, 2015
Current Interest Rate	4.98%
All-in True Interest Cost on Refinancing	3.06%

The average annual cash flow savings estimated from a public offering of the combined refunding is about \$242,000 per year through the final maturity in 2031. The present value savings are estimated at about \$3.29 million, 15% of the amount of principal refunded. Note that the estimated refunding par value is less than the outstanding principal being refunded for two reasons: (1) current market conditions allow the use of premium bonds to achieve the lowest overall borrowing cost, and (2) elimination of the debt service reserve fund through use of a surety bond. The all-in true interest cost of the combined 2015 refunding is estimated to be slightly more than 3% under current market conditions, assuming bond insurance can be obtained. Based on our credit review of the Successor Agency financials, we believe bond insurance is very likely.

Benefits to Taxing Entities from the Proposed Refunding

The Successor Agency's fiscal consultant, RSG Inc., obtained information from the County of Butte on the allocation of the 1% Proposition 13 ad valorem tax rate by taxing entities within the former Project Area No. 1. Note that this project area is the only project area securing the outstanding bonds. Table 3 below (attached as Appendix D due to its size) shows an allocation of the projected savings by fiscal year for each taxing entity through the final maturity in September 2031.

Note that Table 3 shows that the City of Oroville will be the largest beneficiary of the potential savings from the proposed refunding.

Sources and Uses and Debt Service Schedule for the Proposed Refunding

Table 4 on the following page shows the estimated sources of uses for the proposed 2015 refunding bonds issued to refund all of the outstanding bonds. Note in Table 4 that the bonds are currently estimated to have the lowest yield if they are sold as premium bonds. Consequently, a premium of approximately \$800,000 is shown as a source. It is also important to note that the combined debt service reserve funds for the outstanding bonds total more than \$1,939,000, which also constitutes a major source of funds. As noted earlier, there is not a cash-funded debt service reserve fund for the proposed 2015 refunding bonds, since a surety bond is anticipated instead. Consequently, all \$1,939,000 of reserve fund proceeds from the outstanding bonds can be used to downsize the 2015 refunding bonds.

Table 4
Sources and Uses for Proposed Refunding of
All Successor Agency Outstanding Bonds

Sources:	
Bond Proceeds	19,485,000.00
Bond Premium	800,047.00
2002 Debt Service Reserve Fund	1,939,891.00
Total Sources	22,224,938.00
Uses	
Refunding Escrow	21,707,424.64
Debt Service Reserve Fund	-
Costs of Issuance	200,000.00
Underwriter's Discount	146,137.50
Bond Insurance Premium	122,171.28
Surety Bond Premium	48,794.97
Surplus Proceeds	409.61
Total Uses	22,224,938.00

Table 5 shows the actual cash flows for the proposed refunding, net of the use of the debt service reserve fund to make the last debt service payments on the original bonds, as well as the debt service reserve fund earnings to make debt service payments prior to final maturity.

Table 5
Proposed Refunding Cash Flows

Bond Year Ending	2002 and 2004 Series A and B Combined Debt Service	2002 and 2004 Series A & B Debt Service Reserve Fund Release and Earnings	2002 and 2004 Series A and B Combined Net Debt Service	2015 Refunding Bonds Debt Service	Annual Net Cash Flow Savings from Refunding
9/15/15	1,410,939	(11,030)	1,399,909	1,163,299	236,610
9/15/16	1,933,486	(98,033)	1,835,452	1,576,124	259,329
9/15/17	1,906,951	(18,718)	1,888,233	1,624,674	263,560
9/15/18	1,907,874	(18,717)	1,889,156	1,624,674	264,482
9/15/19	1,906,151	(18,718)	1,887,433	1,623,774	263,660
9/15/20	1,905,977	(18,717)	1,887,259	1,621,374	265,885
9/15/21	1,908,178	(18,718)	1,889,460	1,622,374	267,086
9/15/22	1,908,761	(18,717)	1,890,043	1,621,574	268,469
9/15/23	1,906,678	(18,718)	1,887,960	1,620,874	267,086
9/15/24	1,906,693	(18,717)	1,887,975	1,620,249	267,726
9/15/25	1,905,786	(18,718)	1,887,068	1,622,499	264,569
9/15/26	1,906,560	(18,717)	1,887,842	1,626,499	261,343
9/15/27	1,905,157	(18,718)	1,886,439	1,619,798	266,641
9/15/28	1,905,250	(18,717)	1,886,532	1,620,267	266,265
9/15/29	1,906,750	(18,718)	1,888,032	1,622,492	265,540
9/15/30	1,904,250	(1,457,223)	447,021	363,092	83,927
9/15/31	1,842,750	(444,123)	1,398,627	1,312,862	85,763
Total	31,878,191	(2,253,750)	29,624,441	25,506,499	4,117,941

Table 5 shows that positive cash flow savings can be achieved for every tax cycle by the proposed refunding structure, despite the use of a surety bond for the 2015 refunding.

Proposed Legal Structure

The proposed indenture for the 2015 refunding bonds is attached to this report as Exhibit B. This indenture largely mirrors the 2002 indenture. The differences are as follows: (1) no parity bonds are allowed unless the legislation dissolving redevelopment agencies is amended to allow parity bonds, and (2) Pledged Tax Revenues are defined to include all moneys deposited in the Redevelopment Property Tax Trust Fund. The 2015 refunding bonds will be fixed rate bonds, most likely sold through a negotiated sale.

Process and Timing

Exhibit A shows the proposed schedule for the financing. The Oroville Successor Agency is scheduled to approve the refunding at its meeting on December 16, 2014. The Oversight Board is scheduled to approve the refunding at its meeting of December 17, 2014. The resolution of the Oversight Board approving the proposed refunding by the Successor Agency is expected to be submitted to the State Department of Finance by December 18th. We anticipate Department of Finance will exercise its right to review the action of the Oversight Board and will complete the review by the week of February 23, 2015. Sale of the refunding bonds would then take place on March 3, 2015, with a closing on March 17, 2015. Accordingly, taxing entities could start receiving their increased property taxes as a result of the refunding when the County of Butte makes its distributions FY 2015-16 ROPS B in January 2016.

EXHIBIT A

SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY 2015 TAX ALLOCATION REFUNDING BONDS (REFUNDING OF 2002 TABS AND 2004 TABS, SERIES A & B)

FINANCING SCHEDULE DECEMBER 9, 2014

Issuer: Successor Agency of Oroville RDA (AGENCY)
Oversight Board: City of Oroville (OB)
Financial Advisor: NHA Advisors (FA)
Bond Counsel: Stradling Yocca Carlson & Rauth (BC)
Disclosure Counsel: Stradling Yocca Carlson & Rauth (DC)
Fiscal Consultant: RSG, Inc. (FC)
Underwriter: Southwest Securities (UW)

Date	Activity	Participants
November 21	Circulate First Drafts of Financing Documents (Excluding Draft POS)	BC
December 2	All-Hands Meeting/Conference Call to Review Financing Documents (City Hall at 10:30 am)	ALL
December 2	Circulate Draft Letter for the California Department of Finance ("DOF")	FA
December 5	Circulate Second Drafts of Financing Documents	BC
December 9	Agenda Deadline for Staff Report and Resolutions	ALL
December 16	Successor Agency Approval of Financing Documents (6:00 pm)	AGENCY
December 17	Oversight Board Approval of Financing Documents (10:00 am)	OB
December 18	Submit Financing Documents to DOF for Approval (65-Day "Clock" Begins)	AGENCY
Week of January 12	Draft Fiscal Consultant's Report Released	FC
January 16	Circulate Draft POS	DC
Week of January 19	Credit Package to Rating Agency	FA
Week of February 2	Conference Call with Rating Agency	AGENCY/FA
Week of February 9	Receive Credit Rating	FA
February 17	City Council Approval of POS	AGENCY
February 20	Conference Call to Prepare for Due Diligence Call with Underwriter	AGENCY/FA/ FC

Date	Activity	Participants
February 21	Due Diligence Conference Call with Underwriter and Underwriter Counsel	UW/UC/ AGENCY/FA
Week of February 23	Receive DOF Approval of Financing (12/18/14 – 2/21/15)	AGENCY
February 24*	Release POS for Distribution	BC/DC/FA
March 3*	Bond Pricing	UW/FA
March 16*	Pre-Close Financing	ALL
March 17*	Closing	ALL

*-dependent upon receipt of DOF approval and bond market conditions

EXHIBIT B

PROPOSED INDENTURE

INDENTURE OF TRUST

Dated as of March 1, 2015

by and between the

SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY

and

as Trustee

Relating to

OROVILLE REDEVELOPMENT PROJECT NO. 1
TAX ALLOCATION REFUNDING BONDS
SERIES 2015

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is dated as of March 1, 2015, by and between the SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY, a public body corporate and politic, duly organized and existing under the laws of the State of California (the "Agency" or "Successor Agency"), and _____, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the Redevelopment Agency of the City of Oroville (the "Prior 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) (the "Law"), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, the "Redevelopment Plan" for a redevelopment project known and designated as the "Oroville Project Area" has been 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, the Prior Agency previously entered into a Loan Agreement with the Oroville Public Financing Authority (the "Authority") dated as of October 31, 2002 pursuant to which the Authority loaned the proceeds of its 2002 Tax Allocation Revenue Bonds (Oroville Redevelopment Project No. 1) to the Prior Agency (the "2002 Loan") and the Prior Agency pledged its tax increment revenues as the security for the repayment of the Loan (the "2002 Loan Obligation"); and

WHEREAS, the Prior Agency previously entered into a Loan Agreement with the Oroville Public Financing Authority (the "Authority") dated as of August 5, 2004 pursuant to which the Authority loaned the proceeds of its 2004 Tax Allocation Revenue Bonds, Series A (Oroville Redevelopment Project No. 1) to the Prior Agency (the "2004A Loan") and the Prior Agency pledged its tax increment revenues as the security for the repayment of the Loan (the "2004A Loan Obligation"); and

WHEREAS, the Prior Agency previously entered into a Loan Agreement with the Oroville Public Financing Authority (the "Authority") dated as of August 5, 2004 pursuant to which the Authority loaned the proceeds of its 2004 Tax Allocation Revenue Bonds, Series B (Oroville Redevelopment Project No. 1) to the Prior Agency (the "2004B Loan") and the Prior Agency pledged its tax increment revenues as the security for the repayment of the Loan (the "2004B Loan Obligation"); and

WHEREAS, for the corporate purposes of the Successor Agency, the Successor Agency desires to issue at this time tax allocation refunding bonds in an aggregate principal amount of _____ Dollars (_____) (the "Bonds"), and to irrevocably set aside a portion of the proceeds of such Bonds in a separate segregated trust fund which will be used to refund the outstanding 2002 Loan Obligation and 2004A Loan Obligation of

the Prior Agency, to pay costs in connection with the issuance of the Bonds and to make certain other deposits as required by this Indenture; and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Redevelopment Agency of the City of Oroville being dissolved as of February 1, 2012; and

WHEREAS, the powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency; and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund the bonds or other indebtedness of the Prior Agency to provide savings to the Successor Agency, provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Successor Agency hereby certifies that all acts and proceedings required by law necessary to make the Bonds, when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Bonds issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.1 Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

Section 1.2 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.2 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Act” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

“Annual Debt Service” means, for any Bond Year, the principal and interest, including scheduled sinking fund payments, payable on the Outstanding Bonds in such Bond Year.

“Bond Counsel” means Stradling Yocca Carlson & Rauth, a Professional Corporation, an attorney or firm of attorneys acceptable to the Successor Agency of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions.

“Bond”, “Bonds” or “2015 Bonds” means the Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015, authorized by and at any time Outstanding pursuant to this Indenture.

“Bond Year” means the twelve (12) month period commencing on September 16 of each year, provided that the first Bond Year shall extend from the Delivery Date to September 15, 2015.

“Bondowner” or “Owner”, or any similar term, means any person who shall be the registered owner or his duly authorized attorney, trustee or representative of any Outstanding Bond.

“Business Day” means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city in which the corporate trust office of the Trustee is located are authorized to close, or (ii) a day on which the New York Stock Exchange is closed.

“Certificate” or “Certificate of the Successor Agency” means a Written Certificate of the Successor Agency.

“Chairman” means the chairman of the Successor Agency or other duly appointed officer of the Successor Agency authorized by the Successor Agency by resolution or bylaw to perform the functions of the chairman in the event of the chairman’s absence or disqualification.

“City” means the City of Oroville, State of California.

“Code” means the Internal Revenue Code of 1986, as amended, and any regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

“Computation Year” means, with respect to the Bonds, the period beginning on the Delivery Date and ending on September 15, 2015, and each 12-month period ending on September 15 thereafter until there are no longer any Bonds Outstanding.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed and delivered by the Successor Agency, dated the Delivery Date as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corporate Trust Office” means the corporate trust office of the Trustee, currently at _____, or such other or additional offices as may be specified to the Successor Agency by the Trustee in writing.

“Costs of Issuance” means the costs and expenses incurred in connection with the issuance and sale of the Bonds including the initial fees and expenses of the Trustee, rating agency fees, legal fees and expenses, costs of printing the Bonds and Official Statement, fees of financial consultants and other fees and expenses set forth in a Written Certificate of the Successor Agency.

“Costs of Issuance Fund” means the trust fund established in Section 3.3 of this Indenture.

“County” means the County of Butte, California.

“Debt Service Fund” means that trust fund established in Section 4.2 of this Indenture.

“Defeasance Securities” means:

1. Cash
2. Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
 - U.S. treasury obligations
 - All direct or fully guaranteed obligations
 - Farmers Home Administration
 - General Services Administration
 - Guaranteed Title XI financing
 - Government National Mortgage Association (GNMA)
 - State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

“Delivery Date” means the date on which the Bonds are delivered to the initial purchaser thereof.

“Dissolution Act” means Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State of California.

“DOF” means the California Department of Finance.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Fiscal Year” means any twelve (12) month period beginning on July 1st and ending on the next following June 30th.

“Fund or Account” means any of the funds or accounts referred to herein.

“Indenture” means this Indenture of Trust dated as of March 1, 2015, between the Successor Agency and _____, as trustee, approved by Resolution No. SA 2014-XX, adopted by the Successor Agency on December 16, 2014, Resolution No. SA 2015-XX, adopted by the Successor Agency on _____, 2015, and Resolution No. OB 2014-XX, adopted by the Oversight Board on December 17, 2014, authorizing the issuance of the Bonds.

“Independent Financial Consultant” “Independent Engineer” “Independent Certified Public Accountant” or “Independent Redevelopment Consultant” means any individual or firm engaged in the profession involved, appointed by the Successor Agency, and who, or each of whom, has a favorable reputation in the field in which his/her opinion or certificate will be given, and:

- (1) is in fact independent and not under domination of the Successor Agency;
- (2) does not have any substantial interest, direct or indirect, with the Successor Agency, other than as original purchaser of the Bonds; and
- (3) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Insurance Policy” or “Policy” means the insurance policy issued by the Insurer that guarantees the scheduled payment of principal of and interest on the Insured Bonds when due.

“Insured Bonds” means the Bonds maturing on and after _____.

“Insurer” means _____, or any successor thereto or assignee thereof.

“Interest Account” means the account by that name referenced in Section 4.3 of this Indenture.

“Interest Payment Date” means March 15 and September 15, commencing September 15, 2015 so long as any of the Bonds remain Outstanding hereunder.

“Law” means the Community Redevelopment Law of the State of California as cited in the recitals hereof.

“Maximum Annual Debt Service” means the largest of the sums obtained for any Bond Year after the computation is made, by totaling the following for each such Bond Year:

(1) The principal amount of all Bonds and Parity Bonds, if any, and the amount of any sinking account payments payable in such Bond Year; and

(2) The interest which would be due during such Bond Year on the aggregate principal amount of Bonds and Parity Bonds which would be outstanding in such Bond Year if the Bonds and Parity Bonds outstanding on the date of such computation were to mature or be redeemed in accordance with the maturity schedules for the Bonds and Parity Bonds. At the time and for the purpose of making such computation, the amount of term Bonds and term Parity Bonds already retired in advance of the above-mentioned schedules shall be deducted pro rata from the remaining amounts thereon.

“Opinion of Counsel” means a written opinion of an attorney or firm of attorneys of favorable reputation in the field of municipal bond law. Any opinion of such counsel may be based upon, insofar as it is related to factual matters, information which is in the possession of the Successor Agency as shown by a certificate or opinion of, or representation by, an officer or officers of the Successor Agency, unless such counsel knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which his or her opinion may be based, as aforesaid, is erroneous.

“Outstanding” means, when used as of any particular time with reference to Bonds, subject to the provisions of this Indenture, all Bonds theretofore issued and authenticated under this Indenture except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and authenticated pursuant to this Indenture.

“Oversight Board” means the oversight board duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

“Parity Bonds” means any additional tax allocation bonds (including, without limitation, bonds, notes, interim certificates, debentures or other obligations) issued by the Successor Agency as permitted by Section 3.4 of this Indenture.

“Pass-Through Agreements” means the agreements entered into prior to the date hereof pursuant to Section 33401 of the Health and Safety Code with the County of Butte,

“Permitted Investments” means:

- (a) For all purposes, including defeasance investments in refunding escrow accounts.
 - (1) Defeasance Securities
- (b) For all purposes other than defeasance investments in refunding escrow accounts.
 - (1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - Export-Import Bank
 - Rural Economic Community Development Administration
 - U.S. Maritime Administration
 - Small Business Administration
 - U.S. Department of Housing & Urban Development (PHAs)
 - Federal Housing Administration -Federal Financing Bank
 - (2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
 - Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
 - Obligations of the Resolution Funding Corporation (REFCORP)
 - Senior debt obligations of the Federal Home Loan Bank System
 - Senior debt obligations of other Government Sponsored Agencies
 - (3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks, which may include the Trustee, its parent holding company, if any, and their affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s and “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);
 - (4) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase;
 - (5) Investments in a money market fund, including those of an affiliate of the Trustee rated “AAAm” or “AAAm-G” or better by S&P;
 - (6) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not

callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

- (A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or
 - (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) of the definition of Defeasance Securities, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.
- (7) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P.
 - (8) Investment Agreements with an entity rated “A” or higher by S&P; and;
 - (9) The Local Agency Investment Fund of the State or any state administered pooled investment fund in which the Successor Agency is statutorily permitted or required to invest will be deemed a permitted investment.
- (c) The value of the above investments shall be determined as follows:
- (1) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, and Bank of America Merrill Lynch.
 - (2) As to certificates of deposit and bankers’ acceptances: the face amount thereof, plus accrued interest thereon; and
 - (3) As to any investment not specified above: the value thereof established by prior agreement among the Successor Agency and the Trustee.

“Pledged Tax Revenues” means the monies deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of Section 34183 of the

Dissolution Act. If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Pledged Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to Health & Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

“Policy Costs” has the meaning set forth in Section 4.3.

“Prior Agency” means the Redevelopment Agency of the City of Oroville.

“Principal Account” means the account by that name referenced in Section 4.3 of this Indenture.

“Principal Payment Date” means September 15, commencing September 15, 2015, so long as any of the Bonds remain Outstanding hereunder.

“Rebate Fund” means the fund by that name referenced in Section 4.4 of this Indenture.

“Rebate Regulations” means the final Treasury Regulations issued under Section 148(f) of the Code.

“Recognized Obligation Payment Schedule” means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (l) of Section 34177 of the Dissolution Act.

“Redemption Account” means the account by that name referenced in Section 4.3 of this Indenture.

“Redevelopment Agency of the City of Oroville” means the Redevelopment Agency of the City of Oroville.

“Redevelopment Plan” means the Redevelopment Plan for a redevelopment project known and designated as the “Oroville Redevelopment Project No. 1” that was adopted and approved by Ordinance No. 1353 of the City of Oroville on July 6, 1981, as amended to date.

“Redevelopment Project Area,” “Redevelopment Project” or “Project Area” means the Project Area described in the Redevelopment Plan.

“Refunded Obligations” means the 2002 Loan Obligation and the 2004A Loan Obligation.

“Registration Books” means the books kept by the Trustee containing the registration and transfer information for the Bonds.

“Regular Record Date” means the fifteenth day of the month preceding any Interest Payment Date whether or not such day is a Business Day.

“Report” means a document in writing signed by an Independent Financial Consultant and including:

(a) A statement that the person or firm making or giving such Report has read the pertinent provisions of the Indenture to which such Report relates;

(b) A brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and

(c) A statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

“Reserve Account” means the account by that name referenced in Section 4.3 hereof.

“Reserve Policy” means the reserve surety issued by the Insurer on the date of the issuance of the Bonds in an amount equal to the Reserve Requirement.

“Reserve Requirement” means, as of the date of computation, an amount equal to the combined lesser of (i) Maximum Annual Debt Service on the Bonds and any Parity Bonds, (ii) 10% of the net proceeds of the Bonds and any Parity Bonds, or (iii) 125% of the Annual Debt Service on all Bonds and Parity Bonds Outstanding.

“Redevelopment Obligation Retirement Fund” means the fund by that name referenced in Section 4.2 of this Indenture.

“State” means the State of California, United States of America.

“Supplemental Indenture” means any indenture then in full force and effect which has been duly adopted by the Successor Agency under the Dissolution Act, or any act supplementary thereto or amendatory thereof, at a meeting of the Successor Agency duly convened and held, of which a quorum was present and acted thereon, amendatory of or supplemental to this Indenture or any indebtedness entered into in connection with the issuance of Parity Bonds; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Statutory Pass-Through Amounts” means amounts paid to affected taxing agencies, if any, pursuant to Sections 33607.5 and/or 33607.7 of the Law and Section 34183 of the Dissolution Act.

“Tax Certificate” means that certain Tax Certificate executed by the Successor Agency with respect to the Bonds.

[“Term Bonds” means those Bonds maturing on September 15, _____.]

“Trust Office” means the principal corporate trust office of the Trustee in _____, California, or such other office as the Trustee may from time to time designate in writing to the Agency and the Owners except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Trustee” means _____, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in this Indenture.

“2002 Authority Bonds” means the Oroville Public Financing Authority, 2002 Tax Allocation Revenue Bonds (Oroville Redevelopment Project No. 1), issued pursuant to the 2002 Bonds Indenture for the purpose of making a loan to the Prior Agency as provided in the 2002 Loan Agreement.

“2002 Loan Agreement” means the Loan Agreement entered into by the Prior Agency with the Oroville Public Financing Authority dated as of October 31, 2002.

“2002 Loan Obligation” means the Prior Agency’s loan obligation under the 2002 Loan Agreement.

“2002 Escrow Agreement” means the 2002 Escrow Agreement dated as of March 1, 2015, by and between the Agency and the 2002 Escrow Bank.

“2002 Escrow Bank” means Union Bank of California, N.A., its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in this Indenture.

“2002 Bonds Indenture” means the Indenture of Trust dated as of October 1, 2002 by and between the Prior Agency and Union Bank of California, N.A., pursuant to which the 2002 Authority Bonds were issued.

“2004A Authority Bonds” means the Oroville Public Financing Authority, 2004 Tax Allocation Revenue Bonds, Series A (Oroville Redevelopment Project No. 1), issued pursuant to the 2004A Bonds Indenture for the purpose of making a loan to the Prior Agency as provided in the 2004A Loan Agreement.

“2004A Loan Agreement” means the Loan Agreement entered into by the Prior Agency with the Oroville Public Financing Authority dated as of August 5, 2004.

“2004A Loan Obligation” means the Prior Agency’s loan obligation under the 2004A Loan Agreement.

“2004A Escrow Agreement” means the 2004A Escrow Agreement dated as of March 1, 2015, by and between the Agency and the 2004A Escrow Bank.

“2004A Escrow Bank” means Union Bank of California, N.A., its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in this Indenture.

“2004A Bonds Indenture” means the Indenture of Trust dated as of July 1, 2004 by and between the Prior Agency and Union Bank of California, N.A., pursuant to which the 2004A Authority Bonds were issued.

“2004B Authority Bonds” means the Oroville Public Financing Authority, 2004 Tax Allocation Revenue Bonds, Series B (Oroville Redevelopment Project No. 1), issued pursuant to the

2004B Bonds Indenture for the purpose of making a loan to the Prior Agency as provided in the 2004B Loan Agreement.

“2004B Loan Agreement” means the Loan Agreement entered into by the Prior Agency with the Oroville Public Financing Authority dated as of August 5, 2004.

“2004B Loan Obligation” means the Prior Agency’s loan obligation under the 2004A Loan Agreement.

“2004B Bonds Indenture” means the Indenture of Trust dated as of July 1, 2004 by and between the Prior Agency and Union Bank of California, N.A., pursuant to which the 2004B Authority Bonds were issued.

“Written Request of the Successor Agency” or “Written Certificate of the Successor Agency” means a request or certificate, in writing signed by the Executive Director, Secretary or Finance Officer of the Successor Agency or by any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

Section 1.3 Rules of Construction. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.1 Authorization of Bonds. (a) Bonds in the aggregate principal amount of _____ Dollars (_____) are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture and the Act. This Indenture constitutes a continuing agreement with the Trustee for the benefit of the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Bonds shall be designated the “Successor Agency to the Oroville Redevelopment Agency, Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015.”

(a) The Bonds shall be and are special obligations of the Successor Agency and are secured on a parity with the 2004B Loan Obligation by an irrevocable pledge of Pledged Tax Revenues and other funds as hereinafter provided. The Bonds, interest and premium, if any, thereon are not a debt of the City, the State or any of its political subdivisions (except the Successor Agency), and none of the City, the State nor any of its political subdivisions (except the Successor Agency) is liable on them. In no event shall the Bonds, interest thereon and premium, if any, be payable out of any funds or properties other than those of the Successor Agency as set forth in this Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Successor Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

The Bonds shall be and are equally secured together with the 2004B Loan Obligation and any other Parity Bonds, by an irrevocable pledge of the Pledged Tax Revenues and other funds as hereinafter provided, without priority for number, maturity, date of sale, date of execution or date of delivery, except as expressly provided herein.

Nothing in this Indenture shall preclude: (a) the payment of the Bonds from the proceeds of refunding bonds issued pursuant to the Law, or (b) the payment of the Bonds from any legally available funds. Nothing in this Indenture shall prevent the Successor Agency from making advances of its own funds, however derived, to any of the uses and purposes mentioned in this Indenture.

The Successor Agency shall have the right to defease the Bonds and be discharged from the lien of this Indenture in accordance with the provision of Section 9.3 hereof. If the Successor Agency shall cause to be paid, or shall have made provision to pay upon maturity or upon redemption prior to maturity, to the Bondowners the principal of, premium, if any, and interest to become due on the Bonds, through setting aside trust funds or setting apart in a reserve fund or special trust account created pursuant to this Indenture or otherwise, or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account with a fiscal agent or otherwise, moneys sufficient therefor, including, but not limited to, interest earned or to be earned on the investment of such funds, then the lien of this Indenture, including, without limitation, the pledge of the Pledged Tax Revenues, and all other rights granted hereby, shall cease, terminate and become void and be discharged and satisfied, and the principal of, premium, if any, and interest on the Bonds shall no longer be deemed to be outstanding and unpaid; provided, however, that nothing in this Indenture shall require the deposit of more than such amount as may be sufficient, taking into account both the principal amount of such funds and the interest to become due on the investment thereof, to implement any refunding of the Bonds.

Section 2.2 Term of Bonds. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof and the Bonds shall mature on the dates and in the amounts and shall bear interest at the rate per annum as follows:

Date	Principal Amount	Interest Rate
9/1/2015	\$	%
9/1/2016		
9/1/2017		
9/1/2018		
9/1/2019		
9/1/2020		
9/1/2021		
9/1/2022		
9/1/2024		
9/1/2025		
9/1/2026		
9/1/2027		
9/1/2028		
9/1/2029		
9/1/2030		
9/1/2031 (maturity)		

Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check or draft of the Trustee mailed on the Interest Payment Date by first class mail to such Owner at the address of such Owner as it appears on the Registration Books; provided, however, that upon the written request of any Owner of at least \$1,000,000 in principal amount of Bonds received by the Trustee at least fifteen (15) days prior to such Regular Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner. Principal of and redemption premium (if any) on any Bond shall be paid upon presentation and surrender thereof, at maturity or redemption, at the Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America Interest shall be calculated based upon a 360-day year of twelve thirty-day months.

Each Bond shall be initially dated as of the Delivery Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Regular Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) a Bond is authenticated on or before February 15, 2015, in which event it shall bear interest from the Delivery Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.3 Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or before September 15, 2024 are not subject to redemption prior to maturity. The Bonds maturing on and after September 15, 2025 are subject to redemption prior to maturity in whole, or in part in the manner determined by the Agency, on any date on or after September 15, 2024, from any available source of funds, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) as follows, together with accrued interest thereon to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
September 15, 2024 and thereafter	100%

In the event the Agency shall elect to redeem Bonds as provided in this Section 2.3(a), the Agency shall give written notice to the Trustee of its election so to redeem, the redemption date and the principal amount of the Bonds to be redeemed. The notice to the Trustee shall be given at least 45 but no more than 60 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee in the sole determination of the Trustee, such notice for the convenience of the Trustee.

(b) [Sinking Account Redemption]. The Term Bonds maturing on September 15, _____ are subject to redemption in part by lot on September 15 in each year shown below until maturity, from sinking account payments made by the Agency, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of the Bonds have been redeemed the total amount of all future sinking account payments will be reduced by an amount corresponding to the aggregate principal amount of Bonds so redeemed, to be allocated among such sinking account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Agency (notice of which determination will be given by the Agency to the Trustee).

<u>Term Bonds Maturing on September 15, 20____</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>

]

(c) Purchase In Lieu of Redemption. In lieu of optional or sinking account redemption of Bonds, amounts on deposit in the Redevelopment Obligation Retirement Fund (to the extent not required to be transferred to the Trustee during the current Bond Year) may also be used and withdrawn by the Successor Agency at any time for the purchase of the Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of the Bonds so purchased by the Successor Agency and surrendered to the Trustee for cancellation in any twelve-month period ending on August 15, in any year will be credited towards and will reduce the principal amount of the Bonds otherwise required to be redeemed on the following September 15 pursuant to this Indenture.

(d) Notice of Redemption. The Trustee on behalf of and at the expense of the Agency will mail (by first class mail, postage prepaid) notice of any redemption at least 30 but not more than 60 days prior to the redemption date, to (i) the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access system, or any successor thereto; but such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding (or all Bonds of a maturity) are to be redeemed, and will require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Section 2.4 Form of Bonds. The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.5 Execution of Bonds. The Bonds shall be executed on behalf of the Successor Agency by the signature of its Executive Director and the signature of its Secretary who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Successor Agency although on the date of such Bond any such person shall not have been such officer of the Successor Agency.

Only such of the Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit A hereto, manually executed and dated by and in the name of the Trustee by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary Bonds are issued pursuant to Section 2.9 hereof, the temporary Bonds shall bear thereon a certificate of authentication manually executed and dated by the Trustee, shall be initially registered

by the Trustee, and, until so exchanged as provided under Section 2.9 hereof, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.6 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of like series, interest rate, maturity and principal amount of authorized denominations. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.6 from the Bondowner transferring the Bond or Bonds. The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any exchange or transfer shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.6, either (a) any Bonds during the period established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption pursuant to the provisions of Section 2.3.

Section 2.7 Exchange of Bonds. Bonds may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.7 from the Bondowner exchanging the Bond or Bonds. The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any exchange or transfer shall be paid by the Successor Agency.

The Trustee may refuse to exchange, under the provisions of this Section 2.7, either (a) any Bonds during the period established by the Trustee for the selection of Bonds for redemption or (b) any Bonds selected by the Trustee for redemption pursuant to the provisions of Section 2.3.

Section 2.8 Registration Books. The Trustee will keep or cause to be kept, at its Trust Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours be open to inspection by the Successor Agency with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds as hereinbefore provided.

Section 2.9 Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Bonds. If the Successor Agency issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the

temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.10 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon deliver, a new Bond of like amount and maturity in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Successor Agency and the Trustee and, if such evidence is satisfactory to both and indemnity satisfactory to them shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like amount and maturity in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Successor Agency may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.11 Book-Entry Only System. It is intended that the Bonds, be registered so as to participate in a securities depository system with DTC (the "DTC System"), as set forth herein. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds. The Successor Agency and the Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including a representation letter in the form required by DTC (the "Representation Letter"). In the event of any conflict between the terms of any such letter or agreement, including the Representation Letter, and the terms of this Indenture, the terms of this Indenture shall control. DTC may exercise the rights of a Bondholder only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to the Bonds registered in the books of the Trustee in the name of Cede & Co., as nominee of DTC, the Successor Agency and the Trustee, shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "DTC Participant") or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, Successor Agency and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC Participant or any Indirect Participant or any other person, other than a Bondholder, as shown in the Register, of any notice with respect to the Bonds, including any notice of redemption, (c) the payment to any DTC Participant or Indirect Participant or any other Person, other than a Bondholder, as shown in the Registration Books, of any amount with respect to principal of, premium, if any, or interest on, the Bonds or (d) any consent given by DTC as registered owner. So long as certificates for the Bonds are not issued pursuant to Section 2.12 and the Bonds are registered to DTC, the Successor Agency, and the Trustee shall treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of the Bonds for all purposes whatsoever, including without limitation (i) the

payment of principal and interest on the Bonds, (ii) giving notice of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds and (iv) the selection of Bonds for redemption. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Notwithstanding any other provision of this Indenture to the contrary, so long as any of the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the Representation Letter.

Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks being mailed to the registered owner at the close of business on the Record Date applicable to any Interest Payment Date, the name "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 2.12 Successor Securities Depository: Transfers Outside Book-Entry Only System. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Successor Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law. The Successor Agency, without the consent of any other person, but following written notice to the Successor Agency and the Trustee, may terminate the services of DTC with respect to the Bonds. Upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to the foregoing provisions, unless a substitute securities depository is appointed to undertake the functions of DTC hereunder, the Successor Agency, at the expense of the Successor Agency, is obligated to deliver Bond certificates to the beneficial owners of the Bonds, as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the books of the Trustee in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names the Bondowner transferring or exchanging Bonds shall designate to the Trustee in writing, in accordance with the provisions of this Indenture. The Successor Agency may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, as may be acceptable to the Successor Agency, or such depository's agent or designee.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS; PARITY DEBT

Section 3.1 Issuance of Bonds. Upon the execution and delivery of this Indenture and receipt by the Successor Agency of evidence satisfactory to it of satisfaction of the conditions precedent to issuance of the Bonds, the Successor Agency shall execute and deliver Bonds in the aggregate principal amount of _____ Dollars (_____) to the Trustee and the Trustee shall authenticate and deliver the Bonds upon the Written Request of the Successor Agency.

Section 3.2 Application of Proceeds of Bonds. On the Delivery Date the net proceeds of the sale of the Bonds (consisting of the par amount of the Bonds, plus net original issue premium of \$ _____, less Underwriter's Discount of \$ _____, and less moneys wired to the Insurer for the Policy and the Reserve Policy in the amount of \$ _____) shall be paid to the

Trustee and said amount together with moneys transferred from the Funds and Accounts held in connection with the Refunded Bonds shall be applied as follows:

(i) The Trustee shall transfer the amount of \$_____ (consisting of \$_____ from Bond proceeds and \$_____ from amounts transferred from funds held in connection with the 2002 Authority Bonds) to the 2002 Escrow Bank for deposit pursuant to the 2002 Escrow Agreement;

(ii) Trustee shall transfer the amount of \$_____ (consisting of \$_____ from Bond proceeds and \$_____ from amounts transferred from funds held in connection with the 2004A Authority Bonds) to the 2004A Escrow Bank for deposit pursuant to the 2004A Escrow Agreement; and

(iii) The Trustee shall deposit the amount of \$_____ from Bond proceeds into the Costs of Issuance Fund.

The Trustee may establish a temporary fund or account in its records to facilitate and record such deposits and transfers.

The Reserve Policy shall be held by the Trustee in the Bonds Reserve Account in satisfaction of the Reserve Requirement.

Moneys held under the 2002 Escrow Agreement and the 2004A Escrow Agreement pursuant to Section 3.2 hereof shall be held by the 2002 Escrow Bank and 2004A Escrow Bank, respectively, and used to pay the principal of and interest on the 2002 Authority Bonds and the 2004A Authority Bonds, respectively, in accordance therewith.

Section 3.3 Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund," which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said Fund. On the date that is three (3) months following the Delivery Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Debt Service Fund and the Trustee shall close the Costs of Issuance Fund.

Section 3.4 Issuance of Parity Bonds. In addition to the Bonds, subject to the requirements of this Indenture, the Successor Agency may issue or incur Parity Bonds in such principal amount as shall be determined by the Successor Agency, pursuant to a separate or Supplemental Indenture adopted or entered into by the Successor Agency and Trustee and for such purposes as are permitted under the Dissolution Act, including without limitation Section 34177.5 thereof. The Successor Agency may issue or incur such Parity Bonds subject to the following specific conditions precedent:

(a) The Successor Agency will be in compliance with all covenants set forth in this Indenture;

(b) The Oversight Board shall have approved the issuance of Parity Bonds;

(c) The Parity Bonds will be on such terms and conditions as may be set forth in a separate or Supplemental Indenture, which will provide for (i) bonds substantially in accordance with this Indenture, and (ii) the deposit of moneys into the Reserve Account in an amount sufficient, together with the balance of the Reserve Account, to equal the Reserve Requirement on all Bonds expected to be outstanding including the Parity Bonds;

(d) Receipt of a certificate or opinion of an Independent Financial Consultant stating:

(i) For the current and each future Bond Year the debt service for each such Bond Year with respect to all Bonds and other Parity Bonds reasonably expected to be outstanding following the issuance of the Parity Bonds;

(ii) For the then current Fiscal Year, the Pledged Tax Revenues to be received by the Successor Agency based upon the most recently certified assessed valuation of taxable property in the Project Area provided by the appropriate officer of the County;

(iii) For each future Fiscal Year, the Pledged Tax Revenues referred to in item (ii) together with (a) the amount determined in accordance with Section 51(a) of the California Revenue and Taxation Code and (b) the amount of Pledged Tax Revenues to be payable with respect to construction completed but not yet on the tax rolls, and taking into account the expiration of the time to receive Pledged Tax Revenues with respect to any portion of the Project Area and any amounts to be paid pursuant to the Pass Through Agreements and the Statutory Pass-Through Amounts; and

(iv) That for the then current Fiscal Year, the Pledged Tax Revenues referred to in item (ii) and for each future Fiscal Year the Pledged Tax Revenues referred to in item (iii) are at least equal to the sum of 125% of the Maximum Annual Debt Service with respect to amounts referred to in item (i) above (excluding debt service with respect to any portion of the Parity Bonds deposited in an escrowed proceeds account to the extent such debt service is paid from earnings on the investment of such funds), and, for the then current Fiscal Year, 100% of Annual Debt Service with respect to any subordinate debt and that the Successor Agency is entitled under the Dissolution Act, the Law and the Redevelopment Plan to receive taxes under Section 33670 of the Law in an amount sufficient to meet expected debt service with respect to all Bonds and other Parity Bonds.

(e) The Parity Bonds will mature on and interest will be payable on the same dates as the Bonds (except the first interest payment may be from the date of the Parity Bonds until the next succeeding March 15 or September 15) provided, however, nothing herein shall preclude the Successor Agency from issuing and selling Parity Bonds which do not pay current interest.

Section 3.5 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the Redevelopment Project or upon the performance by any person of his obligation with respect to the Redevelopment Project.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.1 Security of Bonds; Equal Security. Except as provided in Sections 4.2 and 6.6, the Bonds, the 2004B Loan Obligation and any additional Parity Bonds shall be equally secured by a pledge and lien on all of the Pledged Tax Revenues and on all of the moneys in the Redevelopment Obligation Retirement Fund and the Debt Service Fund (including the Interest Account, the Principal Account, the Reserve Account and the Redemption Account therein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

In consideration of the acceptance of the Bonds by those who shall own the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Trustee for the benefit of the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.2 Redevelopment Obligation Retirement Fund, Debt Service Fund, Deposit of Pledged Tax Revenues. There has been established a special trust fund known as the "Redevelopment Obligation Retirement Fund," which shall be held by the Successor Agency pursuant to Section 34170.5 of the Dissolution Act. There is hereby continued a special trust fund known as the "Debt Service Fund" and the accounts therein referred to below which shall be held by the Trustee in accordance with this Indenture. The Successor Agency shall deposit all of the Pledged Tax Revenues received in any Bond Year in the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts therein to the Trustee for deposit in the Debt Service Fund established and held under this Indenture until such time that the aggregate amounts on deposit in such Debt Service Fund equal the aggregate amounts required to be deposited into the Interest Account, the Principal Account, the Reserve Account and the Redemption Account in such Bond Year pursuant to Section 4.3 of this Indenture and for deposit in such Bond Year in the funds and accounts established with respect to Parity Bonds, as provided in any Supplemental Indenture.

Section 4.3 Transfer of Amounts by the Trustee. There are hereby created accounts within the Debt Service Fund as set forth below, to be known respectively as the Bonds Interest Account, the Bonds Principal Account, the Bonds Reserve Account and the Bonds Redemption Account. Moneys in the Debt Service Fund will be transferred by the Trustee in the following amounts at the following times, for deposit in the following respective accounts within the Debt Service Fund, which are hereby established with the Trustee, in the following order of priority:

(a) Bonds Interest Account. On or before the 5th Business Day preceding each Interest Payment Date, the Trustee will withdraw from the Debt Service Fund and transfer to the Bonds Interest Account an amount which, when added to the amount contained in the Bonds Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable

on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Bonds Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. Subject to this Indenture, all moneys in the Bonds Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture).

(b) Bonds Principal Account. On or before the 5th Business Day preceding each Principal Payment Date in each calendar year beginning September 15, 2015, the Trustee will withdraw from the Debt Service Fund and transfer to the Bonds Principal Account an amount equal to the principal or sinking account payments becoming due and payable on Outstanding Bonds on such September 15, to the extent monies on deposit in the Redevelopment Obligation Retirement Fund are available therefor. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal and sinking account payments to become due on such September 15 on all Outstanding Bonds. Subject to this Indenture, all moneys in the Bonds Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal and sinking account payments of the Bonds as it becomes due and payable.

(c) Bonds Reserve Account. In the event the moneys on deposit in the Debt Service Fund five (5) Business Days before any Interest Payment Date are less than the full amount of the interest and principal and sinking account payments required to be deposited, the Trustee will, five (5) Business Days before such Interest Payment Date, withdraw from the Bonds Reserve Account an amount equal to any such deficiency and will notify the Successor Agency of any such withdrawal. Promptly upon receipt of any such notice, the Successor Agency will withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Reserve Account an amount that will be sufficient to maintain the Reserve Requirement on deposit in the Bonds Reserve Account and the Reserve Account of any additional Parity Bonds. If there is not sufficient moneys in the Redevelopment Obligation Retirement Fund to transfer an amount, which will be sufficient to maintain the Reserve Requirement on deposit in the Bonds Reserve Account and the Reserve Account for any additional Parity Bonds, the Successor Agency will have an obligation to continue making transfers of Pledged Tax Revenues into the Debt Service Fund, as such revenues become available, and thereafter, as moneys become available in the Debt Service Fund, the Trustee will make transfers to the Reserve Account and the Reserve Account for any additional Parity Bonds until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Bonds Reserve Account and the Reserve Account for any additional Parity Bonds. No such transfer and deposit need be made to the Bonds Reserve Account (or any subaccount therein) so long as there is on deposit therein a sum at least equal to the Reserve Requirement. Subject to this Indenture all money in the Bonds Reserve Account will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Bonds Interest Account and the Bonds Principal Account (and subaccounts therein, as the case may be), in such order of priority, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder, any amount in the Bonds Reserve Account in excess of the Reserve Requirement will be withdrawn from the Bonds Reserve Account semiannually on or before the 5th Business Day preceding March 15 and September 15 by the Trustee and deposited in the Bonds Interest Account. All amounts in the Bonds Reserve Account on the 5th Business Day preceding the final Interest Payment Date will be withdrawn from the Reserve Account and will be transferred either (i) to the Bonds Interest Account and the Bonds Principal Account, in such order, to the extent required to make the deposits then required to be made or, (ii) if the Successor Agency shall have caused to be deposited with the Trustee an amount sufficient to

make the deposits required by this Indenture, then at the Written Request of the Successor Agency such amount shall be transferred as directed by the Successor Agency.

When no Bonds remain Outstanding, amounts on deposit in the Bonds Reserve Account shall be transferred to any Parity Bonds Reserve Account to the extent necessary to maintain the Reserve Requirement on any Parity Bonds then outstanding.

The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument, besides the Reserve Policy, provided in lieu of a cash deposit into the Bonds Reserve Account. Notwithstanding anything herein to the contrary, amounts on deposit in the Bonds Reserve Account shall be applied solely to the payment of debt service due on the Bonds.

Notwithstanding the foregoing, the following terms shall govern the Bonds Reserve Account so long as the Reserve Policy is deposited therein:

(1) The Successor Agency shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Insurer and shall pay interest thereon from the date of payment by the Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of: (x) the greater of: (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (the "Prime Rate") (any change in such Prime Rate to be effective on the date that such change is announced by JPMorgan Chase Bank) plus 3%; and (ii) the then applicable highest rate of interest with respect to the Certificates; and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event that JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify. If the interest provisions of this section shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the Successor Agency had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

(2) Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to one-twelfth (1/12th) of the aggregate of Policy Costs related to such draw.

(3) Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The obligation

to pay Policy Costs shall be secured by a valid lien on all Pledged Tax Revenues (subject only to the priority of payment provisions set forth hereunder).

(4) All cash and investments in the Bonds Reserve Account, if any, shall be transferred to the Debt Service Fund for payment of principal of and interest on the Bonds before any drawing may be made on the Reserve Policy or any other credit facility, surety bond (other than the Reserve Policy), municipal bond insurance policy, unconditional irrevocable letter of credit or any other security device, in each case issued by providers whose long term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, is rated, at the time such security device is issued, "AA" or better by S&P credited to the Bonds Reserve Account in lieu of cash (each, a "Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Bonds Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(5) If the Successor Agency shall fail to pay any Policy Costs in accordance with the requirements of this section, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided hereunder, other than: (i) acceleration of the maturity of the Bonds; or (ii) remedies which would adversely affect Owners of the Bonds.

(6) The Indenture shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The Successor Agency's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

(7) The Successor Agency shall include any Policy Costs then due and owing the Insurer in the calculation of the additional bonds test and the rate covenant in this Indenture.

(8) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of this section and provide notice to the Insurer in accordance with the terms of the Reserve Policy at least five (5) Business Days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Successor Agency with the Trustee to the Debt Service Fund more often than semiannually, the Trustee shall be instructed to give notice to the Insurer of any failure of the Successor Agency to make timely payment in full of such deposits within two (2) Business Days of the date due.

(d) Bonds Redemption Account. On or before the 5th Business Day preceding any date on which Bonds are to be redeemed, the Trustee shall transfer from the Debt Service Fund for deposit in the Bonds Redemption Account an amount required to pay the principal of, interest and premium, if any, on the Bonds (other than Bonds redeemed from sinking account payments) to be redeemed on such date. Subject to this Indenture, all moneys in the Bonds Redemption Account will

be used and withdrawn by the Trustee solely for the purpose of paying the principal of, interest and premium, if any, on the Bonds to be redeemed on the date set for such redemption.

Section 4.4 Rebate Fund. The Trustee shall establish the Rebate Fund and the Successor Agency shall comply with the requirements below. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section and the applicable Tax Certificate, unless the Successor Agency obtains an opinion of Bond Counsel that the exclusion from gross income of interest on the Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied.

(a) Excess Investment Earnings

(i) Computation. Within 55 days of the end of each fifth Computation Year with respect to the Bonds, the Successor Agency shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exception of Section 148(f)(4)(B) and the construction expenditure exception of Section 148(f)(4)(C) of the Code), for this purpose treating the last day of the applicable Computation Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the "Rebatable Arbitrage"). The Successor Agency shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Transfer. Within 55 days of the end of each fifth Computation Year with respect to the Bonds, upon the Finance Officer's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this Section 4.4(a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the Finance Officer, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Debt Service Fund.

(iii) Payment to the Treasury. The Successor Agency shall direct the Trustee in writing to pay to the United States Treasury, out of amounts in the Rebate Fund.

(X) Not later than 60 days after the end of (A) the fifth Computation Year with respect to the Bonds, and (B) each applicable fifth Computation Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Computation Year; and

(Y) Not later than 60 days after the payment of all the Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Computation Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Successor Agency shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Subsection 4.4(a)(iii) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T prepared by the Successor Agency, or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Bonds and the payments described in Section 4.4(a)(iii), shall be transferred by the Trustee to the Successor Agency at the written direction of the Successor Agency and utilized in any manner by the Successor Agency.

(c) Survival of Defeasance. Notwithstanding anything in this Section 4.4 or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of the Bonds and any Parity Bonds.

(d) Trustee Responsible. The Trustee shall have no obligations or responsibilities under this Section other than to follow the written directions of the Successor Agency. The Trustee shall have no responsibility to make any calculations of rebate or to independently review or verify such calculations.

Section 4.5 Claims upon the Insurance Policy. If, on the third Business Day prior to an Interest Payment Date there is not on deposit with the Trustee, after making all transfers and deposits required hereunder, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Interest Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Interest Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Interest Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal of the Insured Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Bondowner, whether DTC or its Nominee or otherwise, and shall issue a replacement Insured Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Successor Agency with respect to any Insured Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (as such term is defined below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondowners referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Bondowners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondowners in the same manner as principal and interest payments are to be made on the Bonds under this Indenture. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Successor Agency agrees to pay to the Insurer: (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Bond Insurer Advances"); and (ii) interest on such Bond Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate (as such term is defined below) per annum (collectively, the "Bond Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of: (a) the greater of: (1) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%; and (2) the then applicable highest rate of interest on the Insured Bonds; and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Successor Agency hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Pledged Tax Revenues and payable from such Pledged Tax Revenues on a parity with debt service due on the Insured Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Insurer.

The Insurer shall, to the extent that it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Successor Agency to the Insurer hereunder shall survive the discharge or termination thereof.

The Successor Agency shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with: (i) the administration, enforcement, defense or preservation of any rights or security herein; (ii) the pursuit of any remedies hereunder or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, this Indenture whether or not executed or completed; or (iv) any litigation or other dispute in connection herewith or the transactions contemplated hereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect hereof.

The Insurer shall be entitled to pay principal of or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Successor Agency (as such terms are defined in the Insurance Policy), whether or not the Insurer has received a Notice of Nonpayment (as such term is defined in the Insurance Policy) or a claim upon the Insurance Policy.

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.1 Covenants of the Successor Agency. As long as the Bonds are outstanding and unpaid, the Successor Agency shall (through its proper members, officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Indenture or in any Bond issued hereunder, including the following covenants and agreements for the benefit of the Bondowners which are necessary, convenient and desirable to secure the Bonds and will tend to make them more marketable; provided, however, that the covenants do not require the Successor Agency to expend any funds other than the Pledged Tax Revenues:

Covenant 1. Use of Proceeds; Management and Operation of Properties. The Successor Agency covenants and agrees that the proceeds of the sale of the Bonds will be deposited and used as provided in this Indenture and that it will manage and operate all properties owned by it comprising any part of the Project Area in a sound and businesslike manner.

Covenant 2. No Priority. The Successor Agency covenants and agrees that it will not issue any obligations payable, either as to principal or interest, from the Pledged Tax Revenues which have any lien upon the Pledged Tax Revenues prior or superior to the lien of the Bonds. Except as permitted by Section 3.4 hereof, it will not issue any obligations, payable as to principal or interest, from the Pledged Tax Revenues, which have any lien upon the Pledged Tax Revenues on a parity with the Bonds authorized herein. Notwithstanding the foregoing, nothing in this Indenture shall prevent the Successor Agency (i) from issuing and selling pursuant to law, refunding obligations payable from and having any lawful lien upon the Pledged Tax Revenues, if such refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding all or a portion of the Outstanding Bonds and Parity Bonds, (ii) from issuing and selling obligations which have, or purport to have, any lien upon the Pledged Tax Revenues which is junior to the Bonds or (iii) from issuing and selling bonds or other obligations which are payable in whole or in part from sources other than the Pledged Tax Revenues. As used herein "obligations" includes, without limitation, bonds, notes, interim certificates, debentures or other obligations.

Covenant 3. Punctual Payment. The Successor Agency covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Bonds on the date, at the place and in the manner provided in the Bonds. Further, it will take all actions required under the Dissolution Act to include on the Recognized Obligation Payment Schedules for each six-month period all payments to the Trustee to satisfy the requirements of Section 4.2 of this Indenture, including any amounts required under the Indenture to replenish the Reserve Account of the Debt Service Fund to full amount of the Reserve Requirement.

Covenant 4. Payment of Taxes and Other Charges. The Successor Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Successor Agency or any of the properties then owned by it in the

Project Area, or upon the revenues and income therefrom, and will pay all lawful claims for labor, materials and supplies which if unpaid might become a lien or charge upon any of the properties, revenues or income or which might impair the security of the Bonds or the use of Pledged Tax Revenues or other legally available funds to pay the principal of and interest on the Bonds, all to the end that the priority and security of the Bonds shall be preserved; provided, however, that nothing in this covenant shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of the payment.

Covenant 5. Books and Accounts; Financial Statements. The Successor Agency covenants and agrees that it will at all times keep, or cause to be kept, proper and current books and accounts (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Redevelopment Project and the Pledged Tax Revenues and other funds relating to the Project Area. The Successor Agency will prepare within one hundred eighty (180) days after the close of each of its Fiscal Years a postaudit of the financial transactions and records of the Successor Agency for the Fiscal Year to be made by an Independent Certified Public Accountant appointed by the Successor Agency, and will furnish a copy of the postaudit to the Trustee and any rating agency which maintains a rating on the Bonds, and, upon written request, to any Bondowner. The Trustee shall have no duty to review such postaudits.

Covenant 6. Eminent Domain Proceeds. The Successor Agency covenants and agrees that if all or any part of the Redevelopment Project Area should be taken from it without its consent, by eminent domain proceedings or other proceedings authorized by law, for any public or other use under which the property will be tax exempt, it shall take all steps necessary to adjust accordingly the base year property tax roll of the Project Area.

Covenant 7. Disposition of Property. The Successor Agency covenants and agrees that it will not dispose of more than ten percent (10%) of the land area in the Project Area (except property shown in the Redevelopment Plan in effect on the date this Indenture is adopted as planned for public use, or property to be used for public streets, public offstreet parking, sewage facilities, parks, easements or right-of-way for public utilities, or other similar uses) to public bodies or other persons or entities whose property is tax exempt, unless such disposition will not result in Pledged Tax Revenues to be less than the amount required for the issuance of Parity Bonds as provided in Section 3.4, based upon the certificate or opinion of an Independent Financial Consultant appointed by the Successor Agency.

Covenant 8. Protection of Security and Rights of Bondowners. The Successor Agency covenants and agrees to preserve and protect the security of the Bonds and the rights of the Bondowners and to contest by court action or otherwise (a) the assertion by any officer of any government unit or any other person whatsoever against the Successor Agency that (i) the Law (except as modified by the Dissolution Act) is unconstitutional or (ii) that the Pledged Tax Revenues pledged under this Indenture cannot be paid to the Successor Agency for the debt service on the Bonds or (b) any other action affecting the validity of the Bonds or diluting the security therefor, including, with respect to the Pledged Tax Revenues, the senior lien position of the Bonds to the Pass-Through Agreements.

Covenant 9. Tax Covenants. The Successor Agency covenants and agrees to contest by court action or otherwise any assertion by the United States of America or any departments or agency thereof that the interest received by the Bondowners is includable in gross income of the recipient under federal income tax laws on the date of issuance of the Bonds. Notwithstanding any other

provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the Bonds will not be adversely affected for federal income tax purposes, the Successor Agency covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(1) Private Activity. The Successor Agency will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or Parity Bonds or of any other monies or property which would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(2) Arbitrage. The Successor Agency will make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds or Parity Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(3) Federal Guaranty. The Successor Agency will make no use of the proceeds of the Bonds or take or omit to take any action that would cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(4) Information Reporting. The Successor Agency will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code;

(5) Hedge Bonds. The Successor Agency will make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause either any Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the Successor Agency takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes; and

(6) Miscellaneous. The Successor Agency will take no action or refrain from taking any action inconsistent with its expectations stated in that certain Tax Certificate executed by the Successor Agency in connection with each issuance of Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

Covenant 10. Compliance with Dissolution Act. The Successor Agency covenants that it will comply with the requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. The Successor Agency covenants that in accordance with the Dissolution Act it will petition the DOF for a written confirmation that its determinations with respect to the Bonds are final and conclusive.

Covenant 11. Limitation on Indebtedness. The Successor Agency covenants and agrees that it has not and will not incur any loans, obligations or indebtedness repayable from Pledged Tax Revenues such that the total aggregate debt service on said loans, obligations or indebtedness

incurred from and after the date of adoption of the Redevelopment Plan, when added to the total aggregate debt service on the Bonds, will exceed the maximum amount of Pledged Tax Revenues to be divided and allocated to the Successor Agency pursuant to the Redevelopment Plan. The Successor Agency shall file annually with the Trustee on or prior to September 1 of each year a Written Certificate of the Successor Agency certifying that Pledged Tax Revenues received by the Successor Agency through the date of the certificate combined with the amount remaining to be paid on all outstanding obligations of the Successor Agency will not exceed the Plan Limit. To the extent it does, all Pledged Tax Revenues will be deposited in an escrow account and applied to the payment of such outstanding obligations.

Covenant 12. Further Assurances. The Successor Agency covenants and agrees to adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Indenture.

Covenant 13. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default (as defined in Article VIII); however, any participating underwriter, holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Covenant 14. Insurer's Rights. Anything herein to the contrary notwithstanding, so long as the Insurance Policy is in full force and effect and the Insurer is not in default of its obligations thereunder, upon the occurrence and continuance of an Event of Default, the Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Insured Bonds are entitled to take pursuant hereto pertaining to: (a) defaults and remedies; and (b) the duties and obligations of the Trustee. In furtherance thereof and as a term of this Indenture and each Bond, the Trustee and each Bondholder appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the Successor Agency under the United State Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Bondholder delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

So long as the Insurance Policy is in full force and effect and the Insurer is not in default of its obligations thereunder, the Trustee may not waive any Event of Default without the Insurer's prior written consent.

ARTICLE VI

THE TRUSTEE

Section 6.1 Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of its own affairs.

(b) The Successor Agency may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Successor Agency has knowledge that the Trustee has ceased to be eligible in accordance with subsection (e) of this Section, or has become incapable of acting, or has been adjudged as bankrupt or insolvent, or a receiver of the Trustee or its property has been appointed, or any public officer shall have taken control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving prior written notice of such resignation to the Successor Agency, and by giving the Owners notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it

under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a Successor Trustee as provided in this subsection, the Successor Agency shall mail, with a copy to the Successor Trustee, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency. Notwithstanding any other provisions of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed.

(e) Every successor Trustee appointed under the provisions of this Indenture shall be a trust company or bank in good standing authorized to exercise trust powers or having the powers of a trust company and duly authorized to exercise trust powers within the State having a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(f) The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds.

(g) Before taking any action under Article VIII or this Section 6.1 at the request or direction of the Owners, the Trustee may require that an indemnity bond satisfactory to the Trustee be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or its willful misconduct in connection with any action so taken.

Section 6.2 Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (e) of Section 6.1, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.3 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the Bonds nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless the Trustee shall have been negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until it shall have actual knowledge thereof, or shall have received written notice thereof at its Trust Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be responsible for reviewing the contents of any financial statements furnished to the Trustee pursuant to Section 5.1 and may rely conclusively on the certificates accompanying such financial statements to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Pledged Tax Revenues into the Redevelopment Obligation Retirement Fund and the investment and application of moneys on deposit in the Redevelopment Obligation Retirement Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(f) No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder.

(g) The Trustee may execute any of the trust or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(h) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(i) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

Section 6.4 Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, in the absence of negligence or willful misconduct by the Trustee. The Trustee may consult with counsel, including, without limitation, counsel of or to the Successor Agency, with regard to legal questions, and, in the absence of negligence or willful misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Successor Agency, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant or Independent Redevelopment Consultant appointed by the Successor Agency.

Section 6.5 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times during regular business hours upon reasonable notice to the inspection of the Successor Agency and any Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 6.6 Compensation and Indemnification. The Successor Agency shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Indenture. Upon the occurrence of an Event of Default, the Trustee shall have a first lien on the Pledged Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel incurred in declaring such Event of Default and in exercising the rights and remedies set forth in Article VIII hereof.

The Successor Agency further covenants and agree, but only to the extent permitted and limited by law, to indemnify and save the Trustee and its officers, directors, agents and employees, harmless from and against any loss, expense, and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses and those of its attorneys and advisors of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Successor Agency under this section shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Section 6.7 Investment of Moneys in Funds and Accounts. Subject to the provisions of Article V hereof, all moneys held by the Trustee in the Debt Service Fund, Costs of Issuance Fund, the Redemption Account or the Rebate Fund, shall, at the written direction of the Successor Agency, be invested only in Permitted Investments. If the Trustee receives no written directions from the Successor Agency as to the investment of moneys held in any Fund or Account, the Trustee shall request such written direction from the Successor Agency and, pending receipt of instructions, shall invest such moneys solely in Permitted Investments described in subsection (b)(5) of the definition thereof.

(a) Moneys in the Redevelopment Obligation Retirement Fund shall be invested by the Successor Agency only in obligations permitted by the Law, which will by their terms mature not later than the date the Successor Agency estimates the moneys represented by the particular investment will be needed for withdrawal from the Redevelopment Obligation Retirement Fund.

(b) Moneys in the Interest Account, the Principal Account and the Redemption Account of the Debt Service Fund shall be invested only in obligations, which will by their terms mature on such dates as to ensure that before each interest and principal payment date, there will be in such account, from matured obligations and other moneys already in such account, cash equal to the interest and principal payable on such payment date.

(c) Moneys in the Reserve Account shall be invested in (i) obligations, which will by their terms mature on or before the date of the final maturity of the Bonds or five (5) years from the date of investment, whichever is earlier or (ii) an investment agreement, which permits withdrawals or deposits without penalty at such time as such moneys will be needed or in order to replenish the Reserve Account.

(d) Moneys in the Rebate Fund shall be invested in Defeasance Securities that mature on or before the date such amounts are required to be paid to the United States.

Obligations purchased as an investment of moneys in any of the Funds or Accounts shall be deemed at all times to be a part of such respective Fund or Account and the interest accruing thereon and any gain realized from an investment shall be credited to such Fund or Account and any loss resulting from any authorized investment shall be charged to such Fund or Account without liability to the Trustee. The Successor Agency or the Trustee, as the case may be, shall sell or present for redemption any obligation purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such Fund or Account as required by this Indenture and shall incur no liability for any loss realized upon such a sale. All interest earnings received on any monies invested in the Interest Account, Principal Account, Redemption Account or Reserve Account, to the extent they exceed the amount required to be in such Account, shall be transferred on

each Interest Payment Date to the Debt Service Fund. All interest earnings on monies invested in the Rebate Fund shall be retained in such Fund and applied as set forth in Section 4.4. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 6.7. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.7 hereof. The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

The value of Permitted Investments shall be determined as follows: (i) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination; (ii) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; (iii) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and (iv) as to any investment not specified above: the value thereof established by prior agreement between the Successor Agency and the Trustee. If more than one provision of this definition of "value" shall apply at any time to any particular investment, the value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment; provided, notwithstanding the foregoing, in making any valuations hereunder, the Trustee may utilize and conclusively rely upon such pricing services as may be regularly available to it, including, without limitation, those within its regular accounting system.

Section 6.8 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts held by it established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency at reasonable hours and under reasonable circumstances with reasonable prior notice. The Trustee shall furnish to the Successor Agency, at least quarterly, an accounting of all transactions in the form of its regular account statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

Section 6.9 Appointment of Co-Trustee or Agent. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith,

it may be necessary that the Trustee or Successor Agency appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 6.9 are adopted to these ends.

In the event that the Trustee or Successor Agency appoint an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee to exercise such powers, rights and remedies, and every covenant an obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Successor Agency be required by the separate trustee or co-trustee so appointed by the Trustee or Successor Agency for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Successor Agency. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

In addition to the appointment of a co-trustee hereunder, the Trustee may, at the expense and with the prior written consent of the Successor Agency, appoint any agent of the Trustee in St. Paul, Minnesota, for the purpose of administering the transfers or exchanges of Bonds or for the performance of any other responsibilities of the Trustee hereunder.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.1 Amendment Without Consent of Owners. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, with the prior written consent of the Insurer but without consent of any Owners, to the extent permitted by law for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Successor Agency in this Indenture contained, other covenants and agreements thereafter to be observed or to limit or surrender any rights or power herein reserved to or conferred upon the Successor Agency; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners; or

(c) to provide the issuance of Parity Bonds pursuant to Section 3.4, and to provide the terms and conditions under which such Parity Bonds may be issued, including but not

limited to the establishment of Redevelopment Obligation Retirement Funds and accounts relating thereto and any other provisions relating solely thereto, subject to and in accordance with the provisions of Section 3.4; or

(d) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on any of the Bonds, in the opinion of nationally-recognized bond counsel.

Section 7.2 Amendment With Consent of Owners. Except as set forth in Section 7.1, this Indenture and the rights and obligations of the Successor Agency, the Insurer and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding, upon the prior written consent of the Insurer, when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Section 7.3 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.4 Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency, the Owners of such Bonds shall present such Bonds for that purpose at the Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and, in that case upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Trust Office of the Trustee, without cost to such Owners.

Section 7.5 Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

Section 7.6 Opinion of Counsel. The Trustee shall be provided an opinion of counsel that any such Amendment or Supplemental Indenture entered into by the Successor Agency and the Trustee complies with the provisions of this Article VII and the Trustee may conclusively rely upon such opinion.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.1 Events of Default and Acceleration of Maturities. The following events shall constitute "Events of Default" hereunder:

(a) if default shall be made in the due and punctual payment of the principal of or interest or redemption premium (if any) on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of 30 days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default; or

(c) if the Successor Agency shall commence a voluntary action under Title 11 of the United States Code or any substitute or successor statute.

If an Event of Default has occurred and is continuing, the Trustee may, or if requested in writing by the Owners of the majority in aggregate principal amount of the Bonds then Outstanding, the Trustee shall, by written notice to the Successor Agency, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, and (b) upon receipt of indemnity to its satisfaction exercise any other remedies available to the Trustee and the Owners in law or at equity.

Immediately upon becoming aware of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall, and with respect to any Event of Default described in clause (b) above the Trustee in its sole discretion may, also give such notice to the Successor Agency, and the Owners in the same manner as provided herein for notices of redemption of the Bonds, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid interest on the Bonds is actually paid on such date.)

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law) at the net effective rate then borne by the Outstanding Bonds, and the reasonable fees and expenses of the Trustee, including but not limited to attorneys' fees, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such

declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Upon the occurrence of an event of default, the Trustee may, upon the prior written consent of the Insurer, with the consent of a majority of the Holders, by written notice to the Successor Agency, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Indenture in the Bonds to the contrary notwithstanding. Notwithstanding the foregoing, in the event the principal of the Insured Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Insurer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Insured Bonds shall be fully discharged.

Section 8.2 Application of Funds Upon Acceleration. All of the Pledged Tax Revenues and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.1, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the order following, upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, attorneys and counsel including all sums owed the Trustee pursuant to Section 6.6 herein; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest on the overdue principal and installments of interest at the net effective rate then borne by the Outstanding Bonds (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest or any Bond over any other Bond.

Section 8.3 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action;

provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.4 Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provisions of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.5 Non-waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Pledged Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Dissolution Act or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Owners, the Successor Agency and the Owners shall be restored to

their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 8.6 Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds or Parity Bonds, as applicable, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, provided the Trustee shall have no duty or obligation to enforce any such right or remedy if it has not been indemnified to its satisfaction from loss, liability or any expense including, but not limited to reasonable fees and expenses of its attorneys.

Section 8.7 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Benefits Limited to Parties. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Successor Agency, the Trustee, and the registered Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Successor Agency, the Trustee, and the registered Owners of the Bonds.

Section 9.2 Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.3 Discharge of Indenture. If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all Outstanding Bonds, including all principal, interest and redemption premiums, (if any), or;

(ii) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and

accounts established pursuant to this Indenture, is fully sufficient to pay all Outstanding Bonds, including all principal, interest and redemption premiums (if any), or,

(iii) by irrevocably depositing with the Trustee, in trust, Defeasance Securities in such amount as an Independent Certified Public Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds (including all principal, interest and redemption premiums, if any) at or before maturity, and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given pursuant to Section 2.3(d) or provision satisfactory to the Trustee shall have been made for the giving of such notice then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture with respect to all Outstanding Bonds shall cease and terminate, except only (a) the obligation of the Trustee to transfer and exchange Bonds hereunder and (b) the obligation of the Successor Agency to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee. Any funds thereafter held by the Trustee, which are not required for said purpose, shall be paid over to the Successor Agency.

In the event of a refunding, the Successor Agency shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Bonds in full, and (ii) an opinion of nationally recognized Bond Counsel to the effect that the Bonds are no longer "Outstanding" under this Indenture, each of which shall be addressed to the Successor Agency and the Trustee.

In addition, so long as the Insurance Policy in is full force and effect and the Insurer has not defaulted on its obligations thereunder, the Successor Agency shall deliver to the Insurer the items set forth in (i) and (ii) of the preceding paragraph as applicable to the Insured Bonds, both of which shall be acceptable in form and substance to the Insurer, along with (iii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer) and (iv) a certificate of discharge of the Trustee with respect to the Insured Bonds. The Insurer shall receive drafts of these documents at least three Business Days prior to the funding of the escrow for the refunding.

Section 9.4 Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be provided by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee in good faith and in accordance therewith.

Section 9.5 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided, however, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned or held shall be disregarded.

Section 9.6 Waiver of Personal Liability. No member, office, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.7 Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall destroy such Bonds and upon written request of the Successor Agency, provide the Successor Agency a certificate of destruction. The Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.8 Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by first class mail, postage prepaid, or sent by telegram or facsimile, addressed as follows:

If to the Successor Agency: Successor Agency to the Oroville Redevelopment
Agency
1735 Montgomery Street
Oroville, CA 95965
Attention: City Manager

If to the Trustee: _____

Attention: Global Corporate Trust Services

If to the Insurer:

In each case in which notice or other communication to the Insurer refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the Insurer's General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 9.9 Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency hereby declares that it would have adopted this Indenture and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.1 hereof, be assumed by and vest in the Finance Officer of the Successor Agency in trust for the benefit of the Owners that the Finance Officer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bondowners, pending appointment of a successor Trustee in accordance with the provisions of Section 6.1 hereof.

Section 9.10 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium (if any) and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on such Bonds.

Section 9.11 Execution in Counterparts. This Indenture 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.

Section 9.12 Governing Law. This Indenture shall be construed and governed in accordance with the Laws of the State.

Section 9.13 Payments Due on Other Than a Business Day. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, is not a Business Day, such payment, with no interest accruing for the period from and after such nominal date, may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided therefore in this Indenture.

Section 9.14 Insurer as Third Party Beneficiary. So long as the Insurance Policy is in full force and effect and the Insurer is not in default of its obligations thereunder, the Trustee may not waive any Event of Default without the Insurer's written consent.

The rights granted to the Insurer hereunder to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondowners, and such action

does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Insurer.

So long as the Insurance Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder, the Insurer shall be provided with the following information by the Successor Agency or the Trustee, as the case may be:

(i) Annual audited financial statements within 180 days after the end of the Successor Agency's Fiscal Year (together with a certification of the Successor Agency that it is not aware of any default or Event of Default hereunder), and the Successor Agency's annual budget, if any, within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon amounts in the Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Requirement and (ii) withdrawals in connection with a refunding of the Insured Bonds;

(iii) Notice of any default known to the Trustee, or the Successor Agency within five (5) Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or prepayment of any of the Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Successor Agency commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of or interest on the Insured Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver hereto; and

(ix) All reports, notices and correspondence to be delivered to Bondowners under the terms hereof.

In addition, so long as the Insurance Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder:

(1) the Insurer shall have the right to receive such additional information as it may reasonably request;

(2) the Successor Agency will permit the Insurer to discuss the affairs, finances and accounts of the Successor Agency or any information that the Insurer may reasonably request regarding the security for the Insured Bonds with appropriate officers of the Successor Agency and will use commercially reasonable efforts to enable the Insurer to have access to the

facilities, books and records of the Successor Agency on any Business Day upon reasonable prior notice;

(3) the Trustee shall notify the Insurer of any failure of the Successor Agency to provide notices, certificates and other information hereunder;

(4) in determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, hereunder would adversely affect the security for the Insured Bonds or the rights of the Bondowners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy;

(5) no contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer; and

(6) No issuance or delivery of Additional Parity Bonds may occur (i) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (ii) unless the Reserve Account is fully funded at the Reserve Requirement (including the proposed issue) upon the issuance or delivery of such Additional Parity Bonds, in either case unless otherwise permitted by the Insurer.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY, has caused this Indenture to be signed in its name by its Chairman and attested by its Secretary, and _____, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer hereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE OROVILLE
REDEVELOPMENT AGENCY

By: _____
Its: Chairman

ATTEST:

By: _____
Secretary

as Trustee

By: _____
Its: Authorized Officer

EXHIBIT A
(FORM OF BOND)

No. R-__

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
(COUNTY OF BUTTE)

SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY
OROVILLE REDEVELOPMENT PROJECT NO. 1
TAX ALLOCATION REFUNDING BONDS, SERIES 2015

Interest Rate	Maturity Date	Dated Date	CUSIP
_____%	_____, 20__	March __, 2015	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the fifteenth calendar day of the month preceding such interest payment date (a "Record Date"), in which event it shall bear interest from such interest payment date, or (iii) this Bond is authenticated on or before September 1, 2015, in which event it shall bear interest from the Dated Date stated above; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the rate per annum stated above, payable semiannually on March 15 and September 15 in each year (each an "interest payment date"), commencing September 15, 2015, calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender of this Bond at the corporate trust office of _____, as trustee (the "Trustee"). Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed on the interest payment date by first class mail to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date next preceding such interest

payment date; provided, however, that upon the written request of any Registered Owner of at least \$1,000,000 in principal amount of Bonds received by the Trustee at least fifteen (15) days prior to such Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner.

This Bond is one of a duly authorized issue of Bonds of the Successor Agency designated as "Successor Agency to the Oroville Redevelopment Agency, Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015" (the "Bonds"), in an aggregate principal amount of _____ Dollars (_____), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of the Refunding Bond Act, being Article II (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"), and pursuant to a resolution of the Successor Agency adopted December 16, 2014, a resolution of the Successor Agency adopted on _____, 2015, and a resolution adopted by the Oversight Board on December 17, 2015, and an Indenture of Trust, dated as of March 1, 2015, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Additional bonds, notes or other obligations may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency to refund loan obligation of the Redevelopment Agency of the City of Oroville (the "Prior Agency") under the 2002 Loan Agreement by and between the Oroville Public Financing Authority and the Prior Agency and the loan obligation of the Prior Agency under the 2004A Loan Agreement by and between the Oroville Public Financing Authority and the Prior Agency.

The Bonds are special obligations of the Successor Agency and are payable from, and are secured by a pledge of and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Area (as that term is defined in the Indenture) on a parity with the 2004B Loan Obligation, as defined in the Indenture.

There has been created and will be maintained by the Successor Agency the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Pledged Tax Revenues shall be deposited and transferred to the Trustee for deposit into the Debt Service Fund (as defined in the Indenture) from which the Trustee shall pay the principal of and the interest and redemption premium, if any, on the Bonds when due. As and to the extent set forth in the Indenture, all such Pledged Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund for, in accordance with the terms hereof and the provisions of the Indenture and the Law, the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds, any additional bonds, notes or other obligations, authorized by the Indenture to be issued on a parity therewith. In addition, the Bonds (and, if the indenture authorizing any loans, advances or indebtedness issued on a parity with the Bonds shall so provide, any such loan, advance or indebtedness) shall be additionally secured at all times by a first and exclusive

pledge of and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account and the Redemption Account (as such terms are defined in the Indenture). Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds maturing on and after September 15, 2025 are subject to redemption prior to maturity in whole, or in part in the manner determined by the Successor Agency, at the option of the Successor Agency, on any date on or after September 15, 2024, from any available source of funds, at a redemption price of 100% percent of the principal amount of the Bonds to be redeemed together with accrued interest thereon to the redemption date without premium.

[The Bonds maturing on September 15, _____ are subject to redemption in part by lot on September 15 in each year until maturity, commencing on September 15, _____, from sinking account payments made by the Successor Agency, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the Indenture; provided, however, that if some but not all of the Bonds have been redeemed the total amount of all future sinking account payments shall be reduced by an amount corresponding to the aggregate principal amount of Bonds so redeemed, to be allocated among such sinking account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).]

As provided in the Indenture, notice of redemption shall be given by first class mail no less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 each and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, reduce the percentage of Bonds required for the written consent to any such amendment or modification or, without its written consent thereto, modify any of the rights or obligations of the Trustee.

This Bond is not a debt of the City of Oroville, the State of California, or any of its political subdivisions (except the Successor Agency), and none of said City, said State, nor any of its political subdivisions (except the Successor Agency) is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency as set forth in the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law and the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency to the Oroville Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its Executive Director and its Secretary, all as of the Delivery Date.

SUCCESSOR AGENCY TO THE
OROVILLE REDEVELOPMENT AGENCY

By: _____
Executive Director

By: _____
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture.

Authentication Date: August 20, 2015

as Trustee

By: _____
Authorized Officer

STATEMENT OF INSURANCE

TO COME

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Secretary of the Successor Agency to the Oroville
Redevelopment Agency of the City of Oroville

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and hereby irrevocably constitute(s) and appoint(s) _____
_____ attorney, to transfer the same on the
bond register of the Trustee with full power of substitution in the premises.

Dated: _____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an "eligible guarantor institution."

EXHIBIT C

AUTHORIZING RESOLUTIONS FOR SUCCESSOR AGENCY AND OVERSIGHT BOARD

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
HOME AND HOMEOWNERSHIP SECTION**

2020 W. El Camino Ave
Sacramento, CA 95833
(916) 263-2771
FAX (916) 263-3391



City of Oroville

NOV 24 2014

Administration

November 24, 2014

Linda Dahlmeier
City of Oroville
1735 Montgomery Street
Oroville, CA 95965

RE: CalHome Program – Mortgage Assistance for Standard Agreement 10-CalHome-6671

Dear Ms. Dahlmeier:

On November 19, 2014, I met with your staff for a monitoring review of City of Oroville's 10-CalHome-6671 Standard Agreement. The purpose of the review was to determine whether the award Recipient had implemented and administered its CalHome contract according to the Standard Agreement requirements as well as Program Regulations.

At the exit interview the details of the enclosed monitoring report were reviewed with staff.

No Level I concerns were identified in the monitoring report so no Recipient response is required.

We would like to take this opportunity to thank you for the cooperation and assistance extended by staff during the monitoring visit. We wish you success in your continuing affordable housing programs.

If you have any questions, please do not hesitate to contact me at 916.263.2673 or Andrea.Kennedy@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea Kennedy".

Andrea Kennedy
Program Representative

Enclosure

Handwritten initials in black ink, possibly "AK".



CALHOME MONITORING REPORT

CITY OF OROVILLE
10-CALHOME-6671

CalHome Program Reviewed:

- Mortgage Assistance
- Owner Occupied Rehabilitation
- Project Development

Date of Review: November 19, 2014

Date of Report: November 24, 2014

MONITORING CONTACT:

Recipient: Amy Bergstrand
HCD: Andrea Kennedy

This report is divided into three parts:

1. **Level I Concerns (non-compliance with published regulations or Standard Agreement)** - corrective action should be implemented and evidence of correction provided to HCD within 30 days of the date of the accompanying cover letter;
2. **Level II Concerns (non-compliance with Operations Handbook or Management Memos)** – corrective action is recommended for optimal adherence to program policies;
3. **Level III Concerns – (technical assistance and suggestions for program improvement)** - best practices.

LEVEL I CONCERNS

NONE

End of Level I Concerns

LEVEL II CONCERNS

NONE

End of Level II Concerns

LEVEL III CONCERNS

NONE

End of Level III Concerns



City of Oroville

DEC 04 2014

Administration

California Region
3055 Comcast Place
Livermore, CA 94551-9559

December 1, 2014

City Administrator, City of Oroville
1735 Montgomery
Oroville, CA. 95965

Dear Mr. Harold Duffey:

We are writing to provide advance notice of certain changes to our customers' bills.

Due to increases in programming and business costs, starting January 1, 2015 or with the first billing statement thereafter, the cost of select services will change as indicated on the attached customer notice. Please know that customers currently receiving services as part of a promotion will see no price changes until the end of the promotional period.

If you have any questions or need more information about these changes please feel free to call Lee-Ann Peling at 925-424-0168 (LeeAnn_Peling@cable.comcast.com) or me at 925-424-0207 (Mitzi_Givens-Russell@cable.comcast.com).

Sincerely,

Mitzi Givens-Russell
Franchise Operations Manager
Comcast California

Enclosure: Customer Notice



Important Information about XFINITY® Services



1-800-XFINITY | xfinity.com



At Comcast, we are committed to constantly improving your entertainment and communications experience, and we continue to invest in making your services even better. As we make these and other investments, we periodically need to adjust prices due to increases we incur in programming and other business costs.

Among these price changes, we have itemized a Regional Sports Fee for customers receiving Digital Starter service tiers and above to offset the rising costs of distributing regional sports networks. However, we will waive the Regional Sports Fee for current customers until July 1, 2015.

If you're currently receiving services on a promotional basis, under a minimum term agreement associated with a specific rate, or in the guaranteed period of one of our SurePrice™ plans, the prices for those specific services will not be affected during the applicable period. Have questions? Please visit us at comcast.com/questions or call us at 1-877-508-5498.

X35797

Effective January 1, 2015 or with your next billing cycle, the pricing for XFINITY fees/services, will change as follows:

XFINITY TV INSTALLATION FEES

	Current Rate	New Rate
Upgrade/Downgrade of Service - No in-home visit required	\$ 2.99	\$ 0.00

TRIPLE PLAY PACKAGES¹

	Current Rate	New Rate
Starter XF Triple Play	\$149.95	\$154.95
Preferred XF Triple Play	\$159.95	\$164.95
HD Preferred XF Bundle	\$169.95	\$174.95
HD Preferred Plus XF Bundle	\$189.95	\$194.95
HD Premier XF Bundle	\$219.95	\$224.95
HD Complete XF Bundle	\$249.95	\$254.95
XH PF Starter Triple Play Bundle	\$149.95	\$154.95
XH PF Preferred Triple Play Bundle	\$159.95	\$164.95
XH PF HD Preferred Triple Play Bundle	\$169.95	\$174.95
XH PF HD Preferred Plus Triple Play Bundle	\$189.95	\$194.95
XH PF HD Premier Triple Play Bundle	\$219.95	\$224.95
XH PF HD Complete Triple Play Bundle	\$249.95	\$254.95
XH PM Starter Triple Play Bundle	\$159.95	\$164.95
XH PM Preferred Triple Play Bundle	\$169.95	\$174.95
XH PM HD Preferred Triple Play Bundle	\$179.95	\$184.95
XH PM HD Preferred Plus Triple Play Bundle	\$199.95	\$204.95
XH PM HD Premier Triple Play Bundle	\$229.95	\$234.95
XH PM HD Complete Triple Play Bundle	\$259.95	\$264.95

QUAD PLAY PACKAGES¹

Quad Play Package is Additional to Triple Play Package Pricing

LATINO PAQUETE TRIPLE¹

	Current Rate	New Rate
Xfinity 3300 Latino	\$134.95	\$139.95
Xfinity 3450 Latino	\$149.95	\$154.95
Xfinity 3600 Latino	\$159.95	\$164.95
Xfinity 3650 Latino	\$169.95	\$174.95

XFINITY INTERNET

	Current Rate	New Rate
Blast! Speed Upgrade	\$ 11.00	\$ 12.00
Blast! Internet (with Xfinity TV or Voice Service)	\$ 66.95	\$ 67.95
Blast! Internet (Xfinity Internet Service Only)	\$ 77.95	\$ 78.95
Voice/Data Modem Rental	\$ 8.00	\$ 10.00
Wireless Gateway	\$ 8.00	\$ 10.00
Upgrade/Downgrade of Service - No in-home visit required	\$ 2.99	\$ 0.00

XFINITY VOICE

	Current Rate	New Rate
Voice/Data Modem Rental	\$ 8.00	\$ 10.00
Upgrade/Downgrade of Service - No in-home visit required	\$ 2.99	\$ 0.00

MISCELLANEOUS FEES

	Current Rate	New Rate
Service Protection Plan	\$ 3.99	\$ 4.99
Field Collection Charge	\$ 9.45	\$ 10.00
Regional Sports Fee (Applies to XFINITY TV Digital Starter and above)	NA	\$ 1.00

¹ Require a Voice/Data Modem, except for HD Complete Triple Play.

DEC 08 2014

December 3, 2014

TO: STATE, CITY AND LOCAL OFFICIALS

**PACIFIC GAS AND ELECTRIC COMPANY'S NOTICE TO ADJUST YOUR RATES FOR THE
2015-2017 ENERGY SAVINGS ASSISTANCE AND CALIFORNIA ALTERNATE RATES FOR
ENERGY PROGRAMS (A.14-11-010)**

Summary

On November 18, 2014, Pacific Gas and Electric Company (PG&E) proposed to the California Public Utilities Commission (CPUC) a request to approve funding for the 2015-2017 Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) programs and budgets effective January 1, 2015.

In Decision 14-08-030, the CPUC authorized funding for the year 2015 at the authorized 2014 budget level of \$176.8 million for both programs. Following D.14-08-030, the CPUC also issued General Rate Case Decision 14-08-032. As a result, PG&E is requesting an increase to our revenue requirement in 2015 for the ESA program of \$0.1 million. In addition, PG&E is requesting a revenue requirement decrease of \$7.2 million in 2016 and an increase of \$2.8 million in 2017. For the CARE program, PG&E is seeking a revenue requirement increase of \$0.2 million in 2015 to reflect certain authorized revenue changes as directed in D.14-08-030 and D.14-08-032. In addition, PG&E is requesting a revenue requirement increase of \$2.9 million in 2016 and \$1.1 million in 2017.

Background

In this filing, PG&E seeks approval to continue offering these financial and energy efficiency assistance programs. The ESA Program provides income-qualified renters and homeowners with easy, free solutions to help manage their energy use each month.

The CARE Program provides a monthly discount on energy bills for households and housing facilities that meet the program's income qualifications. Qualifications are based on the number of persons living in the home and the total gross annual household income.

How will PG&E's application affect me?

If approved, this application would result in an increase of less than one percent in PG&E's total annual electric and gas revenue requirements for the ESA and CARE programs from 2014 to 2015. The requested electric and gas revenue for 2015 would be collected from customers. Tables presenting more illustrative descriptions of the impact of this application were included in a bill insert announcing this filing that was sent directly to customers in December.

These increases in customers' bills would be collected through the Public Purpose Program (PPP) charge, which funds various programs, including those for low income customers, as required by California law and/or the CPUC. This charge is paid by bundled, direct access, community choice aggregation and eligible departing load customers. CARE customers are not charged for costs to the CARE program, which is a part of the PPP surcharge.

- Bundled service customers are those who receive electric generation, as well as transmission and distribution service from PG&E.
- Direct access customers only receive transmission and distribution service from PG&E.
- Community choice aggregation customers also only receive transmission and distribution service from PG&E.

How do I find out more about PG&E's proposals?

You can view PG&E's application and exhibits at pge.com/RegCases. Select "Low Income Program PY15-17" from the Cases dropdown menu.

If you have questions about PG&E's application, please contact PG&E at 1-800-743-5000. TDD/TTY users call 1-800-652-4712. Para más detalles llame al 1-800-660-6789 • (詳情請致電) 1-800-893-9555

If you would like a copy of PG&E's application and exhibits, please write to PG&E at the address below.

Pacific Gas and Electric Company
2015-2017 ESA CARE Application
P.O. Box 7442
San Francisco, CA 94120

A copy of PG&E's application and exhibits are also available for review at the CPUC, 505 Van Ness Avenue, San Francisco, CA 94102, Monday-Friday, 8 a.m.-noon. PG&E's application (without exhibits) is available on the CPUC's website at www.cpuc.ca.gov/puc.

How does the CPUC's decision-making process work?

This Application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate. After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision which may adopt PG&E's proposal, modify it or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

As a party of record, the Office of Ratepayer Advocates (ORA) will review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. Other parties of record will also participate in the CPUC's proceeding to consider this application. For more information about ORA, please call 415-703-1584, email ora@cpuc.ca.gov or visit ORA's website at <http://ora.ca.gov/default.aspx>.

Stay informed

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at www.cpuc.ca.gov/puc and click on "Public Advisor" from the CPUC Information Menu. You may also contact the PAO as follows.

<p>Email: public.advisor@cpuc.ca.gov Mail: Public Advisor's Office 505 Van Ness Avenue, Room 2103 San Francisco, CA 94102</p>	<p>Call: 1-866-849-8390 (toll-free) or 1-415-703-2074 TTY: 1-866-836-7825 (toll-free) or 1-415-703-5282</p>
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Healthy Retail Update

By Ellen Michels

Fall 2014



Oroville Tobacco Retail License Law Passes First Test

The Oroville City Council took a stand on November 18th to continue classifying electronic cigarettes as tobacco products. At its regular meeting, the council considered whether to amend the city's retail tobacco ordinance to exclude the vapor devices from the current classification.

FACT:

Tobacco retail licensing can help limit the proliferation of smoke shops and "vape" shops in a community.

also received letters from the Butte County Public Health Department, the Butte County Office of Education, and the American Cancer Society asking the council to reject the request, citing health concerns and claims that youths are inclined to use the devices.

FACT:

The city of Chico has over 100 retail outlets for tobacco, including almost 20 that are tobacco-only stores, smoke shops or "vape" shops.

The topic was on the agenda after A&M Vapes owner Aaron Andrus made a presentation to the council last month asking them to change Ordinance 1794 - a tobacco retail licensing law - to exclude vaping devices from the definition of tobacco products.

only store or "smoke shop" per 4,000 residents. Under the current ordinance, an electronic cigarette business would be considered a smoke shop, and Oroville has already reached it's limit.

Oroville City Council members voted unanimously to keep the ordinance as it is. Kudos go to the city council for wisely choosing health, and the protection of youth from addiction, over business interests. Kudos also go to the agencies who wrote letters to the city council. Local policy makers heeded their advice, and made the right decision.

Andrus sells electronic cigarettes that use a nicotine oil. He asked the council to change the definition in order to get around the tobacco retail density restrictions, which allow for only one tobacco-

The Oroville Community Development Director recommended the council not change the policy. The city

The soda industry spent over \$10 million trying to defeat the soda tax measures in Berkeley and San Francisco.

Berkeley Voters Approve Beverage Tax

On November 4th Berkeley became the first U.S. city to pass a law taxing sugary drinks including sodas. More than three-quarters of the votes cast were in favor of Measure D. The measure will place a 1-cent-an-ounce tax on soft drinks. It only needed a majority of

"yes" votes to pass. Proponents of the Berkeley tax say the fee will help curb consumption of sweetened beverages they say are contributing to the nation's obesity epidemic. A similar measure was defeated by voters in San Francisco.

