

Gridley City Council – Regular Meeting Agenda

Monday, October 3, 2022; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

The Public is encouraged to attend and participate in person. Comments from the public on agenda items will be accepted until 4 pm on October 3rd, 2022, via email to csantana@gridley.ca.us or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration.

You may view using the following link, ID, and passcode:

<https://us06web.zoom.us/j/84827369982?pwd=RGpNTnUycGE4MGQvZ3Q5eTI0Z05nZz09>

Passcode: 691982

Webinar ID: 848 2736 9982

To make a public comment during the Community Participation Forum or during the public portion of any agenda item, use the ‘raise hand’ feature and you will be called on when it’s your turn to speak.

CALL TO ORDER - Mayor Johnson

ROLL CALL

PLEDGE OF ALLEGIANCE – Councilmember Sanchez

INVOCATION – Bishop Josh McLean, Church of Jesus Christ of the Latter-day Saints

PROCLAMATION – None

INTRODUCTION OF NEW OR PROMOTED EMPLOYEES – None

COMMUNITY PARTICIPATION FORUM - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

CONSENT AGENDA

1. City Council Minutes Dated September 16th, 19th, 26th, 2022
2. Appraisal of the property located in the Gridley Industrial Park Complex; TSM 2-22. (APN 021-240-027, 021-270-042)

3. Second Reading and Adoption by Title Only of Ordinance 840-2022: An Ordinance to Rezone Approximately 8.49 Acres from Residential Suburban (R-S) to Single Family Residential District (R-1) for a Proposed Density of 5.41 du/ac Located on the West Side of Randolph Avenue at the Terminus of Laurel Street. (APN 010-270-076)

ITEMS FOR CONSIDERATION

4. Resolution No. 2022-R-036: A Resolution of the City Council of the City of Gridley Authorizing the Gridley Fire Department to Receive a Rural Fire Capacity Grant
5. Consideration to Pursue Negotiations with Butte County on its Interest to Acquire a Parcel in the Industrial Park
6. First Reading by Title Only of Ordinance 842-2022: Pre-zone RZ 1-22; An Ordinance of the City Council of the City of Gridley to Pre-Zone Approximately 15.5 acres to Single Family Residential District (R-1) Located on the East Side of West Biggs Gridley Road. (APN 022-210-025, 022-210-045, 022-210-044, 022-210-060, 022-210-073, 022-210-091, 022-210-090, 022-210-072)
7. Resolution No. 2022-R-037: The Successor Agency of the City of Gridley Confirming the Issuance of Refunding Bonds, Approving Private Placement Method of Sale, and Providing for Other Matters Relating Thereto
8. Sludge Pilot Study-Phase II
9. Authorization to Purchase 2023 Ford Explorer Police Interceptor and Upfitting
10. Resolution No. 2022-R-038: A Resolution of The City Council of The City of Gridley Approving the Attestation of Veracity of the 2021 Power Source Disclosure Report, the 2021 Power Content Label and Submission of The Report to The California Energy Commission

CITY STAFF AND COUNCIL COMMITTEE REPORTS - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

CITY ADMINISTRATOR REPORTS - *Brief updates and reports on conferences, seminars, and meetings attended by the City Administrator, if any.*

POTENTIAL FUTURE CITY COUNCIL ITEMS - *(Appearing on the Agenda within 30-90 days):*

Treasurer’s Report FYE 21-22	10/17/2022
Broadband Feasible Study	10/17/2022

CLOSED SESSION –

11. Closed Session Discussion with Legal Counsel to Discuss Existing Litigation Pursuant to Government Code 54956.9 – Michael Libby Vs. City of Gridley, Et Al, United States District Court for Eastern District of California, Case No. 2:21-CV-00017-JAM-AC

12. Closed Session Discussion with Legal Counsel to Discuss Existing Litigation Pursuant to Government Code 54956.9 – Alexandra Tacalo and Jesus Ramon Gonzalez vs. City of Gridley & Anthony Lara. Butte. County Superior Court, Case No. 22CV00218

ADJOURNMENT – adjourning to a Regular meeting on October 17th, 2022.

NOTE 1: POSTING OF AGENDA- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., September 30th, 2022. This agenda along with all attachments is available for public viewing online at www.gridley.ca.us and at the Administration Counter in City Hall, 685 Kentucky Street, Gridley, CA.

NOTE 2: REGARDING UNSCHEDULED MATTERS – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

Gridley City Council – Special City Council Meeting Agenda

Friday, September 16, 2022; 9:30 am
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

CALL TO ORDER

Mayor Johnson called the meeting to order at 10 am.

ROLL CALL

Councilmembers

Present: Johnson, Farr, Calderon

Absent: Torres, Sanchez

Arriving after roll call: None

Staff Present: Cliff Wagner, City Administrator
Jodi Molinari, Human Resources Manager

ITEMS FOR COUNCIL CONSIDERATION

1. Utility Director Position Interviews

Council concluded with the interviews at 11:46 am.

CLOSED SESSION – None

ADJOURNMENT

With no further items left to discuss Council adjourned to the next regular meeting on September 19th, 2022.

Cliff Wagner, City Administrator

Gridley City Council – Regular Meeting Agenda

Monday, September 19, 2022; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

CALL TO ORDER

Mayor Johnson called the meeting to order at 6:00 pm.

ROLL CALL

Councilmembers

Present: Johnson, Farr, Torres, Sanchez, Calderon

Absent: None

Arriving after roll call: None

Staff Present:

Cliff Wagner, City Administrator
Rodney Harr, Chief of Police
Elisa Arteaga, Finance Director
Ross Pippitt, Public Works Director
Donna Decker, Planning Director
Tony Galyean, City Attorney via Zoom

PLEDGE OF ALLEGIANCE

Vice Mayor Farr led the Pledge of Allegiance.

INVOCATION – None

PROCLAMATION – None

INTRODUCTION OF NEW OR PROMOTED EMPLOYEES

- Jason Garringer, Police Officer
- Katie Hill, Community Services Officer
- Adam Reusser, Sergeant Promotion

Chief Harr introduced the two new employees, and the promoted employee and expressed his appreciation to have them aboard.

COMMUNITY PARTICIPATION FORUM

The forum was opened and seeing no one was present to speak, was closed.

CONSENT AGENDA

1. City Council Minutes Dated September 6th, 2022
2. Second Reading and Adoption of Ordinance 841-2022: An Ordinance to Rezone Approximately 70-Acres from Heavy Industrial (M-2) to Heavy Industrial (M-2), Open Space (OS), and Public-Quasi-Public (PQP) Located in the Gridley Industrial Park Complex. (APN 021-240-027, -042), by reading of title only

Motion to approve consent agenda was made by Councilmember Calderon, seconded by Councilmember Torres.

ROLL CALL VOTE:

Ayes: Johnson, Calderon, Farr, Torres, Sanchez

Motion Passed, 5-0

ITEMS FOR CONSIDERATION

3. Edler Estates:
 - Resolution No. 2022-R-031: A Resolution of the Gridley City Council to Amend the General Plan Land Use Designation of Approximately 8.49-acres from Residential, Very Low Density to Residential, Medium Density and to Adopt a Mitigated Negative Declaration Pursuant to a CEQA Finding there is less than Significant Environmental Impact. (APN 010-270-076)
 - Resolution No. 2022-R-032: A Resolution of the Gridley City Council Approving Tentative Subdivision Map 1-22 to Subdivide an Existing 8.49-acres into Forty-Six (46) Parcels Located on the West Side of Randolph Avenue at the Terminus of Laurel Street. (APN 010-270-076)
 - First Reading by Title Only of Ordinance 840-2022: An Ordinance to Rezone Approximately 8.49 Acres from Avenue Residential Suburban (R-S) to Single to Low Density Residential (R-1) for a Proposed Density of 5.41 du/ac Located on the West Side of Randolph Avenue at the Terminus of Laurel Street. (APN 010-270-076)

Planning Director, Donna Decker, reviewed Edler Estates staff report with Council and after brief discussion motion to approve item #3 was made by Vice Mayor Farr with the exception that adequate drainage will be provided, seconded by Councilmember Torres.

ROLL CALL VOTE:

Ayes: Johnson, Calderon, Farr, Torres, Sanchez

Motion Passed, 5-0

4. Award of Project Proposal for 2018 CDBG-DR Multifamily Housing Program – Orchard View Apartments II

Finance Director, Elisa Arteaga, addressed Council with the recommendation to award the grant funding to the Orchard View Apartments II. Motion to approve was made by Councilmember Calderon, seconded by Vice Mayor Farr.

ROLL CALL VOTE:

Ayes: Johnson, Calderon, Farr, Torres, Sanchez

Motion Passed, 5-0

5. Amended Cooperative Agreement among Groundwater Sustainability Agencies in the Butte Subbasin

City Administrator Wagner respectfully recommended Council sign the amended cooperation agreement among Groundwater Sustainability Agencies in the Butte Subbasin. Motion to approve was made by Vice Mayor Farr, seconded by Councilmember Torres.

ROLL CALL VOTE:

Ayes: Johnson, Calderon, Farr, Torres, Sanchez

Motion Passed, 5-0

CITY STAFF AND COUNCIL COMMITTEE REPORTS

Mayor Johnson reported on his attendance at the Sutter Butte Flood Control Agency and Mosquito and Vector Control.

CITY ADMINISTRATOR REPORTS

Administrator Wagner stated that he will be in attendance at the NCPA Annual Conference scheduled for September 21-23.

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

Treasurer's Report FYE 21-22	10/17/2022
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CLOSED SESSION –

6. Public Employment (GC: 54957) Position: Utility Director

Council went into closed session at 6:36 pm and came out at 7:46 pm with no reportable action.

ADJOURNMENT

With no further items to discuss, Mayor Johnson adjourned to the next regular meeting on October 3rd, 2022.

Cliff Wagner, City Administrator

Gridley City Council – Special City Council Meeting Agenda

Friday, September 27, 2022; 4:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

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CALL TO ORDER

Mayor Johnson called the meeting to order at 4 pm.

ROLL CALL

Councilmembers

Present: Johnson, Farr, Calderon, Torres, Sanchez

Absent: None

Arriving after roll call: None

Staff Present: Cliff Wagner, City Administrator

ITEMS FOR COUNCIL CONSIDERATION - None

CLOSED SESSION

1. Public Employment (GC: 54957) Position: Utility Director

Council went into closed session at 4:00 pm and came out 4:37 pm with no reportable action.

ADJOURNMENT

With no further items left to discuss Council adjourned to the next regular meeting on October 3rd, 2022.

Cliff Wagner, City Administrator

City Council Item #2
Staff Report

Date: October 3, 2022
To: Mayor and City Council Members
From: Donna Decker, Planning Department
Subject: Appraisal of the property located in the Gridley Industrial Park Complex; TSM 2-22.
(APN 021-240-027, 021-270-042)

<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Special
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Emergency

Recommendation

Staff respectfully requests the City Council receive the information.

Discussion

On September 6, 2022, the City Council adopted resolution number 2022-R-035 authorizing the City Administrator to execute agreements and contracts on behalf of the City Council to pursue the appraisal and marketing of the parcels being created in the Industrial Park, TSM 2-22. The city requested estimates from four firms that have the expertise to appraise property that is zoned commercial or industrial. Three estimates were received:

- Jodi White Appraisals \$4,000
- Mike Evans Appraisals \$4,500
- Dennis Owens Appraisals \$9,000

Ms. White has provided her appraisal services for the city for two properties the city recently acquired to expand the Electrical Department Corporation Yard and the Public Works Corporation Yard. The City Administrator is planning on executing a contract with Ms. White to perform the work which is anticipated to be completed within 6 weeks.

In addition to the appraisal of the property, the City Engineer is working diligently to complete the Final Subdivision Map. When it is completed, along with the appraisal, the city will be in a position to market the parcels completing its obligation to divest its capital assets in accordance with the Long Range Property Management Plan.

Public Notice

A notice was posted at City Hall, made available at the Administration public counter, and placed on the City website for review.

Environmental Review

CEQA is not applicable; this is not a project.

Fiscal Impact

The fiscal impact is the cost of the appraisal.

Compliance with City Council Strategic Plan or Budget Goals

The City Council and City staff are committed to provide the best possible financial practices, the highest possible transparency regarding all financial transactions, and attracting and retaining the most effective, customer focused workforce possible.

City Council Item #3
Staff Report

Date: October 3, 2022
To: Mayor and City Council Members
From: Donna Decker, Planning Department
Subject: Second Reading and Adoption of Ordinance 840-2022: An ordinance to rezone approximately 8.49 Acres from Residential Suburban (R-S) to Single Family Residential District (R-1) for a proposed density of 5.41 du/ac located on the west side of Randolph Avenue at the terminus of Laurel Street. (APN 010-270-076)

X	Regular
	Special
	Closed
	Emergency

Recommendation

Staff respectfully requests the City Council adopt Ordinance 840-2022, by reading of title only.

Discussion

On September 6, 2022, and September 19, 2022, the project was presented to the City Council. On September 19, 2022, the City Council adopted resolution numbers 2022-R-031 to amend the General Plan land use designation and adopt a Mitigated Negative Declaration, and 2022-R-032 to approve a Tentative Subdivision Map (TSM 1-22) to create a 46-lot subdivision. The City Council also had the first reading of Ordinance 840-2022 to rezone the property from Residential Suburban (R-S) to Single-Family Residential District (R-1). The City Council voted:

- | | | |
|------------|--|---------------------------------------|
| 2022-R-031 | General Plan Amendment
and Mitigated Negative Declaration | 5-0 (Passed) |
| 2022-R-032 | Tentative Subdivision Map | 5-0 (Passed) |
| 840-2022 | Ordinance to Rezone | 5-0 (1 st reading adopted) |

The proposed project was approved; Ordinance 840-2022 returns to the City Council for its second reading, becoming effective 30 days thereafter, November 3, 2022.

Public Notice

A notice was posted at City Hall, made available at the Administration public counter, and placed on the City website for review.

Environmental Review

On September 19, 2022, the City Council adopted a Mitigated Negative Declaration by adopting Resolution No. 2022-R-031 for the project, finding there are no environmental impacts and/or impacts are reduced to a less than significant level.

Financial Impact

There are no direct or indirect costs to the City.

Compliance with City Council Strategic Plan or Budget Goals

This recommendation is consistent with the ongoing effort to be responsive and transparent regarding all land use matters.

Attachments

Ordinance No. 840-2022

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRIDLEY TO REZONE AN APPROXIMATELY 8.49-ACRES FROM RESIDENTIAL SUBURBAN (RS) TO SINGLE-FAMILY RESIDENTIAL DISTRICT (R-1) (APN 010-270-076)

WHEREAS, the Planning Commission held a publicly noticed hearing on July 20, 2022 regarding the proposal to rezone approximately 8.49-acres from Residential Suburban (RS) to Single Family Residential (R-1); and,

WHEREAS, at the close of the July 20, 2022 public hearing the Planning Commission recommended the City Council approve rezoning the property; and,

WHEREAS, the City Council reviewed the recommendation of the Planning Commission, considered the Initial Study and Mitigated Negative Declaration, and has found that the proposed rezone could not have a significant effect on the environment; and,

WHEREAS, the City Council reviewed the project presented at its September 6, 2022 and September 19, 2022 public hearings; and,

WHEREAS, the City Council accepted the General Plan amendment and Mitigated Negative Declaration by adopting Resolution Number 2022-R-031, and adopted Resolution No. 2022-R-032 approving the Tentative Subdivision Map 1-22 on September 19, 2022; and,

WHEREAS, the City Council duly introduced Ordinance 840-2022 by reading of title only at a regular meeting of the City Council held on September 19, 2022; and,

WHEREAS, the City Council of the City of Gridley ordains as follows:

SECTION 1: The City Council finds that the rezone of Assessor Parcel Number 010-270-076 is consistent with the 2030 General Plan and the amendment adopted thereto as 2022-R-031 in addition to adopting the Mitigated Negative Declaration.

SECTION 2: The City Council of the City of Gridley approves the rezone of Assessor Parcel Number 010-270-076 of 8.49-acres Residential Suburban (RS) to Single Family Residential District (R-1).

SECTION 3: The Zoning Map of the City of Gridley on file with the City Clerk, designating and dividing the City into zoning districts, is hereby amended, in accordance with the herein description and Exhibit A.

SECTION 4: This ordinance shall be effective thirty (30) days from the date of the second reading of the ordinance.

I HEREBY CERTIFY that the foregoing resolution for the property rezone of APN 010-270-076 as noted in Sections 1-4 and as shown on Exhibit A was duly introduced by reading of title only at the regular City Council meeting of the City of Gridley held on the 19th day of September 2022, with the second reading by title only at the regular City Council meeting of the City of Gridley on October 3, 2022, adopted by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST:

APPROVE:

Cliff Wagner, City Administrator

Bruce Johnson, Mayor

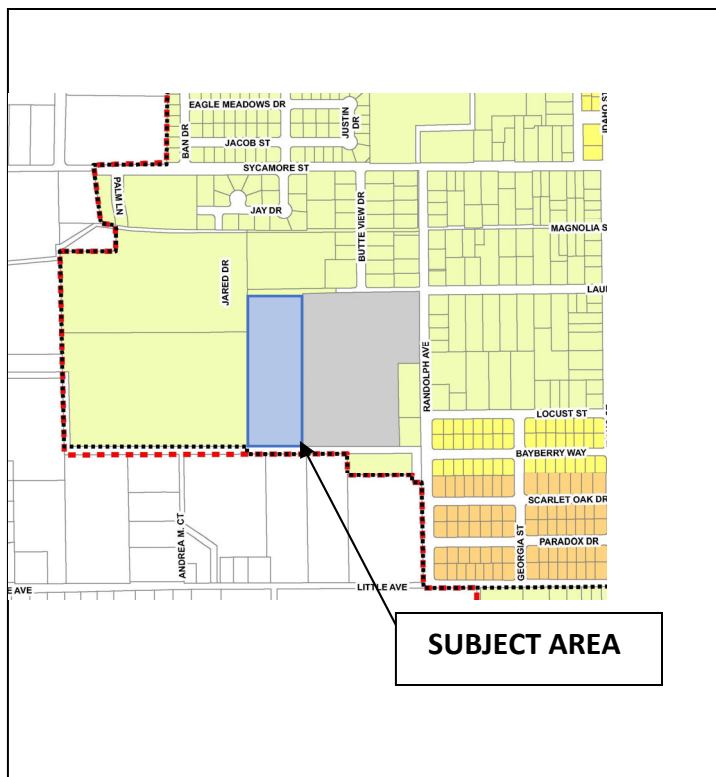
APPROVED AS TO FORM:

Anthony Galyean, City Attorney

EXHIBIT A



Figure 1: Location Map



Existing Zoning

From existing:

Residential Suburban (RS)

To proposed:

Single-Family Residential
(R-1)

City Council Agenda Item #4
Staff Report

Date: October 3, 2022

To: Mayor and City Council

From: Sean Norman, Chief

Subject: Approval of Resolution No 2022-R-036: A Resolution of the City Council of the City of Gridley Authorizing the Gridley Fire Department to receive a Rural Fire Capacity Grant

X	Regular
	Special
	Closed
	Emergency

Recommendation

Staff respectfully requests the City Council approve Resolution 2022-R-036: A Resolution of the City Council of the City of Gridley Authorizing the Gridley Fire Department to receive a Rural Fire Capacity Grant

Background

For several years the City of Gridley has been successful in receiving Rural Fire Capacity (RFC, previously known as Volunteer Fire Assistance, or VFA) Grants that are used to purchase Personal Protective Equipment (PPE) for its volunteer firefighters who assist career firefighters to protect and serve the City of Gridley. The funding of the grant is vital for replacement of aging and worn PPE. The grant is a cost-effective mode for replacement. The cost of outfitting a single volunteer exceeds \$5,000.00. PPE has a shelf life of 10 years and due to the nature of the profession, is subject to extreme use. There are approximately 15 volunteer firefighters that protect the Gridley area and replacement of PPE is ongoing as funding comes available.

Financial Impact

This year's Grant is in the amount of \$9920.00, which is a 50% match with the State of California. The City of Gridley's match of this grant is \$4960.00.

Compliance with City Council Strategic Plan or Budget Goals

This effort complies with the City of Gridley's Budget Goals to reduce taxpayer's expenses by finding grant funding to offset budget impacts.

Attachments

RFC Resolution No. 2022-R-036
RFC Agreement

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY AUTHORIZING THE GRIDLEY
FIRE DEPARTMENT TO RECEIVE A VOLUNTEER FIRE ASSISTANCE GRANT**

BE IT RESOLVED by the Gridley City Council as follows:

1. The Mayor is hereby authorized and directed to execute, on behalf of the City of Gridley, and the State of California Department of Forestry and Fire Protection, a grant in the amount of \$4,960.00 provided under the Cooperative Forestry Assistance Act of 1978 (7GF22306).
2. The City Clerk shall attest to the adoption of this Resolution.

NOW, THEREFORE, BE IT FURTHER RESOLVED by Gridley City Council to approve the supplemental appropriation from the account 060-4060-56300 of \$4,960.00 for the cost associated for the equipment to be purchased with this grant. To recognize the grant revenues, approve supplement revenues of \$4,960.00 to account 010-0000-46611.

I HEREBY CERTIFY that the foregoing resolution of the City Council of the City of Gridley was duly introduced passed and adopted at a regular meeting of the City Council of the City of Gridley held on October 3, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVE:

Cliff Wagner, City Clerk

Bruce Johnson, Mayor

**State of California
Department of Forestry and Fire Protection (CAL FIRE)
Cooperative Fire Protection
GRANT AGREEMENT**

APPLICANT:

PROJECT TITLE: Volunteer Fire Assistance

GRANT AGREEMENT: 7GF22306

PROJECT PERFORMANCE PERIOD is from date upon approval through June 30, 2023.

Under the terms and conditions of this Grant Agreement, the applicant agrees to complete the project as described in the project description, and the State of California, acting through the Department of Forestry & Fire Protection, agrees to fund the project up to the total state grant amount indicated.

PROJECT DESCRIPTION: Cost-share funds awarded to provide assistance to rural areas in upgrading their capability to organize, train, and equip local forces for fire protection.

Total State Grant not to exceed \$ 4,960.00 (or project costs, whichever is less).

**The Special and General Provisions attached are made a part of and incorporated into this Grant Agreement.*

**STATE OF CALIFORNIA
DEPARTMENT OF FORESTRY
AND FIRE PROTECTION**

Applicant	
By	By
Signature of Authorized Representative	
Title	Title: Matthew Sully Staff Chief, Cooperative Fire Programs
Date	Date

CERTIFICATION OF FUNDING

GRANT AGREEMENT NUMBER	PO ID	SUPPLIER ID
FUND 0001	FUND NAME General Fund	
PROJECT ID 354022DG2012147	ACTIVITY ID SUBGNT	AMOUNT OF ESTIMATE FUNDING \$ \$4,960.00
GL UNIT 3540	BUD REF CHAPTER 001 43	ADJ. INCREASING ENCUMBRANCE \$ 0.00
PROGRAM NUMBER 9999000FED	ENY 2022	ADJ. DECREASING ENCUMBRANCE \$ 0.00
ACCOUNT 5340580	ALT ACCOUNT 5340580002	UNENCUMBERED BALANCE \$ \$4,960.00
REPORTING STRUCTURE 35409206	SERVICE LOCATION 92733	

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance.

Signature of CAL FIRE Accounting Officer	Date
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**VOLUNTEER FIRE ASSISTANCE PROGRAM
TERMS AND CONDITIONS**

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

STATE OF CALIFORNIA
Natural Resources Agency

Agreement for the Volunteer Fire Assistance Program of the
Cooperative Forestry Assistance Act

THIS AGREEMENT, made and entered between the STATE of California, acting through the Director of the Department of Forestry and Fire Protection hereinafter called "STATE", and _____ hereinafter called "LOCAL AGENCY", covenants as follows:

RECITALS:

1. STATE has been approved as a passthrough agent of the United States Department of Agriculture, (USDA), Forest Service for the purpose of administering the Volunteer Fire Assistance program in California, hereinafter referred to as VFA, authorized by the Cooperative Forestry Assistant Act (PL 95-313, as amended, 16 U.S.C. 2106).
2. This is a subaward under the 2022 Volunteer Fire Assistance Grant #22-DG-11052012-147 awarded to STATE by the Forest Service on August 26, 2022. The Federal Assistance Listing for the award is 10.698, Cooperative Fire Program. This subaward is funded solely with Federal funds and is subject to the Office of Management and Budget (OMB) guidance in subparts A through F of 2 CFR Part 200, as adopted and supplemented by the USDA in 2 CFR Part 400, and under certain terms and conditions to LOCAL AGENCY to assist LOCAL AGENCY to upgrade its fire protection capability.
3. LOCAL AGENCY desires to participate in said VFA and agrees to the terms and conditions specified in the Procedural Guide for Volunteer Fire Assistance Program 2022.

NOW THEREFORE, it is mutually agreed between the parties as follows:

4. **APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. LOCAL AGENCY may not commence performance until such approval has been obtained.**
5. **INCORPORATION: The Procedural Guide for Volunteer Fire Assistance Program 2022, submitted Application for Funding and associated Grant Assurances are hereby incorporated by reference as part of the Grant Agreement.**
6. **TIMELINESS: Time is of the essence in this Agreement.**
7. **FORFEITURE OF AWARD: LOCAL AGENCY must return this Agreement and required resolution properly signed and executed to STATE at the email address specified in paragraph 12, with a timestamp no later than December 1, 2022 or LOCAL AGENCY will forfeit the funds.**

8. GRANT AND BUDGET CONTINGENCY CLAUSE: It is mutually understood between the parties that this **Agreement** may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds, to avoid program and fiscal delays that would occur if the **Agreement** were executed after that determination was made.

This **Agreement** is valid and enforceable only if sufficient funds are made available to the STATE by the United States Government for the **State Fiscal Year 2022** for the purpose of this program. In addition, this **Agreement** is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this **Agreement** in any manner.

The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this **Agreement** shall be amended to reflect any reduction in funds.

The STATE has the option to invalidate the **Agreement** under the 30-day cancellation clause or to amend the **Agreement** to reflect any reduction in funds.

9. REIMBURSEMENT: STATE will reimburse LOCAL AGENCY, from funds made available to STATE by the Federal Government, an amount not to exceed **\$4,960.00** on a 50/50 matching funds basis, for the performance of specific projects and/or purchase of specific items identified in Proposed Project, Application for Funding, attached hereto. **Reimbursement will be only for those projects accomplished and/or items purchased between THE LAST SIGNATORY DATE ON PAGE 1 and JUNE 30, 2023.** This sum is the sole and maximum payment that STATE will make pursuant to this Agreement. **LOCAL AGENCY must bill STATE at the e-mail address specified in paragraph 12, with a timestamp no later than September 1, 2023 in order to receive the funds.** The bill submitted by LOCAL AGENCY must clearly delineate the projects performed and/or items purchased. A vendor's invoice and proof of payment to vendor(s) must be included for items purchased.
10. LIMITATIONS: Expenditure of the funds distributed by STATE herein is subject to the same limitations as placed by the VFA, upon expenditure of United States Government Funds. Pursuant to 2CFR200.313 Equipment, subject to the obligations and conditions set forth in that section; title to any equipment and supplies acquired under this **Agreement** vests with the LOCAL AGENCY. For any equipment items over \$5,000, the federal government may retain a vested interest in accordance with paragraph 17 below.
11. MATCHING FUNDS: Any and all funds paid to LOCAL AGENCY under the terms of this **Agreement**, hereinafter referred to as "VFA Funds", shall be matched by LOCAL AGENCY on a dollar-for-dollar basis, for each project listed on attachment(s) hereto identified as "Proposed Project". No amount of unpaid "contributed" or "volunteer" labor or services shall be used or consigned in calculating the matching amount "actually spent" by LOCAL AGENCY.

LOCAL AGENCY shall not use VFA Funds as matching funds for other federal grants, including Department of Interior (USDI) Rural Fire Assistance grants, nor use funds from other federal grants, including USDI Rural Fire Assistance grants, as matching funds for VFA Funds.

- 12. ADDRESSES: The mailing addresses of the parties hereto under the terms of the Agreement are:

LOCAL AGENCY: _____

Attention: _____
Telephone Number(s): _____
E-mail _____

STATE: **Department of Forestry and Fire Protection**
Grants Management Unit, Attn: Megan Esfandiary
P. O. Box 944246
Sacramento, California 94244-2460
PHONE: (916) 894-9845
E-MAIL: Megan.Esfandiary@fire.ca.gov

- 13. PURPOSE: Any project to be funded hereunder must be intended to specifically assist LOCAL AGENCY to organize, train, and/or equip local firefighting forces in the aforementioned rural area and community to prevent or suppress fires which threaten life, resources, and/or improvements within the area of operation of LOCAL AGENCY. Project funds are not to be used for research and development.
- 14. COMBINING: In the event funds are paid for two or more separate, but closely related projects, the 50/50 cost-sharing formula will be applied to the total cost of such combined projects.
- 15. OVERRUNS: In the event that the total cost of a funded project exceeds the estimate of costs upon which this Agreement is made, LOCAL AGENCY may request additional funds to cover the **Agreement** share of the amount exceeded. However, there is no assurance that any such funds are, or may be, available for reimbursement. Any increase in funding will require an amendment.
- 16. UNDERRUNS: In the event that the total cost of a funded project is less than the estimate of costs upon which this **Agreement** is made, LOCAL AGENCY may request that additional eligible projects/items be approved by STATE for **Agreement** funding. However, there is no assurance that any such approval will be funded. Approval of additional projects/items, not listed on the Proposed Project application, made by STATE, will be in writing and will require an amendment.
- 17. FEDERAL INTEREST IN EQUIPMENT: The Federal Government has a vested interest in any item purchased with VFA funding in excess of \$5,000 regardless of the length of this **Agreement**, until such time as the fair market value is less than \$5,000. The VFA percentage used to purchase the equipment will be applied to the sale price and recovered for the Government during the sale. This percentage will remain the same even following depreciation. The Federal Government may not have to be reimbursed if the disposal sale amounts to a fair market value of less than \$5,000. LOCAL AGENCY will notify STATE of the disposal of such items.

18. EQUIPMENT INVENTORY: Any single item purchased in excess of \$5,000 will be assigned an VFA Property Number by the STATE. LOCAL AGENCY shall forward a copy of the purchase documents listing the item, brand, model, serial number, any LOCAL AGENCY property number assigned, and a LOCAL AGENCY contact and return address to STATE at the address specified in paragraph 12. The STATE will advise the LOCAL AGENCY Contact of the VFA Property Number assigned.
19. AUDIT: LOCAL AGENCY agrees that the STATE, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this **Agreement**. LOCAL AGENCY agrees to maintain such records for possible audit for a minimum of five (5) years after final payment, unless a longer period of records retention is stipulated. LOCAL AGENCY agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, LOCAL AGENCY agrees to include a similar right of the State of California to audit records and interview staff in any subcontract related to performance of this **Agreement**. (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).
20. DISPUTES: In the event of any dispute over qualifying matching expenditures of LOCAL AGENCY or audit findings, the dispute will be decided by STATE and its decision shall be final and binding.
21. MONITORING: LOCAL AGENCY agrees to the monitoring of activities as necessary by STATE to ensure that the award is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the agreement; and that performance goals are achieved.
22. INDEMNIFICATION: LOCAL AGENCY agrees to indemnify, defend, and save harmless, the STATE, its officers, agents, and employees, from any and all claims and losses, accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this **Agreement**, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by LOCAL AGENCY in the performance of this **Agreement**.
23. CIVIL RIGHTS: LOCAL AGENCY agrees to comply with civil rights requirements as detailed in the Complying With Civil Rights Requirements brochure (FS-850) and the And Justice For All poster (AD-475A). The poster is to be placed at all public point of contact/reception areas.
24. DRUG-FREE WORKPLACE REQUIREMENTS: LOCAL AGENCY will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed **Agreement** will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the **Agreement**.

Failure to comply with these requirements may result in suspension of payments under the **Agreement** or termination of the **Agreement** or both and LOCAL AGENCY may be ineligible for funding of any future State **Agreement** if the department determines that any of the following has occurred: (1) the LOCAL AGENCY has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

25. **TERM:** The term of the **Agreement** SHALL COMMENCE ON THE LAST SIGNATORY DATE ON PAGE 1 and continue through June 30, 2023.
26. **TERMINATION:** This **Agreement** may be terminated by either party giving 30 days written notice to the other party or provisions herein amended upon mutual consent of the parties hereto.
27. **AMENDMENTS:** No amendment or variation of the terms of this **Agreement** shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or **Agreement** not incorporated in the **Agreement** is binding on any of the parties.
28. **INDEPENDENT CONTRACTOR:** LOCAL AGENCY, and the agents and employees of LOCAL AGENCY, in the performance of this **Agreement**, shall act in an independent capacity and not as officers or employees or agents of the STATE or the Federal Government.
29. **INDIRECT RATE:** LOCAL AGENCY may not assess an indirect rate in excess of their Federally approved Negotiated Indirect Cost Rate Agreement (NICRA), a de minimis rate if LOCAL AGENCY does not have an approved NICRA, or the VFA program cap rate of 10%, whichever is lesser. LOCAL AGENCY may also elect not to assess an indirect rate. The approved indirect cost rate at the time of execution is 0%.

30. MEDIA: LOCAL AGENCY shall acknowledge STATE and USDA Forest Service support in any publications, audiovisuals and electronic media developed as a result of this award.

It is encouraged to give public notice of the receipt of this award and announce progress and accomplishments, acknowledging STATE and USDA Forest Service support. Follow direction in USDA Supplemental 2 CFR 415.2.

31. ASSIGNMENT: This Agreement is not assignable by LOCAL AGENCY either in whole or in part.

City Council Item #5
Staff Report

Date: October 3, 2022
To: Mayor and City Council Members
From: Donna Decker, Planning Department
Subject: Consideration to Pursue Negotiations with Butte County on its Interest to Acquire a Parcel in the Industrial Park

<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Special
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Emergency

Recommendation

Staff respectfully requests the City Council receive the information.

Discussion

The Butte County Department of Public Works has a parcel located at 860 Cedar Street (010-123-07) contiguous to the no fiscal south boundary of the of the city Public Works Corporation Yard. Butte County contacted the city to determine what the process was to demolish and reconstruct their maintenance building on the site. The site has been described as being very small for their needs and they often need to park heavy equipment on the street.

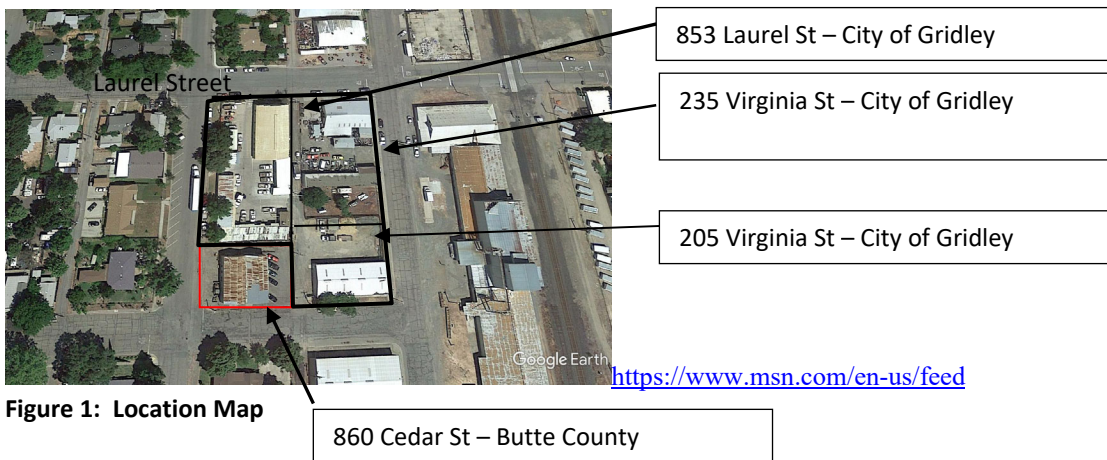


Figure 1: Location Map

Discussions began to determine if the county would be interested in developing one of the six available parcels in the Industrial Park Sports Complex. The parcels range in size from 2.8 acres to over 4 acres providing area to expand their facility in the future. In lieu of payment, it may be determined the exchange could result in close to equal value for the property on Cedar Street for a parcel in the Industrial Park.

The city would benefit by being able to obtain the last parcel for the continued expansion of the Public Works Corporation Yard. Additionally, the County would benefit by being able to develop a larger site for its operation, maintenance, and equipment storage in a secure facility and better access from the facility to areas for county maintenance needs.

Public Notice

A notice was posted at City Hall, made available at the Administration public counter, and placed on the City website for review.

Environmental Review

CEQA is not applicable; this is not a project.

Fiscal Impact

There is no fiscal impact at this time.

Compliance with City Council Strategic Plan or Budget Goals

The City Council and City staff are committed to provide the best possible financial practices, the highest possible transparency regarding all financial transactions, and attracting and retaining the most effective, customer focused workforce possible.

City Council Item #6

Staff Report

Date: October 3, 2022
To: Mayor and City Council Members
From: Donna Decker, Planning Department

<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Special
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Emergency

Subject: Ordinance 842-2022; Pre-Zone RZ 1-22; City of Gridley: Introduction and First Reading of An Ordinance of The City Council of The City of Gridley to Pre-Zone Approximately 15.5 Acres to Single Family Residential District (R-1) Located on The East Side of West Biggs Gridley Road. (APN 022-210-025, 022-210-045, 022-210-044, 022-210-060, 022-210-073, 022-210-091, 022-210-090, 022-210-072)

Recommendation

Staff respectfully requests the City Council accept first introduction of Ordinance No. 842-2022 by reading of title only.

Discussion

The proposed pre-zone of the parcels located within the Bernard lands being subdivided and annexed into the city is a result of the request by the Butte County Local Agency Formation Commission (LAFCo). On October 18, 2021 the project, Chandler Park Subdivision, was approved by the City Council. The entitlements included resolutions to amend the General Plan land use designations, adopt a Mitigated Negative Declaration, adopt Tentative Subdivision Map TSM 2-20, Chandler Park Subdivision, and an ordinance to pre-zone/rezone the property to Single-Family Residential District (R-1). On March 28, 2022, the city submitted an application for annexation to LAFCo. During the review process by LAFCo, one or more of the residents with property adjacent to the proposed subdivision requested to be added to the annexation. LAFCo advised the city that the lands should be pre-zoned to be consistent with the General Plan land use designation prior to its LAFCo hearing for the Chandler Park Subdivision. If the pre-zone is not accomplished prior to the LAFCo hearing, the project will be conditioned by LAFCo to do so. This action will streamline the annexation process.

The annexation surrounds approximately 15.5 acres of land creating an island. LAFCo has the ability to annex all of the lands and intends to do so to ensure an island is not created; therefore, the proposed pre-zone for all eight parcels is presented to the City Council for action.

Public Notice

A notice was advertised in the Gridley Herald, posted at City Hall, made available at the Administration public counter, and placed on the city website for review.

Environmental Review

The proposed pre-zone relies upon the analysis within the 2030 General Plan defining the area as Residential, Medium Density. The pre-zone is consistent with the 2030 FEIR and no additional environmental impacts are significant with this action.

Fiscal Impact

There is no fiscal impact other than the costs for city staff and consultants.

Compliance with City Council Strategic Plan or Budget Goals

The city is committed to provide the highest possible transparency regarding all planning processes.

Attachment

Ordinance 842-2022 Introduction and First Reading

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRIDLEY TO PRE-ZONE AN APPROXIMATELY 15.5 ACRES TO SINGLE-FAMILY RESIDENTIAL DISTRICT (R-1) LOCATED ON THE EAST SIDE OF WEST BIGGS GRIDLEY ROAD. (APN 022-210-025, 022-210-045, 022-210-044, 022-210-060, 022-210-073, 022-210-091, 022-210-090, 022-210-072)

WHEREAS, the Butte County Local Agency Formation Commission (LAFCo) is processing an annexation application for the Bernard Property, said project entitled, Chandler Park Subdivision; and,

WHEREAS, the process included a request by one or more property owners adjacent to the subject project to be included in the annexation of the Bernard property creating an island of county property within the lands considered for annexation; and,

WHEREAS, LAFCo has determined that the process requires the lands to be pre-zoned by the city of Gridley prior to an annexation decision by the residing board of LAFCo; and,

WHEREAS, the General Plan land use designation has been established on the area considered for annexation as Residential, Medium Density in accordance with the adopted 2030 General Plan; and,

WHEREAS, a pre-zone of the property from the county zoning designation to the city of Gridley zoning designation, Single-Family Residential (R-1) is consistent with the General Plan land use designation; and,

WHEREAS, the City Council duly introduced Ordinance XXX-2022 by reading of title only at a regular meeting of the City Council held on October 3, 2022; and,

WHEREAS, the City Council of the City of Gridley ordains as follows:

SECTION 1: The City Council finds that the pre-zone of Assessor Parcel Numbers 022-210-025, 022-210-045, 022-210-044, 022-210-060, 022-210-073, 022-210-091, 022-210-090, 022-210-072 is consistent with the 2030 General Plan.

SECTION 2: The City Council of the City of Gridley approves the pre-zone of Assessor Parcel Numbers 022-210-025, 022-210-045, 022-210-044, 022-210-060, 022-210-073, 022-210-091, 022-210-090, 022-210-072 to 15.5-acres Single Family Residential District (R-1).

SECTION 3: The Zoning Map of the City of Gridley on file with the City Clerk, designating and dividing the City into zoning districts, is hereby amended, in accordance with the herein description and Exhibit A.

SECTION 4: This ordinance shall be effective thirty (30) days from the date of the second reading of the ordinance.

I HEREBY CERTIFY that the foregoing resolution was duly introduced and passed at the regular City Council meeting of the City of Gridley held on the 3rd day of October, 2022, by the following vote:

AYES: COUNCIL MEMBERS _____

NOES: COUNCIL MEMBERS _____

ABSTAIN: COUNCIL MEMBERS _____

ABSENT: COUNCIL MEMBERS _____

ATTEST:

APPROVE:

Cliff Wagner, City Clerk

Bruce Johnson, Mayor

EXHIBIT A

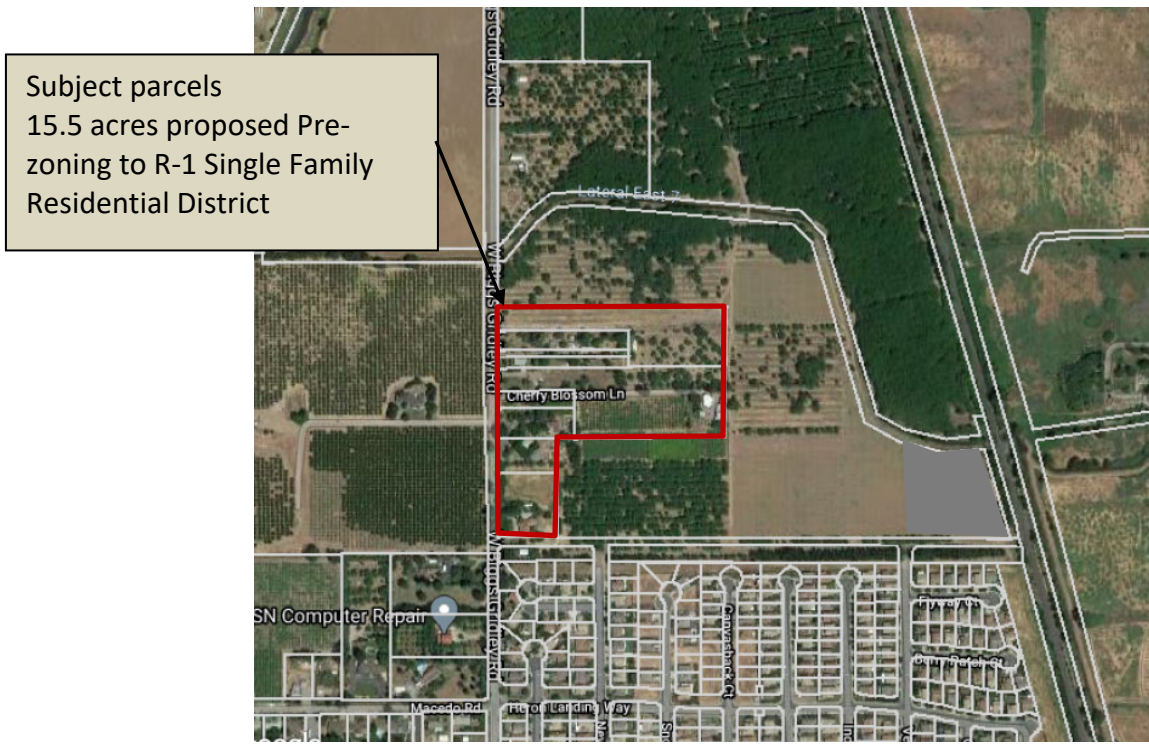
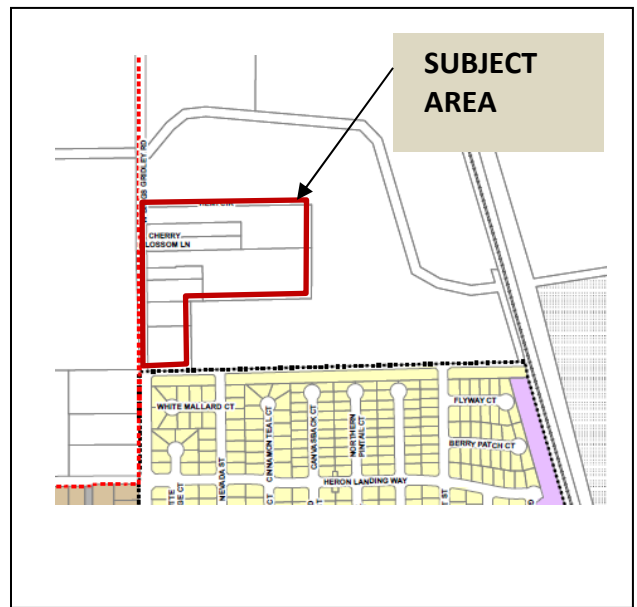


Figure 1: Location Map

Pre-zone to:
15.5 ac Single-Family Residential District (R-1)



**City Council Agenda Item #7
Staff Report**

Date: October 3, 2022

To: Mayor and City Council

From: Elisa Arteaga, Finance Director/Cliff Wagner, City Administrator

Subject: Approval of Resolution No. 2022-R-037 of the Successor Agency of the City of Gridley confirming the issuance of refunding bonds, approving private placement method of sale, and providing for other matters relating thereto.

<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Special
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Emergency

Recommendation

Adopt Resolution No. 2022-R-037 confirming the issuance of refunding bonds for refinancing the City's Former Redevelopment Agency (Successor Agency) 2008A (Taxable) and 2008B (Tax-Exempt) Tax Allocation bonds, approving private placement method of sale and providing for other matters relating thereto.

Approval of Indenture and Escrow Agreement

Pursuant to the Resolution, the Successor Agency confirms its actions in the prior Successor Agency Resolution authorizing and approving the issuance and sale of the Refunding Bonds. The Refunding Bonds shall be issued to the Bank pursuant to the Indenture, which shall be executed and delivered by an Authorized Officer for and in the name and on behalf of the Successor Agency, in substantially the form on file with the City Clerk. Similarly, the Resolution approves the form of Escrow Agreement and authorizes an Authorized Officer to execute and deliver it.

Background

Issuance of refunding bonds by the Successor Agency of the City of Gridley ("Successor Agency") is a complicated process with multiple steps, consisting of approval by the City Council, as the governing body of the Successor Agency, the Butte County Consolidated Oversight Board ("Oversight Board"), and the State of California Department of Finance ("DOF"). With the assistance of the City's financing team, all these steps have now been accomplished and the City / Successor Agency is now able to lock-in savings.

On May 2, 2022, the Successor Agency adopted Resolution No. 2022-R-014 approving the issuance of refunding bonds to refund its 2008A (Taxable) and 2008B (Tax-Exempt) Tax Allocation Bonds, approving the execution and delivery of an Indenture of Trust relating thereto, and providing for other matters relating thereto.

On June 21, 2022, the Oversight Board approved Resolution No. 22-08 approving the issuance of refunding bonds by the Successor Agency of the City of Gridley Redevelopment Agency, making

certain determinations with respect to the refunding bonds and providing for other matters relating to thereto.

On August 9, 2022, the DOF approved the refunding of the Successor Agency’s 2008 bonds pursuant to a letter dated 8/9/22 addressed to Elisa Arteaga, City of Gridley, Finance Director.

After receipt of DOF approval, Mike Cavanaugh of Hilltop Securities ran a refunding analysis of the Successor Agency’s 2008 Bonds. The analysis was used to compare the net debt service savings between an assumed “A” rated insured boosting to a “AA” rated public offering vs. a private placement loan from a commercial bank to determine which approach offered the greatest benefit as recommended by Bill Fawell, the City’s / Successor Agency’s municipal advisor.

Listed below are the 2008 Bonds to be refunded:

Series 2008A Taxable Bonds (Redevelopment Project Area)	
Dated Date	May 15, 2008
Original Par	\$2,980,000
Outstanding Principal (After 8/1/22 Payment)	\$2,440,000
Average Coupon (As of 8/1/22)	7.50%
Tax Status	Taxable
First Call Date (Optional Redemption Date)	8/1/18 @ 100%
Series 2008B Tax-Exempt Bonds (Redevelopment Project Area)	
Dated Date	May 15, 2008
Original Par	\$1,770,000
Outstanding Principal (After 8/1/22 Payment)	\$1,735,000
Average Coupon (As of 8/1/22)	5.00%
Tax Status	Tax-Exempt
First Call Date (Optional Redemption Date)	8/1/18 @ 100%

Private Placement Loan Financing Benefits

- ✓ **Less staff time.** Placements do not require a rating or official statement. Therefore, an issuer does not have to go through the rating process or due diligence needed for an official statement that could take several hours of staff time.

- ✓ **Lower costs of issuance.** Simplified legal documents, no official statement, no rating, no underwriter’s discount, no annual bondholder administration costs, and other fees equate to less costs of issuance.

- ✓ **No debt service reserve fund (DSRF) requirement.** Placements usually do not require a DSRF. Not funding a DSRF saves money on debt service as it minimizes debt outstanding.

✓ **Faster closing.** Since placements are simplified from a legal standpoint, do not require a rating (a 2–3-week process) and are placed with one institution, it allows for a quicker closing.

✓ **Lock Rate.** Banks will lock their rates up to a month in advance and sometimes longer. This will reduce market risk and lock in savings for the Issuer.

✓ **Tax Exempt or Taxable.** Banks are willing to provide both taxable and tax-exempt financing.

Bill Fawell of W. J. Fawell Co., Public Finance, Municipal Advisor to the Successor Agency, is recommending that the 2008 Bonds be refinanced using a private placement loan in order to maximize debt service savings which will benefit all taxing entities that receive property tax increment revenue from the Gridley Redevelopment Project Area (“Project Area”), including the City’s General Fund in the form of residual property tax revenue no longer need for debt service on the 2008 Bonds as a result of the planned refunding.

The summary table below, prepared by Hilltop Securities, shows that a private placement loan pursuant to the First Foundation term sheets will produce greater net debt service savings vs. a “AA” insured public offering using an estimated current interest rates

Refunding Summary	Public Offering	Private Placement
Results Summary		
Total Savings	\$749,275	\$1,063,052
Average Annual Savings	\$34,058	\$48,321
Present Value Savings (\$)	\$126,633	\$396,287
Present Value Savings (%)	3.03%	9.49%
Refunding Issue Summary (Series 2022)		
Delivery Date	12/08/2022	10/27/2022
First Coupon	02/01/2023	02/01/2023
Total Par Amount	\$4,135,000	\$4,120,000
Maturity Date	8/1/2043	8/1/2043
Average Life	12.5 Years	12.4 Years
Average Coupon	5.20%	4.68%
All-In TIC	5.78%	5.28%
Average Annual Debt Service	\$330,788	\$313,860
Total Interest	\$2,694,850	\$2,396,073
Total Debt Service	\$6,829,850	\$6,516,073
Refunded Issue Summary (Series 2008)		
Principal Amount Outstanding	\$4,175,000	\$4,175,000
Principal Amount Refunded	\$4,175,000	\$4,175,000
Maturities Refunded	2023 - 2043	2023 - 2043
Average Coupon Refunded	6.08%	6.09%
Call Date/Price	12/8/2022 @ Par	11/3/2022 @ Par

List of Private Placement Banks Solicited by Hilltop Securities, Inc. with Responses

Bank	Sent Term Sheet	Submitted Bid	Notes
Western Alliance	Yes	Yes	6.66/5.13% rates = too high
Truist	Yes	No	20yr term does not appeal to them
Capital One	Yes	No	havent done an RDA deal + rates
CA Bank and Trust	Yes	No	too long
J.P. Morgan Chase	Yes	No	too long 15yr max
First Foundation	Yes	Yes	TERM SHEET w rates locked at 5.26 and 3.84 good through October
Muni Finance Corp	Yes		checking on rates and credit
Pinnacle Public Finan	Yes	No	too long 15yr max
Redding Bank	Yes	No	too long a maturity
Signature Bank	Yes	No	too long for current investment strategy
Webster Bank	Yes		very doubtful it would pass credit but 5.25% and 4.15% on 9/16
UMPQUA	Yes	Yes	4.56% Tax Exempt but can get to 3.76% with \$2mm deposit

As noted in the table above the best refunding rates were received from First Foundation Bank (“FFB”) with no deposit requirements required of the City. The Authority, under the 2022 bonds, will retain optional call provision on the new bonds beginning year 1 at 103%.

While Umpqua Bank offered slightly lower refinancing rates vs. FFB, Umpqua Bank’s bid was conditional on the City depositing \$2 million of funds with the bank.

Private Placement Summary Based on Lender Input to Hilltop Securities, Inc. (Placement Agent)

Private Placement Summary				
Refunding Summary	First Foundation	Umpqua Bank \$2M Deposit Not Required	Umpqua Bank \$2M Deposit Required	Western Alliance
Results Summary				
Total Savings	\$1,063,052	\$728,166	\$1,273,782	\$242,721
Average Annual Savings	\$48,321	\$33,098	\$57,899	\$11,033
Present Value Savings (\$)	\$396,287	\$159,533	\$526,657	(\$115,257)
Present Value Savings (%)	9.49%	3.82%	12.61%	-2.76%
Refunding Issue Summary (Series 2022)				
Delivery Date	10/27/2022	10/27/2022	10/27/2022	10/27/2022
First Coupon	02/01/2023	02/01/2023	02/01/2023	02/01/2023
Total Par Amount	\$4,120,000	\$4,120,000	\$4,120,000	\$4,120,000
Maturity Date	8/1/2043	8/1/2043	8/1/2043	8/1/2043
Average Life	12.4 Years	12.6 Years	12.3 Years	12.9 Years
Average Coupon	4.68%	5.24%	4.31%	6.04%
All-In TIC	5.28%	5.85%	4.90%	6.67%
Average Annual Debt Service	\$313,860	\$329,990	\$303,709	\$353,372
Total Interest	\$2,396,073	\$2,730,959	\$2,185,343	\$3,216,404
Total Debt Service	\$6,516,073	\$6,850,959	\$6,305,343	\$7,336,404
Refunded Issue Summary (Series 2008)				
Principal Amount Outstanding	\$4,175,000	\$4,175,000	\$4,175,000	\$4,175,000
Principal Amount Refunded	\$4,175,000	\$4,175,000	\$4,175,000	\$4,175,000
Maturities Refunded	2023 - 2043	2023 - 2043	2023 - 2043	2023 - 2043
Average Coupon Refunded	6.09%	6.09%	6.09%	6.09%
Call Date/Price	11/3/2022 @ Par	11/3/2022 @ Par	11/3/2022 @ Par	11/3/2022 @ Par

How City Will Realize Savings from Proposed 2020 Refunding of Successor Agency, 2008 Bonds

The debt service on all Successor Agency debt is 100% paid for by property taxes levied and collected within the Project Area. As a result of the proposed refunding of Successor Agency’s 2008 Bonds, debt service savings would flow back to all taxing entities within the Project Area in the form of residual property taxes no longer needed for debt service.

Est. Net Financial Benefits Using Private Placement Loan-First Foundation Bank Rates

- Estimated NPV savings of \$396,287 (9.49%) of refunded principal).
- Total estimated net cash flow debt service savings of \$1,063,052 (all taxing entities in Project Area)
- Avg. coupon on 2008A (Taxable) Bonds reduced from 7.50% to True Interest Cost of 5.26%.
- Avg. coupon on 2008B (Tax-Exempt) Bonds reduced from 5.00% to True Interest Cost 3.84%.

- City's General Fund will receive 18.79% of debt service savings in form of residual property tax savings est. @ \$199,748 thru 8/1/43 (maturity). (FY 2043/2044).

- Annual est. City residual property tax savings est. @ \$9,079 thru 8/1/43 (maturity) (FY 2043/2044).

Summary:

	Series 2022 Bonds
True Interest Cost	4.683%
Budgetary Debt Service Savings	\$1,063,052
Present Value of Savings	\$730,223
Less: Prior funds on hand	(\$335,000)
Plus: Rounding Amount	\$1,064
Net Present Value Benefit	\$396,287
Net Present Value/Refunded Principal	9.492%

Based on the First Foundation Bank quoted refunding rates for the 2008 Bonds, total net budgetary savings are estimated at \$1,063,052 with net present value savings of \$396,287: 9.492% of refunded principal of the 2008 Bonds.

These savings compare very favorably to the estimated savings that were previously shown the City Council / Successor Agency meeting on 5/2/22 and the Oversight Board on 6/21/22. Budgetary debt service savings were estimated at \$1,149,399 and net present value savings of 9.526%.

Interest rates have risen considerably since 5/2/22 so to have firm estimated debt service savings based on First Foundation Bank's firm refunding rates quoted remarkably close to what was shown nearly five months ago is an outstanding outcome for the Successor Agency and all the taxing entities within the Gridley Redevelopment Project Area.

Refunding the 2008 Bonds and reducing the cost of debt service is consistent with the goals and objectives of the Dissolution Act. It has the effect of:

- Reducing the debt service costs of the Successor Agency; and
- Generating (through debt service savings) additional funds to the taxing entities immediately.

Based on information from Butte County, Property Tax Division, the City of Gridley will receive approximately 18.79% of the estimated debt service savings as residual revenue that would be credited to the City's General Fund.

**City of Gridley Successor Agency
2019/20 Incremental Weighted Average Rates - Combined**

Taxing Entity	Allocation	Est Annual Savings	Total Savings
City General Fund	18.79%	9,079	199,748
County General Fund	17.18%	8,301	182,632
Special Districts	7.47%	3,610	79,410
K-12 Schools	45.55%	22,010	484,220
Community College	6.77%	3,271	71,969
Co Office of Ed	4.24%	2,049	45,073
Total	100%	48,321	1,063,052

Costs of Issuance

Costs of issuance to be paid from financing proceeds at closing on Thurs., 10/27/22, assuming First Foundation Bank term sheets are approved by the City Council / Successor Agency on 10/3/22.
City to be reimbursed for staff time spent on financing from financing proceeds.

Financing Schedule

The refinancing process is projected to close on 10/27/22, as summarized in the financing schedule below with funding provided by First Foundation Bank (private placement lender).

October 3, 2022	<ul style="list-style-type: none"> City Council / Successor Agency Meeting Confirming the Issuance of Refunding Bonds, Approving Private Placement Method of Sale and Providing for Related Matters
October 4, 2022	<ul style="list-style-type: none"> US Bank Corporate Trust sends notice of call to 2008 bondholders to provide 30 notice of redemption.
October 4, 2022	<ul style="list-style-type: none"> Notice sent to US Bank Corporate Trust to liquidate debt service reserve funds on 2008 bonds to be included in refunding transaction.
October 11, 2022	<ul style="list-style-type: none"> US Bank Corporate Trust receives debt service reserve funds on 2008 bonds; finalize refunding numbers.

October 18, 2022	<ul style="list-style-type: none"> Final credit approval obtained from First Foundation Bank
October 26, 2022	<ul style="list-style-type: none"> Pre-Closing; Bond Counsel confirms all ready for closing.
October 27, 2022	<ul style="list-style-type: none"> Closing of the Series 2022 Bonds

Attachments

1-Resolution 2022-R-037: Successor Agency Confirming Issuance of Refunding Bonds, Approving Private Placement Method of Sale and Providing for Other Matters Related Thereto

2-Escrow Agreement-pursuant to which US Bank will pay-off 2008 Bondholders

3-Indenture-reflecting private placement method of sale

4-First Foundation Bank Term Sheets with Rates and Terms for refunding the 2008A (Taxable) and 2008B (Tax-Exempt) Bonds

A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY CONFIRMING THE ISSUANCE OF REFUNDING BONDS, APPROVING PRIVATE PLACEMENT METHOD OF SALE, AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, the Gridley Redevelopment Agency (the “Former Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the “Law”);

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency of the City of Gridley Redevelopment Agency (the “Successor Agency”) has become the successor entity to the Former Agency;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its \$2,980,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008A (Taxable) and \$1,770,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008B (Tax-Exempt) (Bank Qualified) (together, the “Prior Bonds”) for the purpose of providing funds to finance redevelopment projects;

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the “Savings Parameters”);

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Successor Agency of the City of Gridley Redevelopment Agency 2022 Tax Allocation Refunding Bonds (the “Refunding Bonds”), the Successor Agency caused its municipal advisor, W.J. Fawell & Co. Public Finance (the “Municipal Advisor”), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the Prior Bonds (the “Debt Service Savings Analysis”);

WHEREAS, pursuant to Section 34179, the Butte County Consolidated Oversight Board (the “Oversight Board”) has been established;

WHEREAS, pursuant to Resolution No. 2022-R-014, adopted on May 2, 2022 (the “SA Resolution”), the Successor Agency approved the issuance of the Refunding Bonds, an Indenture of Trust, by and between the Successor Agency and U.S. Bank Trust Company, National Association, as trustee, providing for the issuance of the Refunding Bonds (the “Indenture”), and requested that the Oversight Board approve the issuance of the Refunding Bonds by the Successor Agency;

WHEREAS, pursuant to Resolution No. 22-08, adopted on July 21, 2022 (the “OB Resolution”), the Oversight Board approved the issuance of the Refunding Bonds by the Successor Agency, and the OB Resolution, together with additional materials, were submitted to the California Department of Finance for its approval;

WHEREAS, the Agency has determined to sell the Refunding Bonds via a private placement method of sale to First Foundation Bank (together with its affiliates, successors and assigns, the “Bank”);

WHEREAS, the Successor Agency, with the aid of its staff, has reviewed the proposal from the Bank and wishes at this time to approve the sale of the Refunding Bonds to the Bank as in the public interests of the Successor Agency and applicable taxing entities.

NOW, THEREFORE, the Successor Agency of the City of Gridley Redevelopment Agency resolves as follows:

1. Confirmation of Approval of Issuance of the Refunding Bonds. The Successor Agency hereby confirms its actions in the SA Resolution authorizing and approving the issuance and sale of the Refunding Bonds. The Refunding Bonds shall be issued to the Bank pursuant to the Indenture, which shall be executed and delivered by the Mayor, the City Administrator or the Finance Director of the City, on behalf of the Successor Agency (each, an “Authorized Officer”), for and in the name and on behalf of the Successor Agency, in substantially the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture, as executed and delivered.

2. Approval of Escrow Agreement. The Successor Agency hereby approves the Escrow Agreement prescribing the provisions for purchase and sale of the Refunding Bonds. Each Authorized Officer is hereby authorized and directed to execute and deliver the Escrow Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer shall approve, such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement. The Successor Agency hereby authorizes the delivery and performance of the Escrow Agreement, as executed and delivered.

3. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in connection with the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

4. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

I HEREBY CERTIFY that the foregoing resolution was duly introduced and passed at a regular City Council meeting of the City of Gridley, as the governing body of the Successor Agency of the City of Gridley Redevelopment Agency, held on the 3rd day of October 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVE:

Cliff Wagner, City Administrator

Bruce Johnson, Mayor

ESCROW AGREEMENT

Relating to the Optional Redemption of:

\$2,980,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008A (Taxable)	\$1,770,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008B (Tax-Exempt)
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This ESCROW AGREEMENT (this “Agreement”), made and entered into as of October 1, 2022, by and among the SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY, a public entity, duly organized and existing under and by virtue of the Constitution and laws of the State of California (the “**Successor Agency**”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, national banking association duly organized and existing under the laws of the United States of America, as escrow agent (the “**Escrow Agent**”).

B A C K G R O U N D:

WHEREAS, the Gridley Redevelopment Agency (the “Former Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (as amended, the “Redevelopment Law”); and

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued the following outstanding series of bonds:

(i) \$2,980,000 aggregate principal amount of Gridley Redevelopment Project Tax Allocation Bonds, Series 2008A (Taxable) (the “2008A Bonds”), issued pursuant to an Indenture, dated as of May 1, 2008, by and between the Former Agency and Deutsche Bank National Trust Company, now succeeded by U.S. Bank Trust Company, National Association, as trustee (the “Prior Trustee”); and

(ii) \$1,770,000 aggregate principal amount of Gridley Redevelopment Project Tax Allocation Bonds, Series 2008B (Tax-Exempt) (the “2008B Bonds” and together with the 2008A Bonds, the “Prior Bonds”), issued pursuant to an Indenture, dated as of May 1, 2008, as supplemented by the First Supplemental Indenture, dated as of May 1, 2008, by and between the Former Agency and the Prior Trustee (together, the “Prior Indenture”);

WHEREAS, the Successor Agency has determined to defease and redeem the Prior Bonds; and

WHEREAS, Assembly Bill X1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 (“AB 1484”), codified Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, and resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the

Successor Agency of all of the authority, rights, powers, duties and obligations of the Former Agency; and

WHEREAS, the Successor Agency has authorized the issuance of its (i) "Successor Agency of the City of Gridley Redevelopment Agency 2022 Series A Tax Allocation Refunding Bonds" (the "2022A Bonds"), and (ii) "Gridley Redevelopment Successor Agency 2022 Series B Taxable Tax Allocation Refunding Bonds" (the "2022B Bonds" and together with the 2022A Bonds, the "2022 Bonds") pursuant to an Indenture of Trust dated as of October 1, 2022 by and between the Successor Agency and U.S. Bank Trust Company, National Association, as trustee (the "2022 Trustee"), and determined to use the proceeds of the 2022 Bonds to defease and redeem, in advance of their stated maturities, the Prior Bonds; and

WHEREAS, the Successor Agency wishes to enter into this Agreement to provide for the proceeds of sale of the 2022 Bonds, together with other funds held by the Escrow Agent, in its capacity as trustee for the Prior Bonds, to be deposited in an irrevocable special escrow fund created and maintained with the Escrow Agent for the purpose of providing for the defeasance and redemption in full of the outstanding Prior Bonds; and

WHEREAS, the Escrow Agent has full powers to act with respect to said escrow fund and to perform the duties and obligations to be undertaken pursuant to this Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

Section 1. Appointment of Escrow Agent. The Successor Agency hereby appoints U.S. Bank Trust Company, National Association as escrow agent for all purposes of this Agreement and in accordance with the terms and provisions of this Agreement, and the Escrow Agent hereby accepts such appointment.

Section 2. Establishment of Escrow Fund. There is hereby created the Escrow Fund to be held by the Escrow Agent, separate and apart from any funds or accounts of the Escrow Agent or the Successor Agency, as an irrevocable escrow securing payment of principal of and interest on the Prior Bonds as hereinafter set forth.

All cash in the Escrow Fund is hereby irrevocably pledged as a special fund for the payment and prepayment of the Prior Bonds in accordance with the terms hereof. If at any time the Escrow Agent receives actual knowledge that the cash and amounts in the Escrow Fund will not be sufficient to make any payment required by Section 4 hereof, the Escrow Agent will notify the Successor Agency of such fact and the Successor Agency will immediately cure such deficiency from any source of legally available funds.

Section 3. Deposit into Escrow Fund; Investment of Amounts.

(a) Deposits into Escrow Fund. Concurrently with the execution and delivery of the 2022 Bonds, the Successor Agency will cause to be transferred to the Escrow Agent for deposit into the Escrow Fund, the amount of \$ _____, from the following sources:

(i) from the 2022 Trustee out of the proceeds of the 2022 Bonds, the amount of \$ _____; and

(ii) from the Prior Trustee from funds on hand related to the Prior Bonds, the amount of \$_____.

(b) Use of Escrow Fund. Amounts deposited into the Escrow Fund pursuant to Section 3(a) shall be held by the Escrow Agent in cash, uninvested. The cash held in the Escrow Fund will be deposited with and held by the Escrow Agent in the Escrow Fund solely for the uses and purposes set forth herein. The Escrow Agent will have no lien upon or right of set off against the amounts at any time on deposit in the Escrow Fund. The Escrow Agent may create such subaccounts within the Escrow Fund as it may require to accomplish the purposes of this Escrow Agreement.

Section 4. Instructions as to Application of Deposit. The total amount of cash deposited in the Escrow Fund pursuant to Section 3 will be applied by the Escrow Agent to the payment and prepayment of the Prior Bonds in accordance with the Prior Indenture on the date and in the amounts set forth on Exhibit A hereto. Any amounts remaining in the Escrow Fund following the full prepayment of all of the Prior Bonds will be transferred by the Escrow Agent to the 2022 Trustee, for deposit to the Debt Service Fund established and held by the 2022 Trustee with respect to the 2022 Bonds.

Section 5. Election to Prepay; Notices. The Successor Agency has previously directed the Prior Trustee to mail out a notice of conditional optional redemption of the Prior Bonds, which such optional redemption date shown in Exhibit A.

In addition, the Escrow Agent is hereby directed to give a Notice of Defeasance on the issuance date of the 2022 Bonds, substantially in the form attached hereto as Exhibit B, to the Municipal Securities Rulemaking Board (MSRB)'s Electronic Municipal Market Access (EMMA) system accessible at the emma.msrb.org website.

Section 6. Compensation to Escrow Agent. From proceeds of the Prior Bonds or other lawfully available sources, the Successor Agency will pay the Escrow Agent full compensation for its duties under this Agreement, including out-of-pocket costs such as publication costs, prepayment expenses, legal fees and other costs and expenses relating hereto. Under no circumstances will amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes.

Section 7. Immunities and Liabilities of Escrow Agent.

(i) The Escrow Agent undertakes to perform only such duties as are expressly and specifically set forth in this Agreement and no implied duties or obligations will be read into this Agreement against the Escrow Agent.

(ii) The Escrow Agent will not have any liability hereunder except to the extent of its own gross negligence or willful misconduct.

(iii) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the Successor Agency) and the opinion of such counsel will be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(iv) The Escrow Agent will not be responsible for any of the recitals or representations contained herein.

(v) The Escrow Agent will not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Defeasance Securities deposited with it to pay the principal of, and interest on, the Prior Bonds.

(vi) The Escrow Agent will not be liable for any action or omission of the Successor Agency or the Corporation under this Agreement or any related agreement.

(vii) Whenever in the administration of this Agreement the Escrow Agent deems 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, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Successor Agency, and such certificate will, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Agreement upon the faith thereof.

(viii) The Escrow Agent may conclusively rely, as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided, and will be protected and indemnified, in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Escrow Agent signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

(ix) The Escrow Agent may at any time resign by giving written notice to the Successor Agency of such resignation. The Successor Agency will promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective upon acceptance of appointment by a successor Escrow Agent. If the Successor Agency does not promptly appoint a successor, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of an Escrow Agent, the Successor Agency may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the Successor Agency appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the Successor Agency will immediately and without further act be superseded by the successor Escrow Agent so appointed.

(x) The Successor Agency covenants to indemnify and hold harmless the Escrow Agent against any loss, liability or expense, including legal fees, in connection with the performance of any of its duties hereunder, except the Escrow Agent will not be indemnified against any loss, liability or expense resulting from its gross negligence or willful misconduct.

Section 8. Amendment. This Agreement may be amended by the parties hereto, (i) without the consent of the owners of the Prior Bonds, but only if such amendment is made (a) to cure, correct or supplement any ambiguous or defective provision contained herein, (b) to pledge additional security to the payment and prepayment of the Prior Bonds, or (c) to deposit additional monies for the purposes of this Agreement, or (ii) with the consent of 100% of the owners of the Prior Bonds outstanding, and only if there will have been filed with the Successor Agency, the Corporation and the Escrow Agent a written opinion of Jones Hall, A Professional Law Corporation, as special counsel, stating that any such amendment will not materially adversely affect the interests of the owners of the Prior Bonds, and that any such amendment will not cause the portion of lease payments representing interest payable with respect to the Prior

Bonds to become includable in the gross income of the owners thereof for federal income tax purposes.

Section 9. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 10. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of California.

Section 11. Severability. In the event any provision of this Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

[Remainder of page intentionally left blank. Signature on next page.]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers all as of the date first above written.

**SUCCESSOR AGENCY OF THE CITY OF
GRIDLEY REDEVELOPMENT AGENCY**

By: _____
Cliff Wagner
City Administrator

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, *as Escrow Agent***

By: _____
Authorized Officer

EXHIBIT A

SCHEDULE OF OPTIONAL REDEMPTION

2008A Bonds

Period Ending	Accrued Interest	Principal Redeemed	Total
11/3/2022		\$2,440,000	

2008B Bonds

Period Ending	Accrued Interest	Principal Redeemed	Total
11/3/2022		\$1,735,000	

EXHIBIT B

NOTICE OF DEFEASANCE

\$2,980,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008A (Taxable)	\$1,770,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008B (Tax-Exempt)
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NOTICE IS HEREBY GIVEN, by the Successor Agency of the City of Gridley Redevelopment Agency (the "Successor Agency") with respect to the above-captioned bonds (the "Bonds"), that the Successor Agency has defeased all of the outstanding Bonds as of the date hereof. Amounts sufficient for such defeasance have been deposited into an escrow fund held by U.S. Bank Trust Company, National Association, as escrow agent, for such purpose. A notice of the conditional optional redemption of all the Bonds has previously been disseminated, pursuant to which the Bonds will be optional redeemed on November 3, 2022.

The Bonds that have been defeased and that the Successor Agency has elected to optionally redeem on November 3, 2022 consist of the following:

Tax Allocation Bonds, Series 2008A (Taxable)

Maturity Date	Outstanding <u>Principal Amount</u>	Interest <u>Rate</u>	CUSIP No.*
Aug. 1, 2038	\$2,440,000	7.500%	398092 AB2

Tax Allocation Bonds, Series 2008B (Tax-Exempt)

Maturity Date	Outstanding <u>Principal Amount</u>	Interest <u>Rate</u>	CUSIP No.*
Aug. 1, 2043	\$1,735,000	5.000%	398092 AC0

* CUSIP data are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Capital IQ. The Successor Agency and the trustee shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Bond; the CUSIP numbers are included solely for the convenience of the owners of the Bonds.

Dated: October 27, 2022

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee and Escrow Agent**

INDENTURE OF TRUST

Dated as of October 1, 2022

by and between the

SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee**

Relating to

\$ _____
**Successor Agency of the City of Gridley Redevelopment Agency
2022 Series A Taxable Allocation Refunding Bonds**

and

\$ _____
**Successor Agency of the City of Gridley Redevelopment Agency
2022 Series B Tax Allocation Refunding Bonds (Bank Qualified)**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”) is made and entered into and dated as of October 1, 2022, by and between the SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY, a public entity duly organized and existing under the laws of the State of California (the “Successor Agency”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the Gridley Redevelopment Agency (the “Former Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the “Law”);

WHEREAS, a redevelopment plan for the redevelopment project area designated the “Gridley Redevelopment Project” in the City of Gridley, California (the “Redevelopment Project”) were adopted in compliance with all requirements of the Law;

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, and the Successor Agency has become the successor entity to the Former Agency;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its \$2,980,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008A (Taxable) and \$1,770,000 Gridley Redevelopment Agency Gridley Redevelopment Project Tax Allocation Bonds, Series 2008B (Tax-Exempt) (Bank Qualified) (together, the “Prior Bonds”) for the purpose of providing funds to finance redevelopment projects, which Prior Bonds were sold to investors in a public offering;

WHEREAS, Assembly Bill X1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 (“AB 1484”), resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the Successor Agency of all of the authority, rights, powers, duties and obligations of the Former Agency;

WHEREAS, AB 1484, among other things, authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth said Section 34177.5(a) (the “Savings Parameters”);

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Law and the Refunding Law of the 2022 Bonds (defined herein);

WHEREAS, in order to provide for the authentication and delivery of the 2022 Bonds, to establish and declare the terms and conditions upon which the 2022 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, all acts and proceedings required by law necessary to make the 2022 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 legal, 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 2022 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 2022 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 2022 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 2022 Bonds, as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. 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 2022 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 2022 Bonds in the manner and form provided in this Indenture.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 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.

“Accredited Investor” means an “accredited investor” as defined in Section 2(15) under the Securities Act of 1933, as amended,

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds and Parity Debt in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled and (b) the principal amount of the Outstanding Bonds and Parity Debt payable by their terms in such Bond Year.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the City from time to time concerning or relating to bribery or corruption.

“Anti-Terrorism Laws” means any of the Laws relating to terrorism or money laundering, including Executive Order No. 13224, the PATRIOT Act, the Laws comprising or implementing the Bank Secrecy Act, and the Laws administered by OFAC.

“Bank Secrecy Act” means the Bank Secrecy Act of 1970 as codified in 31 U.S.C. 5311-5314e, as now and hereafter in effect, or any successor statute.

“Bond” or “Bonds” means the 2022 Bonds and, if the context requires, any additional Parity Debt issued pursuant to a Supplemental Indenture pursuant to Section 5.02 hereof.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

“Bond Proceeds Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“Bond Year” means, any twelve-month period beginning on September 2 in any year and ending on the next succeeding August 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date, and end on August 1, 2023.

“Business Day” means a day of the year on which banks in San Francisco, California, or the city where the Principal Corporate Trust Office is located are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

“City” means the City of Gridley, a municipal corporation and general law city duly organized and existing under the laws of the State of California.

“Closing Date” means, with respect to the 2022 Bonds, the date on which the 2022 Bonds are delivered by the Trustee to the original purchaser thereof, being October 27, 2022.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Community Redevelopment Law” means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to County and Successor Agency administrative staff costs, printing expenses, bond insurance and surety bond premiums, transferred proceeds penalties due the United States of America, underwriting fees, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Account” means the account by that name within the Bond Proceeds Fund established and held by the Trustee pursuant to Section 3.03.

“County” means the County of Butte, a county duly organized and existing under the Constitution and laws of the State.

“Debt Service Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.03.

“Default Rate” means, with respect to any current interest rate payable hereunder, said rate plus 3.00%%, or such lower rate as required to ensure the Savings Parameters are at all times met.

“Defeasance Obligations” means (i) cash and (ii) Federal Securities.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

“Depository System Participant” means any participant in the Depository's book-entry system.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Successor Agency files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have occurred;

(ii) on the date when the Original Purchaser notifies the Successor Agency that it has received a written opinion from Bond Counsel to the effect that an Event of Taxability has occurred, which notice shall be accompanied by a copy of such opinion of Bond Counsel, unless, within 180 days after receipt by the Successor Agency of such notification and copy of such opinion from the Owner, the Successor Agency shall deliver to the Owner a ruling or determination letter issued to or on behalf of the Successor Agency by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Successor Agency shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon any review or audit or upon any other ground whatsoever, an Event of Taxability has occurred; or

(iv) on the date when the Successor Agency shall receive notice from the Owner that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed the interest on the Loan Repayments as includable in the gross income of the Owner due to the occurrence of an Event of Taxability, provided that the Owner has provided a copy of document(s) received from the Internal Revenue Service to the Successor Agency; *provided, however*, that no Determination of Taxability shall occur under subparagraph (iii) or subparagraph (iv) above unless the Successor Agency has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Owner following an event listed in subparagraphs (i), (ii), (iii) or (iv), the Successor Agency shall reimburse the Owner for any payments, including any taxes, interest, penalties or other charges, Owner shall be obligated to make to the Internal Revenue Service as a result of the Determination of Taxability.

“Dissolution Act” means Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code.

“Environmental Laws” means any and all federal, state and local statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

“Escrow Agreement” means Escrow Agreement relating to the refunding of the Prior Bonds, by and between the Successor Agency and U.S. Bank Trust Company, National Association, as escrow agent, and trustee for the Prior Bonds.

“Escrow Agent” means U.S. Bank Trust Company, National Association, as escrow agent under the Escrow Agreement.

“Event of Default” means any of the events described in Section 8.01.

“Event of Taxability” means any action taken or not taken by the City which has the effect of causing interest paid or payable on the 2022 Series B Bonds to be includable, in whole or in part, in the gross income of the holder of the 2022 Series B Bonds for federal income tax purposes.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, (iv) any commingled investment fund in which the Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment, or (v) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States, as certified in writing by the Agency to the Trustee.

“Federal Securities” means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

“Fiscal Year” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

“Former Agency” means the former Gridley Redevelopment Agency, a public body corporate and politic duly organized and existing under the Community Redevelopment Law and dissolved in accordance with the Dissolution Act.

“Indenture” means this Indenture of Trust by and between the Successor Agency and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

“Independent Accountant” means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the Successor Agency, and who, or each of whom:

(a) is in fact independent and not under domination of the Successor Agency;

(b) does not have any substantial interest, direct or indirect, with the Successor Agency; and

(c) 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.

“Independent Redevelopment Consultant” means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom:

(a) is judged by the Successor Agency to have experience in matters relating to the issuance of tax allocation refunding bonds or otherwise with respect to the financing of redevelopment projects;

(b) is in fact independent and not under domination of the Successor Agency;

(c) does not have any substantial interest, direct or indirect, with the Successor Agency; and

(d) 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.

“Information Services” means “EMMA” or the “Electronic Municipal Market Access” system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Written Certificate of the Successor Agency delivered to the Trustee.

“Interest Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(a).

“Interest Payment Date” means February 1 and August 1 of each year, commencing February 1, 2023, so long as any of the Bonds remain Outstanding hereunder.

“Law” means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code, together with the Dissolution Act, and the acts amendatory thereof and supplemental thereto.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the System or the other assets, liabilities, condition (financial or otherwise), business, facilities or operations of the City, (b) the ability of the City to carry out its business in the manner conducted as of the date of this Loan Agreement or to meet or perform its obligations

under this Loan Agreement on a timely basis, or (c) the validity or enforceability of this Loan Agreement.

“Maximum Annual Debt Service” means, as of the date of calculation with respect to a series of Bonds, the largest Annual Debt Service for such series of Bonds for the current or any future Bond Year.

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control, and any successor thereto.

“OFAC Lists” means, collectively, the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to Executive Order No. 13224 and/or any other list of terrorists or other restricted Persons maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable executive orders.

“Original Purchaser” means First Foundation Bank, as the original purchaser of the 2022 Bonds.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

“Oversight Board” means the Oversight Board for the Successor Agency, duly constituted from time to time pursuant to Section 34179 of the California Health and Safety Code.

“Owner” or “Bondowner” means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Parity Debt” means any bonds, notes or other obligations that are payable from and secured by a lien on Tax Revenues that is on parity with the lien under this Indenture.

“Parity Debt Instrument” means any resolution, indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt, including, without limitation, a Supplemental Indenture authorized by Section 7.01(d).

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to conclusively rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State), but only to the extent that the same are acquired at Fair Market Value and otherwise comply with the Successor Agency’s investment policies at the time such Permitted Investment is acquired, provided that the Trustee shall be entitled to rely upon any investment directions from the Successor Agency as

conclusive certification to the Trustee that investments described therein are in compliance with the Successor Agency's investment policy then in effect:

- (a) Cash;
- (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America;
- (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America;
- (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;
- (e) Federal Housing Administration debentures;
- (f) the following listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
 - (i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
 - (ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;
 - (iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and
 - (iv) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
- (g) unsecured certificates of deposit, time deposits, and bankers' acceptances or other similar bank deposit products (having maturities of not more than 365 days) of any bank (which may include the Trustee and its affiliates) the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's;
- (h) deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least \$15 million;
- (i) commercial paper (having original maturities of not more than 270 days) rated at the time of purchase "A-1+" by S&P and "Prime-1" by Moody's;
- (j) money market funds (including funds for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian,

transfer agent, investment advisor or otherwise) rated “Aam” or “AAm-G” by S&P, or better and if rated by Moody's rated “Aa2” or better;

(k) “State Obligations”, which means:

(i) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of such state, subdivision or agency and which is rated at least “Aa” by Moody's and at least “AA” by S&P;

(ii) direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated “A-1+” by S&P and “MIG-1” by Moody's; and

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated “AA-” or better by S&P and “Aa3” or better by Moody's;

(l) pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody's meeting the following requirements:

(i) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification Report”);

(iv) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(vi) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;

(m) repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “AA-” by S&P and “Aa3” Moody's; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-

dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “AA-” by S&P and “Aa3” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least “AA-” by S&P and “Aa3” by Moody’s;

(n) investment agreements with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA” by S&P and “Aa” by Moody’s; and

(o) the Local Agency Investment Fund which is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided that for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.

“Principal Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

“Principal Corporate Trust Office” means the principal corporate trust office that the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of this Indenture.

“Project Area” means the project area described in the Redevelopment Plan.

“Qualified Institutional Buyer” means a “qualified institutional buyer” within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended.

“Recognized Obligation Payment Schedule” means the schedule by that name prepared in accordance with the requirements of Section 34177(l) of the California Health and Safety Code.

“Record Date” means, with respect to any Interest Payment Date, the close of business on the 15th calendar day of the month preceding such Interest Payment Date, whether or not such 15th calendar day is a Business Day.

“Redevelopment Obligation Retirement Fund” means the fund established and held by the Successor Agency pursuant to Section 34170.5(a) of the California Health and Safety Code.

“Redevelopment Plan” means the Redevelopment Plan for the Gridley Redevelopment Project, approved by Ordinance No. 714-2002 enacted by the City Council of the City on July 15, 2002 and effective on August 14, 2002, together with any amendments thereof duly enacted pursuant to the Redevelopment Law.

“Redevelopment Property Tax Trust Fund” means the fund established pursuant to Section 34170.5(b) of the California Health and Safety Code and administered by the Successor Agency.

“Registration Books” means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Bonds.

“Prior Bonds” has the meaning given it in the Recitals.

“Refunding Law” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

“Report” means a document in writing signed by an Independent Redevelopment Consultant and including:

(a) a statement that the person or firm making or giving such Report has read the pertinent provisions of this 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.

“Savings Parameters” has the meaning given it in the Recitals.

“Senior Pass-Through Agreements” means, collectively, _____, each as executed and as heretofore or hereafter amended or supplemented.]

“S&P” means S&P Global Ratings, and its successors.

“Securities Depositories” means DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Written Request of the Successor Agency delivered to the Trustee.

“Semiannual Period” means (a) each six-month period beginning on January 1 of any calendar year and ending on June 30 of such calendar year, and (b) each six-month period beginning on July 1 of any calendar year and ending on December 31 of such calendar year.

“State” means the State of California.

“Subordinate Debt” means any loan, advances or indebtedness issued or incurred by the Successor Agency, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues, including revenue bonds and other debts and obligations scheduled for payment pursuant to Section 34183(a)(2) of the Law; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to (i) the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds, and (ii) the Successor Agency’s obligation to reimburse the provider of a letter of credit, surety bond or similar instrument for the debt service reserve account for any Parity Debt.

“Successor Agency” means the Successor Agency of the City of Gridley Redevelopment Agency, a public entity duly organized and existing under the Law.

“Supplemental Indenture” means any resolution, agreement or other instrument that has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Taxable Equivalent Rate” means 5.260%, or such lower rate as required to ensure the Savings Parameters are at all times met.

“Tax Revenues” means all taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the Redevelopment Property Tax Trust Fund for transfer to the Successor Agency for deposit into the Redevelopment Obligation Retirement Fund, excluding all amounts [payable by the Agency under the Senior Pass-Through Agreements or] required to be paid to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law unless such payments are subordinated to payments on the 2022 Bonds or any additional Bonds or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Law and 34177.5(c) of the Dissolution Act.

“Trustee” means U.S. Bank Trust Company, National Association, as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

“2022 Bonds” means, collectively, the 2022 Series A Taxable Bonds and the 2022 Series B Bonds.

“2022 Series A Taxable Bonds” means the Successor Agency of the City of Gridley Redevelopment Agency 2022 Series A Taxable Tax Allocation Refunding Bonds.

“2022 Series B Bonds” means the Successor Agency of the City of Gridley Redevelopment Agency 2022 Series B Tax Allocation Refunding Bonds (Bank Qualified).

“Written Request of the Successor Agency” or “Written Certificate of the Successor Agency” means a request or certificate, in writing signed by the City Administrator or Chief Financial Officer/Finance Director of the Successor Agency or his or her designee, or by any other officer of the Successor Agency duly authorized by the Governing Board of the Successor Agency for that purpose.

Section 1.03. 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 2.01. Authorization of 2022 Bonds. The 2022 Bonds are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Law and the Refunding Law and shall be issued in two separate series designated the “Successor Agency of the City of Gridley Redevelopment Agency 2022 Series A Taxable Tax Allocation Refunding Bonds” in the initial aggregate principal amount of \$_____ and the “Successor Agency of the City of Gridley Redevelopment Agency 2022 Series B Tax Allocation Refunding Bonds (Bank Qualified)” in the initial aggregate principal amount of \$_____.

This Indenture constitutes a continuing agreement with the Owners of all of the Bonds, including the 2022 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, including the 2022 Bonds, which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

Section 2.02. Terms of 2022 Bonds. The 2022 Bonds shall be dated as of the Closing Date, and shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The 2022 Bonds shall be issued as term bonds and shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rate per annum as follows:

2022 Series A Taxable Bonds

Maturity (August 1)	Principal Amount	Interest Rate*
2043	\$_____	5.260%

* Converts to Default Rate following Event of Default

2022 Series B Bonds

Maturity (August 1)	Principal Amount	Interest Rate**
2043	\$_____	3.840%

** Converts to Default Rate following Event of Default and Taxable Equivalent Rate following an Event of Taxability.

Interest on the 2022 Bonds (including the final interest payment upon maturity or earlier redemption) 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 Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date, to such Owner at the address of such Owner as it appears on the Registration Books as of such Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of 2022 Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee prior to the applicable Record Date. Principal of and redemption premium (if any) on any 2022 Bond shall be paid upon presentation and surrender thereof, at maturity, at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2022 Bonds shall be payable in lawful money of the United States of America.

Each 2022 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a 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 2022 Bond is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any 2022 Bond, interest thereon is in default, such 2022 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Redemption of 2022 Bonds.

(a) Optional Redemption. The Successor Agency has the right at its option to prepay the 2022 Bonds, in whole or in part, on any Interest Payment Date, at a redemption price equal to the principal amount of 2022 Bonds redeemed, plus the premium set forth in the following table, together with accrued interest thereon to the date of redemption:

<u>Interest Payment Dates</u>	<u>Premium</u>
Interest Payment Dates through and including August 1, 2024	3%
February 1, 2025 through and including August 1, 2026	2%
February 1, 2027 through and including August 1, 2028	1%
February 1, 2029 and Interest Payments Dates thereafter	0%

(b) Mandatory Sinking Fund Redemption. The 2022 Bonds are being issued in the form of a single bond for each series, which is subject to redemption 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 following tables:

<u>2022 Series A Taxable Bonds</u>		<u>2022 Series B Bonds</u>	
Sinking Fund Redemption Date (August 1)	<u>Principal Amount</u>	Sinking Fund Redemption Date (August 1)	<u>Principal Amount</u>
2023		2023	
2024		2024	
2025		2025	
2026		2026	
2027		2027	
2028		2028	
2029		2029	
2030		2030	
2031		2031	
2032		2032	
2033		2033	
2034		2034	
2035		2035	
2036		2036	
2037		2037	
2038		2038	
2039		2039	
2040		2040	
2041		2041	
2042		2042	
2043		2043	

(c) Notice of Redemption; Rescission. Subject to Section 2.11, the Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least 20 but not more than 60 days prior to the redemption date, to the

Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of a redemption pursuant to (a) above, that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee, shall designate the 2022 Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the 2022 Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2022 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the 2022 Bonds being redeemed with the proceeds of such check or other transfer.

(d) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the 2022 Bond to be redeemed.

(e) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the 2022 Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(f) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The 2022 Bonds to be redeemed shall be the 2022 Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for

each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

Section 2.04. Form of 2022 Bonds. The 2022 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, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05. Execution of 2022 Bonds. The 2022 Bonds shall be executed on behalf of the Successor Agency by the signature of the City Administrator or Chief Financial Officer of the Successor Agency. Such signature may be made manually or may be affixed by facsimile thereof. The 2022 Bonds shall be attested by the manual or facsimile of the Secretary of the Governing Board of the Successor Agency. If any officer whose signature appears on any 2022 Bond ceases to be such officer before delivery of the 2022 Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2022 Bonds to the purchaser. Any 2022 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 2022 Bond shall be the proper officers of the Successor Agency although on the date of such 2022 Bond any such person shall not have been such officer of the Successor Agency.

Only such of the 2022 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall be conclusive evidence that such 2022 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary 2022 Bonds are issued pursuant to Section 2.09 hereof, the temporary 2022 Bonds may bear thereon a Certificate of Authentication executed and dated by the Trustee, shall be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary 2022 Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive 2022 Bonds authenticated and delivered hereunder.

Section 2.06. 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 Principal Corporate 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 denomination. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period 15 days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Corporate 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 2.07. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

The Trustee may refuse to exchange, under the provisions of this Section 2.07, either (a) any Bonds during the period 15 days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

Section 2.08. Registration of Bonds. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the 2022 Bonds, which shall at all times during normal business hours be open to inspection by the Successor Agency, upon reasonable prior notice to the Trustee; 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 2.09. Temporary Bonds. The 2022 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 authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, interest rates and like maturities. 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 authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the 2022 Bond so mutilated, but only upon surrender to the Trustee of the 2022 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 be 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 tenor and amount in lieu of and in substitution for the 2022 Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Successor Agency). The Successor Agency may require payment by the Owner 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 2022 Bond so alleged to be lost, destroyed or stolen 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. Delivery of 2022 Bonds to Original Purchaser. In recognition of the fact that the 2022 Bonds are being purchased solely by the Original Purchaser, the following provisions shall apply to the 2022 Bonds, notwithstanding anything to the contrary in this Indenture:

(a) The 2022 Bonds shall be initially delivered in the form of two single fully-registered bond without coupons, one bond for each series. Upon initial delivery, the ownership of the 2022 Bonds shall be registered on the Registration Books in the name of the Original Purchaser. The 2022 Bonds are initially being sold to a private investor and shall not bear a CUSIP number, nor shall there be any application for eligibility for the 2022 Bonds with The Depository Trust Company (DTC).

(b) During any period that the Original Purchaser is the Owner of the 2022 Bonds, the 2022 Bonds shall not be (i) assigned a rating by any credit rating agency, (ii) registered with DTC or any other securities depository, (iii) offered pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number.

(c) So long as all of the 2022 Bonds are owned by the Original Purchaser or a single Owner (i) the Trustee shall pay principal of and interest and redemption premium on the 2022 Bonds when due by wire transfer in immediately available funds to the Owner in accordance with wire transfer instructions on file with the Trustee as shall be filed by the Owner with the Trustee from time to time; provided, if the date for payment is not a Business Day, then such payment shall be made on the Business Day immediately preceding said payment date, (ii) payments of principal on the 2022 Bonds, including sinking fund redemption, shall be made without the requirement for presentation or surrender of the 2022 Bonds by the Owner, and (iii) the Trustee shall not be required to give notice to the Owner of the sinking fund redemption pursuant to Section 2.03(b).

(d) The 2022 Bonds may only be transferred in whole to an Accredited Investor or Qualified Institutional Buyer who delivers to the Trustee and the Successor Agency an executed letter substantially in the form of Exhibit C. The Successor Agency may remove the limitations set forth in this Section 2.11(d) without the consent of any Owner of any 2022 Bonds other than the Original Purchaser (if it is still the Owner of the 2022 Bonds).

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF 2022 BONDS

Section 3.01. Issuance of 2022 Bonds. (a) Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver 2022 Series A Taxable Bonds to the Trustee in the aggregate principal amount of \$_____ and the Trustee shall authenticate and deliver the 2022 Series A Taxable Bonds upon the Written Request of the Successor Agency.

(b) Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver 2022 Series B Bonds to the Trustee in the aggregate principal amount of \$_____ and the Trustee shall authenticate and deliver the 2022 Series B Bonds upon the Written Request of the Successor Agency.

Section 3.02. Application of Proceeds of Sale and Certain Other Amounts.

(a) *2022 Series A Taxable Bond Proceeds.* On the Closing Date the proceeds of sale of the 2022 Series A Taxable Bonds (being 100% of the par amount thereof) shall be paid to the Trustee in the amount of \$_____, and the Trustee shall apply such proceeds as follows:

(i) The Trustee shall deposit the amount of \$_____ in the Series 2022A Subaccount of the Costs of Issuance Account of the Bond Proceeds Fund.

(ii) The Trustee shall transfer the amount of \$_____ to the Escrow Agent, for deposit pursuant to and in the amounts shown in the Escrow Agreement.

(b) *2022 Series B Bond Proceeds.* On the Closing Date the proceeds of sale of the 2022 Series B Bonds (being 100% of the par amount thereof) shall be paid to the Trustee in the amount of \$_____, and the Trustee shall apply such proceeds as follows:

(i) The Trustee shall deposit the amount of \$_____ in the Series 2022B Subaccount of the Costs of Issuance Account of the Bond Proceeds Fund.

(ii) The Trustee shall transfer the amount of \$_____ to the Escrow Agent, for deposit pursuant to and in the amounts shown in the Escrow Agreement.

Section 3.03. Bond Proceeds Fund; Costs of Issuance Account. There is hereby established a separate fund to be known as the "Bond Proceeds Fund", which shall be held by the Trustee in trust, and within such Fund there shall be established a separate Costs of Issuance Account and subaccounts therein as a "2022A Subaccount" and "2022B Subaccount." The moneys in the Costs of Issuance Account 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 which is 3 months following the Closing Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Account shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund as follows: (i) amounts transferred from the 2022A Subaccount shall be transferred to the Interest Account of the Debt Service Fund allocable to 2022 Series A Taxable Bonds and shall be used to pay interest on the 2022 Series A Taxable Bonds, and (ii) amounts transferred from the 2022B Subaccount shall be transferred to the Interest Account of the Debt Service Fund

allocable to 2022 Series B Bonds and shall be applied to pay interest on the 2022 Series B Bonds; and the Trustee shall close the Costs of Issuance Account.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as provided in Section 6.06, the Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account and the Principal Account, without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Bonds shall be also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Law on the Tax Revenues deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the 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 on the Bonds.

In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and 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 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues. The Successor Agency has heretofore established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Law which the Successor Agency shall continue to hold and maintain so long as any of the Bonds are Outstanding.

In accordance with Section 5.08 hereof, the Successor Agency shall deposit all Tax Revenues into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof. All Tax Revenues received by the Successor Agency in excess of amounts required herein or as additionally required pursuant to a Supplemental Indenture or Parity Debt Instrument shall be released from the pledge and lien hereunder and shall be applied in accordance with the Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in this Indenture and in any Supplemental Indenture.

Section 4.03. Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the Debt Service Fund, which shall be held by the Trustee hereunder in trust. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the

Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority:

(a) Interest Account. Promptly upon receipt, and in any event no later than the 5th Business Day preceding each Interest Payment Date, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee, for deposit in the Interest Account an amount which, when added to the amount contained in the 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 deposit need be made to the 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. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable.

(b) Principal Account. Promptly upon receipt, and in any event no later than the 5th Business Day preceding each August 1 on which the principal of the Bonds becomes due and payable, and at maturity, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Bonds. No such deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next August 1 on all of the Outstanding Bonds and any Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds and any Parity Debt as it shall become due and payable.

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01. Punctual Payment. The Successor Agency shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds together with the premium thereon, if any, in strict conformity with the terms of the Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and the Bonds. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances.

(a) No Superior Debt. The Successor Agency covenants that it will not issue any bonds, notes, or other obligations that are payable from or secured by a lien on Tax Revenues that is superior to the lien in favor of the Bonds under this Indenture.

(b) Parity Debt. The Successor Agency may issue Parity Debt solely to refund all or a portion of the Outstanding Bonds provided that with respect to any such refunding (i) debt service on such Parity Debt, as applicable, is lower than debt service on the obligations being refunded during the remaining period the obligations would otherwise be outstanding, (ii) the final

maturity of any such Parity Debt does not exceed the final maturity of the obligations being refunded, (iii) the interest rate on the Parity Debt shall be fixed on the date of issuance of the Parity Debt, and (iv) principal payments shall be on August 1 and interest payments on February 1 and August 1. In connection with the future issuance of Parity Debt pursuant to this Section 5.02(b), the Successor Agency shall determine whether or not Parity Debt shall be secured by a reserve fund. Nothing herein shall prevent the Successor Agency from issuing Subordinate Debt. Any Subordinate Debt shall be payable on the same dates as the Bonds and shall be in all respects, including security and payments, subordinate and junior to the Bonds.

Section 5.03. Extension of Payment. The Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Payment of Claims. The Successor Agency shall promptly pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Tax Revenues or other amounts pledged to the payment of the Bonds, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

Section 5.05. Books and Accounts; Financial Statements. The Successor Agency shall at all times keep, or cause to be kept, proper and current books and accounts in which accurate entries are made of the financial transactions and records of the Successor Agency. Within 270 days after the close of each Fiscal Year an Independent Certified Public Accountant shall prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial statements of the City. The Successor Agency shall furnish a copy of such financial statements to any Owner upon reasonable request of such Owner and at the expense of such Owner. The Trustee shall have no duty to review such audits.

Section 5.06. Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to any series of Bonds, such series of Bonds shall be incontestable by the Successor Agency.

Section 5.07. Payments of Taxes and Other Charges. Except as otherwise provided herein, the Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, or upon the revenues therefrom when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or

charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Project Area or any part thereof.

Section 5.08. Compliance with the Law; Recognized Obligation Payment Schedules.

(a) The Successor Agency shall comply with all of the requirements of the Law.

(b) Pursuant to Section 34177 of the Law, not later than each date a Recognized Obligation Payment Schedule is due, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period (i) debt service on the Bonds so as to enable the Butte County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Recognized Obligation Payment Schedule attached hereto as Exhibit B and hereby made a part hereof, or as such Schedule may be hereafter amended.

(c) In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due hereunder on a timely basis, the Successor Agency acknowledges that, based on available funds and moneys to be received from the February 1, 2022 Recognized Obligation Payment Schedule distribution dates, the Successor Agency will have sufficient funds to pay debt service on the 2022 Bonds on February 1, 2023.

Thereafter, not later than February 1, 2023 and each February 1 thereafter (or at such other time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the Butte County Auditor-Controller that shall at least include the following amounts:

(i) 100% of the amount of principal and interest on the Bonds and any Parity Debt coming due and payable on the next succeeding August 1 and on each of the two Interest Payment Dates thereafter (as illustrated below); and

(ii) any amount required under this Indenture or any Parity Debt Instrument to replenish the reserve account established under any Parity Debt Instrument, and

in each annual Recognized Obligation Payment Schedule so as to enable the Butte County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective subsequent six-month period and to pay any other amounts set forth above.

By way of illustration, the amount requested under the foregoing clause (c)(i) the Recognized Obligation Payment Schedule that is filed by February 1, 2023 shall include 100% of the amount of principal of and interest on the Bonds and any Parity Debt coming due and payable on August 1, 2023, on February 1, 2024 and on August 1, 2024.

The foregoing actions will also include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture.

(d) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2022 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one-half of debt service due during each Bond Year on all Outstanding Bonds prior to August 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding February 1.

Section 5.09. Dissolution Act Invalid; Maintenance of Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State.

Section 5.10. No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2022 Series A Taxable Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2022 Series A Taxable Bonds would have caused the 2022 Series A Taxable Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

Section 5.11. Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the 2022 Series B Bonds are not so used as to cause the 2022 Series B Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.12. Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2022 Series B Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

Section 5.13. Rebate Requirement; Bank Qualified. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2022 Series B Bonds.

The Successor Agency hereby designates the 2022 Series B Bonds for purposes of paragraph (3) of Section 265(b) of the Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding (i) private

activity bonds, as defined in Section 141 of the Code, except qualified 501(c)(3) bonds as defined in Section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the 2022 Series B Bonds, has been or will be issued by the Successor Agency and/or the City, including all subordinate entities of the City, during the calendar year 2022.

Section 5.14. Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2022 Series B Bonds from the gross income of the Owners of the 2022 Series B Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2022 Series B Bonds.

Section 5.15. Financial Statements; Continuing Disclosure. The Successor Agency shall keep proper books of records and accounts of the Tax Revenues, in which complete and correct entries are made of all transactions relating to the Tax Revenues. Said books shall, upon prior request, be subject to the reasonable inspection of the Owners. The Successor Agency shall cause its books and accounts to be audited annually by an independent certified public accountant or firm of certified public accountants, not more than 270 days after the close of each Fiscal Year, and shall furnish a copy of such report to the Owners (which report may be the audited financial statements of the City). In addition, the Successor Agency shall provide to the Owners in a reasonably timely manner, such other financial or operational information of the Successor Agency as requested by the Owners from time-to-time.

Section 5.16. Representations and Warranties. For the benefit of the Original Purchaser of the 2022 Bonds, the Successor Agency represents and warrants as follows:

(a) Accuracy of Information. All information, reports and other papers and data furnished by the Successor Agency to the Original Purchaser were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Original Purchaser a true and accurate knowledge of the subject matter and were provided in expectation of the Original Purchaser's reliance thereon in purchasing the 2022 Bonds. No fact is known to the Successor Agency which has had or, so far as the Successor Agency can now reasonably foresee, may in the future have a material adverse effect on the Successor Agency, which has not been set forth in the financial statements previously furnished to the Original Purchaser or in other such information, reports, papers and data or otherwise disclosed in writing to the Original Purchaser prior to the Closing Date. Any financial, budget and other projections furnished to the Original Purchaser by the Successor Agency or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the Successor Agency's best estimate of its future financial performance.

(b) Environmental Laws. In the ordinary course of its business, the Successor Agency conducts an ongoing review of Environmental Laws on the business, operations and the condition of its property, in the course of which it identifies and evaluates associated liabilities and costs (including, but not limited to, any capital or operating expenditures required for clean-up or closure of properties currently or previously owned or operated, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat and any actual or potential liabilities to

third parties, including employees, and any related costs and expenses). On the basis of such review, the Successor Agency does not believe that Environmental Laws are likely to have a Material Adverse Effect.

(c) No Sovereign Immunity. The Successor Agency is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its revenues (irrespective of their use or intended use) from (i) any action, suit or other proceeding arising under or relating to this Indenture, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be made subject in any action, suit or proceeding relating to this Indenture, and no such immunity (whether or not claimed) may be attributed to the Successor Agency or its revenues.

(d) Anti-Corruption Laws. The Successor Agency and its respective officers and directors and to the knowledge of the Successor Agency, its employees and agents, are in compliance with Anti-Corruption Laws in all material respects. None of the Successor Agency, any of its directors or officers or employees, or to the knowledge of the Successor Agency, any agent of the Successor Agency that will act in any capacity under this Indenture, is a sanctioned person (as defined in the Anti-Corruption Laws). The issuance of the 2022 Bonds does not violate Anti-Corruption Laws.

(e) Compliance with Laws, Etc. The Successor Agency is in compliance with its investment policy and all laws applicable to the Successor Agency, non-compliance with which could reasonably be expected to have a Material Adverse Effect.

Section 5.17. Further Assurances. The Successor Agency will 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 Bonds the rights and benefits provided in this Indenture.

ARTICLE VI

THE TRUSTEE

Section 6.01. 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, duties or obligations 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 such person's 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 shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take 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 at least 30 days' 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 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 at the expense of the Successor Agency 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, acknowledging 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 a notice of the succession of such Trustee to the trusts hereunder 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.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a financial institution having a corporate trust office in the State, having (or in the case of a corporation, national banking association or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such financial institution 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 financial institution 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.

The Successor Agency will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this subsection (e), so long as any Bonds are Outstanding.

Section 6.02. Merger or Consolidation. Any bank, national banking association or trust company into which the Trustee may be merged or converted or with which may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under subsection (e) of Section 6.01, 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 6.03. 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 security for the Bonds or the tax status of interest thereon 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 intentional misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees 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 by a responsible employee or 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 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 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 intentional 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 a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the Successor Agency at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party 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 may rely conclusively on the Successor Agency's certificates to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of 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).

The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of debt service on the Bonds by the Successor Agency or with respect to the observance or performance by the Successor Agency of the other conditions, covenants and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the Successor Agency pursuant to this Indenture or otherwise.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.

The Trustee shall have no responsibility, opinion, or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

Before taking any action under Article VIII or this Article at the request of the Owners the Trustee may require that a satisfactory indemnity bond 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 willful misconduct in connection with any action so taken.

The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather and/or occurrences beyond the control of the Trustee.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that the directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially

reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

Section 6.04. Right to Rely on Documents and Opinions. 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 prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. 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 intentional 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 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 6.05. 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 upon reasonable notice to the inspection of the Successor Agency and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

Section 6.06. Compensation and Indemnification. The Successor Agency shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the Successor Agency and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a first lien on the 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 (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The Successor Agency further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless from and against any loss, expense and liabilities, including legal fees and expenses, which it may incur arising out of or in connection with the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or intentional misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Successor Agency and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Section 6.07. Deposit and Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account, and the Costs of Issuance Account shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in the Written Request of the Successor Agency filed with the Trustee at least 2 Business Days in advance of the making of such investments. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. Moneys in the Redevelopment Obligation Retirement Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Successor Agency or otherwise made pursuant to this Section.

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.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the Successor Agency for earnings derived from funds that have been invested.

The Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any Written Certificate or Written Request of the Successor Agency. Trustee shall be deemed to have complied with such

valuation through use of its automated pricing service as reflected on its trust accounting statements.

Section 6.08. 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 corporate trust industry standards, in which accurate entries shall be made of all transactions of the Trustee relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the Successor Agency, at least monthly, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

Section 6.09. 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 appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 6.09 are adopted to these ends.

In the event that the Trustee shall 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 but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them; provided, however, in no event shall the Trustee be responsible or liable for the acts or omissions of any co-trustee.

Should any instrument in writing from the Successor Agency be required by the separate trustee or co-trustee so appointed by the Trustee 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.

Section 6.10. Other Transactions with Successor Agency. The Trustee, either as principal or agent, may engaged in or be interested in any financial or other transaction with the Successor Agency.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01. Amendment With And 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 and without the consent of any Owners, to the extent permitted by law and only 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 powers 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, in the reasonable determination of the Successor Agency, materially adversely affect the interests of the Owners; or

(c) to amend the Recognized Obligation Debt Service Payment Schedule set forth in Exhibit B to take into account the redemption of any Bond prior to its maturity; or

(d) to provide for the issuance of Parity Debt pursuant to a Supplemental Indenture, as such issuance is authorized by Section 5.02.

Except as set forth in the preceding paragraph, 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 with the 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 premium, (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, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In addition, the Trustee shall be entitled to an opinion of counsel concerning the Supplemental Indenture's lack of any material adverse effect on the Owners.

Section 7.02. 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 7.03. 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 Principal Corporate 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 at the expense of the Successor Agency 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 7.04. 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 7.05. Trustee's Reliance. The Trustee may conclusively rely, and is protected in relying, upon a Written Certificate of the Successor Agency and an opinion of Bond Counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Bond Owners.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01. Events of Default and Acceleration of Maturities. The following events shall constitute Events of Default hereunder:

(a) if default shall be made by the Successor Agency in the due and punctual payment of the principal of or interest 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 or any Parity Debt Instrument contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of 60 days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 60 day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such 60 day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time;

(c) if the Successor Agency files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Successor Agency or of the whole or any substantial part of its property; or

(d) any statement, representation or warranty of a material nature made by the Successor Agency in or pursuant to this Indenture or its execution, delivery or performance shall have been false, incorrect, misleading or breached in any material respect on the date when made.

If an Event of Default has occurred and is continuing, the Trustee may, or, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (a) with respect to Events of Default pursuant to 8.01(a) or (c), 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, anything in this Indenture or in the Bonds to the contrary notwithstanding, (b) declare that the Bonds are payable at the Default Rate, and (c) subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity.

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone promptly 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 also give such notice to the Owners by mail, 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), and the reasonable fees and expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) 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 Trustee shall promptly give written notice of the foregoing to the Owners of all Bonds then Outstanding, and 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.

Section 8.02. Application of Funds Upon Acceleration. All of the 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 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order 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 and advisors (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees, expenses of the Trustee; 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.

Section 8.03. 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 8.04. 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 provision 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 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 8.05. 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 Tax Revenues and other amounts pledged hereunder, the principal of and interest 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 or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner or the Trustee 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 and the Trustee by the Law 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 and the Trustee.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Owners or the Trustee, the Successor Agency, the Trustee 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 8.06. 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 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, however*, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).

Section 8.07. 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 or 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 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, and the Owners.

Section 9.02. 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 9.03. Defeasance of Bonds. 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 on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable; or

(ii) by irrevocably depositing with the Trustee, in trust or an escrow holder, in escrow, 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 or a portion of Outstanding Bonds, including all principal and interest, or;

(iii) by irrevocably depositing with the Trustee, in trust or an escrow holder, in escrow, Defeasance Obligations in such amount as an Independent 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 or a portion thereof (including all principal and interest) at or before maturity; or

(iv) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (a) the covenants of the Successor Agency hereunder with respect to the Code, (b) the obligation of the Trustee to transfer and exchange Bonds hereunder, (c) the obligations of the Successor Agency under Section 6.06 hereof, and (d) 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. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the

Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to Section 6.06 shall be paid over to the Successor Agency for deposit in the Redevelopment Obligation Retirement Fund.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, consent, 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 proved by the Registration Books.

Any demand, request, direction, consent, 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 and in accordance therewith, provided, however, that the Trustee shall not be deemed to have knowledge that any Bond is owned by or for the account of the Successor Agency unless the Successor Agency is the registered Owner or the Trustee has received written notice that any other registered Owner is such an affiliate.

Section 9.05. 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. Upon request of the Trustee, the Successor Agency and the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of or interest 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 9.07. Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and upon 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 9.08. Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or upon receipt when mailed by first class, registered or certified mail, postage prepaid, or sent by telegram, addressed as follows:

If to the Successor Agency:	Successor Agency of the City of Gridley Redevelopment Agency 685 Kentucky Street Gridley, California 95948 Attention: City Administrator
If to the Trustee:	U.S. Bank Trust Company, National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust
If to the Original Purchaser:	First Foundation Public Finance 18101 Von Karman Avenue, Suite 750 Irvine, CA 92612 ATTN: Loan Servicing Loan #: [_____]

The Successor Agency, the Trustee and the Original Purchaser may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

Section 9.09. 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 6.01 hereof, be assumed by and vest in the Treasurer of the County of Butte, on behalf of the Successor Agency, in trust for the benefit of the Owners. The Successor Agency covenants for the direct benefit of the Owners that its Treasurer 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 Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 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 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 of 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. Waiver of Jury Trial.

(a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE SUCCESSOR AGENCY AND THE OWNER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS INDENTURE OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE SUCCESSOR AGENCY FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS SECTION, AND IT ACKNOWLEDGES THAT IT FREELY AND VOLUNTARILY ENTERED INTO THIS PROVISION TO WAIVE TRIAL BY JURY IN ORDER TO INDUCE THE ORIGINAL PURCHASER TO PURCHASE THE 2022 BONDS.

(b) To the extent the foregoing waiver of a jury trial is unenforceable under applicable California law, the parties agree to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to this Indenture to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the parties cannot agree upon a referee, the referee will be appointed by the court. The fees and expense of any referee appointed in such action or proceeding shall be borne by the party who does not prevail, as determined by the referee.

[Remainder of page intentionally left blank. Signatures on next page.]

IN WITNESS WHEREOF, the SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY, has caused this Indenture to be signed in its name by the chief financial officer of the Successor Agency and attested by the Secretary of the Successor Agency, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**SUCCESSOR AGENCY OF THE CITY OF
GRIDLEY REDEVELOPMENT AGENCY**

By: _____
City Administrator of the City of Gridley
on behalf of Successor Agency

ATTEST:

Secretary/City Clerk

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

EXHIBIT A

(FORM OF SERIES A TAXABLE BOND)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF BUTTE

SUCCESSOR AGENCY OF THE
CITY OF GRIDLEY REDEVELOPMENT AGENCY
2022 SERIES A TAXABLE TAX ALLOCATION REFUNDING BOND

INTEREST RATE: MATURITY DATE: DATED DATE:
5.26% AUGUST 1, 2043 OCTOBER 27, 2022

REGISTERED OWNER: FIRST FOUNDATION BANK

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY, a public entity, duly created 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 (the "Registered Owner"), 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 (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before January 15, 2023, in which event it shall bear interest from the Dated Date 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 Interest Rate per annum stated above, payable semiannually on February 1 and August 1 in each year, commencing February 1, 2023 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of U.S. Bank Trust Company, National Association, San Francisco, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office").

Subject to the provisions of the Indenture, interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon

written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as “Successor Agency of the City of Gridley Redevelopment Agency 2022 Series A Taxable Tax Allocation Refunding Bonds” (the “Bonds”), in an aggregate principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, redemption and other provisions) and all issued pursuant to the provisions of Section 34177.5 of the Health and Safety Code of the State of California and Article 11 (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 “Refunding Law”) and pursuant to an Indenture of Trust, dated as of October 1, 2022, entered into by and between the Successor Agency and the Trustee (the “Indenture”), authorizing the issuance of the Bonds. The Bonds are being issued on a parity with the Successor Agency of the City of Gridley Redevelopment Agency 2022 Series B Tax Allocation Refunding Bonds (Bank Qualified)” in an aggregate principal amount of \$_____, which are also being issued pursuant to the Indenture.

Additional bonds or other obligations may also 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 (as defined in the Indenture) and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the 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 for the purpose of providing funds to refund its Prior Bonds (as defined in the Indenture), and to pay certain expenses of the Successor Agency in issuing the Bonds.

There has been created under the Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, and the Principal Account (as such terms are defined in the Indenture). Except for the 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 are subject to optional redemption and mandatory sinking account redemption as set forth in the Indenture.

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 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 Registered 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 any 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 Trustee may refuse to transfer or exchange (a) any Bond during the 15 days prior to the date established for the selection of Bonds for redemption, or (b) any Bond selected for redemption.

The Successor Agency and the Trustee may treat the Registered 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 (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 premium (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, (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.

This Bond is not a debt of the City of Gridley, the County of Butte, the State of California, or any of its political subdivisions, and neither said City, said County, said State, nor any of its political subdivisions 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. 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, the Refunding 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, the Refunding 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 of the City of Gridley Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile

signature of its chief financial officer and attested by the Secretary/City Clerk of the Successor Agency, as of the Dated Date set forth above.

**SUCCESSOR AGENCY OF THE CITY OF
GRIDLEY REDEVELOPMENT AGENCY**

By: _____
City Administrator of the City of Gridley
on behalf of Successor Agency

ATTEST:

Secretary/City Clerk

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Authentication Date: _____

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, *as Trustee***

By: _____
Authorized Signatory

(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 appoints(s) _____ attorney,
to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signatures Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

Note: The signatures(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.

(FORM OF SERIES B BOND)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF BUTTE

SUCCESSOR AGENCY OF THE
CITY OF GRIDLEY REDEVELOPMENT AGENCY
2022 SERIES B TAX ALLOCATION REFUNDING BOND (BANK QUALIFIED)

INTEREST RATE:
3.84%

MATURITY DATE:
August 1, 2043

DATED DATE:
OCTOBER 27, 2022

REGISTERED OWNER: FIRST FOUNDATION BANK

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY OF THE CITY OF GRIDLEY REDEVELOPMENT AGENCY, a public entity, duly created 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 (the "Registered Owner"), 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 (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before January 15, 2023, in which event it shall bear interest from the Dated Date 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 Interest Rate per annum stated above, payable semiannually on February 1 and August 1 in each year, commencing February 1, 2023 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of U.S. Bank Trust Company, National Association, San Francisco, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office").

Subject to the provisions of the Indenture, interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as “Successor Agency of the City of Gridley Redevelopment Agency 2022 Series B Tax Allocation Refunding Bonds (Bank Qualified)” (the “Bonds”), in an aggregate principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, redemption and other provisions) and all issued pursuant to the provisions of Section 34177.5 of the Health and Safety Code of the State of California and Article 11 (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 “Refunding Law”) and pursuant to an Indenture of Trust, dated as of October 1, 2022, entered into by and between the Successor Agency and the Trustee (the “Indenture”), authorizing the issuance of the Bonds. The Bonds are being issued on a parity with the Successor Agency of the City of Gridley Redevelopment Agency 2022 Series A Taxable Tax Allocation Refunding Bonds” in an aggregate principal amount of \$_____, which are also being issued pursuant to the Indenture.

Additional bonds or other obligations may also 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 (as defined in the Indenture) and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the 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 for the purpose of providing funds to refund its Prior Bonds (as defined in the Indenture), and to pay certain expenses of the Successor Agency in issuing the Bonds.

There has been created under the Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, and the Principal Account (as such terms are defined in the Indenture). Except for the 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 are subject to optional redemption and mandatory sinking account redemption as set forth in the Indenture.

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 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 Registered 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 any 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 Trustee may refuse to transfer or exchange (a) any Bond during the 15 days prior to the date established for the selection of Bonds for redemption, or (b) any Bond selected for redemption.

The Successor Agency and the Trustee may treat the Registered 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 (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 premium (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, (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.

This Bond is not a debt of the City of Gridley, the County of Butte, the State of California, or any of its political subdivisions, and neither said City, said County, said State, nor any of its political subdivisions 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. 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, the Refunding 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, the Refunding 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 of the City of Gridley Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its chief financial officer and attested by the Secretary/City Clerk of the Successor Agency, as of the Dated Date set forth above.

**SUCCESSOR AGENCY OF THE CITY OF
GRIDLEY REDEVELOPMENT AGENCY**

By: _____
City Administrator of the City of Gridley
on behalf of Successor Agency

ATTEST:

Secretary/City Clerk

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Authentication Date: _____

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, *as Trustee***

By: _____
Authorized Signatory

(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 appoints(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signatures Guaranteed:

Note: _____
Signature(s) must be guaranteed by an eligible guarantor.

Note: _____
The signatures(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.

**EXHIBIT B
DEBT SERVICE PAYMENT SCHEDULES**

\$ _____
**Successor Agency of the City of Gridley Redevelopment Agency
2022 Series A Taxable Tax Allocation Refunding Bonds
Semi-Annual Debt Service**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
-------------	------------------	-----------------	---------------------	----------------------------

Total _____

EXHIBIT B
DEBT SERVICE PAYMENT SCHEDULES (CONTINUED)

\$ _____
Successor Agency of the City of Gridley Redevelopment Agency
2022 Series B Tax Allocation Refunding Bonds (Bank Qualified)
Semi-Annual Debt Service

Date	Principal	Interest	Debt Service	Annual Debt Service
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Total

EXHIBIT C

FORM OF PURCHASER LETTER

_____, 20__

Successor Agency of the City of Gridley Redevelopment Agency
685 Kentucky Street
Gridley, California 95948
Attention: City Administrator

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust

Re: Successor Agency of the City of Gridley Redevelopment Agency
2022 [Series A Taxable / Series B] Tax Allocation Refunding Bond

Ladies and Gentlemen:

The undersigned (the "Purchaser") understands that the Successor Agency of the City of Gridley Redevelopment Agency (the "Issuer") has issued the above-captioned tax allocation refunding bond (the "Bond"). The Purchaser intends to purchase the Bond. In connection with such purchase of the Bond, the Purchaser makes the certifications, representations, warranties, acknowledgements and covenants contained in this Purchaser Letter to each of the addressees hereof, with the express understanding that such certifications, representations, warranties, acknowledgements and covenants will be relied upon by such addressees.

1. The Purchaser has full power and authority to carry on its business as now conducted, deliver this certificate and make the representations and certifications contained herein. The Purchaser has duly authorized the execution and delivery of this Letter of Representations.

2. The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Bond, to be able to evaluate the risks and merits of the Bond, and the Purchaser has evaluated the risks and merits of such lending independently; and is a "qualified institutional buyer" as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended. The Purchaser is not acting as a broker, dealer or municipal securities underwriter in connection with sale and delivery of the Bond.

3. The Purchaser has conducted its own investigation of the financial condition of the Issuer and the availability of sources of payment for the Bond, the purpose for which the Bond were issued and of the security for the repayment thereof, and has obtained such information regarding the Bond and the Issuer and its operations, financial condition and financial prospects as the Purchaser deems necessary to make an informed lending decision with respect to its purchase of the Bond.

4. The Purchaser is purchasing the Bond for its loan account and the Purchaser intends to hold the Bond for its own account as a long-term loan, without a current view to any distribution or sale thereof; provided that the Purchaser retains the right at any time to dispose of the Bond in accordance with its terms. In the event that the Purchaser disposes of the Bond at any time, the Purchaser understands that it has the responsibility for complying with the provisions of any applicable federal and state securities laws and all rules and regulations promulgated pursuant thereto. Because the Purchaser has no immediate intent to trade the Bond and as a condition to the purchase of the Bond, the Purchaser has directed the Issuer not to obtain a CUSIP number or apply for DTC eligibility.

5. The Purchaser is informed that the Bond will not be listed on any stock or other securities exchange and was entered into without registration under the provisions of the Securities Act of 1933, or any state securities laws.

6. The Purchaser acknowledges that the Bond are transferable in whole and not in part and that:

(i) the transferring holder thereof shall first have complied with all applicable state and federal securities laws and regulations;

(ii) the transferring holder thereof can transfer the Bond only to a transferee who executes and delivers to the Issuer a letter of the transferee substantially to the effect of this letter and who qualifies as:

(a) a qualified institutional buyer pursuant to Rule 144A of the 1933 Securities Act; or

(b) an "accredited investor" within the meaning of Section 2(15) of the 1933 Securities Act; and

(iii) the transferring holder thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the Issuer without the prior review and written consent of the Issuer, in the Issuer's sole discretion.

7. The Purchaser acknowledges that no credit rating has been sought or obtained with respect to the Bond.

8. The Purchaser acknowledges that no official statement has been prepared for the Bond, and that the Issuer will not be entering into a continuing disclosure agreement to provide ongoing disclosure to the public with respect to the Bond, although the Issuer acknowledges that it will provide specific reporting information to the Purchaser that is identified within the Indenture. The Purchaser has been offered copies of or had full access to all documents relating to the Bond and all records, reports, financial statements and other information concerning the Issuer and pertinent to the source of payment for the Bond as deemed material by the Purchaser, which the Purchaser as a reasonable Purchaser, has requested and to which the Purchaser, as a reasonable investor, would attach significance in making an investment decision.

9. No person has given any information or made any representations not otherwise provided to Purchaser in writing by a person employed or authorized in writing by the Issuer. The Purchaser understands and agrees that any information or representation not contained therein must not, and will not, be relied upon and that nothing contained therein should be construed as legal or tax advice to the purchaser.

10. No person has made any direct or indirect representation or warranty of any kind to the Purchaser with respect to the economic return which may accrue to the Purchaser. The Purchaser has consulted with its own counsel and other advisors making the loan as evidenced by the Bond.

11. The Purchaser is able to bear the economic risk of in the lending represented the Bond, including a complete loss of principal and interest.

12. The Authorized Representative is a duly authorized officer of the Purchaser with the authority to sign this Certificate on behalf of the Purchaser, and this Purchaser Letter has been duly authorized, executed and delivered.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bond.

IN WITNESS WHEREOF, the Purchaser has executed this letter as of the date set forth above.

[PURCHASER],
as Purchaser

By: _____
Authorized Representative



September 20, 2022

RE: **Successor Agency to the Gridley Redevelopment Agency
2022 TAB Refunding – Series A**

Based upon your request and preliminary review of the information provided to-date, First Foundation Public Finance (“FFPF”) would like express its interest in underwriting and obtaining credit approval for the following loan to the Successor Agency to the Gridley Redevelopment Agency, CA (“Borrower”) based on the terms outlined below. This Term Sheet is provided by FFPF for discussion purposes only. *It is not intended to be binding, does not create any obligation on the part of FFPF to Borrower or any third party, and is not a commitment to lend or agreement of any kind. No obligation whatsoever on the part of FFPF shall arise until execution and delivery of a formal commitment or loan documentation by a duly authorized officer of FFPF, which obligation shall be subject to all of the conditions contained therein.*

The proposed loan conditions are:

STRUCTURE: Term

PURPOSE: Refunding of existing Tax Allocation Bonds

MAX. LOAN AMT: \$2,500,000

INTEREST RATE: Taxable: 5.26%

RATE LOCK: Upon acceptance and communication thereof to FFPF, the above interest rate will be locked until 11/1/2022. If the loan fails to close after it is locked and within this period, FFPF reserves the right to adjust the interest rate.

TERM: 20-years

REPAYMENT: Semi-annual interest and principal payments

AVERAGE LIFE: 12.67-years

PRE-PAYMENT: Prepayment on any payment date at 103% in years 1-2, declining to 102% in years 3-4, and 101% in years 5-6. Redeemable at par beginning in year 7 and thereafter.

COLLATERAL: Tax increment revenues available in the RPI*TF attributable to the agency and the related Project Area.

ADDITIONAL TERMS: Documents to be prepared by the Borrower’s Bond Counsel for review by FFPF’s counsel Nixon Peabody, LLP. Legal fees and expenses of Nixon Peabody, LLP are \$7,500. All other filing fees and related fees shall be paid by the Borrower in connection with the issuance (including applicable CDIAAC fees).

Periodic financial and collateral reporting by the Borrower, as well as representations and warranties of the Borrower regarding its status and ability to repay, taxability gross-up (if applicable) and covenants and conditions that are appropriate for a loan of the scope and nature proposed above will be determined as part of FFPF’s underwriting and credit approval process.

PDF’s of all executed and other documents listed on the Closing Index shall be provided to FFPF at least 2 full business days prior to the closing date; provided, that if any documents can only be signed after receipt of the wire, those documents shall be provided immediately after receipt of the wire.

A default rate of Interest + 3.00% will be required.

The interest rate offered pursuant to this term sheet shall expire after 3 business days if acceptance by the Borrower of this term sheet is not communicated to FFPF.

Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Deposit Insurance Corporation, Consumer Response Center, 1100 Walnut Street, Box #11, Kansas City, MO 64106.

City Council Agenda Item #8
Staff Report

Date: October 3, 2022
To: Mayor and City Council
From: Cliff Wagner, City Administrator
Subject: Amendment to the Gridley WWTP Aeration Pilot Project

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff respectfully recommends that the City Administrator be authorized to execute an Amendment to Task Order 21 with Bennett Engineering Services for an extension of the Wastewater Treatment Plant (WWTP) Aeration Pilot Project. Additionally, the rental of equipment from TriplePoint Environmental will be extended for a 6-month period.

Background

The City of Gridley has high levels of sludge present in both the aeration and polishing ponds at the WWTP, but removal and disposal of sludge has become increasingly difficult due to its role in the total volume of climate pollutants released from landfills. The aeration pilot project was introduced as an alternative method to reduce sludge in the ponds, with the polishing pond selected as the trial area as it has the most severe concentrations of sludge. During the first six months of the pilot project, it was found that while the aerators may be assisting in removing some sludge, the impact of the aerators is hampered by a lack of biological growth in the ponds due to high concentrations of hydrocarbons. In addition to extending the study, TriplePoint recommended adding a bioaugmentation material to the pilot study to reintroduce microbial growth in the ponds and potential increase the impact of aeration on sludge reduction. The bioaugmentation was introduced into the pond in mid-September 2022, but the pilot project must be extended to understand the full impact of the bioaugmentation and aeration on sludge reduction.

Financial Impact

The financial impact of the amendment to the pilot project will include costs incurred by Bennett Engineering Services, Triplepoint Environmental, and the City of Gridley. The City of Gridley cost includes staff time, sampling costs, and purchase of the bioaugmentation material.

Bennett Engineering Services	\$18,428
TriplePoint Environmental	\$15,000
<u>City of Gridley Cost</u>	<u>\$23,150</u>
Total Financial Impact	\$56,578

There is approximately \$40,000 budget remaining from the Sewer Inflow and infiltration Study, which was funded through a USDA grant and a 25% match from the City. USDA has stated that the remaining budget can be used for another Sewer study and that this project meets the criteria.

Compliance with City Council Strategic Plan or Budget Goals

The City Council and City staff are committed to providing effective leadership while providing quality cost effective local government services.

Attachments

Bennett Engineering Services – Task Order Amendment for the Gridley WWTP Aeration Pilot Project



TRUSTED ENGINEERING ADVISORS

Bennett Engineering Services
1082 Sunrise Avenue, Suite 100
Roseville, California 95661

T 916.783.4100
F 916.783.4110

www.ben-en.com

September 28, 2022

Cliff Wagner, City Administrator
City of Gridley
685 Kentucky Street
Gridley, CA 95948

Re: Task Order No. 21 - WWTP Aeration Pilot Project – Amendment No. 1

This Task Order authorizes Bennett Engineering Services Inc to provide the professional services described below. Services are to be performed in accordance with the Agreement dated October 17, 2016 between the City of Gridley and Bennett Engineering Services, as amended.

Project Name: WWTP Aeration Pilot Project (BEN-EN Project #16-607-208)

Scope of Work: Additional Services to include design assistance, data gathering and site visit, and a project report; see Exhibit A: Scope of Services.

Budget: \$18,428. To be invoiced at Standard Rates per agreement for Fiscal Year 2021/2022, see Exhibit B: Rate Schedule.

Task Order No. 21	\$13,944
Amendment No. 1	\$18,428
Total Amended Contract Amount	\$32,372

Requested by:

Dave Harden, P.E. – City Engineer

City of Gridley

Approved: _____
Cliff Wagner, City Administrator

Date: _____

Bennett Engineering Services

Approved: _____
Leo Rubio, President

Date: _____

Cc: DH, KS, MR

Exhibit A: Scope of Services

TO AMENDMENT BETWEEN CLIENT AND CONSULTANT

Client: City of Gridley
Consultant: Bennett Engineering Services Inc
Project: WWTP Aeration Pilot Project – Amendment 1
Date: September 28, 2022



TRUSTED ENGINEERING ADVISORS

Bennett Engineering Services
1082 Sunrise Avenue, Suite 100
Roseville, California 95661

T 916.783.4100

F 916.783.4110

www.ben-en.com

Consultant's services shall be limited to those expressly set forth below, and Consultant shall have no other obligations or responsibilities for the Project or to the Client except as agreed to in writing or as provided in this Agreement. All of Consultant's services in any way related to the Project or Client shall be subject to the terms of this Agreement.

TASK 1. WWTP Aeration Pilot Project

Subtask 1.1. Design Assistance

Bennett Engineering Services (BEN|EN) will assist Triplepoint Environmental, consultant to the City of Gridley (City) in the design of the aeration array, sampling plan, and related site and equipment design. BEN|EN will meet with Triplepoint Environmental as required to review sampling results and adjust design of the aeration array and sampling plan according to ongoing sampling results. Assumes three (3) virtual meetings with Triplepoint Environmental.

Subtask 1.2. Data Gathering and Site Visit

BEN|EN will visit the project site to observe the aeration array. Two (2) site visits are assumed. BEN|EN will collect and review the aeration plan, sampling results, and field observations.

Subtask 1.3. Project Report

BEN|EN will prepare a project report detailing their findings from the reviewed information. The report will summarize the results of the pilot study and provide recommendations to the City for future sludge remediation tactics. BEN|EN will provide a Draft Project Report for review and comment by the City and Triplepoint Environmental. A Final Project Report will be submitted with modifications based on comments received.

DELIVERABLES:

- Draft and Final Project Reports (electronic)

Note: invoicing will be completed at the task level.

INITIALS:

Fee Estimate

WWTP Aeration Pilot Project - Amendment 1

Client: City of Gridley

Consultant: Bennett Engineering Services Inc

Project: WWTP Aeration Pilot Project

Date: September 28, 2022



Fee Estimate	Project Manager IV 210 \$/hr		Engineer II 168 \$/hr		Project Controls 100 \$/hr		BEN EN Subtotal		MISC. EXPENSES	TOTAL
	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost		
Task 1 WWTP Aeration Pilot Project										
1.1. Design Assistance	17 hrs	\$3,570	5 hrs	\$840	2 hrs	\$200	24 hrs	\$4,610	\$216	\$4,826
1.2. Data Gathering and Site Visit	9 hrs	\$1,890	8 hrs	\$1,344	hrs	\$0	17 hrs	\$3,234	\$160	\$3,394
1.3. Project Report	13 hrs	\$2,730	41 hrs	\$6,888	1 hrs	\$100	55 hrs	\$9,718	\$490	\$10,208
Subtotal	39 hrs	\$8,190	54 hrs	\$9,072	3 hrs	\$300	96 hrs	\$17,562	\$866	\$18,428
PROJECT TOTAL	39 hrs	\$8,190	54 hrs	\$9,072	3 hrs	\$300	96 hrs	\$17,562	\$866	\$18,428

Additional Fee Information

- ▶ This fee estimate is valid for 90 days from the date show above.
- ▶ This fee estimate contains an abbreviated list of staff classifications and does not restrict BEN|EN to those classifications. The Standard Rate Schedule with a full list of staff classifications is available upon request.
- ▶ This fee estimate contains an approximation of the breakdown between labor, expense, and consultants. BEN|EN reserves the rights to distribute funds differently based on project needs.
- ▶ Standard hourly rates do not apply to a demand to perform work during an overtime period. Work required to be performed during an overtime period (as mandated by California law) may be charged at a 50% premium. Work mandated by Prevailing Wage laws may be charged at a 25% premium.
- ▶ Hourly rates include all compensation for wages, salary-related benefits, overhead, general office administration, and profit. Direct project administrative hours will be

INITIALS:

City Council Agenda Item #9
Staff Report

Date: October 3, 2022
To: Mayor and City Council
From: Rodney Harr, Chief of Police
Subject: Authorization to Purchase 2023 Ford Explorer Police Interceptor and Upfitting

X	Regular
	Special
	Closed
	Emergency

Recommendation

Staff respectfully requests the City Council to consider authorizing the expenditure of funds for the purchase of a 2023 Ford Police Explorer. This purchase includes the upfitting with required emergency lighting and public safety equipment. Staff requests authorization for the Police Department to award the purchase of the 2023 Ford police Interceptor and upfitting to Gridley Country Ford

Fiscal Impact

Funding for this project would be provided through CIP funding and was included in the annual Operating Budget and Capital Improvement Plan FY 2022-2023 budget approved by the City Council on June 20, 2022. The Police Department had budgeted \$55,000.00 towards this purchase based upon governmental fleet pricing at the time. Attempts to order at fleet pricing since July 1, 2022, have been unproductive as Ford disallowed any fleet purchases to be completed. In the last few months, Ford Inc. is no longer operating under the same governmental pricing guidelines and has taken away some of the discounts that would have otherwise been applied to the fleet purchasing prices. Ford ultimately opened up to ordering of fleet vehicles in last week of August 2022. As a reference point, Ford Inc. raised the base pricing from \$47,000.00 in 2021 to \$58,275.00 in 2022. Ford Inc.'s base price now exceeds the previous purchase price of \$51,147.67 (upfitting included). On September 4, 2022, I received a quote from Gridley Country Ford in the amount of \$71, 215.14 (upfitting included). This represents a \$20,000.00 increase in the cost of one patrol vehicle for the police department.

Compliance with City Council Strategic Plan or Budget Goals

This recommendation is consistent with our ongoing effort to be responsive and transparent regarding all business transactions and financial matters.

Attachments

Quote from Gridley Country Ford

CNGP530

VEHICLE ORDER CONFIRMATION

08/27/22 15:27:12

==>

Dealer: F72464

2023 EXPLORER 4-DOOR

Page: 1 of 3

Order No: 1515 Priority: M3 Ord FIN: QH540 Order Type: 5B Price Level: 320

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

	RETAIL		RETAIL
K8A 4DR AWD POLICE	\$47165	CA BOARD FEES	NC
.119" WHEELBASE		FLEET SPCL ADJ	NC
YZ OXFORD WHITE		16D BADGE DELETE	NC
F CLTH BUCKETS/RR	60	17A AUX CLIMATE CTL	610
6 EBONY		17T CARGO DOME LAMP	50
500A EQUIP GRP		31C CROWN NA	NC
.AM/FM STEREO		425 50 STATE EMISS	NC
99W .3.3L HYBRID	NC		
44B .10-SP MOD HYBRD	NC	TOTAL BASE AND OPTIONS	58275
67H ROAD READY PKG	3595	TOTAL	58275
.DR LOCK PLUNGER		*THIS IS NOT AN INVOICE*	
.100 WATT SIREN		*TOTAL PRICE EXCLUDES COMP PR	
.TAIL LAMP PKG		* MORE ORDER INFO NEXT PAGE *	
.REAR LIGHT PKG		F8=Next	
.RR MOUNT PLATE			

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.

QC07773

*Your order price
 Includes Crown upfit*

66,279.⁰⁰

*85.⁰⁰ Doc Fee
 8.25 Cal. Title Fee*

31.⁰⁰ Elect. File Fee

4811.³⁹ tax

Total 71,215.¹⁴

CNGP530

VEHICLE ORDER CONFIRMATION

08/27/22 15:27:21

==>

Dealer: F72464

2023 EXPLORER 4-DOOR

Page: 2 of 3

Order No: 1515 Priority: M3 Ord FIN: QH540 Order Type: 5B Price Level: 320

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

RETAIL		RETAIL	
43A	REAR AUX LIGHTS \$395	87P	8-WAY PWR PASS \$325
43D	COURTESY DISABL 25	87R	RR VIEW MIR/CAM NC
51S	DUAL LED LAMPS 620	92R	SOLAR TINT 2ND 85
549	PWR MIRR HTD 60	942	DAYTIME RUN LMP 45
60R	NOISE SUPPRESS 100	96T	RR SPLR TRFC LT 1495
63B	SD MARKER LGHTS 290	153	FRT LICENSE BKT NC
63L	QTR GLASS LIGHT 575		SP DLR ACCT ADJ
66A	FRONT HDLMP PKG NC		
	.GRILL WIRING		
68B	PERIMETER ALERT 675		TOTAL BASE AND OPTIONS 58275
68G	RR DR/LK INOP NC		TOTAL 58275
76D	DEFLECTOR PLATE 335		*THIS IS NOT AN INVOICE*
76R	REVERSE SENSING 275		*TOTAL PRICE EXCLUDES COMP PR
794	PRICE CONCESSN		* MORE ORDER INFO NEXT PAGE *
86T	RR TAILLAMP HSG NC		F7=Prev F8=Next

F1=Help F2=Return to Order F3/F12=Veh Ord Menu
 F4=Submit F5=Add to Library F9=View Trailers

5006 - MORE DATA IS AVAILABLE.

QC07773

CNGP530

VEHICLE ORDER CONFIRMATION

08/27/22 15:27:29

==>

Dealer: F72464

2023 EXPLORER 4-DOOR

Page: 3 of 3

Order No: 1515 Priority: M3 Ord FIN: QH540 Order Type: 5B Price Level: 320

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

RETAIL

RETAIL

SP FLT ACCT CR

FUEL CHARGE

B4A NET INV FLT OPT NC

DEST AND DELIV 1495

TOTAL BASE AND OPTIONS 58275

TOTAL 58275

THIS IS NOT AN INVOICE

*TOTAL PRICE EXCLUDES COMP PR

SHIP-TO: 72V464

Gridley Country Ford, Inc.
Gridley, CA

F7=Prev

F1=Help

F2=Return to Order

F3/F12=Veh Ord Menu

F4=Submit

F5=Add to Library

F9=View Trailers

S099 - PRESS F4 TO SUBMIT

QC07773



Blair Schofield
B.schofield@kerrindustries.com
Dallas – Chicago – Detroit – Toronto
Cell 1-905-449-7698
Office 1-800-585-1774

3-SEPT-22

Quote#
50-5076

To: Gridley Country Ford - Curt Engen
Gridley P.D. – Rodney Harr

From: Blair Schofield
Crown North America

The following options Will be supplied and installed onto a 2023 Ford Police Utility.
The Dealer is responsible for applying the Ford Ship-Thru code to the 2022 Ford Police Utility vehicle order so it route thru Crown.

- "31C-D9N" - for 3.3L V6 Hybrid or 3.0L V6 EcoBoost gas engine
- "31C-D9G" - for 3.3L V6 Gas engine

LIGHTBAR- Supply & install a 48" Whelen Liberty-II LED lightbar. This bar would consist of dedicated side facing Alley lights, dedicated forward facing takedown lights, all remaining driver side LED modules with the primary color red, all remaining passenger side LED modules with the primary color blue, all forward facing LED modules would have a secondary color of White, and all rear facing LED modules would have a secondary colour of amber that would allow for a 6-module traffic director. This installation would include preparing and downloading a new Carbide control program to include the lightbar and traffic director functions into the Ford Ready-For-The-Road unit.

LIGHTED PUSH BUMPER- Supply & install a Setina brand push bumper assembly mounted out in front of the grille. The bumper assembly will include a pair of forward-facing Whelen ION LEDs integrated into the upper crossbar, and a single side-facing Whelen ION LED mounted on both the driver and passenger side bumper end plates. All four lights will be red/blue/white TRIO models, with red and blue being incorporated into the existing warning patterns, and the white color output included into the Takedown and Alley light features.

CON19-AC- Supply & install a center console assembly between the front driver and passenger seats. The console assembly will include an armrest, dual cup holders, a faceplate to mount the Whelen Cencom control head, a faceplate to relocate the factory, Parking Brake, USB/AUX module, and 12V outlet, then faceplates to mount the customers APX8500 1-piece radio, and blank plates to fill out remaining space.

CVETD- Supply & Install a dual vertical gun rack assembly mounted to the prisoner partition recess panel and wired into the Ready-For-The-Road Cencom Carbide controller.

CWBAR-S- Supply & install A set of steel vertical window bars on both rear prisoner access doors



ANTENNA CABLE, RADIO PRE-WIRE, AND CONTROLLER RELOCATE- Supply & install

- A standard 3/4" threaded roof mounted antenna cable routed to the radio
- a pre-wire kit for Motorola APX series remote head police mobile radio. Kit includes a blue band communications cable that will connect the radio main body to the remote head, a front power/ground/ignition cable for the remote head, and a rear power/ground cable for the radio main body.
- As well, we would pull the factory Ready-For-The-Road Cencom Carbide controller from under the floor to mount on the rear side of the cargo partition to make it more accessible than the sub-floor factory location and provide space beside for future mounting of the radio main body and other electronics.

CPRIS-2- Supply & install a full replacement rear prisoner seat assembly with center pull seatbelts and an expanded metal cargo partition. (Please note that the factory seats removed during this installation will be shipped to the customer with the completed vehicle)

CPCS-RP- Supply & install a horizontal sliding prisoner partition with recessed center panel and coated polycarbonate upper portion.

Please Note:

- Pricing valid for 60 days.
- Crown North America assumes no liability for the specifications of the dealer ordered factory vehicle options. Please consult with your OEM/Dealer order book to confirm spec and pricing of factory options.
- This document is ONLY a quote and not an order confirmation. To apply these options to your vehicles please provide the factory order confirmation numbers to Kerr and we will supply you with a detailed Crown order summary for your review and sign back.

Thank you for the opportunity,
Blair

City Council Agenda Item #10
Staff Report

Date: October 3, 2022

To: Mayor and City Council

From: Cliff Wagner, City Administrator

Subject: Review and Approval of Resolution No. 2022-R-038: A Resolution of The City Council of The City of Gridley Approving the Attestation of Veracity of the 2021 Power Source Disclosure Report, the 2021 Power Content Label and Submission of The Report to The California Energy Commission

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff respectfully recommends that the City Council adopt a Resolution approving the attestation of veracity for the 2021 Power Source Disclosure Report and submission of the report to the California Energy Commission.

Background

Under State law (Public Utilities Code Sections 398.4 and 398.5), retail suppliers of electricity must annually (1) disclose the type of generation resources (e.g., hydroelectric, solar, natural gas etc.) provided to their customers in the form of a Power Content Label (“PCL”), and (2) report this same information, together with supporting documentation in verified form, to the California Energy Commission (“CEC”), in the form of a Power Source Disclosure Report (“PSD”). The intent of the report is to educate customers through the disclosure of accurate, reliable, and simple to understand information regarding the generation attributes of the energy being provided by their service provider. Gridley City staff annually collects generation and energy procurement data necessary to prepare the annual PSD Report. This report is filed with the CEC each year. In May 2022, staff compiled the annual PSD report.

The CEC recently updated regulations for the power source disclosure report and changed the prior procedures. Primarily, the changes added a provision that the governing board of publicly owned utilities approve, at a public meeting, the attestation of the veracity of the annual power disclosure report.

The City’s Power Content Label is attached. The Label lists the percentages for the City’s energy mix. The energy mix includes both renewable, carbon free, and some carbon-based energy. The City’s renewable and carbon free generation is better than the State average.

The City and Northern California Power Agency (“NCPA”) staff worked collaboratively to compile and present the numbers shown in the PSD and to confirm the accuracy and consistency of the data. This effort included cross checking numbers from the California Independent System Operator, NCPA generation metering, validations of market purchases from unspecified sources, and customer sales records. Through the process of cross checking by City staff, the City is assured that the PSD and PCL contain the most accurate information for the public.

Attached to this report is a resolution that, if adopted by Council, approves the 2021 PSD report submission and attestation of the veracity as required by the new CEC regulatory procedures.

Fiscal Impact

There is no fiscal impact related to the recommended action.

Compliance with City Council Strategic Plan or Budget Goals

This report is consistent with our efforts to comply with State requirements and to ensure that our community members are fully informed of all City activities and all budgetary and financial efforts.

Attachment

1. Resolution No. 2022-R-038
2. City of Gridley 2021 PSD Attestation and Power Content Label

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY APPROVING THE ATTESTATION OF VERACITY FOR THE 2021 POWER SOURCE DISCLOSURE REPORT, 2021 POWER CONTENT LABEL AND SUBMISSION OF THE REPORT TO THE CALIFORNIA ENERGY COMMISSION

WHEREAS, the City of Gridley owns and operates a publicly owned utility subject to certain laws and requirements of the State Legislature; and

WHEREAS, Public Utility Code 398.4 and 398.5 establish a Power Source Disclosure (“PSD”) program that requires retail sellers of electricity to annually submit a power source disclosure report to the California Energy Commission; and

WHEREAS, the Gridley Electric Utility is a retail seller of electricity as defined by the PSD Program and is therefore required to file a PSD report and post a Power Content Label; and

WHEREAS, the governing body of a publicly owned utility must review and approve the PSD and veracity of an associated attestation submitted to the California Energy Commission; and

WHEREAS, Gridley staff prepared and submitted the 2021 Annual Power Source Disclosure Report to the Energy Commission in accordance with the timelines of the regulation; and

WHEREAS, the continued administrative action to review and submit the power source disclosure and related reports does not constitute a project under California Environmental Quality Act (“CEQA”) guidelines and is therefore exempt from further environmental review.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Gridley does hereby;

1. Find that continue administrative actions are exempt from CEQA and no further environmental review is needed.
2. Approve the attestation of veracity for the 2021 Power Source Disclosure Report, the Power Content Label and submission of the report to the California Energy Commission.

I HEREBY CERTIFY that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the 3rd day of October, 2022, by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSTAIN: COUNCILMEMBERS

ABSENT: COUNCILMEMBERS

ATTEST

APPROVE

Cliff Wagner, City Clerk

Bruce Johnson, Mayor

2021 POWER SOURCE DISCLOSURE ANNUAL REPORT For the Year Ending December 31, 2021

Retail suppliers are required to use the posted template and are not allowed to make edits to this format. Please complete all requested information.

GENERAL INSTRUCTIONS

RETAIL SUPPLIER NAME	
Gridley Electric Utility	
ELECTRICITY PORTFOLIO NAME	
Standard	
CONTACT INFORMATION	
NAME	Cliff Wagner
TITLE	City Administrator
MAILING ADDRESS	685 Kentucky Street
CITY, STATE, ZIP	Gridley, CA 95948
PHONE	(530) 846-3631
EMAIL	cwagner@gridley.ca.us
WEBSITE URL FOR PCL POSTING	http://gridley.ca.us/government-and-departments/departments/electric-department/

Submit the Annual Report and signed Attestation in PDF format with the Excel version of the Annual Report to PSDprogram@energy.ca.gov. Remember to complete the Retail Supplier Name, Electricity Portfolio Name, and contact information above, and submit separate reports and attestations for each additional portfolio if multiple were offered in the previous year.

NOTE: Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential designation (CEC-13), which can be found on the California Energy Commissions's website at <https://www.energy.ca.gov/about/divisions-and-offices/chief-counsels-office>.

If you have questions, contact Power Source Disclosure (PSD) staff at PSDprogram@energy.ca.gov or (916) 805-7439.

2021 POWER SOURCE DISCLOSURE ANNUAL REPORT
SCHEDULE 1: PROCUREMENTS AND RETAIL SALES
 For the Year Ending December 31, 2021
 Gridley Electric Utility
 Standard

Instructions: Enter information about power procurements underlying this electricity portfolio for which your company is filing the Annual Report. Insert additional rows as needed. All fields in white should be filled out. Fields in grey auto-populate as needed and should not be filled out. For EIA IDs for unspecified power or specified system mixes from asset-controlling suppliers, enter "Unspecified Power", "BPA", or "Tacoma Power" as applicable. For specified procurements of ACS power, use the ACS Procurement Calculator to calculate the resource breakdown comprising the ACS system mix. **Procurements of unspecified power must not be entered as line items below; unspecified power will be calculated automatically in cell N9.** Unbundled RECs must not be entered on Schedule 1; these products must be entered on Schedule 2. At the bottom portion of the schedule, provide the other electricity end-uses that are not retail sales including, but not limited to transmission and distribution losses or municipal street lighting. Amounts should be in megawatt-hours.

Retail Sales (MWh)	30,418
Net Specified Procurement (MWh)	54,106
Unspecified Power (MWh)	-
Procurement to be adjusted	23,688
Net Specified Natural Gas	34,003
Net Specified Coal & Other Fossil Fuels	-
Net Specified Nuclear, Large Hydro, Renewables, and ACS Power	20,103
GHG Emissions (excludes grandfathered emissions)	4,279
GHG Emissions Intensity (in MT CO ₂ e/MWh)	0.1407

DIRECTLY DELIVERED RENEWABLES													
Facility Name	Fuel Type	State or Province	WREGIS ID	RPS ID	N/A	EIA ID	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO ₂ e/MWh)	GHG Emissions (in MT CO ₂ e)	N/A
Geo OSL	Geothermal	CA	W4883	60908		7368	27		27	27	0.0450	1	
Geo Solar 1 - Clearlake	Solar	CA	W1509	62040		P217	4		4	4	-	-	
Geo Solar 2 - Middletown	Solar	CA	W2792	62041		P218	6		6	6	-	-	
Geothermal 1_Unit 1	Geothermal	CA	W1254	60908		7368	1,094		1,094	1,094	0.0450	49	
Geothermal 1_Unit 2	Geothermal	CA	W1255	60908		7368	1,131		1,131	1,131	0.0450	51	
Geothermal 2_Unit 4	Geothermal	CA	W1257	60911		7369	1,316		1,316	1,316	0.0812	107	
Gridley Main 1	Solar	CA	W2923	62042		58370	1,841		1,841	1,841	-	-	
Keller Canyon Landfill	Biomass & biowaste	CA	W2071	61298		56897	743		743	743	0.0027	2	
Ox Mountain/Half Moon Bay	Biomass & biowaste	CA	W2033	60022		56895	2,257		2,257	2,257	0.0027	6	
WAPA - Lewiston	Eligible hydro	CA	W1108	61044		977	16		16	16	-	-	
WAPA - Nimbus	Eligible hydro	CA	W1161	61045		444	179		179	179	-	-	
WAPA - Stampede	Eligible hydro	CA	W1177	61046		7066	27		27	27	-	-	
FIRMED-AND-SHAPED IMPORTS													
Facility Name	Fuel Type	State or Province	WREGIS ID	RPS ID	EIA ID of REC Source	EIA ID of Substitute Power	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO ₂ e/MWh)	GHG Emissions (in MT CO ₂ e)	Eligible for Grandfathered Emissions?
									-	-	#N/A		
									-	-	#N/A		
									-	-	#N/A		
									-	-	#N/A		
									-	-	#N/A		
SPECIFIED NON-RENEWABLE PROCUREMENTS													
Facility Name	Fuel Type	State or Province	N/A	N/A	N/A	EIA ID	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO ₂ e/MWh)	GHG Emissions (in MT CO ₂ e)	N/A
Alameda #1 Natural Gas	Natural gas	CA				7450	10		10	3	0.8998	3	
Alameda #2 Natural Gas	Natural gas	CA				7450	9		9	3	0.8998	2	
Lodi CT #1 Natural Gas	Natural gas	CA				7451	13		13	4	0.8706	3	
Lodi Energy Center	Natural gas	CA				57978	33,891		33,891	10,281	0.3934	4,044	
WAPA - Folsom	Large hydro	CA				441	572		572	572	-	-	
WAPA - Gianelli	Large hydro	CA				448	324		324	324	-	-	
WAPA - Judge F Carr	Large hydro	CA				442	1,438		1,438	1,438	-	-	
WAPA - Keswick	Large hydro	CA				443	1,144		1,144	1,144	-	-	
WAPA - New Melones	Large hydro	CA				6158	1,702		1,702	1,702	-	-	
WAPA - O'Neill	Large hydro	CA				446	38		38	38	-	-	
WAPA - Shasta	Large hydro	CA				445	3,726		3,726	3,726	-	-	
WAPA - Spring Creek	Large hydro	CA				450	1,136		1,136	1,136	-	-	
WAPA - Trinity	Large hydro	CA				451	1,091		1,091	1,091	-	-	
BOUNDARY	Large hydro	WA				6433	265		265	265	-	-	
CHELAN COUNTY PUD	Large hydro	WA				6200	14		14	14	-	-	
KLAMATH FALLS	Natural gas	OR				55103	80		80	24	0.4076	10	
PROCUREMENTS FROM ASSET-CONTROLLING SUPPLIERS													
Facility Name	Fuel Type	N/A	N/A	N/A	N/A	EIA ID	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO ₂ e/MWh)	GHG Emissions (in MT CO ₂ e)	N/A

2021 POWER SOURCE DISCLOSURE ANNUAL REPORT
SCHEDULE 3: POWER CONTENT LABEL DATA
For the Year Ending December 31, 2021
City of Gridley Electric Utility
Standard

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
Renewable Procurements	8,641	28.4%
Biomass & Biowaste	3,000	9.9%
Geothermal	3,568	11.7%
Eligible Hydroelectric	222	0.7%
Solar	1,851	6.1%
Wind	-	0.0%
Coal	-	0.0%
Large Hydroelectric	11,460	37.7%
Natural gas	10,316	33.9%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	1	0.0%
Total	30,418	100.0%

Total Retail Sales (MWh)	30,418
---------------------------------	---------------

GHG Emissions Intensity (converted to lbs CO₂e/MWh)	310
---	------------


Percentage of Retail Sales Covered by Retired Unbundled RECs	0.0%
---	-------------

**2021 POWER SOURCE DISCLOSURE ANNUAL REPORT
ATTESTATION FORM
For the Year Ending December 31, 2021
Gridley Electric Utility
Standard**

I, Kenneth C Goeke on behalf of Cliff Wagner, City Administrator of the City of Gridley, declare under penalty of perjury, that the statements contained in this report including Schedules 1, 2, and 3 are true and correct and that I acting on behalf of Cliff Wagner, as an authorized agent of City of Gridley Electric Utility, have authority to submit this report on the city's behalf. I further declare that the megawatt-hours claimed as specified purchases as shown in these Schedules were, to the best of my knowledge, sold once and only once to retail customers.

Name: Kenneth C. Goeke
Manager, Portfolio and Pool Administration
Northern California Power Agency

Representing Cliffe Wagner for the City of Gridley

Signature: K C Goeke 

Dated: July 6, 2022

Executed at Roseville, California

2021 POWER CONTENT LABEL					
City of Gridley Electric Utility					
(http://gridley.ca.us)					
Greenhouse Gas Emissions Intensity (lbs CO ₂ e/MWh)		Energy Resources	Electricity Portfolio Name	2021 CA Power Mix	
City of Gridley	2021 CA Utility Average	Eligible Renewable¹	28.4%	33.6%	
310	456	Biomass & Biowaste	9.9%	2.3%	
		Geothermal	11.7%	4.8%	
		Eligible Hydroelectric	0.7%	1.0%	
		Solar	6.1%	14.2%	
		Wind	0.0%	11.4%	
		Coal	0.0%	3.0%	
		Large Hydroelectric	37.7%	9.2%	
		Natural Gas	33.9%	37.9%	
		Nuclear	0.0%	9.3%	
		Other	0.0%	0.2%	
		Unspecified Power²	0.0%	6.8%	
TOTAL			100.0%	100.0%	
Percentage of Retail Sales Covered by Retired Unbundled RECs³:			0%		
<p>¹The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.</p> <p>²Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.</p> <p>³Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.</p>					
For specific information about this electricity portfolio, contact:		City of Gridley: (530) 846-3631			
For general information about the Power Content Label, visit:		http://www.energy.ca.gov/pcl/			
For additional questions, please contact the California Energy Commission at:		Toll-free in California: 844-454-2906 Outside California: 916-653-0237			