



# TOWN OF PARADISE

5555 SKYWAY • PARADISE, CALIFORNIA 95969-4931

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[www.townofparadise.com](http://www.townofparadise.com)

## **Management Staff:**

Lauren Gill, Town Manager  
Dwight L. Moore, Town Attorney  
Joanna Gutierrez, Town Clerk  
Craig Baker, Community Development Director  
Gabriela Tazzari-Dineen, Police Chief  
Greg McFadden, Unit Chief, CAL FIRE/  
Butte County Fire/Paradise Fire  
Gina Will, Finance Director/Town Treasurer

## **Successor Agency:**

Jody Jones, Mayor  
Scott Lotter, Vice Mayor  
Greg Bolin, Council Member  
Steve "Woody" Culleton, Council Member  
John J. Rawlings, Council Member

## **Successor Agency to the Paradise Redevelopment Agency Meeting Agenda**

**7:00 PM – January 12, 2016**

In accordance with the Americans with Disabilities Act, if you need a special accommodation to participate, please contact the Town Clerk's Dept., at 872-6291 at least 48 hours in advance of the meeting. Hearing assistance devices for the hearing impaired are available from the Town Clerk.

Members of the public may address the Board on any agenda item, including closed session. If you wish to address the Board on any matter on the Agenda, it is requested that you complete a "Request to Address Council" card and give it to the Town Clerk prior to the beginning of the Council Meeting.

All writings or documents which are related to any item on an open session agenda and which are distributed to a majority of the Town Council will be available for public inspection at the Town Hall in the Town Clerk Department at 5555 Skyway, Room 3, at the same time the subject writing or document is distributed to a majority of the subject body. Regular business hours are Monday through Thursday from 8:00 a.m. to 5:00 p.m.

## **1. OPENING**

- a. Call to order
- b. Roll call

## **2. PUBLIC COMMUNICATION**

This is the time for members of the audience who have completed a "Request to Address Council" card and given it to the Clerk to present items not on the Agenda. Comments should be limited to a maximum of three minutes duration. The Successor Agency board is prohibited by State Law from taking action on any item presented if it is not listed on the Agenda.

## **3. ITEMS FOR CONSENT CALENDAR**

- a. Approve the minutes of the 09/08/2015 Successor Agency Meeting.

## **4. ITEMS FOR CONSIDERATION - ACTION CALENDAR**

- a. Consider approving the Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017.
- b. Authorize the Town Manager to enter consultant agreements as approved by the Town Attorney necessary to complete the refinance of the 2006 Tax Anticipation Note.

## **5. CLOSED SESSION** - None.

## **6. ADJOURNMENT**

STATE OF CALIFORNIA ) COUNTY OF BUTTE )	SS.
I declare under penalty of perjury that I am employed by the Town of Paradise in the Town Clerk's Department and that I posted this Agenda on the bulletin Board both inside and outside of Town Hall on the following date: _____	
TOWN/ASSISTANT TOWN CLERK SIGNATURE _____	

**Successor Agency  
to the Paradise Redevelopment Agency  
Meeting Minutes**

**7:00 PM – September 08, 2015**

**1. OPENING**

The Successor Agency meeting was called to order at 7:51 pm by Chairman Greg Bolin in the Town Council Chamber located at 5555 Skyway, Paradise, California.

**DIRECTORS PRESENT:** Steve “Woody” Culleton, Jody Jones, Scott Lotter and Greg Bolin, Chairman.

**DIRECTORS ABSENT:** John J. Rawlings.

**STAFF PRESENT:** Town Clerk Joanna Gutierrez, Town Manager Lauren Gill and Town Attorney Dwight Moore.

**2. PUBLIC COMMUNICATION** – None.

**3. ITEMS FOR CONSENT CALENDAR**

- a. **MOTION by Jones, seconded by Lotter**, approved Minutes of September 23, 2014; June 25, 2014; February 24, 2015; and June 29, 2015.

**4. ITEMS FOR CONSIDERATION - ACTION CALENDAR**

- a. **MOTION by Lotter, seconded by Culleton**, approved the Successor Agency Recognized Obligation Payment Schedule (ROPS) for the period of January 1, through June 30, 2016. Roll call vote was unanimous; Rawlings absent and not voting.

**5. CLOSED SESSION** – None.

**6. ADJOURNMENT**

Chairman Bolin adjourned the Successor Agency meeting at 7:55 p.m.

Date approved:

By: \_\_\_\_\_  
Greg Bolin, Chair

\_\_\_\_\_  
Joanna Gutierrez, CMC, Town Clerk



**Successor Agency to the Paradise  
Redevelopment Agency**

**Agenda Item: 4(a)**

**Agenda Summary  
Date: January 12, 2016**

**Originated by:** Gina S. Will, Finance Director/Town Treasurer

**Reviewed by:** Lauren Gill, Town Manager

**Subject:** Recognized Obligation Payment Schedule (ROPS 16-17) for July 2016 through June 2017

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**Action Requested:**

Approve the Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017.

**Alternatives:**

Decline to ratify the ROPS as presented.

**Discussion:**

In order for the Successor Agency to the Paradise Redevelopment Agency to receive a distribution from the Butte County Auditor Controller from the Redevelopment Property Tax Trust Fund (RPTTF) for debt service requirements of July 2016 through June 2017, the Successor Agency needs to submit a ROPS for July 2016 through June 2017 approved by the Oversight Board to the Department of Finance and the Butte County Auditor Controller by February 1, 2016.

SB 107 enacted Health and Safety Code Section 34170.1 September 22, 2015, which amended some laws concerning the dissolution of redevelopment agencies. One change effective July 1, 2016 is that ROPS will be submitted for a full fiscal year instead of one every six months. The annual ROPS can be amended with Oversight Board approval. Also, the new law postponed the consolidation of one Oversight Board per County until July 1, 2018.

This ROPS 16-17 will need to be amended. The 2006 tax anticipation note (item #1) is about to reach maturity and has \$1,300,000 in principal due December 1, 2016. There is insufficient tax increment available to pay the obligation in one lump sum, so the obligation must be refinanced. Staff met with the Department of Finance on December 6, 2015 for instructions on how to proceed and how best to show this on the ROPS. As instructed, as the refinance has yet to be finalized, an estimated debt service amount has been included on the ROPS (item #10).

Two financing options are being considered and will be forwarded to Department of Finance for Approval:

1. The preferred option is to finance and amortize the \$1.3 million debt over 20 to 25 years which at the end of the term would permanently retire the obligation. At this time it is not certain that there is adequate tax increment to fund these higher payments, and it won't be known until late spring or early summer when tax increment is again measured.
2. Another option is to refinance the \$1.3 million debt and pay interest only for 3 to 5 years until tax increment has increased and is sufficient to finance a long term retirement of the obligation.

Further, to be conservative and to retain the option to amend amounts owed related to the 2006 note (Item #1) the interest payment due December 1, 2016 has been included on the ROPS.

For the first time, according to the debt service schedule, the 2009 tax anticipation bond in addition to interest payments has \$75,000 in principal owed for this ROPS cycle which has been included.

As allowed and calculated with the "Sponsoring Entity Loan Repayment Calculator" \$30,229 for Town loan #4 was also included on the ROPS. As this obligation has lower priority than the above mentioned obligations, some of this obligation may not be paid.

Furthest down in order of priority for payment is the \$22,200 the Successor Agency has requested for administrative fees. The \$22,200 is a conservative estimate of the expenses that the Successor Agency will incur during the dissolution of the RDA for this year long period.

There will be approximately \$450,000 available for distribution this ROPS cycle. Based on the attached ROPS recommended for approval, and in order of priority, following is an estimate of how the RPTTF funds will be allocated for this ROPS cycle:

ROPS 16-17	
	Successor Agency Accounting
2009 Tax Allocation Bond	\$337,856
2006 Tax Allocation Note	31,838
2016 Tax Allocation Bond/Note (TBD)	114,045
Town Loan #4	30,229
Trustee Fees	4,000
Administrative Fees	22,200
<b>Total</b>	<b>\$540,168</b>

Because of the increased debt service requirements this ROPS cycle, there is no residual balances anticipated for distribution to other taxing entities.

**Fiscal Impact Analysis:**

Approval of the ROPS by the Successor Agency Board for July 2016 through June 2017 will allow for the distribution of monies for debt service obligations of the former Paradise Redevelopment Agency, and will provide some monies to be applied toward its RDA loan balances.

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency:Paradise

County:Butte

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding				
A	Sources (B+C+D):	\$ -	\$ -	\$ -
B	Bond Proceeds Funding	-	-	-
C	Reserve Balance Funding	-	-	-
D	Other Funding	-	-	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 250,504	\$ 289,664	\$ 540,168
F	Non-Administrative Costs	235,404	278,564	513,968
G	Administrative Costs	15,100	11,100	26,200
H	Current Period Enforceable Obligations (A+E):	\$ 250,504	\$ 289,664	\$ 540,168

Certification of Oversight Board Chairman:  
Pursuant to Section 34177 (o) of the Health and Safety code, I hereby  
certify that the above is a true and accurate Recognized Obligation  
Payment Schedule for the above named successor agency.

NameTitle

/s/

SignatureDate

Paradise Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail																						
July 1, 2016 through June 30, 2017																						
(Report Amounts in Whole Dollars)																						
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	16-17A					16-17A Total	16-17B					16-17B Total
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
											Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
1	2006 Tax Allocation Note	Bonds Issued On or Before	12/5/2006	12/5/2016	Wells Fargo Bank	Note issued to fund CIPs	No. 1	\$ 8,565,620	N	\$ 540,168	\$ -	\$ -	\$ -	\$ 235,404	\$ 15,100	\$ 250,504	\$ -	\$ -	\$ -	\$ 278,564	\$ 11,100	\$ 289,664
2	2009 Tax Allocation Bond	Bonds Issued On or Before	10/1/2009	10/1/2043	Wells Fargo Bank	Issued to refinance 2003 & 2005 Notes	No. 1	1,300,000	N	\$ 31,838				31,838		\$ 31,838						\$ -
		12/31/10						4,480,000	N	\$ 337,856				131,428		\$ 131,428				206,428		\$ 206,428
4	Town Loan #4 dated 03/27/07	City/County Loans On or Before 6/27/11	3/27/2007	3/21/2015	Town of Paradise	Note Payable 03/27/07	No. 1	199,717	N	\$ 30,229				15,115		\$ 15,115				15,114		\$ 15,114
5	Town Loan #5 dated 03/09/10	City/County Loans On or Before 6/27/11	3/9/2010	7/1/2019	Town of Paradise	Note Payable 03/09/10	No. 1	672,528	N													
6	Town Loan #6 dated 03/01/11	City/County Loans On or Before 6/27/11	3/1/2011	3/1/2019	Town of Paradise	Note Payable 03/01/11	No. 1	487,175	N													
7	Bond and Note Admin Fees	Fees	1/1/2016	6/30/2016	Wells Fargo Bank	Trustee Fees	No. 1	4,000	N	\$ 4,000					4,000	\$ 4,000						\$ -
8	Administration Fees	Admin Costs, litigation	1/1/2016	6/30/2016	Town of Paradise	Administration Fees	No. 1	22,200	N	\$ 22,200					11,100	\$ 11,100					11,100	\$ 11,100
10	2016 Tax Allocation Bond or Note						No. 1	1,400,000	N	\$ 114,045				57,023		\$ 57,023				57,022		\$ 57,022
11								N	\$ -							\$ -						\$ -
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Paradise Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail																								
July 1, 2016 through June 30, 2017																								
(Report Amounts in Whole Dollars)																								
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W		
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	16-17A					16-17A Total	16-17B					16-17B Total		
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)				RPTTF		Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)				RPTTF			
											Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin			
83									N	\$ -						\$ -						\$ -		

**Paradise Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances**  
**(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see <a href="#">CASH BALANCE TIPS SHEET</a>								
A	B	C	D	E	F	G	H	I
	Cash Balance Information by ROPS Period	Fund Sources						Comments
		Bond Proceeds		Reserve Balance		Other	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
ROPS 15-16A Actuals (07/01/15 - 12/31/15)								
1	Beginning Available Cash Balance (Actual 07/01/15)	371,838				-	(51)	
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015					6	188,220	
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)					-	187,072	
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						1,000	
5	ROPS 15-16A RPTTF Balances Remaining	No entry required						
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 371,838	\$ -	\$ -	\$ -	\$ 6	\$ 97	
ROPS 15-16B Estimate (01/01/16 - 06/30/16)								
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 371,838	\$ -	\$ -	\$ 1,000	\$ 6	\$ 97	
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016					7	183,801	
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)						183,281	
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ 371,838	\$ -	\$ -	\$ 1,000	\$ 13	\$ 617	

### Paradise Recognized Obligation Payment Schedule (ROPS 16-17) - Notes July 1, 2016 through June 30, 2017

[illegible]

Paradise Recognized Obligation Payment Schedule (ROPS 16-17) - Notes July 1, 2016 through June 30, 2017	
Item #	Notes/Comments

**SUCCESSOR AGENCY TO THE PARADISE REDEVELOPMENT AGENCY**

**ADMINISTRATIVE BUDGET**

**FOR JULY 1, 2016 THROUGH JUNE 30, 2017**

1. Office Rent	Utilities-electricity, water, phone and internet Facility Maintenance & Repair – Janitorial Supplies/Services IT Infrastructure	\$2,000
2. Operating Expenses	Paper, Postage, Printing, Bank Fees	200
3. Insurance	Crime, Equipment & Liability	1,000
4. Staff	Town Manager	1,000
	Finance Director	7,000
	Town Clerk	1,000
5. Legal Counsel	Successor Agency Attorney	10,000
Total		\$22,200

The proposed source of payment for the administrative budget is the Redevelopment Property Tax Trust Fund.

Proposals for arrangements for administrative and operations by the Town of Paradise will need to be set forth in a memorandum of understanding.

See Health and Safety Code section 34177(j).

### Sponsoring Entity Loan Repayment Calculator

Base Year:	ROPS II July thru December 2012	ROPS III January thru June 2013	Total For Base Year
Total Residual Balance	0	0	0

Comparison Year:	ROPS 15-16A July thru December 2015	ROPS 15-16B January thru June 2015	Total For Comparison Year
Total Residual Balance	17,295	43,163	60,457

A Total Residual Balance for Comparison Year	60,457
B Total Residual Balance for Base Year	0
A-B Difference of Residual Balance	60,457
Divide Difference by two	÷2
<b>Maximum Repayment Amount Authorized Per Fiscal Year</b>	<b>30,229</b>

**Note:** This is a tool provided by Finance to assist successor agencies in determining the maximum repayment amount per authorized fiscal year. Placing this amount on the ROPS does not automatically guarantee approval of the repayment amount.

Input fields (amounts from County Auditor-Controller RPTTF Distribution Report)

Formula fields, no input required.



**Successor Agency to the Paradise  
Redevelopment Agency**

**Agenda Item: 4(b)**

**Agenda Summary  
Date: January 12, 2016**

**Originated by:** Gina S. Will, Finance Director/Town Treasurer  
**Reviewed by:** Lauren Gill, Town Manager  
**Subject:** Hire Consultants for 2006 Tax Anticipation Note Refinance

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**Action Requested:**

Authorize the Town Manager to enter consultant agreements as approved by the Town Attorney necessary to complete the refinance of the 2006 Tax Anticipation Note.

**Discussion:**

The 2006 tax anticipation note is about to reach maturity and has \$1.3 million in principal due December 1, 2016. There is insufficient tax increment available to pay the obligation in one lump sum, so the obligation must be refinanced. Staff met with the Department of Finance on December 6, 2015 for instructions on how to proceed.

Two financing options are being considered and will be forwarded to Department of Finance for Approval:

1. The preferred option is to finance and amortize the \$1.3 million debt over 20 to 25 years which at the end of the term would permanently retire the obligation. At this time it is not certain that there will be adequate tax increment to fund these higher payments, and it will not be known until late spring or early summer when tax increment is again measured.
2. Another option is to refinance the \$1.3 million debt and pay interest only for 3 to 5 years until tax increment has increased and is sufficient to finance a long term retirement of the obligation.

In order for the refinance to occur, the Successor Agency must hire experts to prepare the appropriate documents, to do the legally required financial analysis and to place the refinancing debt instrument.

In determining who to hire, staff met with a couple finance teams. Ultimately, staff recommends using the same team of experts who have assisted the former Paradise Redevelopment Agency on all previous financings. While this team is expected to cost about 5% to 10% more than their competitors, they will save the Town considerable staff time. This team is already fully knowledgeable about the former project area and Town and they will be very helpful in creating all the documents needed for disclosure without staff assistance.

Total cost of the financing is estimated to be about \$100,000 as follows:

Financial Advisor	Alan Miller	\$20,000
Placement Agent	Pam Newcomb	\$26,000 - \$28,000
Bond Counsel	To be determined	\$25,000 - \$35,000
Disclosure Counsel	To be determined	\$15,000 - \$25,000

The fee for disclosure counsel will be greatly reduced if the financing is done through private placement which would be likely given the size.

A sample agreement with A. M. Miller and Co. and correspondence from Newcomb Williams Financial Group are attached for the Successor Agency Board review.

**Fiscal Impact Analysis:**

The fees for this financing will be the obligation of the Successor Agency not the Town of Paradise and will be funded through those associated monies.

## **AGREEMENT FOR FINANCIAL CONSULTANT SERVICES**

THIS AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 2016, by and between the Succesor to Paradise Redevelopment Agency, Butte County, California, (the “Agency”) and A. M. Miller & Co., Inc., Post Office Box 910049, San Diego, California 92191, a California corporation (“Consultant”).

### **WITNESSETH:**

WHEREAS, the Agency requires assistance in the development of a tax allocation refunding note/bond issue (hereinafter referred to as “bonds”) to refund the Agency’s outstanding 2006 Subordinate Tax Allocation Notes; and

WHEREAS, the Agency, after due deliberation, has determined that Consultant is qualified by training and experience to perform said services;

NOW, THEREFORE, it is mutually agreed as follows, to wit:

The Agency hereby retains Consultant and Consultant hereby agrees to perform the services, upon the terms, subject to the conditions, and in consideration of payment as hereinafter set forth:

### **Services to be Performed by Consultant**

Consultant shall perform at the direction of the Agency in a diligent manner the following services:

1. Prepare a financing plan, including a financing schedule of events, to include details relating to the proposed bond financing, taking into account tax increment revenues and annual bond debt service requirements.
2. Make recommendations to the Agency as to the terms and conditions under

which tax allocation refunding bonds are to be issued and sold, including repayment schedules, call features, sinking fund and reserve fund requirements, marketing strategy for the sale of the bonds and other structural details.

3. Assist bond counsel in drafting the necessary trust indenture, and all other necessary documents and resolutions to authorize the issuance of the bonds.

4. Assist disclosure counsel as requested in drafting the preliminary and final official statements for the bonds, taking into account all requirements for disclosure pursuant to securities industry regulations at the time of bond issuance.

5. Review all financing documents submitted to the California Department of Finance (the “DOF”) which are required by DOF for approval of the refunding bond issue and assist the Agency in providing any additional information as may be requested by the DOF.

6. Provide the Certificate of Independent Financial Consultant required for issuance of the Agency’s refunding bonds.

7. Arrange for printing and distribution of the preliminary and final official statements and related materials to potential underwriters and buyers of the bonds.

8. Assist the underwriter, as requested by the underwriter, to generate maximum interest in, and acceptance of, the Agency’s proposed issue among potential investors in the bonds.

9. Consultant shall be available by e-mail, telephone or at the Paradise Town Hall to discuss on a continuing basis the results of all studies, analyses, and drafts of documents and to provide additional information as desired and requested by the Agency.

Such continuing advisory services will be provided by Consultant at all times, including after the sale and closing of the Agency's issue, on an as-needed basis to provide whatever assistance the Agency may require with respect to said bond issue.

Payment for Services:

10. For the services performed hereunder, the Agency agrees to pay Consultant the sum of \$20,000. Such sum shall become payable only upon delivery of bond proceeds to the Agency. Such sum includes the costs of printing and distributing the preliminary and final official statements, travel and all other out-of-pocket expenses of Consultant. Agency shall not otherwise be liable to Consultant for any other sum for services performed with respect to issuance of said bonds, or for any requested continuing advisory services after bond closing.

Other Considerations:

11. Consultant is retained hereunder to render professional services as municipal financing consultants and any payments made to Consultant are compensation solely for such services.

12. The Agency shall pay the fees of bond counsel, disclosure counsel, trustee bank, and any publication costs in connection with the sale of the bonds.

13. The Agency agrees that its officials and employees will be requested and directed to cooperate with and assist representatives of Consultant so that Consultant may obtain all information and data needed to perform the services herein provided.

14. This Agreement may be cancelled without cause by either party by giving the other party written notice of such cancellation.

IN WITNESS HEREOF, said Agency, party of the first part, has caused these presents to be properly executed, and said Consultant, party of the second part, has caused these presents to be executed, as of the date hereinabove set forth.

SUCCESSOR TO PARADISE REDEVELOPMENT  
AGENCY

By\_\_\_\_\_

Its\_\_\_\_\_

A. M. MILLER & Co, Inc.

By\_\_\_\_\_  
President



NEWCOMB WILLIAMS  
FINANCIAL GROUP  
Securities offered through Stinson Securities, LLC

December 17, 2015

Lauren M. Gill  
Town of Paradise  
City Manager

Dear Ms. Gill

The Municipal Securities Rulemaking Board ("MSRB") requires Underwriters to clearly define their role as Underwriter of Municipal Securities and to differentiate this role from that of a Financial Advisor or Municipal Advisor in connection with the issuances of Municipal Securities.

It is proposed that in reference to the upcoming Refunding of the outstanding Series 2006 Subordinate Tax Allocation Notes for the Successor Agency to the Paradise Redevelopment Agency (Agency) Newcomb Williams Financial Group, Securities offered through Stinson Securities, LLC ("NWFG") will act as underwritten with a not-to-exceed underwriter's discount of 2% and A. M. Miller & Co., Inc (Miller) will act as Financial Advisor to Agency.

Although official action by the Successor Agency will occur at a later date, this preliminary approval is required to allow NWFG and Miller to structure the financing to the satisfaction of all parties prior to that approval.

Should the financing never occur, there will be no liability on the part of Agency to compensate NWFG or Miller for their efforts.

Please acknowledge your understanding of the above by signing below.

Thank you.

Newcomb Williams Financial Group,  
Securities offered through Stinson Securities, LLC  
Pamela D Newcomb  
President

Stinson Securities, LLC  
Lonnie Odom  
President & CEO

Acknowledgement:

Lauren M Gill

Cc: Gina S. Will  
Alan Miller