



Willows City Council Regular Meeting

February 25, 2025
Willows City Hall
6:00 PM

City Council
Evan Hutson, Mayor
Rick Thomas, Vice Mayor
Gary Hansen, Council Member
Lorri Pride, Council Member
Matt Busby, Council Member

City Manager
Marti Brown

City Clerk
Karleen Price

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

Agenda

Watch the Council meeting online via Zoom: <https://us06web.zoom.us/j/81244492922>

Remote viewing of the City Council meeting for members of the public is provided for convenience only. In the event that the remote viewing connection malfunctions for any reason, the City Council reserves the right to conduct the meeting without remote viewing.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. CHANGES TO THE AGENDA

5. PRESENTATION

a. Finance and Measure I Oversight Committee (FMiOC) Update

Recommended Action: Receive finance update from the FMiOC Committee regarding its first meeting on January 21, 2025.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

6. PUBLIC COMMENT & CONSENT CALENDAR FORUM

All matters on the Consent Calendar are considered routine and are approved by one motion and vote, unless Councilmembers or the City Manager first requests that a matter be removed for separate discussion and action. Individuals wishing to address the City Council concerning Consent Calendar items or regarding matters that are not already on the agenda are invited to make oral comments of up to three minutes at this time. Please address your comments to the Mayor and Councilmembers, and not to staff and/or the audience. By State law, the Council is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the City Council, please mail it to the City Clerk at 201 North Lassen Street, Willows, CA 95988 or email it to: cityclerk@cityofwillows.org.

a. Register Approval

Recommended Action: Approve general checking, payroll, and direct deposit check registers.

Contact: Joanne Moore, Finance Director, jmoore@cityofwillows.org

b. Minutes Approval

Recommended Action: Approve the February 11, 2025, meeting minutes.

Contact: Karleen Price, City Clerk, kprice@cityofwillows.org

c. **Pioneer Community Energy Expansion to Willows**

Recommended Action: Approve second reading of Ordinance 763-2025, authorizing the implementation of a Community Choice Aggregation Program in the City of Willows, by title only and waive the full reading of the text.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

d. **Coastland Contract Amendment – FY 2024-25 Sewer Rehabilitation Project**

Recommended Action: Authorize the City Manager to execute a contract amendment to Coastland's sewer rehabilitation project agreement to provide additional design services.

Contact: Joe Bettencourt, Community Development & Services Director,
jbettencourt@cityofwillows.org

e. **FY 2025-26 Landscaping and Lighting Special Assessment District**

Recommended Action: 1) Adopt the Resolution appointing Coastland Civil Engineering as the Engineer of Work for the City of Willows Landscaping and Lighting Special Assessment District and directing Coastland Civil Engineering to prepare the Annual Engineer's Report for FY 2025-26; and 2) Authorize the City Manager to execute a contract amendment with Coastland Civil Engineering to complete assessment engineering work associated with the City of Willows FY 2025-26 Landscaping and Lighting Special Assessment District.

Contact: Joe Bettencourt, Community Development & Services Director,
jbettencourt@cityofwillows.org

f. **Letter of Support for Federal Self-Help Housing Program**

Recommended Action: Approve a letter of support in favor of the USDA Rural Development mutual self-help housing program.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

7. **DISCUSSION & ACTION CALENDAR**

All matters in this section of the agenda are discussed and will be acted on individually. Individuals wishing to address the City Council concerning any of these items are invited to make oral comments of up to three minutes as each agenda item is reviewed and discussed by Council. Please address your comments to the Mayor and Councilmembers, and not to staff and/or the audience. When the Mayor calls for public comment, please raise your hand to be acknowledged. While not required, the City requests that you please state your name clearly for the audio recording. By State law, the Council is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the City Council, please mail it to the City Clerk at 201 North Lassen Street, Willows, CA 95988 or email it to: cityclerk@cityofwillows.org.

a. **Solar Power Purchase Agreement – Civic Center and Fire Station**

Recommended Action: Authorize the City Manager to execute a Power Purchase Agreement with RP Willows Solar 2, LLC (Attachment 1) and RP Willows Solar 3, LLC (Attachment 2) for the installation of a roof mounted solar system at the Willows Civic Center and the Willows

Firehouse and; authorize the City Manager to execute a Side Letter (Attachment 3) with Trinary Energy for financial reimbursement of the roof replacement at the Willows Civic Center.

Contact: Joe Bettencourt, Community Development & Services Director,
jbettencourt@cityofwillows.org

b. Emergency Declaration – Failure of Library Ceiling and Roof

Recommended Action: To ratify the attached resolution which finds that the recent partial collapse of the library ceiling and roof was an immediate threat to the public health and safety of city employees, contractors and the visiting public to the library and civic center; Thereby, requiring an immediate expenditure of public funds to stabilize the ceiling and roof. These emergency findings are required in order to qualify for statutory and common law exemptions from competitive bidding requirements.

Contact: Joe Bettencourt, Community Development & Services Director,
jbettencourt@cityofwillows.org

c. Re-establishment of Willows Police Department

Recommended Action: To negotiate an additional two-year law enforcement services contract with the Glenn County Sheriff's Office through June 30, 2028; and revisit the process and funding of a new Willows Police Department after the City has received two quarters of Measure I, the 1.5% sales tax, in November 2025.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

8. COMMENTS & REPORTS

- a. Council Correspondence
- b. City Council Comments & Reports
- c. City Manager's Report

9. CLOSED SESSION

Pursuant to Government Code Sections §54954.3, the public will have an opportunity to directly address the legislative body on the item below prior to the Council convening into closed session. Public Comments are generally restricted to three minutes.

a. Conference with Labor Negotiators (§54957.6)

Agency Designated Representatives:

Marti Brown, City Manager and Carolyn Walker, City Attorney

Employee Organizations: UPEC, Fire and General Bargaining Units, and Management

b. Conference with Legal Counsel - Anticipated Litigation (§54956.9(b))

Significant exposure to litigation pursuant to § 54956.9(b): (1 case)

c. Conference with Legal Counsel – Anticipated Litigation (§54956.9(b))

Name of Case: 335 North Shasta Street

d. **Conference with Legal Counsel – Existing Litigation (\$54956.9)**

Name of Case: 143 North Yolo Street

e. **Public Employee Performance Evaluation (§ 54957)**

Title: City Manager

10. ADJOURNMENT

This agenda was posted on February 21, 2025.

Karleen Price, City Clerk

A complete agenda packet, including staff reports and back-up information, is available for public inspection during normal work hours at City Hall at 201 North Lassen Street in Willows or on the City's website at www.cityofwillows.org. In compliance with the Americans with Disabilities Act, the

City of Willows will make available to members of the public any special assistance necessary to participate in this meeting. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132). The public should contact the City Clerk's office at 934-7041 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

The City of Willows is an Equal Opportunity Provider.



PRESENTATION



Date: February 25, 2025

To: Honorable Mayor and Councilmembers

From: Marti Brown, City Manager

Subject: Finance and Measure I Oversight Committee (FMiOC) Update

Recommendation:

Receive finance update from the FMiOC Committee regarding its first meeting on January 21, 2025.

Rationale for Recommendation:

On October 15, 2025, the City Council established a new Finance Committee called, the Finance and Measure I Oversight Committee (FMiOC) to monitor city finances, review financial policies, and monitor Measure I, the 1.5% sales tax, revenues, and recommend expenditures to the full Council. As part of FMiOC's bylaws, the Committee is required to update the full Council on the outcome of the quarterly FMiOC meetings.

Background:

On January 21, 2025, Finance Director Joanne Moore and City Manager Marti Brown presented an overview of the City's financial status, covering major revenue sources, budget expenditures, and an update on Measure I. At the conclusion of the presentation, Council requested additional information and clarification on several key financial items. Specifically, Council requested more information regarding the following topics:

- Questions & Answers: Staff response to Committee questions presented to staff prior to the FMiOC meeting.
- Umpqua Bank Gap Loan: Update on the status of the City's Umpqua Bank Loan.
- Pension Obligation Bond (POB): Remaining Debt Service on the Pension Obligation Bond (POB).
- Sewage Bond: Remaining Debt Service on the sewage bond (and any other debt in the Sewage Fund).
- Expenses Vs. Reimbursements: Provide a table of Reimbursable expenses.

Discussion & Analysis:

For the above-mentioned subject matters, a brief description and/or explanation has been provided below, as well as five Exhibits, in response to the Committees inquiries at the January 21, 2025, FMiOC meeting.

COMMITTEE QUESTIONS PROVIDED TO STAFF PRIOR TO THE FMIOC MEETING:

- **301-000-72002 Franchise Water Revenue increase of \$100,000.**
 - Cause: This increase is due to a posting error. The commercial sewer fees paid by CalWater were mistakenly posted to the water revenue. These payments, which are part of the sewer fees, should have been recorded under sewer revenue (GL 318-000-72020). A journal entry will be made to correct this and reallocate the funds to the correct account.
 - Note: The CalWater franchise fees are paid annually in July, so this error won't be a recurring issue.
- **301-000-77004 SLESF Cops Funding Revenue up \$60,0000.**
 - Cause: The City received additional payments for law enforcement funding. Specifically:
 - \$86K for FY22/23, which includes interest.
 - \$94K for FY23/24, also including interest.
 - These payments contribute to the increase in revenue under this category.
- **301-030-40999 Other Expenditures and 301-030-41300 Professional Services increase of \$20,000**
 - Other Expenditures: The increase in expenses is related to several City events such as the Measure I financial education plan, City Crawl event, Sycamore Park event, and Town Hall meeting. The City received donations to offset some of these costs:
 - Waste Management: \$1,500
 - Coastland: \$1,000
 - PG&E: \$2,500
 - Professional Services: These expenses are related to paying a contractor for the City Clerk position.
- **301-050-48001 Finance Interest**
 - Cause: This was a keying error in the system. The expense will be corrected through a journal entry that will move the entry to the correct account (301-070-48001).
- **301-070-40602 General Liability Property Insurance Expense increase of 138,000**
 - Cause: This increase is due to an underestimation of the insurance expenses in the original budget. It does not include any settlement expenses. This is simply an adjustment needed based on actual costs.
- **301-070-48000 Principal and 301-070-48001 Interest Debt increase**
 - Cause: These are expenses associated with the taxable Pension Obligation Bonds (POB). More details will be provided, including the balance, due date, and other specifics when the topic is discussed further.

- **Solar Expense**
 - Cause: The solar expense paid to Clearway Energy is recorded under the "Other Expenditures" account (GL 40999). For future budgets, a new GL code will be created labelled 'Solar' to make these expenses more easily identifiable.
- **Contractual Services**
 - Cause: There was an error where Inframark invoices were incorrectly placed under GL 41300 (Professional Services). The budget for this line was \$737K. A budget adjustment will be made to correct this, so the expense will be accurately reflected under GL 44000 (Contractual Services).
- **Principal and Interest**
 - Cause: These are expenses for the sewer financing project.

UMPQUA BANK GAP LOAN

Loan Overview:

- Original Loan Amount: \$1,400,000
- Remaining Principal as of 2/25/2025: \$170,651.58
- Interest Rate: 3.32% per annum
- Semi-Annual Payment Dates: November 1 and May 1

Remaining Principal and Interest Payments:

As of February 25, 2025, the remaining principal balance on the Umpqua Gap Loan is \$170,651.58. Semi-annual payments are made on November 1 and May 1 of each fiscal year. The loan is on track to be paid in full by November 1, 2025. Attachment 1 details the historic breakdown of all scheduled payments. Below is a breakdown of the two remaining principal and interest payments for fiscal years 2024/2025 and 2025/2026:

Payment Date	Principal Payment	Interest Payment	Total Payment
May 1, 2025	\$84,623.39	\$2,832.82	\$87,456.21
November 1, 2025	\$86,028.19	\$1,428.07	\$87,456.26

PENSION OBLIGATION BOND (POB)

Loan Overview:

- Original Loan Amount: \$8,510,000.00*
- Remaining Principal as of February 25, 2025: \$5,861,017.50
- Interest Rate: 0.62% - 3.42% per annum
- Semi-Annual Payment Dates: August 1 and February 1

Remaining Principal and Interest Payments:

As of February 25, 2025, the remaining principal balance on the Pension Obligation Bond is \$5,861,017.50. As Attachment 2 indicates, the loan will be repaid through semi-annual payments made on August 1 and February 1 of each fiscal year. The loan is on track to be paid in full by February 1, 2040. Below is a summary of the remaining principal and interest payments for 2026-2040.

Summary:

- Total Principal Payments: \$5,861,017.50
- Total Interest Payments: \$1,206,000.37
- Total Loan Payments: \$7,067,017.87

*Note: 8.35% of the POB has been apportioned to the Sewage Fund (Fund 318) for a total of \$710,585. The remaining principal of the apportionment is \$533,982.50.

SEWAGE BOND

Loan Overview:

- Original Bond Issue Amount: \$9,465,000
- Amount Remaining as of June 30, 2024: \$8,965,000
- Interest Rate Range: 0.44% to 2.68%
- Payment Due Dates: October 1 and April 1

Remaining Principal and Interest Payments:

As of February 25, 2025, the remaining principal balance on the Pension Obligation Bond is \$8,965,000. As Attachment 3 indicates, the loan will be repaid through semi-annual payments made on August 1 and February 1 of each fiscal year. The loan is on track to be paid in full by April 1, 2027. Below is a summary of the remaining principal and interest payments for 2026-2047:

Summary:

- Total Principal Payments: \$8,965,000
- Total Interest Payments: \$2,800,426
- Total Loan Payments: \$11,765,426

REIMBURSED EXPENSES

Attachment 4 shows expenses that the city was reimbursed for such as Strike Team and the City Hall Crawl event by the State or other agencies/organizations.

Fiscal Impact:

There is no fiscal impact to receiving and accepting the recommendation.

Attachments:

- Attachment 1: Umpqua Gap Loan Final Payment Schedule
- Attachment 2: Pension Obligation Bond Debt Services Schedule
- Attachment 3: Sewer Bond Debt Services Schedule

- Attachment 4: Expenses vs. Reimbursements Table
- Attachment 5: January 21, 2025, FMiOC Minutes



Note of correction: Final payment was omitted from the schedule dated November 16, 2020, causing the adjustment to lease payments.

Revised Schedule of Lease Payments

Lease Payment Date	Principal Component	Interest Component (1)	Total Lease Payment
11/1/2020	-	(2)	
5/1/2021	\$74,218.50	13,237.71	\$87,456.21
11/1/2021	\$75,411.87	12,044.34	\$87,456.21
5/1/2022	\$76,663.71	10,792.50	\$87,456.21
11/1/2022	\$77,936.32	9,519.89	\$87,456.21
5/1/2023	\$79,230.07	8,226.14	\$87,456.21
11/1/2023	\$80,545.28	6,910.93	\$87,456.21
5/1/2024	\$81,882.34	5,573.87	\$87,456.21
11/1/2024	\$83,241.58	4,214.63	\$87,456.21
5/1/2025	\$84,623.39	2,832.82	\$87,456.21
11/1/2025	\$86,028.19	1,428.07	\$87,456.26

(1) The applicable interest rate is 3.320% per annum.

(2) The interest payable due 11/1/2020 will be provided in a statement and will be due accordingly.

Debt Service Schedule

The following table shows the debt service amounts with respect to the Bonds (assuming no optional redemptions) for each Bond Year.

Bond Year Ending August 1	Principal ⁽¹⁾	Interest ⁽²⁾	Total
2021	\$525,000	\$ 33,566.58	\$ 558,566.58
2022	540,000	185,557.00	725,557.00
2023	590,000	181,669.00	771,669.00
2024	460,000	177,126.00	637,126.00
2025	380,000	172,664.00	552,664.00
2026	405,000	167,344.00	572,344.00
2027	435,000	160,580.50	595,580.50
2028	465,000	151,576.00	616,576.00
2029	495,000	141,253.00	636,253.00
2030	530,000	129,125.50	659,125.50
2031	565,000	115,557.50	680,557.50
2032	575,000	100,528.50	675,528.50
2033	580,000	84,371.00	664,371.00
2034	570,000	67,203.00	637,203.00
2035	550,000	47,709.00	597,709.00
2036	360,000	28,899.00	388,899.00
2037	180,000	16,587.00	196,587.00
2038	135,000	10,431.00	145,431.00
2039	95,000	5,814.00	100,814.00
2040	75,000	2,565.00	77,565.00
TOTAL	\$8,510,000	\$1,980,126.58	\$10,490,126.58

(1) Includes mandatory sinking fund installments.

(2) Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing August 1, 2021.

DEBT SERVICE REQUIREMENTS

The following table shows the scheduled annual debt service for the Certificates (assuming no redemptions other than sinking fund redemptions) is presented below:

Year Ending October 1	Principal ⁽¹⁾	Interest ⁽²⁾	Total
2022	\$ 60,000	\$ 214,457.04	\$ 274,457.04
2023	200,000	274,318.76	474,318.76
2024	240,000	266,318.76	506,318.76
2025	285,000	256,718.76	541,718.76
2026	295,000	245,318.76	540,318.76
2027	310,000	233,518.76	543,518.76
2028	320,000	221,118.76	541,118.76
2029	335,000	208,318.76	543,318.76
2030	345,000	194,918.76	539,918.76
2031	360,000	181,118.76	541,118.76
2032	375,000	166,718.76	541,718.76
2033	385,000	151,718.76	536,718.76
2034	395,000	143,056.26	538,056.26
2035	405,000	134,168.76	539,168.76
2036	415,000	125,056.26	540,056.26
2037	425,000	115,718.76	540,718.76
2038	435,000	105,625.00	540,625.00
2039	445,000	95,293.76	540,293.76
2040	455,000	84,725.02	539,725.02
2041	465,000	73,918.76	538,918.76
2042	480,000	62,875.00	542,875.00
2043	490,000	50,875.00	540,875.00
2044	500,000	38,625.00	538,625.00
2045	515,000	26,125.00	541,125.00
2046	530,000	13,250.00	543,250.00
TOTAL	\$9,465,000	\$3,683,875.98	\$13,148,875.98

(1) Includes mandatory sinking fund installments.

(2) Interest with respect to the Certificates through April 1, 2022, has been funded from proceeds of the Certificates.

City Hall Crawl		
Expenses		Amount
	Activities	-\$220.00
	Advertising	-\$551.67
	Food/Drink	-\$768.41
	Give-Aways	-\$407.62
	Professional Services	-\$1,850.00
	Supplies	-\$593.27
	Total Expenses	-\$4,390.97
Reimbursements		
	Donations	\$5,000.00
	Total Donations	\$5,000.00

Strike Team		
Expenses		Amount
	Food/Drink	-\$1,492.53
	Fuel	-\$1,885.29
	Hotel	-\$204.79
	*Anticipated OES Overtime	-\$246,000.00
	Toll	-\$7.00
	*Total Expenses	-\$249,589.61
Reimbursements		
	Cal OES Reimbursements	\$285,784.56
	*Anticipated Reimbursements	\$165,000.00
	*Total Reimbursements	\$450,784.56

* These figures are estimations. Chief Monck will provide an explanation at the City Council Meeting on February 25, 2025, and will have more precise figures to present at the Annual Fire Department Presentation on March 11, 2025.



Finance and Measure I Oversight Committee Meeting Action Minutes

Committee
Rick Thomas, Vice Mayor
Matt Busby, Council Member

City Manager
Marti Brown

Finance Director
Joanne Moore

City Clerk
Karleen Price

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

January 21, 2025
Willows City Hall
6:00 PM

1. CALL TO ORDER – 5:30 PM

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Councilmembers Present: Vice Mayor Thomas and Councilmembers Busby

Councilmembers Absent: None

4. PUBLIC COMMENT

5. DISCUSSION AND ACTION CALENDAR

a. Big Picture: When does the City receive its major revenue sources?

Action: Discussed when the city receives most of its revenue sources throughout the fiscal year and how it impacts cashflow and reserves.

Public Comment

- i. Public Comment # 1: Ardythe Brandon

b. FY 2024-25 Budget Expenditures vs. Approved Budget

Action: Reviewed and tracked consistency of actual expenditures with the approved budget, including any budgetary reports provided by staff.

c. Measure i Update & Status

Action: Received update on the status of Measure I, the voter approved 1.5% Transaction & Use Tax, approved in November 2024.

9. ADJOURNMENT – 8:34 PM

Karleen Price, City Clerk



PUBLIC COMMENT & CONSENT CALENDAR FORUM



City of Willows

Payment Register

APPKT00390 - CHECK RUN 2-13-25

Bank: Gen Chk - General Checking

Vendor Number	Vendor Name					Total Vendor Amount
	Void					0.00
Payment Type	Payment Number			Payment Date	Payment Amount	
**Void Check	55263			02/13/2025	0.00	
**Void Check	55298			02/13/2025	0.00	
Vendor Number	Vendor Name					Total Vendor Amount
1014	ACCESS					93.07
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55258			02/13/2025	93.07	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
11389858	FEBRUARY 2025 SHREDDING - CW	02/10/2025	02/10/2025	0.00	93.07	
Vendor Number	Vendor Name					Total Vendor Amount
1027	AFFORDABLE COMPUTER SOLUT					303.60
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55259			02/13/2025	303.60	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
7726	EQUIPMENT MAINTENANCE - LIBRARY	02/11/2025	02/11/2025	0.00	303.60	
Vendor Number	Vendor Name					Total Vendor Amount
1052	AMAZON CAPITAL SERVICES					507.92
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55260			02/13/2025	507.92	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
19CC-QXV6-R6TL	OFFICE SUPPLIES - LIBRARY	02/11/2025	02/11/2025	0.00	70.80	
1H1H-6RHD-LW6T	ZIP BOOKS GRANT - LIBRARY	02/11/2025	02/11/2025	0.00	437.12	
Vendor Number	Vendor Name					Total Vendor Amount
1103	BAKER & TAYLOR BOOKS					21.11
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55261			02/13/2025	21.11	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
2038861222	NEW BOOKS - LIBRARY	02/13/2025	02/13/2025	0.00	21.11	
Vendor Number	Vendor Name					Total Vendor Amount
1255	COASTLAND CIVIL ENGINEERI					18,686.25
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55262			02/13/2025	18,686.25	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
60886	72-4949 - FY22-23 PAVEMENT PRJ CM & INSPC	02/13/2025	02/13/2025	0.00	51.25	
60973	725024 - ENCROACHMENT PERMITS	02/13/2025	02/13/2025	0.00	3,718.75	
60975	72-5253 PRIDE LLA - 427 W WALNUT	02/13/2025	02/13/2025	0.00	530.00	
60976	725150 - LIFT STATION REHAB PROJECT	02/13/2025	02/13/2025	0.00	2,716.25	
60979	725281 - NVIH LOT LINE ADJUSTMENT	02/13/2025	02/13/2025	0.00	300.00	
60980	72-4441-115 N ALPINE ST- PERMIT #5326 SOLAR & BATT	02/13/2025	02/13/2025	0.00	510.00	
60981	72-4441 - 470 AIRPORT RD-PERMIT #5235-WALMART REI	02/13/2025	02/13/2025	0.00	463.75	
60982	72-4441-952 ELM ST-PERMIT #5306-SOLAR & BATT	02/13/2025	02/13/2025	0.00	37.50	
60983	72-4441-869 CRESTWOOD WAY-PERMIT #5317-SOLAR &	02/13/2025	02/13/2025	0.00	510.00	
60984	72-4441-247 S MURDOCK AVE-PERMIT #5235-SOLAR & B	02/13/2025	02/13/2025	0.00	510.00	
60985	725283 - FY24 SEWER REHAB	02/13/2025	02/13/2025	0.00	4,112.50	
60986	72-4441-256 W WILLOW ST-PERMIT #5233-PRKG LOT SIT	02/13/2025	02/13/2025	0.00	1,306.25	
60987	725279 - CITY ENGINEERING FY 24-25	02/13/2025	02/13/2025	0.00	3,420.00	

Payment Register

APPKT00390 - CHECK RUN 2-13-25

61041	72-4441 - 20 BUILDING DEPT SERVICES - FY 24-25	02/13/2025	02/13/2025	0.00	500.00		
Vendor Number	Vendor Name				Total Vendor Amount		
1261	COMCAST CABLE				265.27		
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	55264			02/13/2025	265.27		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
8155600290115941-012425	SERVICE TO 1-29-25 TO 2-28-25 - CIVIC CENTER	02/10/2025	02/10/2025	0.00	265.27		
Vendor Number	Vendor Name				Total Vendor Amount		
1284	COUNTY OF GLENN				405.00		
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	55265			02/13/2025	405.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
2	CITY/COUNTY DINNER - COUNCIL	02/11/2025	02/11/2025	0.00	405.00		
Vendor Number	Vendor Name				Total Vendor Amount		
2390	CULLIGAN QUENCH USA, INC				63.28		
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	55266			02/13/2025	63.28		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
INV08520668	FEBRUARY 2025 WATER SERVICE - CIVIC CENTER	02/10/2025	02/10/2025	0.00	63.28		
Vendor Number	Vendor Name				Total Vendor Amount		
1463	GANDY & STALEY OIL CO				3,325.29		
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	55267			02/13/2025	3,325.29		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
143321	FUEL FILTERS - PUBLIC WORKS & SEWER	02/10/2025	02/10/2025	0.00	35.93		
226588	FUEL - PUBLIC WORKS & SEWER	02/10/2025	02/10/2025	0.00	236.57		
226602	FUEL - PUBLIC WORKS & SEWER	02/10/2025	02/10/2025	0.00	420.11		
226612	FUEL - PUBLIC WORKS & SEWER	02/10/2025	02/10/2025	0.00	525.14		
226769	FUEL - PUBLIC WORKS & SEWER	02/10/2025	02/10/2025	0.00	319.37		
226770	FUEL - PUBLIC WORKS & SEWER	02/10/2025	02/10/2025	0.00	1,266.13		
87140-013125	FUEL - FIRE	02/10/2025	02/10/2025	0.00	522.04		
Vendor Number	Vendor Name				Total Vendor Amount		
1503	GLENN CO SHERIFFS DEPT				169,166.67		
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	55268			02/13/2025	169,166.67		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
2032	GCSO FEBRUARY 2025 SERVICES - POLICE	02/10/2025	02/10/2025	0.00	169,166.67		
Vendor Number	Vendor Name				Total Vendor Amount		
2468	HARRIS & ASSOCIATES				18,210.00		
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	55269			02/13/2025	18,210.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
66059	DECEMBER 2024 - PLANNING, ZONING, & APLS - PLAN	02/10/2025	02/10/2025	0.00	10,265.00		
66283	JANUARY 2025 - PLANNING, APLS - PLAN	02/10/2025	02/10/2025	0.00	7,945.00		
Vendor Number	Vendor Name				Total Vendor Amount		
1566	INFRAMARK LLC				55,443.29		
Payment Type	Payment Number			Payment Date	Payment Amount		
Check	55270			02/13/2025	55,443.29		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
143180	FEBRUARY 2025 SERVICES	02/10/2025	02/10/2025	0.00	55,443.29		

Payment Register
APPKT00390 - CHECK RUN 2-13-25

Vendor Number	Vendor Name						Total Vendor Amount	
1564	ITF - INDUSTRIAL TRUCK & FARM						59.18	
Payment Type	Payment Number						Payment Date	Payment Amount
Check	55271						02/13/2025	59.18
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount			
119820-C	115V FUEL TRANSFER PUMP- CHECK #53782	09/24/2024	09/24/2024	0.00	-555.56			
623056	BOLTS - BACKHOE - SEWER - PUBLIC WORKS	09/24/2024	09/24/2024	0.00	19.20			
623812	FITTINGS BULKHEAD - FIRE	09/24/2024	09/24/2024	0.00	18.47			
624514	GASKET JENSEN PUMP - PARKS & MAINT - PUBLIC WORK	09/24/2024	09/24/2024	0.00	5.47			
624699	HOSE FITTINGS - SKID STEER - PARKS & SEWER - PW	09/24/2024	09/24/2024	0.00	131.08			
626237	FITTINGS - SKID STEER - PARKS - PUBLIC WORKS	09/24/2024	09/24/2024	0.00	156.95			
626741	HAND PUMP - SHOP - PARKS - PUBLIC WORKS	09/24/2024	09/24/2024	0.00	85.97			
627212	FITTINGS - SKID STEER - PARKS - PUBLIC WORKS	09/24/2024	09/24/2024	0.00	132.88			
627212A	FITTINGS - BALANCE DUE - PUBLIC WORKS	02/13/2025	02/13/2025	0.00	5.54			
631678	SWEEPER - PUBLIC WORKS	02/13/2025	02/13/2025	0.00	29.15			
631825	CABLE - JENSEN PARK - PW	02/13/2025	02/13/2025	0.00	30.03			
Vendor Number	Vendor Name						Total Vendor Amount	
1606	JEREMY'S PEST STOMPERS						45.00	
Payment Type	Payment Number						Payment Date	Payment Amount
Check	55272						02/13/2025	45.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount			
232510	FEBRUARY 2025 SERVICE - FIRE	02/10/2025	02/10/2025	0.00	45.00			
Vendor Number	Vendor Name						Total Vendor Amount	
2473	LEAVITT COMMUNICATIONS LLC						24,427.12	
Payment Type	Payment Number						Payment Date	Payment Amount
Check	55273						02/13/2025	24,427.12
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount			
100001651-2	RFC GRANT - CITY - FIRE	02/10/2025	02/10/2025	0.00	15,106.14			
100002661-1	RFC GRANT - CITY - FIRE	02/10/2025	02/10/2025	0.00	9,320.98			
Vendor Number	Vendor Name						Total Vendor Amount	
1710	LIFE ASSIST						64.35	
Payment Type	Payment Number						Payment Date	Payment Amount
Check	55274						02/13/2025	64.35
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount			
1550886	SUPPLIES - FIRE	02/10/2025	02/10/2025	0.00	64.35			
Vendor Number	Vendor Name						Total Vendor Amount	
1760	MATSON & ISOM TECHNOLOGY						5,318.00	
Payment Type	Payment Number						Payment Date	Payment Amount
Check	55275						02/13/2025	5,318.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount			
96876	NEW EMPLOYEE, WEBSITE & CALENDAR - CITY WIDE	02/10/2025	02/10/2025	0.00	445.00			
96975	FEBRUARY 2025 IT SERVICE	02/11/2025	02/11/2025	0.00	4,873.00			
Vendor Number	Vendor Name						Total Vendor Amount	
1770	MENDES SUPPLY COMPANY						42.13	
Payment Type	Payment Number						Payment Date	Payment Amount
Check	55276						02/13/2025	42.13
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount			
R079609-1A	SUPPLIES - FIRE	02/10/2025	02/10/2025	0.00	42.13			
Vendor Number	Vendor Name						Total Vendor Amount	
1778	MIDAMERICA ADMIN & RETIRE						3,750.00	
Payment Type	Payment Number						Payment Date	Payment Amount
Check	55277						02/13/2025	3,750.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount			
CBA1739490850723	2025 HRA PLAN FUNDING - CW	02/13/2025	02/13/2025	0.00	3,750.00			

Payment Register

APPKT00390 - CHECK RUN 2-13-25

Vendor Number 1792	Vendor Name MJB WELDING SUPPLY, INC					Total Vendor Amount 50.84
Payment Type Check	Payment Number 55278					Payment Date 02/13/2025
Payable Number 0001510570	Description ACETYLENE CYL RENT - PUBLIC WORKS	Payable Date 02/10/2025	Due Date 02/10/2025	Discount Amount 0.00	Payable Amount 50.84	
Vendor Number 1810	Vendor Name MUNICIPAL EMERGENCY SERVI					Total Vendor Amount 706.38
Payment Type Check	Payment Number 55279					Payment Date 02/13/2025
Payable Number IN2196343	Description RFC GRANT - CITY - FIRE	Payable Date 02/10/2025	Due Date 02/10/2025	Discount Amount 0.00	Payable Amount 706.38	
Vendor Number 2312	Vendor Name NAPA AUTO PARTS					Total Vendor Amount 107.13
Payment Type Check	Payment Number 55280					Payment Date 02/13/2025
Payable Number 700188	Description CAB SHOCK - ENGINE 5 - FIRE	Payable Date 02/10/2025	Due Date 02/10/2025	Discount Amount 0.00	Payable Amount 107.13	
Vendor Number 1822	Vendor Name NATIONAL FIRE SYSTEMS, IN					Total Vendor Amount 984.28
Payment Type Check	Payment Number 55281					Payment Date 02/13/2025
Payable Number 114162	Description EXTINGUISHER ANNUAL INSPECTION - PW & CC	Payable Date 02/10/2025	Due Date 02/10/2025	Discount Amount 0.00	Payable Amount 984.28	
Vendor Number 2373	Vendor Name ODP BUSINESS SOLUTIONS					Total Vendor Amount 319.65
Payment Type Check	Payment Number 55282					Payment Date 02/13/2025
Payable Number 409016196001	Description OFFICE SUPPLIES - CW	Payable Date 02/10/2025	Due Date 02/10/2025	Discount Amount 0.00	Payable Amount 309.73	
Payable Number 409050131001	Description OFFICE SUPPLIES - CW	Payable Date 02/10/2025	Due Date 02/10/2025	Discount Amount 0.00	Payable Amount 9.92	
Vendor Number 1143	Vendor Name PEDRO BOBADILLA					Total Vendor Amount 576.92
Payment Type Check	Payment Number 55283					Payment Date 02/13/2025
Payable Number 021425PB	Description RECREATIONAL SERVICES 2-1-25 TO 2-14-25	Payable Date 02/10/2025	Due Date 02/10/2025	Discount Amount 0.00	Payable Amount 576.92	
Vendor Number 1917	Vendor Name PG & E					Total Vendor Amount 155.70
Payment Type Check	Payment Number 55284					Payment Date 02/13/2025
Payable Number 1773553795-7-01312025	Description SERVICE TO 1-31-2025	Payable Date 02/11/2025	Due Date 02/11/2025	Discount Amount 0.00	Payable Amount 54.89	
Payable Number 4434252874-0-02032025	Description SERVICE TO 2-03-25	Payable Date 02/11/2025	Due Date 02/11/2025	Discount Amount 0.00	Payable Amount 100.81	
Vendor Number 1926	Vendor Name PLEXUS GLOBAL LLC					Total Vendor Amount 146.00
Payment Type Check	Payment Number 55285					Payment Date 02/13/2025
Payable Number 18188	Description DOT RANDOM & BAT - PUBLIC WORKS	Payable Date 02/10/2025	Due Date 02/10/2025	Discount Amount 0.00	Payable Amount 146.00	

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APPKT00390 - CHECK RUN 2-13-25

Vendor Number	Vendor Name						Total Vendor Amount	
2332	PRENTICE LONG, PC						9,957.00	
Payment Type	Payment Number						Payment Date	Payment Amount
Check	55286						02/13/2025	9,957.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount			
7280	SERVICES RENDERED THROUGH 1-26-25	02/10/2025	02/10/2025	0.00	9,165.00			
7281	N YOLO ST RECEIVERSHIP - SERVICES THROUGH 1-26-25	02/10/2025	02/10/2025	0.00	792.00			

Vendor Number	Vendor Name					Total Vendor Amount	
2041	SACRAMENTO VALLEY MIRROR					570.40	
Payment Type	Payment Number					Payment Date	Payment Amount
Check	55287					02/13/2025	570.40
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
2626	#760-24, #761-24, #DR-25-01, JENSEN PRK, #2024-007	02/11/2025	02/11/2025	0.00	570.40		

Vendor Number	Vendor Name						Total Vendor Amount
2044	SAFETY TIRE SERVICE						210.20
Payment Type	Payment Number				Payment Date	Payment Amount	
Check	55288				02/13/2025	210.20	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
63845	REPAIRS-2006 CHEVY SILVERADO C1500 WT-PUBLIC WO	02/12/2025	02/12/2025	0.00	57.60		
63974	FLAT REPAIR-2014 INTRNL SWEEPER - STREETS-PW	02/12/2025	02/12/2025	0.00	90.00		
64008	REPAIRS-2008 FORD F250 SUPER DUTY XL-PUBLIC WORK	02/12/2025	02/12/2025	0.00	62.60		

Vendor Number	Vendor Name					Total Vendor Amount	
2089	SMITH & NEWELL CERTIFIED					3,900.00	
Payment Type	Payment Number					Payment Date	Payment Amount
Check	55289					02/13/2025	3,900.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
01302025S&N	ANNUAL REPORT FINANCIAL TRANSACTIONS FYE 6-30-24	02/13/2025	02/13/2025	0.00	3,900.00		

Vendor Number	Vendor Name					Total Vendor Amount	
2447	TOP NOTCH COMMERCIAL CLEANING					1,100.00	
Payment Type	Payment Number					Payment Date	Payment Amount
Check	55290					02/13/2025	1,100.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
11027	FEBRUARY 2025 JANITORIAL SERVICE - CIVIC CENTER	02/13/2025	02/13/2025	0.00	1,100.00		

Vendor Number	Vendor Name					Total Vendor Amount	
1798	UBEO WEST, LLC					296.55	
Payment Type	Payment Number					Payment Date	Payment Amount
Check	55291					02/13/2025	296.55
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
547758409	PRINTER USAGE & OVERAGE 10-20-24 TO 20-20-25	02/11/2025	02/11/2025	0.00	296.55		

Vendor Number	Vendor Name						Total Vendor Amount
2395	US BANK CORPORATE PAYMENT SYSTEMS						4,838.10
Payment Type	Payment Number				Payment Date	Payment Amount	
Check	55292				02/13/2025	4,838.10	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
MEZA012225-01	MENTAL HEALTH 1ST AID-GRANT- MNL - STAFF DEV-LIB	02/11/2025	02/11/2025	0.00	345.51		
MONCK012225-01	AMAZON - FIRE OFFICER TEXT BOOKS - FIRE	02/12/2025	02/12/2025	0.00	87.86		
MONCK012225-02	AMAZON - MEDICAL SUPPLIES - FIRE	02/12/2025	02/12/2025	0.00	42.88		
MONCK012225-03	AMAZON - MEDICAL SUPPLIES - FIRE	02/12/2025	02/12/2025	0.00	95.14		
MONCK012225-04	AMAZON - FIRE OFFICER TEXT BOOKS - FIRE	02/12/2025	02/12/2025	0.00	88.53		
MONCK012225-05	DBA JST - OES REIMBURSEMENT - FUEL LFD 0738 - FIRE	02/12/2025	02/12/2025	0.00	69.21		
MONCK012225-06	HUNTLEY - OES REIMBJURSED HOTEL LFD 0738 - FIRE	02/12/2025	02/12/2025	0.00	204.79		
MONCK-012225-07	LIFE ASSIST - MEDICAL SUPPLIES - FIRE	02/12/2025	02/12/2025	0.00	192.84		
MONCK012225-08	TACO BELL - OES REIMBURSED FOOD LFD 0738 - FIRE	02/12/2025	02/12/2025	0.00	25.13		
MONCK012225-09	AMAZON - MEDICAL SUPPLIES - FIRE	02/12/2025	02/12/2025	0.00	409.70		
MONCK012225-10	GULFOIL - OES REIMBURSED FUEL LDF 0738 - FIRE	02/12/2025	02/12/2025	0.00	101.23		
MOORE012225-01	CDW - ADOBE ACROBAT PRO RENEWAL - CW	02/11/2025	02/11/2025	0.00	2,510.00		

Payment Register

APPKT00390 - CHECK RUN 2-13-25

MOORE012225-02	HYATT-CSMFO FINANCE CONFERENCE SAN JOSE-TBR-JM	02/11/2025	02/11/2025	0.00	341.44
PFYL012225-01	BOOT BARN - JACKETS - PUBLIC WORKS	02/12/2025	02/12/2025	0.00	323.84
Vendor Number 2233	Vendor Name US BANK ST. PAUL CM-9703	Total Vendor Amount 2,800.00			
Payment Type Check	Payment Number 55293	Payment Date 02/13/2025			
Payable Number 7625787	Description 2021 SEWER SYSTEM REFINANCE PROJECT - INSTALLMEN	Payable Date 02/11/2025	Due Date 02/11/2025	Discount Amount 0.00	Payable Amount 2,800.00
Vendor Number 2248	Vendor Name VERIZON WIRELESS	Total Vendor Amount 404.20			
Payment Type Check	Payment Number 55294	Payment Date 02/13/2025			
Payable Number 6104577079	Description JANUARY 2025 SERVICE	Payable Date 02/11/2025	Due Date 02/11/2025	Discount Amount 0.00	Payable Amount 404.20
Vendor Number 2433	Vendor Name VESTIS	Total Vendor Amount 303.21			
Payment Type Check	Payment Number 55295	Payment Date 02/13/2025			
Payable Number 5066784390	Description UNIFORM SERVICE - PUBLIC WORKS	Payable Date 02/11/2025	Due Date 02/11/2025	Discount Amount 0.00	Payable Amount 164.63
5066790498	UNIFORM SERVICES - PUBLIC WORKS	02/12/2025	02/12/2025	0.00	138.58
Vendor Number 2284	Vendor Name WILLDAN	Total Vendor Amount 16,908.00			
Payment Type Check	Payment Number 55296	Payment Date 02/13/2025			
Payable Number 00629457	Description SERVICE THROUGH 12-27-24 - CLEAN CA - SYCAMORE PR	Payable Date 02/10/2025	Due Date 02/10/2025	Discount Amount 0.00	Payable Amount 16,908.00
Vendor Number 2295	Vendor Name WILLOWS ACE HARDWARE	Total Vendor Amount 867.53			
Payment Type Check	Payment Number 55297	Payment Date 02/13/2025			
Payable Number 118952	Description BIT & FASTENERS - CIVIC CENTER SIGNS - CC	Payable Date 02/12/2025	Due Date 02/12/2025	Discount Amount 0.00	Payable Amount 10.82
119900	FIRE HOUSE GATE PROJECT - FIRE	02/10/2025	02/10/2025	0.00	92.18
119908	FIRE HOUSE GATE PROJECT - FIRE	02/10/2025	02/10/2025	0.00	31.09
119911	FIRE HOUSE GATE PROJECT - FIRE	02/10/2025	02/10/2025	0.00	41.13
119912	FIRE HOUSE GATE PROJECT - FIRE	02/10/2025	02/10/2025	0.00	42.88
119916	FIRE HOUSE GATE PROJECT - FIRE	02/10/2025	02/10/2025	0.00	23.57
119984	FASTNERS - AFID INJECTOR - PW	02/10/2025	02/10/2025	0.00	1.39
120063	WATER HEATER ELECTRIC - CIVIC CENTER	02/10/2025	02/10/2025	0.00	396.81
120075	PARTS FOR WATER HEATER - CIVIC CENTER	02/10/2025	02/10/2025	0.00	67.10
120154	FITTINGS - TANK - ENGINE 5 - FIRE	02/11/2025	02/11/2025	0.00	21.43
120155	FITTINGS - TANK - ENGINE 5 - FIRE	02/11/2025	02/11/2025	0.00	21.43
120160	BATTERIES 9V - FIRE	02/11/2025	02/11/2025	0.00	19.44
120189	STUDSENSOR & BATTERY - PUBLIC WORKS	02/12/2025	02/12/2025	0.00	38.16
120229	SUPPLIES - LEAK @ TREE - MALL AREA - PUBLIC WORKS	02/12/2025	02/12/2025	0.00	48.09
120240	PIPE - JENSEN PARK - PUBLIC WORKS	02/12/2025	02/12/2025	0.00	6.66
120300	PAINT ROLLER - SUPPLIES - BIRCH ST WALL - PW	02/13/2025	02/13/2025	0.00	5.35
Vendor Number 1902	Vendor Name WYATT PAXTON	Total Vendor Amount 3,650.00			
Payment Type Check	Payment Number 55299	Payment Date 02/13/2025			
Payable Number 818	Description JANUARY 2025-PERMIT, PLAN CHECK, CNTR, & CODE ENF	Payable Date 02/10/2025	Due Date 02/10/2025	Discount Amount 0.00	Payable Amount 3,650.00

Payment Summary

Bank Code	Type	Payable Count	Payment Count	Discount	Payment
Gen Chk	Voided **Void Check	0	1	0.00	0.00
Gen Chk	Check	42	21	0.00	101,223.13
Gen Chk	Voided **Void Check	0	1	0.00	0.00
Gen Chk	Check	65	19	0.00	247,825.49
Packet Totals:		107	42	0.00	349,048.62

Cash Fund Summary

Fund	Name	Amount
999	CASH CLEARING	-349,048.62
Packet Totals:		-349,048.62



City of Willows

Payroll Check Register Checks

Pay Period: 1/27/2025-2/9/2025

Packet: PYPKT00396 - PAY PERIOD 01-27-25 to 02-09-25 PAYDATE 02-14-25

Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Check Type	Date	Amount	Number
BEATTY, RYAN	BEA00	Regular	02/14/2025	143.04	40990
RANDOLPH, CORA	RAN02	Regular	02/14/2025	143.04	40991
HICKS, RYAN	HIC01	Regular	02/14/2025	4,382.38	40992



City of Willows

Payroll Check Register

Direct Deposits

Pay Period: 1/27/2025-2/9/2025

Packet: PYPKT00396 - PAY PERIOD 01-27-25 to 02-09-25 PAYDATE 02-14-25

Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Date	Amount	Number
BUSBY, MATTHEW	BUS01	02/14/2025	228.12	1208
HANSEN, GARY L	HAN02	02/14/2025	228.12	1209
PRIDE, LORRI A	PRI00	02/14/2025	228.12	1210
THOMAS, RICHARD	THO00	02/14/2025	228.12	1211
BROWN, MARTHA	BRO01	02/14/2025	3,512.53	1212
PRICE, KARLEEN	PRI01	02/14/2025	1,793.63	1213
HAZLETT, ROBIN	HAZ01	02/14/2025	1,256.97	1214
MOORE, JOANNE	MOO01	02/14/2025	2,598.99	1215
MOORE, JOANNE	MOO01	02/14/2025	150.00	1215
BROTT, SHERRY	BRO02	02/14/2025	45.62	1216
VALENCIA, LLANIRA	VAL01	02/14/2025	45.62	1217
RUSTENHOVEN, TARA L	RUS01	02/14/2025	1,661.00	1218
ARELLANES, ASHLEY MARIE	ARE00	02/14/2025	119.71	1219
BRIONES, BRENDA VALENZUELA	BRI00	02/14/2025	411.58	1220
EHORN, CAITLIN A	EHO02	02/14/2025	1,126.68	1221
GAMBOA, YADIRA	GAM00	02/14/2025	323.79	1222
SPENCE, KYLIEGH C	SPE02	02/14/2025	511.92	1223
VARGAS, GIOVANI	VAR00	02/14/2025	593.94	1224
BOBADILLA, TRISTAN	BOB01	02/14/2025	143.04	1225
BOBADILLA, PEDRO D	BOB00	02/14/2025	45.62	1226
BOBADILLA, TAVIAN	BOB02	02/14/2025	143.04	1227
GALLARDO-CANO, NATALY	GAL01	02/14/2025	143.04	1228
RAYGOZA, RODRIGO	RAY00	02/14/2025	156.04	1229
CHAPMAN, JUSTIN	CHA03	02/14/2025	899.59	1230
CHAPMAN, LOREN	CHA02	02/14/2025	7,907.06	1231
DYCK, EVAN	DYC01	02/14/2025	903.70	1232
ENOS, KYLE	ENO00	02/14/2025	3,845.91	1233
FUENTES, JAIME	FUE01	02/14/2025	1,441.36	1234
HUTSON, EVAN C	HUT01	02/14/2025	228.12	1235
LOMBARD, TYLER JOSEPH	LOM00	02/14/2025	1,353.82	1236
LOPEZ, MATTHEW	LOP03	02/14/2025	1,934.56	1237
PETERICH, JOHN	PET01	02/14/2025	903.70	1238
RAKESTRAW, SHANE	RAK00	02/14/2025	1,380.61	1239
SANDOVAL, CONNER	SAN01	02/14/2025	1,605.40	1240
WAMMACK, DEVIN	WAM01	02/14/2025	5,902.53	1241
MINGS, MICHAEL E	MIN00	02/14/2025	1,509.72	1242
RANDOLPH, MATTHEW	RAN01	02/14/2025	1,323.64	1243
REED, JOSHUA	REE00	02/14/2025	1,571.48	1244
VASQUEZ, PEDRO CEASAR	VAS01	02/14/2025	1,572.12	1245
BETTENCOURT, JOSEPH	BET01	02/14/2025	3,637.62	1246
MONCK, NATHANIAL T	MON00	02/14/2025	11,629.07	1247
PFYL, NATISA N	PFY00	02/14/2025	1,640.56	1248



City of Willows

Payroll Check Register

Employee Pay Summary

Pay Period: 1/27/2025-2/9/2025

Packet: PYPKT00396 - PAY PERIOD 01-27-25 to 02-09-25 PAYDATE 02-14-25

Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Payment Date	Number	Earnings	Deductions	Taxes	Net
ARELLANES, ASHLEY MARIE	ARE00	02/14/2025	1219	131.18	0.00	11.47	119.71
BEATTY, RYAN	BEA00	02/14/2025	40990	156.75	0.00	13.71	143.04
BETTENCOURT, JOSEPH	BET01	02/14/2025	1246	4,868.00	426.67	803.71	3,637.62
BOBADILLA, PEDRO D	BOB00	02/14/2025	1226	50.00	0.00	4.38	45.62
BOBADILLA, TAVIAN	BOB02	02/14/2025	1227	156.75	0.00	13.71	143.04
BOBADILLA, TRISTAN	BOB01	02/14/2025	1225	156.75	0.00	13.71	143.04
BRIONES, BRENDA VALENZU	BRI00	02/14/2025	1220	462.00	0.00	50.42	411.58
BROTT, SHERRY	BRO02	02/14/2025	1216	50.00	0.00	4.38	45.62
BROWN, MARTHA	BRO01	02/14/2025	1212	5,676.92	801.80	1,362.59	3,512.53
BUSBY, MATTHEW	BUS01	02/14/2025	1208	250.00	0.00	21.88	228.12
CHAPMAN, JUSTIN	CHA03	02/14/2025	1230	999.84	0.00	100.25	899.59
CHAPMAN, LOREN	CHA02	02/14/2025	1231	8,665.28	0.00	758.22	7,907.06
DYCK, EVAN	DYC01	02/14/2025	1232	999.84	0.00	96.14	903.70
EHORN, CAITLIN A	EHO02	02/14/2025	1221	1,539.20	164.57	247.95	1,126.68
ENOS, KYLE	ENO00	02/14/2025	1233	4,915.19	490.64	578.64	3,845.91
FUENTES, JAIME	FUE01	02/14/2025	1234	2,114.24	508.70	164.18	1,441.36
GALLARDO-CANO, NATALY	GAL01	02/14/2025	1228	156.75	0.00	13.71	143.04
GAMBOA, YADIRA	GAM00	02/14/2025	1222	363.00	0.00	39.21	323.79
HANSEN, GARY L	HAN02	02/14/2025	1209	250.00	0.00	21.88	228.12
HAZLETT, ROBIN	HAZ01	02/14/2025	1214	1,988.61	596.63	135.01	1,256.97
HICKS, RYAN	HIC01	02/14/2025	40992	6,665.60	0.00	2,283.22	4,382.38
HUTSON, EVAN C	HUT01	02/14/2025	1235	250.00	0.00	21.88	228.12
LOMBARD, TYLER JOSEPH	LOM00	02/14/2025	1236	2,262.98	733.73	175.43	1,353.82
LOPEZ, MATTHEW	LOP03	02/14/2025	1237	2,457.94	0.00	523.38	1,934.56
MINGS, MICHAEL E	MIN00	02/14/2025	1242	2,217.74	293.86	414.16	1,509.72
MONCK, NATHANIAL T	MON00	02/14/2025	1247	19,687.72	747.33	7,311.32	11,629.07
MOORE, JOANNE	MOO01	02/14/2025	1215	4,643.20	724.31	1,169.90	2,748.99
PETERICH, JOHN	PET01	02/14/2025	1238	999.84	0.00	96.14	903.70
PFYL, NATISA N	PFY00	02/14/2025	1248	3,001.51	846.43	514.52	1,640.56
PRICE, KARLEEN	PRI01	02/14/2025	1213	2,447.54	189.68	464.23	1,793.63
PRIDE, LORRI A	PRI00	02/14/2025	1210	250.00	0.00	21.88	228.12
RAKESTRAW, SHANE	RAK00	02/14/2025	1239	1,583.08	0.00	202.47	1,380.61
RANDOLPH, CORA	RAN02	02/14/2025	40991	156.75	0.00	13.71	143.04
RANDOLPH, MATTHEW	RAN01	02/14/2025	1243	1,822.01	182.26	316.11	1,323.64
RAYGOZA, RODRIGO	RAY00	02/14/2025	1229	171.00	0.00	14.96	156.04
REED, JOSHUA	REE00	02/14/2025	1244	2,144.06	358.80	213.78	1,571.48
RUSTENHOVEN, TARA L	RUS01	02/14/2025	1218	2,446.92	419.86	366.06	1,661.00
SANDOVAL, CONNER	SAN01	02/14/2025	1240	1,999.68	0.00	394.28	1,605.40
SPENCE, KYLIEGH C	SPE02	02/14/2025	1223	561.00	0.00	49.08	511.92
THOMAS, RICHARD	THO00	02/14/2025	1211	250.00	0.00	21.88	228.12
VALENCIA, LLANIRA	VAL01	02/14/2025	1217	50.00	0.00	4.38	45.62
VARGAS, GIOVANI	VAR00	02/14/2025	1224	660.00	0.00	66.06	593.94
VASQUEZ, PEDRO CEASAR	VAS01	02/14/2025	1245	2,265.37	395.53	297.72	1,572.12
WAMMACK, DEVIN	WAM01	02/14/2025	1241	8,082.04	0.00	2,179.51	5,902.53
Totals:				101,026.28	7,880.80	21,591.21	71,554.27



City of Willows

Payroll Check Register Report Summary

Pay Period: 1/27/2025-2/9/2025

Packet: PYPKT00396 - PAY PERIOD 01-27-25 to 02-09-25 PAYDATE 02-14-25

Payroll Set: Payroll Set 01 - 01

Type	Count	Amount
Regular Checks	3	4,668.46
Manual Checks	0	0.00
Reversals	0	0.00
Voided Checks	0	0.00
Direct Deposits	42	66,885.81
Total	45	71,554.27



Willows City Council Regular Meeting Action Minutes

February 11, 2025
Willows City Hall
6:00 PM

Agenda Item #6b

City Council

Evan Hutson, Mayor
Rick Thomas, Vice Mayor
Matt Busby, Council Member
Gary Hansen, Council Member
Lorri Pride, Council Member

City Manager
Marti Brown

City Clerk
Karleen Price

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

1. **CALL TO ORDER – 6:00 PM**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

Councilmembers Present: Mayor Hutson, Vice Mayor Thomas, Councilmembers Busby, Pride, and Hansen (Participated remotely pursuant to AB 2449)

Councilmembers Absent: None

4. **CHANGES TO THE AGENDA**

5. **PRESENTATION**

6. **PUBLIC COMMENT & CONSENT CALENDAR FORUM**

Public Comment Open: 6:03PM, Closed 6:03PM

No Public Comments

a. **Register Approval**

Action: Approved general checking, payroll, and direct deposit check registers.

b. **Minutes Approval**

Action: Approved the January 28, 2025, meeting minutes.

c. **New Appointments to Northern California Cities Self-Insured Fund (NCCSIF)**

Action: Authorized the City Manager to execute a Facilities Use Agreement with the Willows Unified School District to use the School District's swimming pool during the 2025 summer swim season for an amount not to exceed \$20,000.

Pulled d for a separate vote. Motion to approve items a, b, and c on the consent calendar.

Moved/Seconded: Councilmember Pride and Councilmember Busby

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride

No: None

Absent: None

d. Building Official/Inspector and Code Enforcement Professional Services Agreement

Action: Authorized the City Manager to renew the city's agreement with Paxton Family Inspection Services to perform Building Official duties, building inspections, residential plan checks, and code enforcement services.

Motion to approve item d on the consent calendar.

Moved/Seconded: Councilmember Pride and Councilmember Busby

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride

No: None

Absent: None

7. PUBLIC HEARING

a. Pioneer Community Energy Expansion to Willows

Action: Held a public hearing to 1) Approve the Resolution and the Amended and Restated Joint Powers Agreement so that Pioneer Community Energy may expand the Joint Power Authority membership to include the City of Willows; and 2) Introduce the first reading of the Ordinance authorizing the implementation of a Community Choice Aggregation Program in the Territory under Public Utilities Code section 366.2.

Hearing Open: 6:13PM, Closed 6:14PM

No Public Comments

Action: Approved Resolution 06-2025 of the City Council of the City of Willows requesting membership in Pioneer Community Energy and approving the Amended and Restated Joint Exercise of Powers Agreement as amended through Amendment No. 5

Moved/Seconded: Vice Mayor Thomas and Councilmember Busby

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride

No: None

Absent: None

Action: Waived first reading for Ordinance 763-2025 and authorized the implementation of a Community Choice Aggregation Program in the Territory under Public Utilities Code section 366.2.

Moved/Seconded: Vice Mayor Thomas and Councilmember Busby

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride

No: None

Absent: None

8. DISCUSSION AND ACTION CALENDAR

a. Street Banner Program – Year 3 Banner Refresh

Action: Received presentation and directed staff City staff work directly with CGI, vet designs and recommend designs to the Council for final approval.

7. COMMENTS & REPORTS

- a. Council Correspondence
- b. City Council Comments & Reports
- c. City Manager's Report

8. CLOSED SESSION

a. Conference with Labor Negotiators (\$54957.6)

Report Out: Received information and gave direction to City Staff.

9. ADJOURNMENT – 7:48PM

Karleen Price, City Clerk



Date: February 25, 2025

To: Honorable Mayor and Councilmembers

From: Marti Brown, City Manager

Subject: Pioneer Community Energy Expansion to Willows

Recommendation:

Approve second reading of Ordinance 763-2025, authorizing the implementation of a Community Choice Aggregation Program in the City of Willows, by title only and waive the full reading of the text.

Rationale for Recommendation:

To bring greater energy rate savings to the citizens of Willows by joining Pioneer Community Energy – a Community Energy Choice aggregator.

Background:

Pioneer Community Energy ('Pioneer') is a Joint Powers Authority formed between the Counties of Placer and El Dorado, the Town of Loomis, and the Cities of Auburn, Colfax, Grass Valley, Lincoln, Nevada City, Placerville, and Rocklin.

Pioneer is a Community Choice Aggregation Program (CCA) authorized under Assembly Bill 117 (2002). The CCA provides local control over the electricity supply with a primary objective of providing competitive rates to the residents and businesses within its member jurisdictions.

Pioneer purchases the electricity supply (generation), and PG&E transmits and delivers the power through PG&E's infrastructure (poles and wires). PG&E continues to own, operate, and maintain its distribution infrastructure, as well as to provide meter reading and billing services for Pioneer's customers.

On November 8, 2024, the Pioneer executive team met with the City Manager/Glenn County staff and team to discuss the benefits of joining a CCA, how Pioneer may be a fit for their region, and necessary next steps required to join Pioneer.

On November 26, 2024, the Pioneer executive team presented to the Willows City Council providing an overview of the many benefits of CCAs in general and Pioneer specifically. At the meeting, the Council also authorized city staff to proceed with an Impact Assessment Study.

On December 19, 2024, the Pioneer Governing Board unanimously approved and authorized Pioneer staff to execute an Impact Assessment Study to determine potential cost savings for the County of Glenn and Cities of Orland and Willows. The results of which were shared with Willows City Council at the January 28, 2025, City Council meeting.

Discussion & Analysis:

According to the results of the Impact Assessment Study and the Pioneer leadership team, the expansion provides potential benefits to the residents and businesses in the new member service territories. Significant benefits include:

- Estimated Residential Savings - In 2025, if the City of Willows moved from PGE to Pioneer Community Energy, a family of four in Willows would achieve an estimated savings of \$200 per year on their energy bill.
- Overall Rates Savings - In 2025, Pioneer estimates a 10% discount rate (e.g., purchasing energy for 10% less than PGE and passing those savings on to the rate payer).
- Stable and Competitive Rates – From 2018 through 2023, Pioneer customers have saved \$85 million, with an additional \$21 million in anticipated savings in 2024.
- Local Control – As a member of the JPA, the City/County will have one seat on the Pioneer Board of Directors. This person is appointed by the Council/Board from the elected officials. All meetings are open to the public and every representative's voice will be heard.
- Legislative & Regulatory Influence & Advocacy – Pioneer is an advocate for the member agency residents and businesses by working with the California State Legislature, the California Public Utilities Commission (CPUC), the California Energy Commission, and PG&E on behalf of customer interests and concerns.
- Local Jobs and Power Supply Resources – Pioneer supports local business and prioritizes local power contracts, goods and services. The projected savings for Pioneer customers will result in additional spending by residents and businesses, further stimulating the local economy.
- Programs – The new members will have an impact on energy efficiency programs that are developed and the ability to customize programs to meet their specific needs.

If approved by the City of Willows, Pioneer plans to submit an Implementation Plan detailing Pioneer's expansion and planned service launch to the CPUC in March 2025. Based on results of the Impact Assessment Study, the optimal time for a service launch into the City of Willows is October 2027, which allows Pioneer's procurement team the time needed to secure power resources while remaining in compliance and avoids the costly summer months. Pioneer will work with the City of Willows on a comprehensive education and outreach campaign to ensure a strong public understanding of expansion into the city.

California Environmental Quality Act (CEQA)

The adoption of the Resolution does not constitute a project and is therefore exempt from the requirements of California Environmental Quality Act (CEQA) in accordance with Section 15378 of the CEQA Guidelines. Further, the action is exempt from CEQA, as there is no possibility that the resolution or its implementation would have a significant effect on the environment. (14 Cal. Code Reg. § 15061(b)(3)).

Consistency with Council Priorities and Goals:

The proposed project is consistent with the Council's Priority #1: Financial Stability.

Fiscal Impact:

There is no financial impact to move forward with the next phase of this project.

Attachment:

- Attachment 1: Pioneer Energy Expansion Ordinance



**City of Willows
Ordinance 763-2025**

**AN ORDINANCE OF THE WILLOWS CITY COUNCIL AUTHORIZING THE IMPLEMENTATION OF A
COMMUNITY CHOICE AGGREGATION PROGRAM IN THE CITY OF WILLOWS**

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILLOWS, STATE OF CALIFORNIA,
DOES ORDAIN AS FOLLOWS:**

SECTION 1: The City Council hereby finds and determines as follows:

1. On September 24, 2002, the Governor of California signed into law Assembly Bill 117 (Statute 2002, Chapter 838; see California Public Utilities Code section 366.2; hereinafter referred to as the “Act”), which authorizes any California city or county, whose governing body so elects, to combine electricity load of its residents and businesses in a Community Choice Aggregation program (CCA). The Act expressly authorizes participation in a CCA through a joint powers authority; and
2. On September 9, 2015, the County of Placer and the City of Colfax entered into the original Joint Exercise of Powers Agreement for the purpose of establishing the Sierra Valley Energy Authority as a joint powers authority under the Joint Exercise of Powers Act, Government Code section 6500, et seq.; and
3. The California Public Utilities Commission certified the “Implementation Plan” of the Sierra Valley Energy Authority, confirming compliance with the requirements of the Act; and
4. On February 22, 2017, the Amended and Restated Joint Powers Agreement became effective and authorized the Cities of Auburn, Lincoln, Rocklin, and the Town of Loomis to become Voting Members of the Joint Exercise of Powers Agreement and established a Community Choice Aggregation Program within the jurisdictions of the Voting Members; and
5. Resolution No. 2017-3 of the Sierra Valley Energy Authority approved a name change from Sierra Valley Energy Authority to Pioneer Community Energy (“Pioneer”), as it is known today; and
6. Subsequent amendments to the Amended and Restated Joint Powers Agreement have authorized the County of El Dorado and the Cities of Grass Valley, Nevada City, and Placerville to become Voting Members; and

7. Currently electricity is generated and provided to the residents of the City of Willows by Pacific Gas and Electric Company (PG&E) with no alternative provider for the City of Willows.
8. The City of Willows finds it important that its residents, businesses and public facilities have alternative choices to energy procurement beyond PG&E.
9. In October of 2024, the City of Willows and Pioneer began discussions and studies to consider the financial feasibility and assessed risk of the addition of the City of Willows into the service area of Pioneer.
10. Contingent on completion of those discussions and studies, the City of Willows believes joining Pioneer will provide financial and other advantages to businesses and residents of the Territory.
11. The Amended and Restated Joint Exercise of Powers Agreement requires a prospective member to individually adopt a resolution of intent expressing desire to become a member of the Joint Powers Authority and adopt an ordinance electing to implement a CCA within its jurisdiction under California Public Utilities Code section 366.2.
12. The City of Willows finds that adoption of this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a “project” since it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Reg. § 15378). Further, the ordinance is exempt from CEQA, as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Reg. § 15061(b)(3)).

SECTION 2: The City Council the City of Willows authorizes the implementation of a Community Choice Aggregation Program within the areas currently served by PG&E through participation in the Community Choice Aggregation Program of the Pioneer Community Energy Joint Powers Authority, contingent on all of the following: (a) completion of the impact analysis by Pioneer, (b) adoption of a resolution of intent by the City of Willows expressing the City’s desire to become a member of Pioneer, (c) approval of Pioneer Community Energy’s Amended and Restated Joint Exercise of Powers Agreement, as amended, by the Territory, (d) approval by the Governing Board of Pioneer Community Energy of the membership of the City of Willows, and (e) the certification by the California Public Utilities Commission of the Implementation Plan filed by Pioneer to include the City of Willows.

SECTION 3: The provisions of this Ordinance are separate and severable. If any provision of this Ordinance is for any reason held by a court to be invalid, the City Council of the City of Willows declares that it would have passed this Ordinance irrespective of the invalidity of the provision held to be invalid and such invalidity shall therefore not affect the remaining provisions of this

Ordinance which shall remain in full force and effect or the validity of its application to other persons or circumstances.

SECTION 4: This Ordinance shall take effect and be in full force thirty (30) days from and after introduction and adoption, and before the expiration of fifteen (15) days after its passage it shall be published once, with the names of the members of the City Council voting for and against same in the Valley Mirror, a newspaper of general circulation printed and published in the City of Willows area.

INTRODUCED first reading on the 11th day of February 2025.

PASSED AND ADOPTED by the City Council of the City of Willows this 25th day of February 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

Evan Hutson, Mayor

Karleen Price, City Clerk



Date: February 25, 2025

To: Honorable Mayor and City Council

From: Joe Bettencourt, Community Development & Services Director
Marti Brown, City Manager

Subject: Coastland Contract Amendment – FY 2024-25 Sewer Rehabilitation Project

Recommendation:

Authorize the City Manager to execute a contract amendment to Coastland's sewer rehabilitation project agreement to provide additional design services.

Rationale for Recommendation:

An additional 485 linear feet of sewer main must be added to the scope of work because it is partially collapsed. As a result, Coastland agreement for this project must be amended to provide the additional high priority design services.

Background:

In January 2024, the City contracted with APS Environmental Inc. to perform CCTV inspection of approximately 9,000 linear feet of sewer mains. Coastland evaluated the CCTV video data and prepared a technical memorandum dated May 22, 2024, which identified repair methods and cost estimates for the pipe segments that were inspected and identified for rehabilitation.

At the August 13, 2024, City Council meeting the City Manager was authorized to sign a contract with Coastland Engineering to provide design services at the following sites:

- Yolo Street: Approximately 2,610 linear feet between Wood and East Ash Streets.
- Sacramento Street: Approximately 2,500 linear feet between Wood Street and the GCID Canal.
- Shasta Street: Approximately 471 linear feet located in the alleyway bound by Shasta and Butte Streets, spanning from Willow to Walnut Streets.

Discussion & Analysis:

Plans, specifications and engineer estimates are being developed for the full scope of the project; however, because additional funding was required for the Sewer Lift Station Rehabilitation Project, the construction budget was reduced. Below are the current planned construction projects and the proposed additional work:

No.	Proposed Bid Project	Linear Feet	Construction Method	Estimated Total Project Cost*	Notes
1	Sewer line on Sacramento Street between Sycamore and Ash Streets	1,271	CIPP-lined	\$373,957	

2	Sewer on Yolo Street between Ash and Oak Streets	834	CIPP-lined	\$197,607	
3	Sewer in alley between Butte and Shasta Streets between Willow and Walnut Streets	483	Open-cut, replace	\$312,562	
4	Sewer in alley between Butte and Shasta Streets between Oak and Laurel Streets	485	Open-cut, replace	TBD	*New scope

Consistency with Council Priorities and Goals:

This project is consistent with Council Priority #5: Infrastructure Improvement, Goal #4: Implement the Sewage Repair Plan.

Fiscal Impact:

The not-to-exceed amount is \$14,200. These funds will come from the sewage bond. There is no impact on the General Fund.



Date: February 25, 2025

To: Honorable Mayor and Councilmembers

From: Joe Bettencourt, Community Development & Services Director
John Wanger, City Engineer
Marti Brown, City Manager

Subject: FY 2025-26 Landscaping and Lighting Special Assessment District

Recommendation:

- 1) Adopt the Resolution appointing Coastland Civil Engineering as the Engineer of Work for the City of Willows Landscaping and Lighting Special Assessment District and directing Coastland Civil Engineering to prepare the Annual Engineer's Report for FY 2025-26; and
- 2) Authorize the City Manager to execute a contract amendment with Coastland Civil Engineering to complete assessment engineering work associated with the City of Willows FY 2025-26 Landscaping and Lighting Special Assessment District.

Rationale for Recommendation:

Per California Streets and Highways Code Section 22622, the City Council must annually appoint the Engineer of Work and direct the preparation and filing of the Annual Engineer's Report in order to levy and collect assessments on any following fiscal year.

Background:

The Willows Landscaping and Lighting Special Assessment District ("District") was initially formed by the City in 2005 in accordance with the Landscaping and Lighting Act of 1972 ("Act") to pay for costs associated with maintaining landscaping and maintenance in the Birch Street Village subdivision. This portion of the district is known as Zone A. In FY 2012-13, Zone B was created to fund the streetlights and traffic signals associated with the Walmart development. In FY 2019-20, Zone C was created to fund landscape maintenance, weed abatement, and lighting improvements associated with the South Willows Commercial and Industrial Center development.

Discussion & Analysis:

The Act requires that the City undertake certain proceedings for any fiscal year in which assessments are to be levied and collected. These proceedings are typically accomplished at three separate Council meetings with the following actions:

1. Adopt a resolution appointing the Engineer of Work and directing the preparation of the annual Engineer's Report.
2. Approve the Engineer's Report, declare the City Council's intent to levy assessments and set a date for a public hearing.
3. Conduct a public hearing and authorize the levying and collection of assessments for the upcoming fiscal year.

The attached resolution begins the proceedings for FY 2025-26. The Engineer's Report will analyze the anticipated costs and determine the corresponding assessment amounts. The City Council may make changes to the Engineer's Report once it has been prepared and filed. The Engineer's Report should be approved by the City no later than the end of June of each year so that the information can be transmitted to the County for inclusion on the tax rolls. The County needs to have all information transmitted and corrected no later than August 10 of each year. In order to meet this schedule and comply with the regulations of the Streets and Highways code for this type of Assessment District, the assessment engineering process should begin now.

Consistency with Council Priorities and Goals:

The proposed appointment of the Assessment Engineer will allow the District to move forward in accordance with State law and will help to achieve Priority #2: Economic Development, Goal #4: Improve City Appearance to Attract Businesses and Visitors.

Fiscal Impact:

The contract amendment has a not-to-exceed amount of \$9,188 and covers all services required for Act compliance. These costs are covered by District funds, there is no impact on the General Fund.

Attachments:

- Attachment 1: Resolution XX-2025
- Attachment 2: Scope of Work



**City of Willows
Resolution XX-2025**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS APPOINTING COASTLAND CIVIL ENGINEERING AS THE ENGINEER OF WORK FOR THE CITY OF WILLOWS LANDSCAPING AND LIGHTING SPECIAL ASSESSMENT DISTRICT AND DIRECTING COASTLAND CIVIL ENGINEERING TO PREPARE THE ANNUAL ENGINEER'S REPORT FOR FISCAL YEAR 2025-2026

WHEREAS, on October 11, 2005, the City Council adopted Resolution #22-2005; authorizing the formation of the Assessment District to levy and collect assessments pursuant to the Landscaping and Lighting Act of 1972; and

WHEREAS, the City Council intends to levy and collect assessments within the Assessment District during FY 2025-26, located in the City of Willows, Glenn County; and

WHEREAS, pursuant to Section 22622 of the Streets and Highways Code, the City Council must annually appoint the Engineer of Work and direct the preparation and filing of the Annual Engineer's Report in order to levy and collect assessments on any following fiscal year; and

WHEREAS, Coastland Civil Engineering serves in the capacity of City Engineer and has demonstrated the expertise necessary to prepare the Annual Engineer's Report.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Willows does hereby appoint Coastland Civil Engineering as the Engineer of Work for the City of Willows Landscaping and Lighting Special Assessment District and is hereby directed to prepare and to file the Annual Engineer's Report showing any changes, pursuant to Section 22622 of the Streets and Highways Code.

PASSED AND ADOPTED by the City Council of the City of Willows this 25th day of February, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

Evan Hutson, Mayor

Karleen Price, City Clerk

Exhibit “A” SCOPE OF WORK

Task 1 - Meet and Coordinate with City Staff

Both at the onset of our work, as well as throughout the proceedings, we anticipate John Wanger will be meeting with City staff in person (and Jennifer Melman will be joining by video conference) to ensure full coordination of the project. In the initial meeting we will provide the budget worksheets for the appropriate City staff to complete. A timeline will be prepared identifying deadlines and the three council meeting dates. As John Wanger is the City Engineer, we propose that he can be the liaison in providing information for the Engineer's Report on behalf of the City. Coordination will become particularly important both with the City Council meetings and the timing of the Public Noticing as required by the provisions regulating the Landscaping and Lighting Act of 1972.

Task 2 - Preparation of Agenda Reports and Resolutions for Three City Council Meetings

In accordance with the provisions of the Landscaping and Lighting Act of 1972 of Streets and Highways Code, the annual proceedings to levy and collect assessments typically require three separate City Council actions. We will prepare the draft agenda reports and resolutions for the three City Council meetings. We ask that the City provide Coastland (CCE) electronic file copies and hardcopies of the final, signed resolutions after each of the three City Council meetings.

Task 3 - Background Information

During the development of the Engineer's Report, we will need to gather all the appropriate background information. This information is typically gathered from Public Works, the Finance Department and the County Assessor's office. This includes completing a budget worksheet for each of the items included to be maintained, changes to parcels within the LLAD and any other pertinent information necessary for inclusion within the Engineer's Report.

Task 4 – Budgets

Once the background information is collected, we will establish the budgets necessary for maintaining the LLAD improvements. The budgets in the Engineer's Report will be shown both in summary form and in a line item budget format in order to provide as much detail as possible. The maintenance, water and utility costs may each have a separate line item, as well as City administrative effort necessary to administer the LLAD and maintenance oversight/staffing over the upcoming fiscal year.

Task 5 – FY 2025-26 Engineer's Report

We will use the methodology of apportionment described in the last year's Engineer's Report to equitably spread the LLAD costs to each of the parcels within the LLAD. Please note, if any changes to the budget result in an increase of the annual assessments above the maximum allowed, balloting to all impacted property owners will be required.

The existing maps (Assessment Diagrams) outlining those parcels included in the District for FY 2025-26 will be updated as necessary.

All the budgeting information as mentioned in Task 4 will be included within the Engineer's Report, as well as background on the formation of the LLAD, narrative descriptions of the Zones within the LLAD, the improvements maintained, any improvements or changes proposed for FY 2025-

26 and a listing of the specific assessment that will be levied on each of the parcels within the LLAD. The Engineer's Report will include all items as required in Sections 22565 through 22574 of the Streets and Highways Code. For the second City Council meeting, a draft Engineer's Report in electronic PDF form will be forwarded to the City for review and comment. Once finalized, an electronic PDF of the Engineer's Report will be submitted to the City for copying and distribution in order to preliminarily approve at the second City Council's meeting. For the third City Council meeting (Public Hearing) the Final Engineer's Report in PDF format will be forwarded for copying and distribution for final approval at the third City Council meeting. In addition, two hardcopies of the final Engineer's Report will be sent following the third City Council meeting for final signature. One hard copy will be for the City's files; one is to be returned for our files. A certified copy of the final authorizing resolution to levy and collect assessments will also be needed from the City in order to forward the assessment rolls to the County.

Task 6 – Assistance at City Council Meetings

We have included the cost to attend two Council meetings. It should be noted that, as we have done in prior years, the first Council meeting to appoint the District Engineer is typically a consent item.

Task 7 - Information to County Assessor' Office

Once the City Council approves the Engineer's Report at the Public Hearing and authorizes the levy and collection of the annual assessments to parcels within the assessment LLAD, we will compile the necessary information in the format desired by the County Assessor's Office and transfer this information to the County Assessor's Office for inclusion on the tax rolls for FY 2025-26. As prescribed by law, this information will be transmitted prior to August 10 of this year.



Date: February 25, 2025

To: Honorable Mayor and Councilmembers

From: Marti Brown, City Manager

Subject: Letter of Support for Self-Help Housing Program

Recommendation:

Approve a letter of support in favor of the USDA Rural Development mutual self-help housing program.

Rationale for Recommendation:

The attached letter is to support increased funding for the USDA Rural Development Mutual Self-Help Housing Program to address the growing need for affordable housing in the region, especially after recent wildfires. This program enables low- and moderate-income families to build homes, create jobs, and support local economies.

Background:

The USDA Rural Development Mutual Self-Help Housing Program plays a crucial role in providing affordable homeownership opportunities to low- and moderate-income families, particularly in rural and unincorporated areas. This program, which has been instrumental in supporting homebuyers through cooperative efforts to build homes, has helped stabilize families and communities by offering access to safe and affordable housing. However, the program's funding has been reduced in recent years, limiting its ability to assist families, particularly in areas affected by recent disasters.

In our region, the devastation of wildfires—including the Carr Fire, Camp Fire, North Complex Fire, Dixie Fire, and Park Fire—has had a lasting impact on the housing market. Loss of homes, combined with the increasing demand for housing in these areas, has led to higher rental costs and made homeownership unattainable for many working families. The lack of affordable housing continues to be a pressing issue for lower and middle-income households seeking to establish themselves in the community.

Discussion & Analysis:

Recent cuts to the USDA Rural Development Mutual Self-Help Housing Program have significantly reduced the number of families able to benefit from this vital resource. As a result, fewer homes are being built, delaying recovery from the devastating wildfires that have displaced many families in our

region. The growing housing shortage has made homeownership unaffordable for many lower- and middle-income families.

The mutual self-help housing program has far-reaching economic and societal benefits. By offering affordable homeownership, it fosters economic mobility and strengthens local communities. Additionally, the program supports local businesses, creating jobs and stimulating economic growth by engaging construction workers, suppliers, and contractors.

For over 40 years, CHIP has successfully used the mutual self-help model to build homes and strengthen rural communities. Beyond housing, CHIP's efforts have revitalized neighborhoods and contributed to local economic development. The program's community-building aspect helps families put down roots and become integral parts of their communities.

With the current housing crisis exacerbated by recent disasters, restoring and increasing funding for the program is crucial. This funding would allow organizations like CHIP to expand their efforts, helping more families achieve homeownership and provide long-term economic stability for rural communities.

Fiscal Impact:

There is no fiscal impact by providing this letter of support.

Attachment:

- Attachment 1: City of Willows Letter of Support



201 North Lassen • Willows, California 95988 • (530) 934-7041 • FAX: (530) 934-7402



Evan Hutson, Mayor
City of Willows
201 N Lassen St
Willows, CA 95988

February 25, 2025

The Honorable Representative Doug LaMalfa
U.S. House of Representatives
Washington, DC 20515

Dear Representative LaMalfa:

We ask that you support generous funding for the USDA Rural Development mutual self-help housing program. It is the only program that creates affordable, quality homeownership opportunities for entry level families in many of our small rural towns and unincorporated areas. Buying a home has become increasingly difficult to obtain, especially in the aftermath of the multiple wildfires that our area has endured in the last few years, including the Carr Fire, Camp Fire, the North Complex Fire, the Dixie Fire, and the Park Fire. Loss of vital housing stock has increased rents and moved homeownership out of reach for lower and middle-income families looking to buy their first home and develop roots in our community.

We strongly support CHIP's work over the last 40 years creating homes for the hard-working people in our region. CHIP's mutual self-help housing program has created and sustained thousands of jobs, revitalized hundreds of neighborhoods, and increased revenue for our rural towns and farming communities. For the homebuyers, the program provides housing stability, economic mobility, and the opportunity to build a true community from the ground up.

We understand that funding for the mutual self-help housing program has been cut, and fewer families in our region have the opportunity to partner with CHIP and USDA to build their own home. We strongly urge you to increase funding for this remarkable program and allow CHIP and other similar organizations across the county to continue with this essential work.

Thank you in advance for your consideration and support,

Evan Hutson, Mayor
City of Willows



DISCUSSION & ACTION CALENDAR



Date: February 25, 2025

To: Honorable Mayor and Councilmembers

From: Joe Bettencourt, Community Development & Services Director
Marti Brown, City Manager

Subject: Solar Power Purchase Agreement – Civic Center and Firehouse

Recommendation:

1. Authorize the City Manager to execute a Power Purchase Agreement with RP Willows Solar 2, LLC (Attachment 1) and RP Willows Solar 3, LLC (Attachment 2) for the installation of a roof mounted solar system at the Willows Civic Center and the Willows Firehouse and;
2. Authorize the City Manager to execute a Side Letter (Attachment 3) with Trinary Energy for financial reimbursement of the roof replacement at the Willows Civic Center.

Rationale for Recommendation:

The Civic Center and Firehouse purchase 100% of their electrical needs from PG&E. Purchasing energy at a discounted rate will result in savings within the general fund. The purchase, installation, maintenance and removal of the solar systems bears no cost to the City.

Background:

At the December 19, 2023, City Council meeting, the City Manager was authorized to sign a Letter of Intent (LOI) with Trinary Capital (Attachment 4). The LOI was executed, which solidified the ongoing working relationship with Trinary to finalize the solar project for the Wastewater Treatment Plant (WWTP), Civic Center and Firehouse.

On April 23, 2024, the City Council authorized the City Manager to execute a PPA for the Wastewater Treatment Plant. The PPA for the WWTP is currently in the design phase and moving toward construction. Staff continued to work with Trinary to develop PPAs for the Civic Center and Fire Station. A legal review of the PPAs was performed by Prentice Long and requested changes were sent to Trinary Energy for review by their legal team. An agreement by both parties on the PPA and side letter language was made in December of 2024.

The PPAs and roof replacement side letter were brought before the City Council on January 28, 2025. During the meeting, the City Council posed several questions that required additional research and that was not readily available at the meeting. While Trinary Energy was virtually present at the meeting, they too acknowledged that they would need more time to respond to the inquiries and

make any necessary changes to the PPA. As a result, the agenda item was continued until the questions could be answered (Attachment 5) and revisions to the PPAs were made.

Discussion & Analysis:

City Staff and Michael Manniello worked with Radial Power to respond to City Council questions and modify the PPAs. Responses to City Council questions are included, as Attachment 5 and redlined PPAs were reviewed by staff and found to address the concerns of the City Council.

Consistency with Council Priorities and Goals:

Reducing electrical costs aligns with Priority #1: Financial Stability, Goal #3: Add to the city's general fund reserve, and Item #2: Implement cost-saving measures across departments to free up additional funds.

Fiscal Impact:

Solar array systems installed on the Civic Center and Firehouse will result in General Fund savings. The cost per kWh in the first year that the solar panels and PPA are operational will be \$.18 per kWh. In contrast, the PG&E rate for the Firehouse was \$.39 during off-peak hours and \$.65 during peak hours in the summer of 2024.

Comparison of cost based on July 2024 data at the Firehouse:

1. PG&E- Peak Usage was 1,569 kWh @ \$.65 per kWh and Off-Peak usage was 4,295 kWh @ \$.39 per kWh for a monthly total of 5,864 kWh at a cost of \$2,695. (Attachment 6)
2. Trinary- A monthly total usage of 5,864 kWh @ \$.18 per kWh is a monthly cost of \$1,056. This is a savings of \$1,639 compared to PG&E rates.

Attachments:

- Attachment 1: Civic Center Power Purchase Agreement
- Attachment 2: Firehouse Power Purchase Agreement
- Attachment 3: Civic Center Roof - Side Letter
- Attachment 4: Letter of Intent
- Attachment 5: Responses to City Council Questions
- Attachment 6: Firehouse PG&E Statement

Solar Power Purchase Agreement

This Solar Power Purchase Agreement (this “**Agreement**”) is entered into by the parties listed below (each a “**Party**” and collectively the “**Parties**”) as of the date signed by Seller below (the “**Effective Date**”).

Purchaser:		Seller:	
Name and Address	City of Willows-Civic Center 201 North Lassen Street Willows, CA 95988 Attention: Marti Brown	Name and Address	RP Willows Solar 2, LLC 423 W. 55th Street – 7th Floor New York, New York 10019 Attention: John Bates
Phone	(530) 934-7041	Phone	N/A
Fax	None	Fax	N/A
E-mail	mbrown@cityofwillows.org	E-mail	legal@radialpower.com
Premises Ownership	Purchaser [x] owns [] leases the Premises.	Additional Seller Information	
Tax Status	Government entity		
Project Name	[RP Willows Solar 2]		

This Agreement sets forth the terms and conditions of the purchase and sale of solar generated electricity from the solar panel system described in **Exhibit 2** (the “**System**”) and installed on the real property comprising Purchaser’s premises described or depicted in Schedule A to **Exhibit 2** (the “**Premises**”), including any buildings and other improvements on the Premises other than the System (the “**Improvements**”). Concurrently with the execution of this Agreement, Purchaser and Seller are entering into that certain site license agreement (the “**Site License**”) with respect to the System and the Premises. This Agreement, including any applicable exhibits or amendments hereto, shall constitute a single agreement between the Parties.

The exhibits listed below are incorporated by reference and made part of this Agreement.

<u>Exhibit 1</u>	Pricing
<u>Exhibit 2</u>	System Description, Delivery Point and Premises
<u>Exhibit 3</u>	General Terms and Conditions

Purchaser: City of Willows

Seller: RP Willows Solar 3, LLC

Signature: _____
 Printed Name: M a r t i B r o w n _____
 Title: C i t y M a n a g e r _____
 Date: _____

Signature: _____
 Printed Name: J o h n B a t e s _____
 Title: C E O _____
 Date: _____

Exhibit 1

Pricing

1. **Initial Term:** Twenty-five (25) years, beginning on the Commercial Operation Date (the “**Initial Term**”).
2. **Additional Terms:** Up to two (2) terms of five (5) years each beginning on the expiration of the Initial Term or on the expiration of any Additional Term (each an “**Additional Term**”).

3. **Contract Price:**

Contract Year	\$/kWh
1	0.180
2	0.185
3	0.191
4	0.197
5	0.203
6	0.209
7	0.215
8	0.221
9	0.228
10	0.235
11	0.242
12	0.249
13	0.256
14	0.264
15	0.272
16	0.280
17	0.288
18	0.297
19	0.306
20	0.315
21	0.324
22	0.334
23	0.344
24	0.354
25	0.365

The first “Contract Year” shall commence on the Commercial Operation Date, and each subsequent Contract Year shall commence on the anniversary of the Commercial Operation Date.

4. **Contract Price Assumptions.** The Contract Price is based on the following assumptions:
 - a. A payment or performance bond is not being issued to Purchaser under this Agreement.
 - b. Interconnection costs for the System to be connected to the Utility distribution system, including but not limited to fees associated with system upgrades, will not exceed \$280,000.00 in the aggregate.
 - c. Statutory prevailing wage rates (e.g., Davis-Bacon) do not apply.
 - d. [Intentionally Deleted.]
 - e. All prices in this Agreement are calculated based on an upfront rebate of \$0.
 - f. The Contract Price is inclusive of Seller’s Taxes (as defined in Section 3(d) of **Exhibit 3**) at the rates in effect as of the Effective Date (to the extent that such rates are known or knowable by Seller on the Effective Date).
5. **Contract Price Exclusions.** Unless Seller and Purchaser have agreed otherwise in writing, and except as otherwise provided in Section 2(c) of Exhibit 3, the Contract Price excludes the following:

- a. Unforeseen groundwork (including excavation and circumvention of underground obstacles). Upgrades or repair to customer or utility electrical infrastructure (including: client or utility service, transformers, substations, poles, breakers, reclosers, and disconnects).
 - b. Snow removal, tree removal, tree trimming, mowing and any landscape improvements.
 - c. Decorative fencing and/or any visual screening materials, decorative enhancements to solar support structures (including: painting, paint matching, masonry/stone work, and any lighting not required to meet the minimum code compliance).
 - d. Removal of existing lighting, light poles, or concrete light post bases.
 - e. Roof membrane maintenance or reroofing work.
 - f. Structural upgrades to the Improvements, including ADA upgrades.
 - g. Installation of public information screen or kiosk (including accompanying internet connection, power supply, technical support and ADA access).
 - h. Changes in System design caused by any inaccuracy or ambiguity in information provided by Purchaser, including information regarding Purchaser's energy use, the Premises and the Improvements, including building plans and specifications.
6. Degradation Factor: The **degradation factor** of a solar system, also referred to as the "**degradation rate**," is the percentage reduction in the system's energy production capacity over time due to environmental exposure, material aging, and operational wear. The Degradation Rate for both engineering forecasting and the contractual obligations herein will be calculated at One Half of One Percent, (0.5%) on an annual and compounding basis of the initial forecasted system production upon system being placed in service, the "Commercial. Operation Date"
7. Environmental Attributes: Accrue to Seller
8. Termination Payment Schedule (Exhibit 3, Section 11(b)):

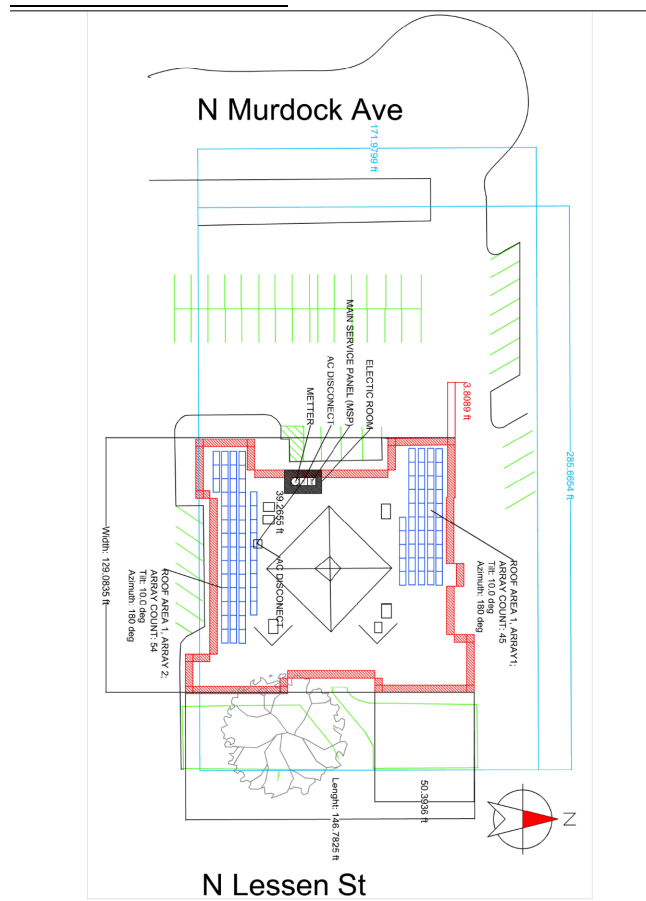
Contract Year	Termination Payment (\$)
1	215,870
2	215,735
3	215,276
4	214,383
5	213,056
6	210,404
7	207,385
8	203,893
9	199,997
10	195,393
11	190,056
12	183,853
13	176,894
14	169,045
15	160,339
16	150,650
17	139,779
18	127,633
19	114,366
20	99,615
21	83,283
22	65,249
23	45,389
24	23,546
25	21,050

Exhibit 2

System Description, Delivery Point and Premises

1. System Location: 201 North Lassen Street, Willows, CA 95988
2. System Size (DC kW): 46.75
3. System Description (Expected Structure, Etc.): Roof mounted Photovoltaic
4. **Delivery Point and Premises:** Schedule A to this **Exhibit 2** contains one or more drawings or images depicting:
 - a. Premises, including the Improvements (as applicable);
 - b. Proposed System location;
 - c. Delivery point for electricity generated by the **System** (the “**Delivery Point**”);
 - d. Access points needed for Seller to install and service the System (building access, electrical room, stairs etc.); and
 - e. Construction assumptions (if any).
 - f. Utility:

Schedule A¹



¹ The Parties acknowledge that Schedule A shall be subject to further revision, as approved by Purchaser, to reflect the System set forth on Section 2 of **Exhibit 2** and the final System design, as approved by Purchaser pursuant to Section 6(b) of **Exhibit 3**.

Exhibit 3: Table of Contents

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Exhibit 3

General Terms and Conditions

1. **Purchase and Sale of Electricity.** Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, all of the electricity generated by the System during the Term (as defined in Section 2(a)). Electricity generated by the System shall be delivered to Purchaser at the Delivery Point. Title to and risk of loss for the electricity generated by the System passes to Purchaser from Seller at the Delivery Point. Purchaser may purchase electricity for the Premises from other sources to the extent Purchaser's electricity consumption requirements at the Premises exceed the output of the System.
2. **Term and Termination.**
 - a. **Effective Date; Term.** This Agreement is effective as of the Effective Date. The electricity supply period under this Agreement commences on the Commercial Operation Date (as defined in Section 6) and continues for the duration of the Initial Term and any Additional Terms, unless earlier terminated as provided for in this Agreement (collectively, the "Term").
 - b. **Additional Terms.** The Parties may agree in writing to extend this Agreement for one or more Additional Term(s). If Purchaser desires to extend this Agreement on the terms and conditions set forth herein, Purchaser shall notify Seller in writing at least one hundred eighty (180) days prior to the expiration of the Initial Term or the Additional Term (as applicable). The Parties shall mutually agree upon a Contract Price that is based upon the then fair market value of electricity.
 - c. **Termination Due to Contract Price Adjustments or Lack of Project Viability.** If, at any time after the Effective Date and prior to Commencement of Installation (as defined in Section 5), (i) circumstances arise which have been excluded from Contract Price calculations pursuant to Section 5 of Exhibit 1, or Seller determines that the installation of the System will not be technically or economically viable for any other reason, and (ii) the Parties have negotiated a Contract Price adjustment for thirty (30) days following written notice from Seller without reaching agreement, either Party may terminate this Agreement by providing ten (10) days' prior written notice to the other Party. Neither Party shall be liable for any damages in connection with such termination. After Commencement of Installation, the Contract Price shall not be subject to further adjustment pursuant to Section 5 of Exhibit 1 or otherwise.
 - d. **Termination by Purchaser for Delay.** If Commencement of Installation has not occurred 360 days after the Effective Date, Purchaser may terminate this Agreement by providing thirty (30) days' prior written notice to Seller; provided that this Agreement will not terminate pursuant to this Section 2(d) if Seller achieves Commencement of Installation on or before the end of such thirty (30) day notice period. Purchaser shall not be liable for any damages in connection with such termination.
3. **Billing and Payment; Taxes.**
 - a. **Monthly Charges.** Purchaser shall pay Seller monthly for the electricity generated by the System and delivered to the Delivery Point at the \$/kWh rate for the applicable Contract Year shown in **Exhibit 1** (the "Contract Price"). The monthly payment for such energy will be equal to the applicable \$/kWh rate multiplied by the number of kWh of electricity generated during the applicable month, as measured by the Meter (as defined in Section 11). Additional costs for items differing from the assumptions in **Exhibit 1**, Item 4 are Purchaser's responsibility.
 - b. **Monthly Invoices.** Seller shall invoice Purchaser monthly. Such monthly invoices shall state (i) the amount of electricity produced by the System and delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Purchaser under this Agreement and (iii) the total amount due from Purchaser.
 - c. **Payment Terms.** All amounts due under this Agreement are due and payable net thirty (30) days following receipt of invoice. Any undisputed portion of the invoice amount not paid within such thirty (30) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) above the Prime Rate (but not to exceed the maximum rate permitted by law). All payments shall be made in U.S. dollars.
 - d. **Production Guarantee.** During the Term, Seller will, within one month following each anniversary of the Commercial Operation Date, prepare and send to Purchaser an annual statement detailing the kWh of electric energy produced by the Solar Facility during the last 36 months. If in any 3 year period (measured from Commercial Operation Date) the Solar Facility has produced less than 80% of the Estimated Solar Energy Output (as defined below), as reduced by the

degradation factor set forth in the cover page hereto (the “Degradation Factor”), (other than due to a Force Majeure Event), Seller will pay Purchaser a true-up payment equal to the number of kWh by which the actual output of the Solar Facility was less than 80% of the Estimated Solar Energy Output, as reduced by the Degradation Factor, multiplied by Price/kWh listed in Exhibit 1 (“Pricing”) section 3 for the applicable contract year.. For purposes of this Agreement, “Estimated Solar Energy Output” shall refer to the estimated solar energy output for the applicable year as mutually agreed upon by both parties prior to the Commercial Operation Date.

e. **Taxes.**

- i. **Purchaser’s Taxes.** Purchaser is responsible for: (1) payment of, or reimbursement of Seller, for all taxes assessed on the sale, delivery or consumption of electricity produced by the System or the interconnection of the System to the utility’s electricity distribution system; and (2) real property taxes.
- ii. **Seller’s Taxes.** Seller is responsible for payment of income taxes or similar taxes imposed on Seller’s revenues due to the sale of electricity under this Agreement (“**Seller’s Taxes**”). Purchaser and Seller shall each be responsible, respectively, for paying taxes, levies, assessments and other charges imposed, including franchise and similar taxes, on the business conducted by Purchaser or Seller, as applicable, at the Premises. Nothing in this Section shall be construed as making Seller liable for any portion of Purchaser’s income taxes in connection with the Premises or otherwise.

4. **RECs and Incentives.** As the owner of the System, Seller is entitled to the benefit of, and will retain all ownership interests in the RECs and Incentives. Purchaser shall cooperate with Seller in obtaining, securing and transferring any and all RECs and Incentives. Purchaser is not obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Seller. Purchaser shall not make any filing or statements inconsistent with Seller’s ownership interests in the RECs and Incentives. If any RECs or Incentives are paid or delivered directly to Purchaser, Purchaser shall immediately pay or deliver such items or amounts to Seller.

“**Governmental Authority**” means any foreign, federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, court, tribunal, arbitrating body or other governmental authority having jurisdiction or effective control over a Party.

“**Incentives**” means (i) a payment paid by a utility or state or local Governmental Authority based in whole or in part on the cost or size of the System such as a rebate, (ii) a performance-based incentive paid as a stream of periodic payments by a utility, state or Governmental Authority based on the production of the System, (iii) investment tax credits, production tax credits, and similar tax credits, grants or other tax benefits under federal, state or local law, and (iv) any other attributes, commodity, revenue stream or payment in connection with the System (such as ancillary or capacity revenue), in each case of (i) through (iv) relating to the construction, ownership, use or production of energy from the System, provided that Incentives shall not include RECs.

“**Environmental Attributes**” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the System, the production of electrical energy from the System and its displacement of conventional energy generation, including (a) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (c) the reporting rights to any Governmental Authority related to these avoided emissions, such as Green Tag Reporting Rights and RECs. Green Tag Reporting Rights are the right of a party to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party, and include Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Environmental Attributes do not include Tax Incentives. Purchaser and Seller shall file all tax returns in a manner consistent with this Section 4. Without limiting the generality of the foregoing, Environmental Attributes include carbon trading credits, renewable energy credits or certificates, emissions reduction credits, investment credits, emissions allowances, green tags, tradeable renewable credits and Green-e® products.

“**REC**” means a renewable energy credit or certificate under any state renewable portfolio, standard or federal renewable energy standard, voluntary renewable energy credit certified by a non-governmental organization, pollution allowance, carbon credit and any similar environmental allowance or credit and green tag or other reporting right under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program, in each case relating to the construction, ownership, use or production of energy from the System,

provided that RECs shall not include Incentives.

5. **Project Completion.**

- a. **Conditions to Obligations.** Seller's obligation to install the System and sell electric energy generated by the System to Purchaser are conditioned on the completion of the following conditions to Seller's satisfaction on or before 180 days from the Effective Date:
- i. Seller shall have completed a physical inspection of the Premises including, if applicable, structural engineering and or geotechnical reviews as necessary to confirm the suitability of the Premises for the System;
 - ii. If subsurface excavation is necessary for the System, Seller shall have completed environmental due diligence with respect to the applicable site;
 - iii. Seller shall have received the Site License and any additional documents required thereunder (such documents together with the Site License, the "Real Property Documents") duly executed and delivered by Purchaser and any applicable third parties;
 - iv. Seller shall have received results, satisfactory to Seller, of a recent search of Purchaser's jurisdiction of all effective UCC fixture and real property filings that have been made with respect to the Facility;
 - v. Seller shall have confirmed that Seller will qualify for all applicable incentives and Tax Incentives;
 - vi. Seller shall have obtained all necessary zoning, land use, environmental, building and other permits from the applicable Governmental Authority necessary for Seller to perform its obligations under this Agreement;
 - vii. Seller shall have executed all necessary agreements with the Utility for interconnection of the System to the Facility electrical system and/or the Utility's electric distribution system;
 - viii. Seller shall have obtained such other information or completed such other matters as are reasonably consistent with Good Solar Industry Practices prior to mobilizing for construction of the System; and
 - ix. Seller shall have received:
 - (1) Purchaser's approval, in accordance with Section 6(b), of the System design and of material changes, if any, to the System design specifications set forth on Exhibit 2 (notwithstanding, government approvals of the System shall be required to go through the approval process pursuant to local laws and regulations);
 - (2) Proof of insurance for all insurance required to be maintained by Purchaser under this Agreement; and
 - (3) Written confirmation from any person holding a mortgage, lien or other encumbrance over the Premises, or any portion thereof, that such person will recognize Seller's rights to the System and under this Agreement.
- b. **Failure of Conditions.** If any of the conditions listed in subsection (a.i through a.ix) above are not satisfied by the 180th day after the Effective Date (the "Final Installation Commencement Date"), the Parties shall attempt in good faith to negotiate new dates for the satisfaction of the failed conditions, or, if the Parties are unable to negotiate such new dates within thirty (30) days of the Final Installation Commencement Date, either Party may terminate this Agreement upon ten (10) days written notice to the other Party and without any liability for such for such termination. Seller has the right but, not the obligation, to terminate if the Purchaser fails to provide the documents in subsection a.ix.1-3 by the Final Installation Commencement Date and Purchaser shall pay direct costs incurred by the Seller.
- c. **Project Development.** Seller shall diligently pursue the development and installation of the System, subject to Section 2(c), Section ii and the remaining provisions of this Section 5.
- d. **Permits and Approvals.** Seller shall use commercially reasonable efforts to obtain the following at its sole cost and expense (each an "Approval"):
- i. any zoning, land use and building permits required for Seller to construct, install and operate the System; and
 - ii. any agreements and approvals from the Utility necessary in order to interconnect the System to the Utility's electric distribution system.

Purchaser shall cooperate with Seller's reasonable requests to assist Seller in obtaining such Approvals, including, without limitation the execution of documents required to be provided by Purchaser to the local Utility. Purchaser shall cooperate with Seller's reasonable requests to assist Seller in obtaining such Approvals, including, without limitation the execution of documents required to be provided by Purchaser to the local utility; provided further, if applicable law requires Purchaser to be the recipient of or party to any such Approvals, Purchaser shall use commercially reasonable efforts to apply for and obtain, or enter into,

such Approvals in the name of Purchaser, subject to Seller's reimbursement of third-party costs and expenses reasonably incurred by Purchaser in connection therewith, and Purchaser and Seller shall take such actions as are necessary for the rights and benefits of any such Approval to be exercisable and realized by Seller and the System. Such Approvals shall not include approvals for which Purchaser is the approving entity.

e. **Commencement of Installation.** Seller shall exercise commercially reasonable efforts to achieve Commencement of Installation of the System within 360 days after the Effective Date. "**Commencement of Installation**" means the date that Seller or its installation contractor has begun physical installation of the System on the Premises.

f. **Force Majeure.**

i. **Force Majeure Event.** If either Party is unable to timely perform any of its obligations (other than payment obligations) under this Agreement in whole or in part due to a Force Majeure Event, that Party will be excused from performing such obligations for the duration of the time that such Party remains affected by the Force Majeure Event; provided, that such Party uses commercially reasonable efforts to mitigate the impact of the Force Majeure Event and resumes performance of its affected obligations as soon as reasonably practical. The Party affected by the Force Majeure Event shall notify the other Party as soon as reasonably practical after the affected Party becomes aware that it is or will be affected by a Force Majeure Event. If the Force Majeure Event occurs during the Term and impacts the ability of the System to deliver electricity to the Delivery Point, the Term will be extended day for day for each day delivery is suspended due to the Force Majeure Event.

ii. **Extended Force Majeure.** If a Force Majeure Event notified by either Party under paragraph (i) above continues for a consecutive period of one hundred eighty (180) days or more within a twelve (12) month period, then either Party may terminate this Agreement without either Party having further liability under this Agreement except: (a) liabilities accrued prior to termination, (b) Seller shall remove the System as required under Section 9 (but Purchaser shall reimburse Seller for Seller's removal costs if the Force Majeure Event affects Purchaser and Purchaser elects to terminate the Agreement) and (b) if Purchaser elects to terminate the Agreement in accordance with this Section, Purchaser shall pay the applicable Termination Payment. Notwithstanding the foregoing, in the case of a Force Majeure Event where Seller is the claiming Party, if the Force Majeure Event can be corrected through repair or restoration of the System or other actions by Seller and, prior to expiration of the initial one hundred eighty (180)-day period, Seller provides written evidence to Purchaser that it is diligently pursuing such actions, then Purchaser shall not have the right to terminate this Agreement so long as Seller continues to diligently pursue such actions.

iii. "**Force Majeure Event**" means any event or circumstance beyond the reasonable control of and without the fault or negligence of a Party, including, without limitation, failure or interruption of the production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; piracy; riot; insurrection; widespread civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; widespread civil strike, work stoppage, or lock-out; explosion; fire; earthquake; hurricane; flood; lightning; the binding order of any Governmental Authority; the failure to act on the part of any Governmental Authority (including, without limitation delays in permitting not caused by actions or omissions of the Party seeking such permit); unavailability of electricity from the utility grid; transportation and shipping delays (including port congestion) associated with module procurement due to tariff restrictions or other actions or inactions of any Governmental Authority; and failure or unavailability of equipment, supplies or products outside of Seller's control or due to a Force Majeure Event.

g. **Extension of Time.** If Seller is delayed in achieving Commencement of Installation due to a Force Majeure Event, the time for achievement of Commencement of Installation will be automatically extended to account for the impact of the delay.

h. **Commercial Operation.** Seller shall notify Purchaser in writing when it has achieved Commercial Operation (the date of such notice, the "**Commercial Operation Date**"). "**Commercial Operation**" means that the System is mechanically complete, capable of providing electricity to the Delivery Point at the nameplate capacity specified in Exhibit 2 and has permission to operate from the relevant Governmental Authority. Seller shall provide Purchaser with documentation to evidence that the System is ready to begin Commercial Operation upon Purchaser's reasonable request.

6. **Installation, Operation and Maintenance.**

- a. **Seller's General Obligations Regarding the System.** Subject to the terms and conditions of this Agreement, Seller shall design, engineer, install, commission, monitor, operate and maintain the System, in each case in a good and workmanlike manner and in accordance with applicable law and prudent solar industry practices in the state in which the Premises are located. The System shall comply with all applicable rules, regulation and local building codes. Seller shall design and engineer the System (i) taking into consideration Purchaser's historical electrical generation requirements, (ii) based on inspections of the Premises and studies undertaken by Seller, and (iii) in compliance with any laws and governmental approvals provided by Purchaser to Seller. Seller shall prepare and submit to Purchaser the draft final specifications for the System, including product data on all equipment proposed for installation no later than 30 business days following the Effective Date.
- b. **System Design Approval.**
- i. Seller shall provide Purchaser with a copy of the System design for approval prior to commencement of construction. Purchaser shall have ten (10) days after receipt to approve or disapprove the design. Failure by Purchaser to respond within such ten (10) day period shall be deemed approval of the design. If Purchaser disapproves the design, Seller shall modify the design and resubmit it for Purchaser's approval. If the System design modifications requested by Purchaser render the System non-viable, Seller may terminate this Agreement under Section 2(c) above. If solar energy panels and other System assets documented in Exhibit 2 (such panels and System assets, the "**System Equipment**") are not readily available when Seller installs the System, Seller may make substitutions of such System Equipment at Seller's sole discretion; provided Seller shall obtain Purchaser's prior consent for System Equipment substitutions that would materially affect the appearance or capacity of the System, or require a change to the Contract Price.
- ii. The description of the approved System design shall be incorporated into Exhibit 2 and Schedule A to Exhibit 2 shall be updated to reflect the final approved drawing depicting the Premises, Delivery Point, System design and location. Upon the completion of System installation, Seller shall provide Purchaser with "as-built" drawings setting forth in detail the location of all components of the System. Purchaser and Seller agree to treat such plans and specifications as well as the "as-built" drawings as Confidential Information of Seller, in accordance with Section 18(a).
- c. **System Repair and Maintenance.** Seller may suspend delivery of electricity from the System to the Delivery Point for the purpose of maintaining and repairing the System; provided that Seller shall use commercially reasonable efforts to (i) minimize any interruption in service to the Purchaser, and (ii) limit any such suspension of service to weekend or off-peak hours. Scheduled and unscheduled maintenance and repairs shall be undertaken at Seller's sole cost and expense, except that Purchaser shall reimburse Seller for the reasonable cost of any repairs or maintenance resulting from damage caused by Purchaser, its agents, employees or contractors.
- d. **Outages.** Upon Purchaser's written request, Seller shall take the System off-line for a total of forty-eight (48) daylight hours (as defined by the United States National Weather Service in the area where the System is located) during each Contract Year (each event an "**Outage**" and the forty-eight (48) hour period the "**Outage Allowance**"). The Outage Allowance includes all Outage hours undertaken by Seller for maintenance or repairs for which Purchaser is responsible pursuant to Section 6(c) or requested by Purchaser under this Section 6(d) (other than due to the fault or negligence of Seller). Purchaser's request shall be delivered at least forty-eight (48) hours in advance. Purchaser is not obligated to accept or pay for electricity from the System for Outages up to the annual Outage Allowance. If the aggregate hours for Outages exceed the Outage Allowance in a given Contract Year, Seller shall reasonably estimate the amount of electricity that would have been delivered to Purchaser during such excess Outages and Purchaser shall pay Seller for such amount in accordance with this Agreement.
- e. **Maintenance of Premises.** Purchaser shall, at its sole cost and expense, maintain the Premises and Improvements in good condition and repair. Purchaser, to the extent within its reasonable control, (i) shall ensure that the Premises remains interconnected to the local Utility grid at all times; and (ii) shall not permit cessation of electric service to the Premises from the local utility. Purchaser is fully responsible for, and shall properly maintain in full working order and good repair, the electrical infrastructure on the Purchaser's side of the Delivery Point, including all of Purchaser's equipment that utilizes the System's outputs. Purchaser shall use commercially reasonable efforts to cooperate with Seller to comply with any technical standard of the Utility providing electrical power to the Purchaser, and does not need to receive permission to operate from the Utility.
- f. **No Alteration of Premises.** Not less than thirty (30) days prior to making any alterations or repairs to the Premises (except for emergency repairs) or any Improvement which may adversely affect the operation and maintenance of the System, Purchaser shall inform Seller in writing and, thereafter, shall use commercially reasonable efforts to conduct such repairs, alterations or Improvements in compliance with any reasonable request made by Seller within ten (10)

days after having received such written request to mitigate any adverse effect. If any repair, alteration or Improvement result in a permanent and material adverse economic impact on the System, Purchaser may request relocation of the System under Section 8 hereof. To the extent that temporary disconnection or removal of the System is necessary to perform such alterations or repairs, Seller shall perform such work, and any re-connection or re-installation of the System, at Purchaser's cost, subject to Sections 6(c) and 6(d). Seller shall make any alterations and repairs in a good and workmanlike manner, in compliance with all applicable laws, codes and permits.

7. **Miscellaneous Rights and Obligations of the Parties.**

- a. Reserved.
- b. **OSHA Compliance.** Each Party shall comply with all Occupational Safety and Health Act (OSHA) requirements and other similar applicable safety laws and codes with respect to such Party's performance under this Agreement.
- c. **Safeguarding the Premises.** Purchaser shall maintain the physical security of the Premises and Improvements in a manner to be expected of a reasonable and prudent owner or lessee of premises and improvements similar to the Premises and Improvements in nature and location. Purchaser shall not conduct or permit activities on, in or about the Premises or the Improvements that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System. Purchaser shall indemnify Seller for any loss or damage to the System to the extent caused by or arising out of (i) Purchaser's breach of its obligations under this Section or (ii) the acts or omissions of Purchaser or its employees, agents, invitees or separate contractors.
- d. **Insolation.** Purchaser acknowledges that unobstructed access to sunlight ("Insolation") is essential to Seller's performance of its obligations and a material term of this Agreement. Purchaser shall not, to the extent within its reasonable control, cause or permit any interference with the System's Insolation, and shall ensure that vegetation on the Premises adjacent to the System is regularly pruned or otherwise maintained to prevent interference with the System's Insolation. If Purchaser discovers any activity or condition that could diminish the Insolation of the System, Purchaser shall immediately notify Seller and cooperate with Seller in preserving and restoring the System's Insolation levels as they existed on the Effective Date.
- e. **Use and Payment of Contractors and Subcontractors.** Seller shall use suitably qualified, experienced and licensed contractors and subcontractors to perform its obligations under this Agreement. However, Seller shall be responsible for the quality of the work performed by its contractors and subcontractors. Seller shall pay when due all valid charges from all contractors, subcontractors and suppliers supplying goods or services to Seller under this Agreement.
- f. **Liens.**
 - i. **Lien Obligations.** Purchaser shall not directly or indirectly cause, create, incur, assume or allow to exist any mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature, except such encumbrances as may be required to allow Seller access to the Premises, (each a "Lien") on or with respect to the System. Seller shall not directly or indirectly cause, create, incur, assume or allow to exist any Lien on or with respect to the Premises or the Improvements, other than those Liens which Seller is permitted by law to place on the Premises due to non-payment by Purchaser of amounts due under this Agreement. Each Party shall immediately notify the other Party in writing of the existence of any such Lien following discovery of same, and shall promptly (and in all events within thirty (30) days) cause the same to be discharged and released of record without cost to the other Party; provided, however, that each indemnifying Party has the right to contest any such Lien, so long as it provides a statutory bond or other reasonable assurances of payment that either removes such Lien from title to the affected property, or that assures that any adverse judgment with respect to such Lien shall be paid without affecting title to such property.
 - ii. **Lien Indemnity.** Each Party shall indemnify the other Party from and against all claims, losses, damages, liabilities and expenses resulting from any Liens filed against such other Party's property as a result of the indemnifying Party's breach of its obligations under Section 7(f)(i).
- g. **Cooperation.** Purchaser shall (i) cooperate with Seller's reasonable requests for information and access to the Facility for purposes of designing, installing, and maintaining the System and (ii) cooperate with all of Seller's requests to assist Seller in obtaining any necessary agreements, permits and approvals pursuant to Section 5(d). Purchaser's failure to provide such cooperation shall be a default under this Agreement subject to Section 11(a)(ii).

- h. Maintenance of Facility.** Purchaser shall, at all times at Purchaser's sole cost and expense, maintain the Premises (including, without limitation, the applicable portions of the roof and raceways and risers of the Premises) in good condition and repair and in a manner sufficient to support the System. Regardless of whether maintenance and repairs are made in the ordinary course or in an emergency, all maintenance and repairs shall be carried out in a manner that minimizes the impact on the System. Purchaser is fully responsible for the maintenance and repair of the Premises' electrical system and of all of Purchaser's equipment that utilizes the System's outputs. Except in the event of a Seller caused outage including Seller's suspension of performance or any Purchaser outage that is within Purchaser's Outage Allowance, a failure of the Premises to accept energy produced by the System (whether due to a failure in Purchaser's electrical system, maintenance or otherwise) will not excuse Purchaser from paying Seller for the energy production of the System that, in Seller's reasonable estimation as provided below, would have been delivered to Purchaser from the operation of the System in the absence of a failure of the Premises to accept the energy produced and delivered by the System and compensating Seller for lost revenues or other benefits from Environmental Attributes and Tax Incentives from such energy, including any Environmental Attributes and Tax Incentives already claimed but subject to recapture (and any fees and penalties associated with such recapture) ("**Deemed Delivered Energy**"). Purchaser shall have a scheduled Outage Allowance in accordance with parameters set forth in Section 6(p) above. Seller's estimation of energy production for the purposes of determining the Deemed Delivered Energy will be based on (a) past energy output delivery by the System during a similar period and under similar conditions if such information is available or (b) if such information is not available, based upon any other relevant information or bases which may reasonably be available to Seller and used for such purpose in the circumstances and consistent with Good Solar Industry Practices. Purchaser shall promptly notify Seller of any condition at the Premises of which it is aware pertaining to any damage to or loss of use of the System or that could reasonably be expected to adversely affect the System.
- i. Breakdown Notice.** Purchaser shall notify Seller within twenty-four (24) hours following the discovery by Purchaser of (i) any material malfunction in the operation of the System; or (ii) any occurrences that could reasonably be expected to adversely affect the System. Purchaser shall notify Seller immediately upon (i) an interruption in the supply of electrical energy from the System; or (ii) the discovery of an emergency condition respecting the System. Purchaser and Seller shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Seller's repair or alteration at all times, twenty-four (24) hours per day, including weekends and holidays.

8. Relocation of System.

If, during the Term, Purchaser ceases to conduct business operations at the Premises or vacates the Premises; the Premises have been destroyed; or the Purchaser is otherwise unable to continue to host the System or accept the electricity delivered by the System for any other reason (other than a Default Event by Seller), Purchaser may propose in writing the relocation of the System, at Purchaser's cost, in lieu of termination of the Agreement by Seller for a Default Event by Purchaser. If such proposal is practically feasible and preserves the economic value of the agreement for Seller, the Parties shall seek to negotiate in good faith an agreement for the relocation of the System. If the Parties reach agreement on relocation of the System, Purchaser shall be obligated to provide (a) a new executed and notarized agreement covering the substitute premises in form and content substantially similar to the Site License, and (b) any new consents, estoppels, or acknowledgments reasonably required by Financing Parties in connection with the substitute premises. If the Parties are unable to reach agreement on relocation of the System within sixty (60) days after the date of receipt of Purchaser's proposal, Seller may terminate this Agreement pursuant to Section 11(b)(ii).

9. Removal of System upon Termination or Expiration.

Upon the expiration or earlier termination of this Agreement, Seller shall, at its expense (unless expressly provided otherwise in this Agreement), remove all of the tangible property comprising the System from the Premises with a targeted completion date that is no later than ninety (90) days after the expiration of the Term. The portion of the Premises where the System is located shall be returned to substantially its original condition (excluding ordinary wear and tear), including the removal of System mounting pads or other support structures, and

repair and restoration of the roof and the roof membrane. If the System is installed on the roof of an Improvement, Seller's warranties under Section 12(c)(i) shall apply, as applicable. Purchaser must provide sufficient access, space and cooperation as reasonably necessary to facilitate System removal. If Seller fails to remove or commence substantial efforts to remove the System by such agreed upon date, Purchaser may, at its option, to remove the System to a public warehouse and restore the Premises to its original condition (other than ordinary wear and tear) at Seller's cost.

10. Measurement.

- a. **Meter.** The System's electricity output during the Term shall be measured by Seller's meter, which shall be a revenue grade meter that meets ANSI-C12.20 standards for accuracy (the "**Meter**"). Purchaser shall have access to the metered energy output data via the Also Energy monitoring system installed and maintained by Seller as part of the System.
- b. **Meter Calibration.** Seller shall calibrate the Meter in accordance with manufacturer's recommendations. Notwithstanding the foregoing, Purchaser may install, or cause to be installed, its own revenue-grade meter at the same location as the Meter. If there is a discrepancy between the data from Purchaser's meter and the data from the Meter of greater than two percent (2%) over the course of a Contract Year, then Purchaser may request that Seller calibrate the Meter at Purchaser's cost. If, upon testing, Purchaser's meter or the Meter is found to be inaccurate by an amount exceeding plus or minus two percent (2%), then the Party whose meter is inaccurate by such percent shall be promptly repair or adjust its meter to record properly. If, upon testing, the Meter is found to be accurate or to be inaccurate by an amount less than plus or minus two percent (2%), then Purchaser shall be responsible for the cost of such calibration testing. If no reliable information exists as to the period over which the Meter registered inaccurately, it shall be assumed for purposes of correcting previously delivered invoices that such inaccuracy began at the earlier of: (a) a point in time midway between the testing date and the next previous date on which the Meter was tested and found to be accurate, and (b) six months. If, upon testing, the Meter is found to be in error by an amount exceeding plus or minus two percent (2%), then the payments for electric energy delivered since the previous test of the Meter shall be adjusted to reflect the corrected measurements. If the difference in the previously invoiced amounts minus the adjusted payment is a positive number, that difference will offset amounts owed by Purchaser to Seller in subsequent month(s). If the difference is a negative number, the difference shall be added to the next month's invoice and paid by the Purchaser to the Seller on the date of such invoice.

11. Default, Remedies and Damages.

- a. **Default.** Any Party that fails to perform its responsibilities as listed below or experiences any of the circumstances listed below is deemed a "**Defaulting Party**", the other Party is the "**Non-Defaulting Party**" and each of the following is a "**Default Event**":
 - i. failure of a Party to pay any amount due and payable under this Agreement, other than an amount that is subject to a good faith dispute, within ten (10) days following receipt of written notice from the Non-Defaulting Party of such failure to pay ("**Payment Default**");
 - ii. failure of a Party to perform any material obligation under this Agreement not addressed elsewhere in this Section 11(a) within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that if the Default Event cannot reasonably be cured within thirty (30) days and the Defaulting Party has demonstrated prior to the end of that period that it is diligently pursuing such cure, the cure period will be extended for a further reasonable period of time, not to exceed ninety (90) days;
 - iii. any representation or warranty given by a Party under this Agreement was incorrect in any material respect when made and is not cured within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure;
 - iv. a Party becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect (or, if any such actions are initiated by a third party, such action(s) is(are) not dismissed within sixty (60) days); or,
 - v. in the case of Purchaser as the Defaulting Party only, Purchaser (A) loses its rights to occupy and enjoy or otherwise access the Premises as required for Seller to perform its obligations under this Agreement, unless (I) the Parties agree upon a relocation under Section 8 above, or (II) Purchaser pays the Termination Payment determined under Section 7 of Exhibit 1 within thirty (30) days after written request by Seller; or (B) prevents Seller from performing any material obligation under this Agreement unless such action by Purchaser is (I) is permitted under this Agreement, or (II) is cured within five (5) days after written notice thereof from Seller.

b. Remedies.

- i. **Suspension.** Upon the occurrence and during the continuation of a Default Event by Purchaser, including a Payment Default, Seller may suspend performance of its obligations under this Agreement until the earlier to occur of the date (a) that Purchaser cures the Default Event in full, or (b) of termination of this Agreement. Seller's rights under this Section 11(b)(i) are in addition to any other remedies available to it under this Agreement, at law or in equity.
 - ii. **Termination.** Upon the occurrence and during the continuation of a Default Event, the Non-Defaulting Party may terminate this Agreement, by providing five (5) days prior written notice to the Defaulting Party; provided, that, in the case of a Default Event under Section 11(a)(iv), the Non-Defaulting Party may terminate this Agreement immediately.
 - iii. **Damages Upon Termination by Default.** Upon a termination of this Agreement pursuant to Section 11(b)(ii), the Defaulting Party shall pay a termination payment to the Non-Defaulting Party determined as follows (the "Termination Payment"):
 - (1) **Termination by Seller.** If Seller terminates this Agreement for a Default Event by Purchaser, the Termination Payment payable to Seller shall be equal to the sum of (i) the applicable amount set forth in the Termination Payment Schedule set forth as Section 7 of Exhibit 1, and (ii) any other amounts previously accrued under this Agreement and then owned by Purchaser to Seller. Such Termination Payment shall be paid by Purchaser no later than 30 days after Notice of termination to Purchaser pursuant to Section 11(b)(ii).
 - (2) **Termination by Purchaser.** If Seller is the Defaulting Party and Purchaser terminates this Agreement, the Termination Payment to Purchaser will be equal to the sum of (i) the present value of the excess, if any, of the reasonably expected cost of electricity from the utility over the Contract Price for the reasonably expected production of the System for the remainder of the Initial Term or the then current Additional Term, as applicable; (ii) all direct costs reasonably incurred by Purchaser by reason of the termination; and (iii) any and all other amounts previously accrued under this Agreement and then owed by Seller to Purchaser. The Termination Payment determined under this Section 11(b)(iii)(2) cannot be less than zero.
 - iv. **Liquidated Damages.** The Parties agree that, if a Party terminates this Agreement prior to the expiration of the Term pursuant to Section 11(b)(ii), actual damages would be difficult to ascertain, and the Termination Payment determined in accordance with Section 11(b)(iii) is a reasonable approximation of the damages suffered by Seller as a result of early termination of this Agreement and is not a penalty.
- c. Obligations Following Termination.** If a Party terminates this Agreement pursuant to Section 11(b)(ii), then following such termination, Seller shall remove the equipment constituting the System in compliance with Section 9 above at the sole cost and expense of the Defaulting Party, *provided, however* that Seller shall not be required to remove the System following the occurrence of a Default Event by Purchaser pursuant to Section 11(a)(i), unless Purchaser pre-pays the cost of restoration reasonably estimated by Seller.
- i. **Reservation of Rights.** Except in the case of a termination under Section 11(b)(ii) and payment of a Termination Payment, if any, determined pursuant to Section 11(b)(ii), nothing in this Section 11 limits either Party's right to pursue any remedy under this Agreement, at law or in equity, including with respect to the pursuit of an action for damages by reason of a breach or Default Event under this Agreement.
 - ii. **Mitigation Obligation.** Regardless of whether this Agreement is terminated for a Default Event, the Non-Defaulting Party must make commercially reasonable efforts to mitigate its damages as the result of such Default Event; provided that such obligation shall not reduce Purchaser's obligation to pay the full Termination Payment set forth in Section 8 of Exhibit 1 following a Default Event by Purchaser.
 - iii. **No Limitation on Payments.** Nothing in this Section 11 excuses a Party's obligation to make any payment when due under this Agreement, including with respect to payments for electricity that would have been delivered to Purchaser but for a Purchaser breach or Default Event.

12. Representations and Warranties.

- a. **General Representations and Warranties.** Each Party represents and warrants to the other the following:
- i. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, and do not and will not violate any law; and this Agreement is the valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally).
 - ii. Such Party has obtained all licenses, authorizations, consents and approvals required by any Governmental Authority or other third party and necessary for such Party to own its assets, carry on its business and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.
- b. **Purchaser's Representations and Warranties.** Purchaser represents and warrants to Seller the following:
- i. **Licenses.** (a) Purchaser has title to or a leasehold or other valid property interest in the Premises such that Purchaser has the full right, power and authority to grant the Site License in Section 7(a), (b) such grant of the Site License does not violate any law, ordinance, rule or other governmental restriction applicable to Purchaser or the Premises and is not inconsistent with and will not result in a breach or default under any agreement by which Purchaser is bound or that affects the Premises.
 - ii. **Other Agreements.** Neither the execution and delivery of this Agreement by Purchaser nor the performance by Purchaser of any of its obligations under this Agreement conflicts with or will result in a breach or default under any agreement or obligation to which Purchaser is a party or by which Purchaser is bound.
 - iii. **Accuracy of Information.** All information provided by Purchaser to Seller, as it pertains to (a) the Premises, (b) the Improvements on which the System is to be installed, if applicable, (c) Purchaser's planned use of the Premises and any applicable Improvements, and (d) Purchaser's estimated electricity requirements, is accurate in all material respects.
 - iv. **Purchaser Status.** Purchaser is not a public utility or a public utility holding company and is not subject to regulation as a public utility or a public utility holding company.
 - v. **Limit on Use.** No portion of the electricity generated by the System shall be used to heat a swimming pool.
- c. Reserved.
- d. **NO OTHER WARRANTY.** THE WARRANTIES SET FORTH IN SECTIONS 12(a) AND 12(c) OF THIS AGREEMENT ARE PURCHASER'S SOLE AND EXCLUSIVE BASIS FOR ANY CLAIM OR LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS SECTION 12, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. OTHER THAN AS EXPRESSLY SET FORTH IN SECTIONS 12(a) AND 12(c), NO WARRANTY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, APPLIES UNDER THIS AGREEMENT.

13. **Insurance.**

- a. **Insurance Coverage.** At all times during the Term, the Parties shall maintain the following insurance, as applicable:
- i. **Seller's Insurance.** Seller shall maintain or ensure the following is maintained (a) property insurance on the System for the replacement cost thereof, (b) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, (c) employer's liability insurance with coverage of at least \$1,000,000 bodily injury by disease, (d) automobile liability insurance if the use of motor vehicles is

required, (e) Umbrella/Excess liability with limits of at least \$5,000,000 for each occurrence, and (f) workers' compensation insurance as required by law. Seller's coverage may be provided as part of an enterprise insurance program.

- ii. **Purchaser's Insurance.** Purchaser shall maintain commercial general liability insurance with coverage, written on "occurrence" policy forms, for premises/operations, products/completed operations, property damage, contractual liability and bodily injury, with no exclusions for explosion, collapse or underground perils, with primary coverage limits of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.

b. Policy Provisions.

- i. Each Party's insurance policies shall (i) contain a provision whereby the insurer agrees to give the other Party at least thirty (30) days (ten (10) days for non-payment of premiums) written notice before the insurance is cancelled, or terminated, (ii) be written on an occurrence basis, and (iii) be maintained with companies either rated no less than A-VII as to Policy Holder's Rating in the current edition of A.M. Best's Insurance Guide or otherwise reasonably acceptable to the other Party.
- ii. Commercial general liability policies shall also include a separation of insureds clause with no exclusions or limitations on cross liability. However, if such insurance is written on a "claims-made" form following termination of the Agreement, coverage shall survive for a period of not less than three (3) years. Coverage shall provide for a retroactive date of placement coinciding with the Effective Date. All policies required in this Section shall be considered primary without contribution from any other policies a party or its successors and assigns may hold.

- c. **Certificates.** Upon the other Party's request, each Party shall deliver to the other Party certificates of insurance evidencing the above required coverage. A Party's receipt, review or acceptance of such certificate shall in no way limit or relieve the other Party of the duties and responsibilities to maintain insurance as set forth in this Agreement.

- d. **Deductibles.** Each Party shall pay its own insurance deductibles, except in the case of claims (i) resulting from a breach of this Agreement, in which case the breaching Party is responsible for payment of the non-breaching Party's deductible for any responding insurance, and (ii) covered by an indemnity set forth in this Agreement.

- e. **Waiver of Subrogation.** Seller and Purchaser each waive any and all claims and its right of recovery against the other for any loss of, or damage to, such Party's property to the extent that such loss or damage is insured, or could be insured by an all risk property insurance policy applicable to the System, Premises or other property of such Party. Each Party shall obtain a waiver or subrogation, and any special endorsements if required by its insurance carriers, whereby said insurance carriers waive their rights of subrogation against the other Party as required by this Section 13(e). The intent of this provision is that each Party shall look solely to its own insurance with respect to property damage or destruction which can be covered by all risks insurance, except as otherwise expressly set forth in this Section 13(e), and to waive fully, and for the benefit of the other Party, any rights and/or claims which might give rise to a right of subrogation in favor of any of such Party's insurance carriers.

14. Ownership.

a. Ownership of System.

- i. **Ownership: Personal Property.** Throughout the Term, Seller shall be the legal and beneficial owner of the System, and all RECs and Incentives, and the System will remain the personal property of Seller and will not attach to or be deemed a part of, or fixture to, the Premises or any Improvement on which the System is installed. Each of the Seller and Purchaser agree that the Seller is the tax owner of the System and all tax filings and reports shall be filed in a manner consistent with this Agreement. The System will at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code.
- ii. **Notice to Purchaser Lienholders.** Purchaser shall use commercially reasonable efforts to place all parties having a Lien on the Premises or any Improvement on which the System is installed on notice of the ownership of the System and the legal status or classification of the System as personal property. If any mortgage or fixture filing against the Premises could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Purchaser shall provide a disclaimer or release from such lienholder.

- iii. **Fixture Disclaimer.** If Purchaser is the fee owner of the Premises, Purchaser consents to the filing of a disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Premises are located. If Purchaser is not the fee owner, Purchaser shall obtain such consent from such owner. For the avoidance of doubt, in either circumstance Seller has the right to file such disclaimer.
- iv. **SNDA.** Upon request, Purchaser shall deliver to Seller a subordination and non-disturbance agreement in a form mutually acceptable to Seller and the provider of the subordination and non-disturbance agreement from the owner of the Premises (if the Premises are leased by Purchaser), any mortgagee with a Lien on the Premises, and other Persons holding a similar interest in the Premises.
- v. **Eviction Notice.** To the extent that Purchaser does not own the Premises or any Improvement on which the System is installed, Purchaser shall provide to Seller immediate written notice of receipt of notice of eviction from the Premises or applicable Improvement or termination of Purchaser's lease of the Premises and/or Improvement.

15. Indemnification and Limitations of Liability.

- a. **General.** Each Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party, its affiliates and the other Party's and its affiliates' respective directors, officers, shareholders, partners, members, agents and employees (collectively, the "**Indemnified Parties**"), from and against any loss, damage, expense, liability and other claims, including court costs and reasonable attorneys' fees (collectively, "**Liabilities**") resulting from (1) any Claim (as defined in Section 15(b)) relating to the Indemnifying Party's breach of any representation or warranty set forth in Section 12, and (2) injury to or death of persons, and damage to or loss of property to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, fraud by, or criminal act of the Indemnifying Party (or its contractors, agents or employees) in connection with this Agreement; provided, however, that nothing herein will require the Indemnifying Party to indemnify the Indemnified Parties for any Liabilities to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, fraud by, or criminal acts of, an Indemnified Party. This Section 15(a) does not apply to Liabilities arising out of or relating to any form of Hazardous Substances or other environmental contamination, such matters being addressed exclusively by Section 15(c).
- b. **Notice and Participation in Third Party Claims.** The Indemnified Party shall give the Indemnifying Party written notice with respect to any Liability asserted by a third party (a "**Claim**"), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party. The Indemnifying Party shall pay the reasonable attorneys' fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party may settle any Claim covered by this Section 15(b) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party has no liability under this Section 15(b) for any Claim for which such notice is not provided if the failure to give notice prejudices the Indemnifying Party.
- c. **Environmental Indemnification.**
 - i. Reserved.
 - ii. **Purchaser Indemnity.** Purchaser shall indemnify, defend and hold harmless all of Seller's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by Seller or any of its contractors, agents or employees.
 - iii. **Notice.** Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Premises generally or any deposit, spill or release of any Hazardous Substance. "**Hazardous Substance**" means any chemical, waste or other substance (a) which now or hereafter becomes defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely

hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “pollution,” “pollutants,” “regulated substances,” or words of similar import under any laws pertaining to the environment, health, safety or welfare, (b) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (c) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (d) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (e) for which remediation or cleanup is required by any Governmental Authority.

- iv. Today’s In use industry panel and inverter components are not categorized as hazardous materials though they may in whole or parts be classified as e-waste and either disposed of in landfills or recycled. Seller can provide specification sheets should that be required.

d. Limitations on Liability.

- i. No Consequential Damages. Except with respect to indemnification of third-party claims pursuant to this Section 15, neither Party nor its directors, officers, shareholders, partners, members, agents and employees subcontractors or suppliers will be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature (including, without limitation, lost revenues, lost profits, lost business opportunity or any business interruption) arising out of their performance or non-performance hereunder even if advised of such. Notwithstanding the previous sentence, the Termination Payment set forth in Section 7 of Exhibit 1 and Section 11(b)(iii)(2) shall be deemed to be direct, and not indirect or consequential damages for purpose of this Section 15(d)(i).
- e. EXCLUSIVE REMEDIES. TO THE EXTENT THAT THIS AGREEMENT SETS FORTH SPECIFIC REMEDIES FOR ANY CLAIM OR LIABILITY, SUCH REMEDIES ARE THE AFFECTED PARTY’S SOLE AND EXCLUSIVE REMEDIES FOR SUCH CLAIM OR LIABILITY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.
- f. Comparative Negligence. Where negligence is determined to have been joint, contributory or concurrent, each Party shall bear the proportionate cost of any Liability.

16. Change in Law.

- a. Impacts of Change in Law. If Seller determines that a Change in Law has occurred or will occur that has or will have a material adverse effect on Seller’s rights, entitlement, obligations or costs under this Agreement, then Seller may so notify the Purchaser in writing of such Change in Law. Within thirty (30) days following receipt by the Purchaser of such notice, the Parties shall meet and attempt in good faith to negotiate such amendments to this Agreement as are reasonably necessary to preserve the economic value of this Agreement to both Parties. If the Parties are unable to agree upon such amendments within such thirty (30) day period, then Seller may terminate this Agreement and remove the System and restore the Premises in accordance with Section 9 without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.
- b. Illegality or Impossibility. If a Change in Law renders this Agreement, or Seller’s performance of this Agreement, either illegal or impossible, then Seller may terminate this Agreement immediately upon notice to Purchaser without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.
- c. “Change in Law” means (i) the enactment, adoption, promulgation, modification or repeal after the Effective Date of any applicable law or regulation, (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit after the Effective Date (notwithstanding the general requirements contained in any applicable Permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), or (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority.

17. Assignment and Financing.

a. Assignment.

- i. Restrictions on Assignment. Subject to the remainder of this Section 17(a), this Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party, which consent may not be

unreasonably withheld or delayed. Purchaser may not withhold its consent to an assignment proposed by Seller where the proposed assignee has the financial capability and experience necessary to operate and maintain solar photovoltaic systems such as the System.

ii. **Permitted Assignments.** Notwithstanding Section 17(a)(i):

1. Seller may, without the prior written consent of Purchaser, assign, mortgage, pledge or otherwise directly or indirectly assign its interests in this Agreement to (A) any Financing Party (as defined in Section 17(b)), (B) any entity through which Seller is obtaining financing from a Financing Party, or (C) any affiliate of Seller or any entity or person succeeding to all or substantially all of the assets of Seller; provided, that, Seller is not released from liability hereunder as a result of any assignment to an affiliate unless the assignee assumes Seller's obligations hereunder by binding written instrument; and
2. Purchaser may, by providing prior notice to Seller, assign this Agreement:
 - a. to an affiliate of Purchaser or a purchaser of the Premises; provided, that, Purchaser is not released from liability hereunder by reason of the assignment unless the assignee assumes Purchaser's obligations hereunder by binding written instrument on terms satisfactory to Seller, including as to the assignee's creditworthiness; and
 - b. to an assignee that (i) has an Investment Grade credit rating. "**Investment Grade**" means the assignee has a long-term unsecured debt rating from Moody's or S&P of at least Baa3 from Moody's and/or at least BBB- from S&P.

iii. **Successors and Permitted Assignees.** This Agreement is binding on and inures to the benefit of successors and permitted assignees. The restrictions on assignment contained herein do not prohibit or otherwise limit changes in control of Seller.

b. **Financing.** The Parties acknowledge that Seller may obtain debt or equity financing or other credit support from lenders, investors or other third parties (the "**Financing Part(y)ies**") in connection with the installation, construction, ownership, operation and maintenance of the System. In furtherance of Seller's financing arrangements and in addition to any other rights or entitlements of Seller under this Agreement, Purchaser shall do the following:

- i. Timely execute any consents to assignment (which may include notice, cure, attornment and step-in rights) or estoppels and negotiate any amendments to this Agreement that may be reasonably requested by Seller or the Financing Parties; provided, that such estoppels, consents to assignment or amendments do not alter the fundamental economic terms of this Agreement;
- ii. Within fifteen (15) days after Purchaser's receipt of any Seller request pursuant to this Section 17(b)(ii), Purchaser shall provide any credit support documentation pertaining to Purchaser's creditworthiness or other material documents related to this Agreement as may be reasonably requested by a Financing Party in connection with Seller's financing arrangements. If Purchaser fails to provide such documentation within the timeframe specified herein, then Seller shall have the right to terminate this Agreement pursuant to Section 11(a)(ii).

c. **Termination Requires Consent.** Seller and Purchaser agree that any right of Seller to terminate this Agreement is subject to the prior written consent of any Financing Party.

18. **Confidentiality.**

a. **Confidential Information.** To the maximum extent permitted by applicable law, if either Party provides confidential information ("**Confidential Information**") to the other or, if in the course of performing under this Agreement or negotiating this Agreement a Party learns Confidential Information of the other Party, the receiving or learning Party shall (i) protect the Confidential Information from disclosure to third parties with the same degree of care accorded its own confidential and proprietary information, and (ii) refrain from using such Confidential Information, except in the negotiation, performance, enforcement and, in the case of Seller, financing, of this Agreement. The terms of this Agreement (but not the fact of its execution or existence) are considered Confidential Information of each Party for purposes of this Section 18(a).

b. **Permitted Disclosures.** Notwithstanding Section 18(a):

- i. a Party may provide such Confidential Information to its affiliates and to its and its affiliates' respective officers, directors, members, managers, employees, agents, contractors, consultants and Financing Parties (collectively,

“Representatives”), and potential direct or indirect assignees of this Agreement if such potential assignees are first bound by a written agreement or legal obligation restricting use and disclosure of Confidential Information. Each Party is liable for breaches of this provision by any person to whom that Party discloses Confidential Information.

- ii. Confidential Information does not include any information that (a) becomes publicly available other than through breach of this Agreement, (b) is required to be disclosed to a Governmental Authority under applicable law or pursuant to a validly issued subpoena, (c) is independently developed by the receiving Party, or (d) becomes available to the receiving Party without restriction from a third party under no obligation of confidentiality. If disclosure of information is required by a Governmental Authority, the disclosing Party shall, to the extent permitted by applicable law, notify the other Party of such required disclosure promptly upon becoming aware of such required disclosure and shall reasonably cooperate with the other Party’s efforts to limit the disclosure to the extent permitted by applicable law, including, but not limited to, the California Public Records Act.
- c. **Miscellaneous.** All Confidential Information remains the property of the disclosing Party and will be returned to the disclosing Party or destroyed (at the receiving Party’s option) after the receiving Party’s need for it has expired or upon the request of the disclosing Party. Each Party acknowledges that the disclosing Party would be irreparably injured by a breach of this Section 18 by the receiving Party or its Representatives or other person to whom the receiving Party discloses Confidential Information of the disclosing Party and that the disclosing Party may be entitled to equitable relief, including injunctive relief and specific performance, for breaches of this Section 18. To the fullest extent permitted by applicable law, such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 18, but will be in addition to all other remedies available at law or in equity. The obligation of confidentiality will survive termination of this Agreement for a period of two (2) years.
- d. **Goodwill and Publicity.** Neither Party may (a) make any press release or public announcement of the specific terms of this Agreement or the use of solar or renewable energy involving this Agreement (except for filings or other statements or releases as may be required by applicable law), or (b) use any name, trade name, service mark or trademark of the other Party in any promotional or advertising material without the prior written consent of the other Party. The Parties shall coordinate and cooperate with each other when making public announcements regarding this Agreement, the System and its use, and each Party may promptly review, comment upon and approve any publicity materials, press releases or other public statements before they are made. Notwithstanding the above, Seller is entitled to place signage on the Premises reflecting its association with the System.

19. **General Provisions**

- a. **Definitions and Interpretation.** Unless otherwise defined or required by the context in which any term appears: (i) the singular includes the plural and vice versa, (ii) the words “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not to any particular section or subsection of this Agreement, (iii) references to any agreement, document or instrument mean such agreement, document or instrument as amended, restated, modified, supplemented or replaced from time to time, and (iv) the words “include,” “includes” and “including” mean include, includes and including “without limitation.” The captions or headings in this Agreement are strictly for convenience and will not be considered in interpreting this Agreement. As used in this Agreement, “dollar” and the “\$” sign refer to United States dollars.
- b. **Choice of Law; Dispute Resolution; Waiver of Jury Trial.**
 - i. The law of the state where the System is located governs all matters arising out of this Agreement without giving effect to conflict of laws principles. Each Party to this Agreement waives its rights to a trial by jury of any or all issues arising in any action or proceeding between the Parties hereto or their successors, under or connected with the Agreement. THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING, HAVE HAD THE OPPORTUNITY TO HAVE THIS AGREEMENT REVIEWED BY THEIR LEGAL COUNSEL, AND ACCEPT THAT THEY ARE VOLUNTARILY WAIVING THEIR RIGHT TO A JURY TRIAL.
 - ii. Unless otherwise expressly provided for in this Agreement, the dispute resolution procedures in this Section 19(b) shall govern all disputes under this Agreement.
 - (1) **Mediation**

- a. Claims, disputes, or other matters in controversy arising out of or related to this Agreement, except those expressly waived hereunder, shall be subject to mediation as a condition precedent to binding dispute resolution.
- b. The Parties shall endeavor to resolve their claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other Party, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the Parties or court order. If an arbitration is stayed pursuant to this section, the Parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.
- c. Either Party may, within thirty (30) days from the date that mediation has been concluded without resolution of the dispute or sixty (60) days after mediation has been demanded without resolution of the dispute, demand in writing that the other Party file for binding dispute resolution. If such a demand is made and the party receiving the demand fails to file for binding dispute resolution within sixty (60) days after receipt thereof, then both Parties waive their rights to binding dispute resolution proceedings with respect to the initial decision.
- d. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the State of Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

(2) **Arbitration**

- a. Arbitration shall be the method for binding dispute resolution in the Agreement, for any claim subject to, but not resolved by, mediation. Any arbitration shall be administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and Mediation Procedures in effect on the date of the Agreement. The arbitration shall be conducted in the State of Texas, unless another location is mutually agreed upon.
- b. The Parties shall use their reasonable efforts to agree upon a single arbitrator, who shall be a neutral, disinterested party with significant experience in the electric power industry, who has never been an officer, director, employee or attorney of either Party, or any of their affiliates and who has a formal financial, accounting or legal education. If the amount of the claim at issue is above \$50,000, or the Parties cannot agree on a single arbitrator within thirty (30) days, the arbitration panel shall be composed of three arbitrators and the parties shall have choice with respect to each arbitrator.
- c. If the parties proceed to arbitration, a demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim.
- d. The hearing shall be commenced on or before sixty (60) days after the selection of the arbitrator(s). The Parties and the arbitrator(s) shall proceed diligently and in good faith so that the arbitration award shall be entered on or before sixty (60) days after the arbitration hearing. The decision of the arbitrator, or a majority of the arbitrators, if applicable, shall be final, binding and non-appealable. Any judgment on the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction.
- e. The prevailing Party in any an arbitration arising out of this Agreement shall be entitled to reasonable attorneys' fees and costs.

- c. **Notices.** All notices under this Agreement shall be in writing and delivered by hand, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and will be deemed received upon personal delivery,

acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices must be sent to the person identified in this Agreement at the addresses set forth in this Agreement or such other address as either Party may specify in writing.

- d. **Survival.** Provisions of this Agreement that should reasonably be considered to survive termination of this Agreement shall survive. For the avoidance of doubt, surviving provisions shall include, without limitation, Section 12 (Representations and Warranties), Section 13 (Insurance), Section 15 (Indemnification and Limitations of Liability), Section 18 (Confidentiality), Section 19(b) (Choice of Law; Dispute Resolution; Waiver of Jury Trial), and Section 19(c) (Notices).
- e. **Further Assurances.** Each Party shall provide such information, execute and deliver any instruments and documents and to take such other actions as may be reasonably requested by the other Party to give full effect to this Agreement and to carry out the intent of this Agreement.
- f. **Waivers.** No provision or right or entitlement under this Agreement may be waived or varied except in writing signed by the Party to be bound. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver unless otherwise expressly provided.
- g. **Non-Dedication of Facilities.** Nothing in this Agreement may be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party may knowingly take any action that would subject the other Party, or other Party's facilities or equipment, to the jurisdiction of any Governmental Authority as a public utility or similar entity. Neither Party may assert in any proceeding before a court or regulatory body that the other Party is a public utility by virtue of such other Party's performance under this Agreement. If Seller is reasonably likely to become subject to regulation as a public utility, then the Parties shall use commercially reasonable efforts to restructure their relationship under this Agreement in a manner that preserves their relative economic interests while ensuring that Seller does not become subject to any such regulation. If the Parties are unable to agree upon such restructuring, Seller may terminate this Agreement without further liability under this Agreement except with respect to liabilities accrued prior to the date of termination and remove the System in accordance with Section 9 of this Agreement.
- h. **Service Contract.** The Parties intend this Agreement to be a "service contract" within the meaning of Section 7701(e)(3) of the Internal Revenue Code of 1986. Purchaser shall not take the position on any tax return or in any other filings suggesting that it is anything other than a purchase of electricity from the System.
- i. **No Partnership.** No provision of this Agreement may be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither may be considered the agent of the other.
- j. **Entire Agreement, Modification, Invalidity, Captions.** This Agreement constitutes the entire agreement of the Parties regarding its subject matter and supersedes all prior proposals, agreements, or other communications between the Parties, oral or written. This Agreement may be modified only by a writing signed by both Parties. If any provision of this Agreement is found unenforceable or invalid, such provision shall not be read to render this Agreement unenforceable or invalid as a whole. In such event, such provision shall be rectified or interpreted so as to best accomplish its objectives within the limits of applicable law. This Agreement may be executed in any number of separate counterparts and each counterpart shall be considered an original and together shall comprise the same Agreement. The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.
- k. Reserved.
- l. **No Third-Party Beneficiaries.** Except as otherwise expressly provided herein, this Agreement and all rights hereunder are intended for the sole benefit of the Parties hereto, and the Financing Parties to the extent provided herein or in any other agreement between a Financing Party and Seller or Purchaser, and do not imply or create any rights on the part of, or obligations to, any other Person.

Solar Power Purchase Agreement

This Solar Power Purchase Agreement (this “**Agreement**”) is entered into by the parties listed below (each a “**Party**” and collectively the “**Parties**”) as of the date signed by Seller below (the “**Effective Date**”).

Purchaser:		Seller:	
Name and Address	City of Willows-Fire Station 201 North Lassen Street Willows, CA 95988 Attention: Marti Brown	Name and Address	RP Willows Solar 3, LLC 423 W. 55th Street – 7th Floor New York, New York 10019 Attention: John Bates
Phone	(530) 934-7041	Phone	N/A
Fax	None	Fax	N/A
E-mail	mbrown@cityofwillows.org	E-mail	legal@radialpower.com
Premises Ownership	Purchaser [x] owns [] leases the Premises.	Additional Seller Information	
Tax Status	Government entity		
Project Name	[RP Willows Solar 3]		

This Agreement sets forth the terms and conditions of the purchase and sale of solar generated electricity from the solar panel system described in **Exhibit 2** (the “**System**”) and installed on the real property comprising Purchaser’s premises described or depicted in Schedule A to **Exhibit 2** (the “**Premises**”), including any buildings and other improvements on the Premises other than the System (the “**Improvements**”). Concurrently with the execution of this Agreement, Purchaser and Seller are entering into that certain site license agreement (the “**Site License**”) with respect to the System and the Premises. This Agreement, including any applicable exhibits or amendments hereto, shall constitute a single agreement between the Parties.

The exhibits listed below are incorporated by reference and made part of this Agreement.

<u>Exhibit 1</u>	Pricing
<u>Exhibit 2</u>	System Description, Delivery Point and Premises
<u>Exhibit 3</u>	General Terms and Conditions

Purchaser: City of Willows

Seller: RP Willows Solar 3, LLC

Signature: _____
 Printed Name: M a r t i B r o w n _____
 Title: C i t y M a n a g e r _____
 Date: _____

Signature: _____
 Printed Name: J o h n B a t e s _____
 Title: C E O _____
 Date: _____

Exhibit 1

Pricing

1. **Initial Term:** Twenty-five (25) years, beginning on the Commercial Operation Date (the “**Initial Term**”).
2. **Additional Terms:** Up to two (2) terms of five (5) years each beginning on the expiration of the Initial Term or on the expiration of any Additional Term (each an “**Additional Term**”).

3. **Contract Price:**

Contract Year	\$/kWh
1	0.180
2	0.185
3	0.191
4	0.197
5	0.203
6	0.209
7	0.215
8	0.221
9	0.228
10	0.235
11	0.242
12	0.249
13	0.256
14	0.264
15	0.272
16	0.280
17	0.288
18	0.297
19	0.306
20	0.315
21	0.324
22	0.334
23	0.344
24	0.354
25	0.365

The first “Contract Year” shall commence on the Commercial Operation Date, and each subsequent Contract Year shall commence on the anniversary of the Commercial Operation Date.

4. **Contract Price Assumptions.** The Contract Price is based on the following assumptions:
 - a. A payment or performance bond is not being issued to Purchaser under this Agreement.
 - b. Interconnection costs for the System to be connected to the Utility distribution system, including but not limited to fees associated with system upgrades, will not exceed \$280,000.00 in the aggregate.
 - c. Statutory prevailing wage rates (e.g., Davis-Bacon) do not apply.
 - d. [Intentionally Deleted.]
 - e. All prices in this Agreement are calculated based on an upfront rebate of \$0.
 - f. The Contract Price is inclusive of Seller’s Taxes (as defined in Section 3(d) of **Exhibit 3**) at the rates in effect as of the Effective Date (to the extent that such rates are known or knowable by Seller on the Effective Date).
5. **Contract Price Exclusions.** Unless Seller and Purchaser have agreed otherwise in writing, and except as otherwise provided in Section 2(c) of Exhibit 3, the Contract Price excludes the following:

- a. Unforeseen groundwork (including excavation and circumvention of underground obstacles). Upgrades or repair to customer or utility electrical infrastructure (including: client or utility service, transformers, substations, poles, breakers, reclosers, and disconnects).
 - b. Snow removal, tree removal, tree trimming, mowing and any landscape improvements.
 - c. Decorative fencing and/or any visual screening materials, decorative enhancements to solar support structures (including: painting, paint matching, masonry/stone work, and any lighting not required to meet the minimum code compliance).
 - d. Removal of existing lighting, light poles, or concrete light post bases.
 - e. Roof membrane maintenance or reroofing work.
 - f. Structural upgrades to the Improvements, including ADA upgrades.
 - g. Installation of public information screen or kiosk (including accompanying internet connection, power supply, technical support and ADA access).
 - h. Changes in System design caused by any inaccuracy or ambiguity in information provided by Purchaser, including information regarding Purchaser's energy use, the Premises and the Improvements, including building plans and specifications.
6. Degradation Factor: The **degradation factor** of a solar system, also referred to as the “**degradation rate**,” is the percentage reduction in the system's energy production capacity over time due to environmental exposure, material aging, and operational wear. The Degradation Rate for both engineering forecasting and the contractual obligations herein will be calculated at One Half of One Percent, (0.5%) on an annual and compounding basis of the initial forecasted system production upon system being placed in service, the “Commercial. Operation Date”
7. Environmental Attributes: Accrue to Seller
8. Termination Payment Schedule (Exhibit 3, Section 11(b)):

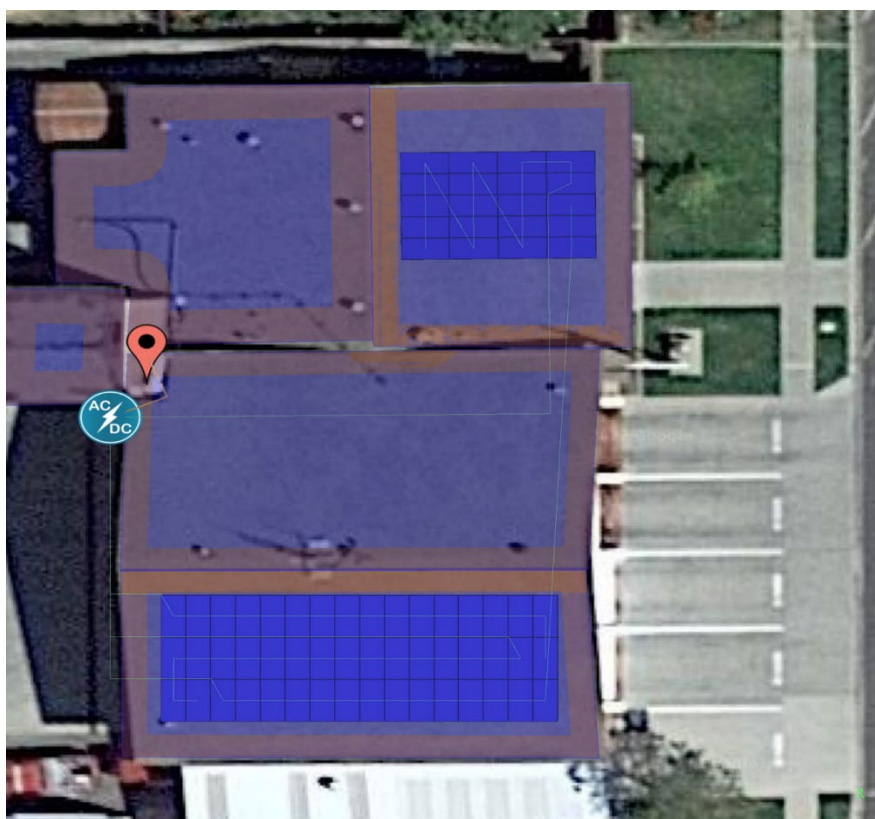
Contract Year	Termination Payment (\$)
1	163,374
2	163,271
3	162,924
4	162,248
5	161,244
6	159,237
7	156,952
8	154,309
9	151,361
10	147,876
11	143,837
12	139,143
13	133,876
14	127,936
15	121,347
16	114,014
17	105,787
18	96,595
19	86,554
20	75,390
21	63,030
22	49,382
23	34,351
24	17,820
25	17,624

Exhibit 2

System Description, Delivery Point and Premises

1. System Location: 455 South Butte Street, Willows, CA 95988
2. System Size (DC kW): 37.4
3. System Description (Expected Structure, Etc.): Roof mounted Photovoltaic
4. **Delivery Point and Premises:** Schedule A to this Exhibit 2 contains one or more drawings or images depicting:
 - a. Premises, including the Improvements (as applicable);
 - b. Proposed System location;
 - c. Delivery point for electricity generated by the **System** (the “**Delivery Point**”);
 - d. Access points needed for Seller to install and service the System (building. access, electrical room, stairs etc.); and
 - e. Construction assumptions (if any).
 - f. Utility:

Schedule A¹



¹ The Parties acknowledge that Schedule A shall be subject to further revision, as approved by Purchaser, to reflect the System set forth on Section 2 of Exhibit 2 and the final System design, as approved by Purchaser pursuant to Section 6(b) of Exhibit 3.

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Exhibit 3

General Terms and Conditions

1. **Purchase and Sale of Electricity.** Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, all of the electricity generated by the System during the Term (as defined in Section 2(a)). Electricity generated by the System shall be delivered to Purchaser at the Delivery Point. Title to and risk of loss for the electricity generated by the System passes to Purchaser from Seller at the Delivery Point. Purchaser may purchase electricity for the Premises from other sources to the extent Purchaser's electricity consumption requirements at the Premises exceed the output of the System.
2. **Term and Termination.**
 - a. **Effective Date; Term.** This Agreement is effective as of the Effective Date. The electricity supply period under this Agreement commences on the Commercial Operation Date (as defined in Section 6) and continues for the duration of the Initial Term and any Additional Terms, unless earlier terminated as provided for in this Agreement (collectively, the "Term").
 - b. **Additional Terms.** The Parties may agree in writing to extend this Agreement for one or more Additional Term(s). If Purchaser desires to extend this Agreement on the terms and conditions set forth herein, Purchaser shall notify Seller in writing at least one hundred eighty (180) days prior to the expiration of the Initial Term or the Additional Term (as applicable). The Parties shall mutually agree upon a Contract Price that is based upon the then fair market value of electricity.
 - c. **Termination Due to Contract Price Adjustments or Lack of Project Viability.** If, at any time after the Effective Date and prior to Commencement of Installation (as defined in Section 5), (i) circumstances arise which have been excluded from Contract Price calculations pursuant to Section 5 of Exhibit 1, or Seller determines that the installation of the System will not be technically or economically viable for any other reason, and (ii) the Parties have negotiated a Contract Price adjustment for thirty (30) days following written notice from Seller without reaching agreement, either Party may terminate this Agreement by providing ten (10) days' prior written notice to the other Party. Neither Party shall be liable for any damages in connection with such termination. After Commencement of Installation, the Contract Price shall not be subject to further adjustment pursuant to Section 5 of Exhibit 1 or otherwise.
 - d. **Termination by Purchaser for Delay.** If Commencement of Installation has not occurred 360 days after the Effective Date, Purchaser may terminate this Agreement by providing thirty (30) days' prior written notice to Seller; provided that this Agreement will not terminate pursuant to this Section 2(d) if Seller achieves Commencement of Installation on or before the end of such thirty (30) day notice period. Purchaser shall not be liable for any damages in connection with such termination.
3. **Billing and Payment; Taxes.**
 - a. **Monthly Charges.** Purchaser shall pay Seller monthly for the electricity generated by the System and delivered to the Delivery Point at the \$/kWh rate for the applicable Contract Year shown in Exhibit 1 (the "Contract Price"). The monthly payment for such energy will be equal to the applicable \$/kWh rate multiplied by the number of kWh of electricity generated during the applicable month, as measured by the Meter (as defined in Section 11). Additional costs for items differing from the assumptions in Exhibit 1, Item 4 are Purchaser's responsibility.
 - b. **Monthly Invoices.** Seller shall invoice Purchaser monthly. Such monthly invoices shall state (i) the amount of electricity produced by the System and delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Purchaser under this Agreement and (iii) the total amount due from Purchaser.
 - c. **Payment Terms.** All amounts due under this Agreement are due and payable net thirty (30) days following receipt of invoice. Any undisputed portion of the invoice amount not paid within such thirty (30) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) above the Prime Rate (but not to exceed the maximum rate permitted by law). All payments shall be made in U.S. dollars.
 - d. **Production Guarantee.** During the Term, Seller will, within one month following each anniversary of the Commercial Operation Date, prepare and send to Purchaser an annual statement detailing the kWh of electric energy produced by the Solar Facility during the last 36 months. If in any 3 year period (measured from Commercial Operation Date) the Solar Facility has produced less than 80% of the Estimated Solar Energy Output (as defined below), as reduced by the

degradation factor set forth in the cover page hereto (the “Degradation Factor”), (other than due to a Force Majeure Event), Seller will pay Purchaser a true-up payment equal to the number of kWh by which the actual output of the Solar Facility was less than 80% of the Estimated Solar Energy Output, as reduced by the Degradation Factor, multiplied by Price/kWh listed in Exhibit 1 (“Pricing”) section 3 for the applicable contract year.. For purposes of this Agreement, “Estimated Solar Energy Output” shall refer to the estimated solar energy output for the applicable year as mutually agreed upon by both parties prior to the Commercial Operation Date.

e. **Taxes.**

- i. **Purchaser’s Taxes.** Purchaser is responsible for: (1) payment of, or reimbursement of Seller, for all taxes assessed on the sale, delivery or consumption of electricity produced by the System or the interconnection of the System to the utility’s electricity distribution system; and (2) real property taxes.
- ii. **Seller’s Taxes.** Seller is responsible for payment of income taxes or similar taxes imposed on Seller’s revenues due to the sale of electricity under this Agreement (“**Seller’s Taxes**”). Purchaser and Seller shall each be responsible, respectively, for paying taxes, levies, assessments and other charges imposed, including franchise and similar taxes, on the business conducted by Purchaser or Seller, as applicable, at the Premises. Nothing in this Section shall be construed as making Seller liable for any portion of Purchaser’s income taxes in connection with the Premises or otherwise.

4. **RECs and Incentives.** As the owner of the System, Seller is entitled to the benefit of, and will retain all ownership interests in the RECs and Incentives. Purchaser shall cooperate with Seller in obtaining, securing and transferring any and all RECs and Incentives. Purchaser is not obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Seller. Purchaser shall not make any filing or statements inconsistent with Seller’s ownership interests in the RECs and Incentives. If any RECs or Incentives are paid or delivered directly to Purchaser, Purchaser shall immediately pay or deliver such items or amounts to Seller.

“**Governmental Authority**” means any foreign, federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, court, tribunal, arbitrating body or other governmental authority having jurisdiction or effective control over a Party.

“**Incentives**” means (i) a payment paid by a utility or state or local Governmental Authority based in whole or in part on the cost or size of the System such as a rebate, (ii) a performance-based incentive paid as a stream of periodic payments by a utility, state or Governmental Authority based on the production of the System, (iii) investment tax credits, production tax credits, and similar tax credits, grants or other tax benefits under federal, state or local law, and (iv) any other attributes, commodity, revenue stream or payment in connection with the System (such as ancillary or capacity revenue), in each case of (i) through (iv) relating to the construction, ownership, use or production of energy from the System, provided that Incentives shall not include RECs.

“**Environmental Attributes**” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the System, the production of electrical energy from the System and its displacement of conventional energy generation, including (a) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (c) the reporting rights to any Governmental Authority related to these avoided emissions, such as Green Tag Reporting Rights and RECs. Green Tag Reporting Rights are the right of a party to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party, and include Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Environmental Attributes do not include Tax Incentives. Purchaser and Seller shall file all tax returns in a manner consistent with this Section 4. Without limiting the generality of the foregoing, Environmental Attributes include carbon trading credits, renewable energy credits or certificates, emissions reduction credits, investment credits, emissions allowances, green tags, tradeable renewable credits and Green-e® products.

“**REC**” means a renewable energy credit or certificate under any state renewable portfolio, standard or federal renewable energy standard, voluntary renewable energy credit certified by a non-governmental organization, pollution allowance, carbon credit and any similar environmental allowance or credit and green tag or other reporting right under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program, in each case relating to the construction, ownership, use or production of energy from the System,

provided that RECs shall not include Incentives.

5. **Project Completion.**

- a. **Conditions to Obligations.** Seller's obligation to install the System and sell electric energy generated by the System to Purchaser are conditioned on the completion of the following conditions to Seller's satisfaction on or before 180 days from the Effective Date:
- i. Seller shall have completed a physical inspection of the Premises including, if applicable, structural engineering and or geotechnical reviews as necessary to confirm the suitability of the Premises for the System;
 - ii. If subsurface excavation is necessary for the System, Seller shall have completed environmental due diligence with respect to the applicable site;
 - iii. Seller shall have received the Site License and any additional documents required thereunder (such documents together with the Site License, the "Real Property Documents") duly executed and delivered by Purchaser and any applicable third parties;
 - iv. Seller shall have received results, satisfactory to Seller, of a recent search of Purchaser's jurisdiction of all effective UCC fixture and real property filings that have been made with respect to the Facility;
 - v. Seller shall have confirmed that Seller will qualify for all applicable incentives and Tax Incentives;
 - vi. Seller shall have obtained all necessary zoning, land use, environmental, building and other permits from the applicable Governmental Authority necessary for Seller to perform its obligations under this Agreement;
 - vii. Seller shall have executed all necessary agreements with the Utility for interconnection of the System to the Facility electrical system and/or the Utility's electric distribution system;
 - viii. Seller shall have obtained such other information or completed such other matters as are reasonably consistent with Good Solar Industry Practices prior to mobilizing for construction of the System; and
 - ix. Seller shall have received:
 - (1) Purchaser's approval, in accordance with Section 6(b), of the System design and of material changes, if any, to the System design specifications set forth on Exhibit 2 (notwithstanding, government approvals of the System shall be required to go through the approval process pursuant to local laws and regulations);
 - (2) Proof of insurance for all insurance required to be maintained by Purchaser under this Agreement; and
 - (3) Written confirmation from any person holding a mortgage, lien or other encumbrance over the Premises, or any portion thereof, that such person will recognize Seller's rights to the System and under this Agreement.
- b. **Failure of Conditions.** If any of the conditions listed in subsection (a.i through a.ix) above are not satisfied by the 180th day after the Effective Date (the "Final Installation Commencement Date"), the Parties shall attempt in good faith to negotiate new dates for the satisfaction of the failed conditions, or, if the Parties are unable to negotiate such new dates within thirty (30) days of the Final Installation Commencement Date, either Party may terminate this Agreement upon ten (10) days written notice to the other Party and without any liability for such for such termination. Seller has the right but, not the obligation, to terminate if the Purchaser fails to provide the documents in subsection a.ix.1-3 by the Final Installation Commencement Date and Purchaser shall pay direct costs incurred by the Seller.
- c. **Project Development.** Seller shall diligently pursue the development and installation of the System, subject to Section 2(c), Section ii and the remaining provisions of this Section 5.
- d. **Permits and Approvals.** Seller shall use commercially reasonable efforts to obtain the following at its sole cost and expense (each an "Approval"):
- i. any zoning, land use and building permits required for Seller to construct, install and operate the System; and
 - ii. any agreements and approvals from the Utility necessary in order to interconnect the System to the Utility's electric distribution system.

Purchaser shall cooperate with Seller's reasonable requests to assist Seller in obtaining such Approvals, including, without limitation the execution of documents required to be provided by Purchaser to the local Utility. Purchaser shall cooperate with Seller's reasonable requests to assist Seller in obtaining such Approvals, including, without limitation the execution of documents required to be provided by Purchaser to the local utility; provided further, if applicable law requires Purchaser to be the recipient of or party to any such Approvals, Purchaser shall use commercially reasonable efforts to apply for and obtain, or enter into,

such Approvals in the name of Purchaser, subject to Seller's reimbursement of third-party costs and expenses reasonably incurred by Purchaser in connection therewith, and Purchaser and Seller shall take such actions as are necessary for the rights and benefits of any such Approval to be exercisable and realized by Seller and the System. Such Approvals shall not include approvals for which Purchaser is the approving entity.

e. **Commencement of Installation.** Seller shall exercise commercially reasonable efforts to achieve Commencement of Installation of the System within 360 days after the Effective Date. "**Commencement of Installation**" means the date that Seller or its installation contractor has begun physical installation of the System on the Premises.

f. **Force Majeure.**

i. **Force Majeure Event.** If either Party is unable to timely perform any of its obligations (other than payment obligations) under this Agreement in whole or in part due to a Force Majeure Event, that Party will be excused from performing such obligations for the duration of the time that such Party remains affected by the Force Majeure Event; provided, that such Party uses commercially reasonable efforts to mitigate the impact of the Force Majeure Event and resumes performance of its affected obligations as soon as reasonably practical. The Party affected by the Force Majeure Event shall notify the other Party as soon as reasonably practical after the affected Party becomes aware that it is or will be affected by a Force Majeure Event. If the Force Majeure Event occurs during the Term and impacts the ability of the System to deliver electricity to the Delivery Point, the Term will be extended day for day for each day delivery is suspended due to the Force Majeure Event.

ii. **Extended Force Majeure.** If a Force Majeure Event notified by either Party under paragraph (i) above continues for a consecutive period of one hundred eighty (180) days or more within a twelve (12) month period, then either Party may terminate this Agreement without either Party having further liability under this Agreement except: (a) liabilities accrued prior to termination, (b) Seller shall remove the System as required under Section 9 (but Purchaser shall reimburse Seller for Seller's removal costs if the Force Majeure Event affects Purchaser and Purchaser elects to terminate the Agreement) and (b) if Purchaser elects to terminate the Agreement in accordance with this Section, Purchaser shall pay the applicable Termination Payment. Notwithstanding the foregoing, in the case of a Force Majeure Event where Seller is the claiming Party, if the Force Majeure Event can be corrected through repair or restoration of the System or other actions by Seller and, prior to expiration of the initial one hundred eighty (180)-day period, Seller provides written evidence to Purchaser that it is diligently pursuing such actions, then Purchaser shall not have the right to terminate this Agreement so long as Seller continues to diligently pursue such actions.

iii. "**Force Majeure Event**" means any event or circumstance beyond the reasonable control of and without the fault or negligence of a Party, including, without limitation, failure or interruption of the production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; piracy; riot; insurrection; widespread civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; widespread civil strike, work stoppage, or lock-out; explosion; fire; earthquake; hurricane; flood; lightning; the binding order of any Governmental Authority; the failure to act on the part of any Governmental Authority (including, without limitation delays in permitting not caused by actions or omissions of the Party seeking such permit); unavailability of electricity from the utility grid; transportation and shipping delays (including port congestion) associated with module procurement due to tariff restrictions or other actions or inactions of any Governmental Authority; and failure or unavailability of equipment, supplies or products outside of Seller's control or due to a Force Majeure Event.

g. **Extension of Time.** If Seller is delayed in achieving Commencement of Installation due to a Force Majeure Event, the time for achievement of Commencement of Installation will be automatically extended to account for the impact of the delay.

h. **Commercial Operation.** Seller shall notify Purchaser in writing when it has achieved Commercial Operation (the date of such notice, the "**Commercial Operation Date**"). "**Commercial Operation**" means that the System is mechanically complete, capable of providing electricity to the Delivery Point at the nameplate capacity specified in Exhibit 2 and has permission to operate from the relevant Governmental Authority. Seller shall provide Purchaser with documentation to evidence that the System is ready to begin Commercial Operation upon Purchaser's reasonable request.

6. **Installation, Operation and Maintenance.**

- a. **Seller's General Obligations Regarding the System.** Subject to the terms and conditions of this Agreement, Seller shall design, engineer, install, commission, monitor, operate and maintain the System, in each case in a good and workmanlike manner and in accordance with applicable law and prudent solar industry practices in the state in which the Premises are located. The System shall comply with all applicable rules, regulation and local building codes. Seller shall design and engineer the System (i) taking into consideration Purchaser's historical electrical generation requirements, (ii) based on inspections of the Premises and studies undertaken by Seller, and (iii) in compliance with any laws and governmental approvals provided by Purchaser to Seller. Seller shall prepare and submit to Purchaser the draft final specifications for the System, including product data on all equipment proposed for installation no later than 30 business days following the Effective Date.
- b. **System Design Approval.**
- i. Seller shall provide Purchaser with a copy of the System design for approval prior to commencement of construction. Purchaser shall have ten (10) days after receipt to approve or disapprove the design. Failure by Purchaser to respond within such ten (10) day period shall be deemed approval of the design. If Purchaser disapproves the design, Seller shall modify the design and resubmit it for Purchaser's approval. If the System design modifications requested by Purchaser render the System non-viable, Seller may terminate this Agreement under Section 2(c) above. If solar energy panels and other System assets documented in Exhibit 2 (such panels and System assets, the "**System Equipment**") are not readily available when Seller installs the System, Seller may make substitutions of such System Equipment at Seller's sole discretion; provided Seller shall obtain Purchaser's prior consent for System Equipment substitutions that would materially affect the appearance or capacity of the System, or require a change to the Contract Price.
- ii. The description of the approved System design shall be incorporated into Exhibit 2 and Schedule A to Exhibit 2 shall be updated to reflect the final approved drawing depicting the Premises, Delivery Point, System design and location. Upon the completion of System installation, Seller shall provide Purchaser with "as-built" drawings setting forth in detail the location of all components of the System. Purchaser and Seller agree to treat such plans and specifications as well as the "as-built" drawings as Confidential Information of Seller, in accordance with Section 18(a).
- c. **System Repair and Maintenance.** Seller may suspend delivery of electricity from the System to the Delivery Point for the purpose of maintaining and repairing the System; provided that Seller shall use commercially reasonable efforts to (i) minimize any interruption in service to the Purchaser, and (ii) limit any such suspension of service to weekend or off-peak hours. Scheduled and unscheduled maintenance and repairs shall be undertaken at Seller's sole cost and expense, except that Purchaser shall reimburse Seller for the reasonable cost of any repairs or maintenance resulting from damage caused by Purchaser, its agents, employees or contractors.
- d. **Outages.** Upon Purchaser's written request, Seller shall take the System off-line for a total of forty-eight (48) daylight hours (as defined by the United States National Weather Service in the area where the System is located) during each Contract Year (each event an "**Outage**" and the forty-eight (48) hour period the "**Outage Allowance**"). The Outage Allowance includes all Outage hours undertaken by Seller for maintenance or repairs for which Purchaser is responsible pursuant to Section 6(c) or requested by Purchaser under this Section 6(d) (other than due to the fault or negligence of Seller). Purchaser's request shall be delivered at least forty-eight (48) hours in advance. Purchaser is not obligated to accept or pay for electricity from the System for Outages up to the annual Outage Allowance. If the aggregate hours for Outages exceed the Outage Allowance in a given Contract Year, Seller shall reasonably estimate the amount of electricity that would have been delivered to Purchaser during such excess Outages and Purchaser shall pay Seller for such amount in accordance with this Agreement.
- e. **Maintenance of Premises.** Purchaser shall, at its sole cost and expense, maintain the Premises and Improvements in good condition and repair. Purchaser, to the extent within its reasonable control, (i) shall ensure that the Premises remains interconnected to the local Utility grid at all times; and (ii) shall not permit cessation of electric service to the Premises from the local utility. Purchaser is fully responsible for, and shall properly maintain in full working order and good repair, the electrical infrastructure on the Purchaser's side of the Delivery Point, including all of Purchaser's equipment that utilizes the System's outputs. Purchaser shall use commercially reasonable efforts to cooperate with Seller to comply with any technical standard of the Utility providing electrical power to the Purchaser, and does not need to receive permission to operate from the Utility.
- f. **No Alteration of Premises.** Not less than thirty (30) days prior to making any alterations or repairs to the Premises (except for emergency repairs) or any Improvement which may adversely affect the operation and maintenance of the System, Purchaser shall inform Seller in writing and, thereafter, shall use commercially reasonable efforts to conduct such repairs, alterations or Improvements in compliance with any reasonable request made by Seller within ten (10)

days after having received such written request to mitigate any adverse effect. If any repair, alteration or Improvement result in a permanent and material adverse economic impact on the System, Purchaser may request relocation of the System under Section 8 hereof. To the extent that temporary disconnection or removal of the System is necessary to perform such alterations or repairs, Seller shall perform such work, and any re-connection or re-installation of the System, at Purchaser's cost, subject to Sections 6(c) and 6(d). Seller shall make any alterations and repairs in a good and workmanlike manner, in compliance with all applicable laws, codes and permits.

7. **Miscellaneous Rights and Obligations of the Parties.**

- a. Reserved.
- b. **OSHA Compliance.** Each Party shall comply with all Occupational Safety and Health Act (OSHA) requirements and other similar applicable safety laws and codes with respect to such Party's performance under this Agreement.
- c. **Safeguarding the Premises.** Purchaser shall maintain the physical security of the Premises and Improvements in a manner to be expected of a reasonable and prudent owner or lessee of premises and improvements similar to the Premises and Improvements in nature and location. Purchaser shall not conduct or permit activities on, in or about the Premises or the Improvements that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System. Purchaser shall indemnify Seller for any loss or damage to the System to the extent caused by or arising out of (i) Purchaser's breach of its obligations under this Section or (ii) the acts or omissions of Purchaser or its employees, agents, invitees or separate contractors.
- d. **Insolation.** Purchaser acknowledges that unobstructed access to sunlight ("Insolation") is essential to Seller's performance of its obligations and a material term of this Agreement. Purchaser shall not, to the extent within its reasonable control, cause or permit any interference with the System's Insolation, and shall ensure that vegetation on the Premises adjacent to the System is regularly pruned or otherwise maintained to prevent interference with the System's Insolation. If Purchaser discovers any activity or condition that could diminish the Insolation of the System, Purchaser shall immediately notify Seller and cooperate with Seller in preserving and restoring the System's Insolation levels as they existed on the Effective Date.
- e. **Use and Payment of Contractors and Subcontractors.** Seller shall use suitably qualified, experienced and licensed contractors and subcontractors to perform its obligations under this Agreement. However, Seller shall be responsible for the quality of the work performed by its contractors and subcontractors. Seller shall pay when due all valid charges from all contractors, subcontractors and suppliers supplying goods or services to Seller under this Agreement.
- f. **Liens.**
 - i. **Lien Obligations.** Purchaser shall not directly or indirectly cause, create, incur, assume or allow to exist any mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature, except such encumbrances as may be required to allow Seller access to the Premises, (each a "Lien") on or with respect to the System. Seller shall not directly or indirectly cause, create, incur, assume or allow to exist any Lien on or with respect to the Premises or the Improvements, other than those Liens which Seller is permitted by law to place on the Premises due to non-payment by Purchaser of amounts due under this Agreement. Each Party shall immediately notify the other Party in writing of the existence of any such Lien following discovery of same, and shall promptly (and in all events within thirty (30) days) cause the same to be discharged and released of record without cost to the other Party; provided, however, that each indemnifying Party has the right to contest any such Lien, so long as it provides a statutory bond or other reasonable assurances of payment that either removes such Lien from title to the affected property, or that assures that any adverse judgment with respect to such Lien shall be paid without affecting title to such property.
 - ii. **Lien Indemnity.** Each Party shall indemnify the other Party from and against all claims, losses, damages, liabilities and expenses resulting from any Liens filed against such other Party's property as a result of the indemnifying Party's breach of its obligations under Section 7(f)(i).
- g. **Cooperation.** Purchaser shall (i) cooperate with Seller's reasonable requests for information and access to the Facility for purposes of designing, installing, and maintaining the System and (ii) cooperate with all of Seller's requests to assist Seller in obtaining any necessary agreements, permits and approvals pursuant to Section 5(d). Purchaser's failure to provide such cooperation shall be a default under this Agreement subject to Section 11(a)(ii).

- h. Maintenance of Facility.** Purchaser shall, at all times at Purchaser's sole cost and expense, maintain the Premises (including, without limitation, the applicable portions of the roof and raceways and risers of the Premises) in good condition and repair and in a manner sufficient to support the System. Regardless of whether maintenance and repairs are made in the ordinary course or in an emergency, all maintenance and repairs shall be carried out in a manner that minimizes the impact on the System. Purchaser is fully responsible for the maintenance and repair of the Premises' electrical system and of all of Purchaser's equipment that utilizes the System's outputs. Except in the event of a Seller caused outage including Seller's suspension of performance or any Purchaser outage that is within Purchaser's Outage Allowance, a failure of the Premises to accept energy produced by the System (whether due to a failure in Purchaser's electrical system, maintenance or otherwise) will not excuse Purchaser from paying Seller for the energy production of the System that, in Seller's reasonable estimation as provided below, would have been delivered to Purchaser from the operation of the System in the absence of a failure of the Premises to accept the energy produced and delivered by the System and compensating Seller for lost revenues or other benefits from Environmental Attributes and Tax Incentives from such energy, including any Environmental Attributes and Tax Incentives already claimed but subject to recapture (and any fees and penalties associated with such recapture) ("**Deemed Delivered Energy**"). Purchaser shall have a scheduled Outage Allowance in accordance with parameters set forth in Section 6(p) above. Seller's estimation of energy production for the purposes of determining the Deemed Delivered Energy will be based on (a) past energy output delivery by the System during a similar period and under similar conditions if such information is available or (b) if such information is not available, based upon any other relevant information or bases which may reasonably be available to Seller and used for such purpose in the circumstances and consistent with Good Solar Industry Practices. Purchaser shall promptly notify Seller of any condition at the Premises of which it is aware pertaining to any damage to or loss of use of the System or that could reasonably be expected to adversely affect the System.
- i. Breakdown Notice.** Purchaser shall notify Seller within twenty-four (24) hours following the discovery by Purchaser of (i) any material malfunction in the operation of the System; or (ii) any occurrences that could reasonably be expected to adversely affect the System. Purchaser shall notify Seller immediately upon (i) an interruption in the supply of electrical energy from the System; or (ii) the discovery of an emergency condition respecting the System. Purchaser and Seller shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Seller's repair or alteration at all times, twenty-four (24) hours per day, including weekends and holidays.

8. Relocation of System.

If, during the Term, Purchaser ceases to conduct business operations at the Premises or vacates the Premises; the Premises have been destroyed; or the Purchaser is otherwise unable to continue to host the System or accept the electricity delivered by the System for any other reason (other than a Default Event by Seller), Purchaser may propose in writing the relocation of the System, at Purchaser's cost, in lieu of termination of the Agreement by Seller for a Default Event by Purchaser. If such proposal is practically feasible and preserves the economic value of the agreement for Seller, the Parties shall seek to negotiate in good faith an agreement for the relocation of the System. If the Parties reach agreement on relocation of the System, Purchaser shall be obligated to provide (a) a new executed and notarized agreement covering the substitute premises in form and content substantially similar to the Site License, and (b) any new consents, estoppels, or acknowledgments reasonably required by Financing Parties in connection with the substitute premises. If the Parties are unable to reach agreement on relocation of the System within sixty (60) days after the date of receipt of Purchaser's proposal, Seller may terminate this Agreement pursuant to Section 11(b)(ii).

9. Removal of System upon Termination or Expiration.

Upon the expiration or earlier termination of this Agreement, Seller shall, at its expense (unless expressly provided otherwise in this Agreement), remove all of the tangible property comprising the System from the Premises with a targeted completion date that is no later than ninety (90) days after the expiration of the Term. The portion of the Premises where the System is located shall be returned to substantially its original condition (excluding ordinary wear and tear), including the removal of System mounting pads or other support structures, and

repair and restoration of the roof and the roof membrane. If the System is installed on the roof of an Improvement, Seller's warranties under Section 12(c)(i) shall apply, as applicable. Purchaser must provide sufficient access, space and cooperation as reasonably necessary to facilitate System removal. If Seller fails to remove or commence substantial efforts to remove the System by such agreed upon date, Purchaser may, at its option, to remove the System to a public warehouse and restore the Premises to its original condition (other than ordinary wear and tear) at Seller's cost.

10. Measurement.

- a. **Meter.** The System's electricity output during the Term shall be measured by Seller's meter, which shall be a revenue grade meter that meets ANSI-C12.20 standards for accuracy (the "**Meter**"). Purchaser shall have access to the metered energy output data via the Also Energy monitoring system installed and maintained by Seller as part of the System.
- b. **Meter Calibration.** Seller shall calibrate the Meter in accordance with manufacturer's recommendations. Notwithstanding the foregoing, Purchaser may install, or cause to be installed, its own revenue-grade meter at the same location as the Meter. If there is a discrepancy between the data from Purchaser's meter and the data from the Meter of greater than two percent (2%) over the course of a Contract Year, then Purchaser may request that Seller calibrate the Meter at Purchaser's cost. If, upon testing, Purchaser's meter or the Meter is found to be inaccurate by an amount exceeding plus or minus two percent (2%), then the Party whose meter is inaccurate by such percent shall be promptly repair or adjust its meter to record properly. If, upon testing, the Meter is found to be accurate or to be inaccurate by an amount less than plus or minus two percent (2%), then Purchaser shall be responsible for the cost of such calibration testing. If no reliable information exists as to the period over which the Meter registered inaccurately, it shall be assumed for purposes of correcting previously delivered invoices that such inaccuracy began at the earlier of: (a) a point in time midway between the testing date and the next previous date on which the Meter was tested and found to be accurate, and (b) six months. If, upon testing, the Meter is found to be in error by an amount exceeding plus or minus two percent (2%), then the payments for electric energy delivered since the previous test of the Meter shall be adjusted to reflect the corrected measurements. If the difference in the previously invoiced amounts minus the adjusted payment is a positive number, that difference will offset amounts owed by Purchaser to Seller in subsequent month(s). If the difference is a negative number, the difference shall be added to the next month's invoice and paid by the Purchaser to the Seller on the date of such invoice.

11. Default, Remedies and Damages.

- a. **Default.** Any Party that fails to perform its responsibilities as listed below or experiences any of the circumstances listed below is deemed a "**Defaulting Party**", the other Party is the "**Non-Defaulting Party**" and each of the following is a "**Default Event**":
 - i. failure of a Party to pay any amount due and payable under this Agreement, other than an amount that is subject to a good faith dispute, within ten (10) days following receipt of written notice from the Non-Defaulting Party of such failure to pay ("**Payment Default**");
 - ii. failure of a Party to perform any material obligation under this Agreement not addressed elsewhere in this Section 11(a) within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that if the Default Event cannot reasonably be cured within thirty (30) days and the Defaulting Party has demonstrated prior to the end of that period that it is diligently pursuing such cure, the cure period will be extended for a further reasonable period of time, not to exceed ninety (90) days;
 - iii. any representation or warranty given by a Party under this Agreement was incorrect in any material respect when made and is not cured within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure;
 - iv. a Party becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect (or, if any such actions are initiated by a third party, such action(s) is(are) not dismissed within sixty (60) days); or,
 - v. in the case of Purchaser as the Defaulting Party only, Purchaser (A) loses its rights to occupy and enjoy or otherwise access the Premises as required for Seller to perform its obligations under this Agreement, unless (I) the Parties agree upon a relocation under Section 8 above, or (II) Purchaser pays the Termination Payment determined under Section 7 of Exhibit 1 within thirty (30) days after written request by Seller; or (B) prevents Seller from performing any material obligation under this Agreement unless such action by Purchaser is (I) is permitted under this Agreement, or (II) is cured within five (5) days after written notice thereof from Seller.

b. Remedies.

- i. **Suspension.** Upon the occurrence and during the continuation of a Default Event by Purchaser, including a Payment Default, Seller may suspend performance of its obligations under this Agreement until the earlier to occur of the date (a) that Purchaser cures the Default Event in full, or (b) of termination of this Agreement. Seller's rights under this Section 11(b)(i) are in addition to any other remedies available to it under this Agreement, at law or in equity.
- ii. **Termination.** Upon the occurrence and during the continuation of a Default Event, the Non-Defaulting Party may terminate this Agreement, by providing five (5) days prior written notice to the Defaulting Party; provided, that, in the case of a Default Event under Section 11(a)(iv), the Non-Defaulting Party may terminate this Agreement immediately.
- iii. **Damages Upon Termination by Default.** Upon a termination of this Agreement pursuant to Section 11(b)(ii), the Defaulting Party shall pay a termination payment to the Non-Defaulting Party determined as follows (the "Termination Payment"):
 - (1) **Termination by Seller.** If Seller terminates this Agreement for a Default Event by Purchaser, the Termination Payment payable to Seller shall be equal to the sum of (i) the applicable amount set forth in the Termination Payment Schedule set forth as Section 7 of Exhibit 1, and (ii) any other amounts previously accrued under this Agreement and then owned by Purchaser to Seller. Such Termination Payment shall be paid by Purchaser no later than 30 days after Notice of termination to Purchaser pursuant to Section 11(b)(ii).
 - (2) **Termination by Purchaser.** If Seller is the Defaulting Party and Purchaser terminates this Agreement, the Termination Payment to Purchaser will be equal to the sum of (i) the present value of the excess, if any, of the reasonably expected cost of electricity from the utility over the Contract Price for the reasonably expected production of the System for the remainder of the Initial Term or the then current Additional Term, as applicable; (ii) all direct costs reasonably incurred by Purchaser by reason of the termination; and (iii) any and all other amounts previously accrued under this Agreement and then owed by Seller to Purchaser. The Termination Payment determined under this Section 11(b)(iii)(2) cannot be less than zero.
- iv. **Liquidated Damages.** The Parties agree that, if a Party terminates this Agreement prior to the expiration of the Term pursuant to Section 11(b)(ii), actual damages would be difficult to ascertain, and the Termination Payment determined in accordance with Section 11(b)(iii) is a reasonable approximation of the damages suffered by Seller as a result of early termination of this Agreement and is not a penalty.

c. Obligations Following Termination. If a Party terminates this Agreement pursuant to Section 11(b)(ii), then following such termination, Seller shall remove the equipment constituting the System in compliance with Section 9 above at the sole cost and expense of the Defaulting Party, *provided, however* that Seller shall not be required to remove the System following the occurrence of a Default Event by Purchaser pursuant to Section 11(a)(i), unless Purchaser pre-pays the cost of restoration reasonably estimated by Seller.

- i. **Reservation of Rights.** Except in the case of a termination under Section 11(b)(ii) and payment of a Termination Payment, if any, determined pursuant to Section 11(b)(ii), nothing in this Section 11 limits either Party's right to pursue any remedy under this Agreement, at law or in equity, including with respect to the pursuit of an action for damages by reason of a breach or Default Event under this Agreement.
- ii. **Mitigation Obligation.** Regardless of whether this Agreement is terminated for a Default Event, the Non-Defaulting Party must make commercially reasonable efforts to mitigate its damages as the result of such Default Event; provided that such obligation shall not reduce Purchaser's obligation to pay the full Termination Payment set forth in Section 8 of Exhibit 1 following a Default Event by Purchaser.
- iii. **No Limitation on Payments.** Nothing in this Section 11 excuses a Party's obligation to make any payment when due under this Agreement, including with respect to payments for electricity that would have been delivered to Purchaser but for a Purchaser breach or Default Event.

12. Representations and Warranties.

- a. **General Representations and Warranties.** Each Party represents and warrants to the other the following:
- i. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, and do not and will not violate any law; and this Agreement is the valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally).
 - ii. Such Party has obtained all licenses, authorizations, consents and approvals required by any Governmental Authority or other third party and necessary for such Party to own its assets, carry on its business and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.
- b. **Purchaser's Representations and Warranties.** Purchaser represents and warrants to Seller the following:
- i. **Licenses.** (a) Purchaser has title to or a leasehold or other valid property interest in the Premises such that Purchaser has the full right, power and authority to grant the Site License in Section 7(a), (b) such grant of the Site License does not violate any law, ordinance, rule or other governmental restriction applicable to Purchaser or the Premises and is not inconsistent with and will not result in a breach or default under any agreement by which Purchaser is bound or that affects the Premises.
 - ii. **Other Agreements.** Neither the execution and delivery of this Agreement by Purchaser nor the performance by Purchaser of any of its obligations under this Agreement conflicts with or will result in a breach or default under any agreement or obligation to which Purchaser is a party or by which Purchaser is bound.
 - iii. **Accuracy of Information.** All information provided by Purchaser to Seller, as it pertains to (a) the Premises, (b) the Improvements on which the System is to be installed, if applicable, (c) Purchaser's planned use of the Premises and any applicable Improvements, and (d) Purchaser's estimated electricity requirements, is accurate in all material respects.
 - iv. **Purchaser Status.** Purchaser is not a public utility or a public utility holding company and is not subject to regulation as a public utility or a public utility holding company.
 - v. **Limit on Use.** No portion of the electricity generated by the System shall be used to heat a swimming pool.
- c. Reserved.
- d. **NO OTHER WARRANTY.** THE WARRANTIES SET FORTH IN SECTIONS 12(a) AND 12(c) OF THIS AGREEMENT ARE PURCHASER'S SOLE AND EXCLUSIVE BASIS FOR ANY CLAIM OR LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS SECTION 12, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. OTHER THAN AS EXPRESSLY SET FORTH IN SECTIONS 12(a) AND 12(c), NO WARRANTY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, APPLIES UNDER THIS AGREEMENT.

13. **Insurance.**

- a. **Insurance Coverage.** At all times during the Term, the Parties shall maintain the following insurance, as applicable:
- i. **Seller's Insurance.** Seller shall maintain or ensure the following is maintained (a) property insurance on the System for the replacement cost thereof, (b) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, (c) employer's liability insurance with coverage of at least \$1,000,000 bodily injury by disease, (d) automobile liability insurance if the use of motor vehicles is

required, (e) Umbrella/Excess liability with limits of at least \$5,000,000 for each occurrence, and (f) workers' compensation insurance as required by law. Seller's coverage may be provided as part of an enterprise insurance program.

- ii. **Purchaser's Insurance.** Purchaser shall maintain commercial general liability insurance with coverage, written on "occurrence" policy forms, for premises/operations, products/completed operations, property damage, contractual liability and bodily injury, with no exclusions for explosion, collapse or underground perils, with primary coverage limits of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.

b. Policy Provisions.

- i. Each Party's insurance policies shall (i) contain a provision whereby the insurer agrees to give the other Party at least thirty (30) days (ten (10) days for non-payment of premiums) written notice before the insurance is cancelled, or terminated, (ii) be written on an occurrence basis, and (iii) be maintained with companies either rated no less than A-VII as to Policy Holder's Rating in the current edition of A.M. Best's Insurance Guide or otherwise reasonably acceptable to the other Party.
 - ii. Commercial general liability policies shall also include a separation of insureds clause with no exclusions or limitations on cross liability. However, if such insurance is written on a "claims-made" form following termination of the Agreement, coverage shall survive for a period of not less than three (3) years. Coverage shall provide for a retroactive date of placement coinciding with the Effective Date. All policies required in this Section shall be considered primary without contribution from any other policies a party or its successors and assigns may hold.
- c. Certificates.** Upon the other Party's request, each Party shall deliver to the other Party certificates of insurance evidencing the above required coverage. A Party's receipt, review or acceptance of such certificate shall in no way limit or relieve the other Party of the duties and responsibilities to maintain insurance as set forth in this Agreement.
- d. Deductibles.** Each Party shall pay its own insurance deductibles, except in the case of claims (i) resulting from a breach of this Agreement, in which case the breaching Party is responsible for payment of the non-breaching Party's deductible for any responding insurance, and (ii) covered by an indemnity set forth in this Agreement.
- e. Waiver of Subrogation.** Seller and Purchaser each waive any and all claims and its right of recovery against the other for any loss of, or damage to, such Party's property to the extent that such loss or damage is insured, or could be insured by an all risk property insurance policy applicable to the System, Premises or other property of such Party. Each Party shall obtain a waiver or subrogation, and any special endorsements if required by its insurance carriers, whereby said insurance carriers waive their rights of subrogation against the other Party as required by this Section 13(e). The intent of this provision is that each Party shall look solely to its own insurance with respect to property damage or destruction which can be covered by all risks insurance, except as otherwise expressly set forth in this Section 13(e), and to waive fully, and for the benefit of the other Party, any rights and/or claims which might give rise to a right of subrogation in favor of any of such Party's insurance carriers.

14. Ownership.

a. Ownership of System.

- i. **Ownership: Personal Property.** Throughout the Term, Seller shall be the legal and beneficial owner of the System, and all RECs and Incentives, and the System will remain the personal property of Seller and will not attach to or be deemed a part of, or fixture to, the Premises or any Improvement on which the System is installed. Each of the Seller and Purchaser agree that the Seller is the tax owner of the System and all tax filings and reports shall be filed in a manner consistent with this Agreement. The System will at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code.
- ii. **Notice to Purchaser Lienholders.** Purchaser shall use commercially reasonable efforts to place all parties having a Lien on the Premises or any Improvement on which the System is installed on notice of the ownership of the System and the legal status or classification of the System as personal property. If any mortgage or fixture filing against the Premises could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Purchaser shall provide a disclaimer or release from such lienholder.

- iii. **Fixture Disclaimer.** If Purchaser is the fee owner of the Premises, Purchaser consents to the filing of a disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Premises are located. If Purchaser is not the fee owner, Purchaser shall obtain such consent from such owner. For the avoidance of doubt, in either circumstance Seller has the right to file such disclaimer.
- iv. **SNDA.** Upon request, Purchaser shall deliver to Seller a subordination and non-disturbance agreement in a form mutually acceptable to Seller and the provider of the subordination and non-disturbance agreement from the owner of the Premises (if the Premises are leased by Purchaser), any mortgagee with a Lien on the Premises, and other Persons holding a similar interest in the Premises.
- v. **Eviction Notice.** To the extent that Purchaser does not own the Premises or any Improvement on which the System is installed, Purchaser shall provide to Seller immediate written notice of receipt of notice of eviction from the Premises or applicable Improvement or termination of Purchaser's lease of the Premises and/or Improvement.

15. Indemnification and Limitations of Liability.

- a. **General.** Each Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party, its affiliates and the other Party's and its affiliates' respective directors, officers, shareholders, partners, members, agents and employees (collectively, the "**Indemnified Parties**"), from and against any loss, damage, expense, liability and other claims, including court costs and reasonable attorneys' fees (collectively, "**Liabilities**") resulting from (1) any Claim (as defined in Section 15(b)) relating to the Indemnifying Party's breach of any representation or warranty set forth in Section 12, and (2) injury to or death of persons, and damage to or loss of property to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, fraud by, or criminal act of the Indemnifying Party (or its contractors, agents or employees) in connection with this Agreement; provided, however, that nothing herein will require the Indemnifying Party to indemnify the Indemnified Parties for any Liabilities to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, fraud by, or criminal acts of, an Indemnified Party. This Section 15(a) does not apply to Liabilities arising out of or relating to any form of Hazardous Substances or other environmental contamination, such matters being addressed exclusively by Section 15(c).
- b. **Notice and Participation in Third Party Claims.** The Indemnified Party shall give the Indemnifying Party written notice with respect to any Liability asserted by a third party (a "**Claim**"), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party. The Indemnifying Party shall pay the reasonable attorneys' fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party may settle any Claim covered by this Section 15(b) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party has no liability under this Section 15(b) for any Claim for which such notice is not provided if the failure to give notice prejudices the Indemnifying Party.
- c. **Environmental Indemnification.**
 - i. Reserved.
 - ii. **Purchaser Indemnity.** Purchaser shall indemnify, defend and hold harmless all of Seller's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by Seller or any of its contractors, agents or employees.
 - iii. **Notice.** Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Premises generally or any deposit, spill or release of any Hazardous Substance. "**Hazardous Substance**" means any chemical, waste or other substance (a) which now or hereafter becomes defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely

hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “pollution,” “pollutants,” “regulated substances,” or words of similar import under any laws pertaining to the environment, health, safety or welfare, (b) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (c) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (d) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (e) for which remediation or cleanup is required by any Governmental Authority.

- iv. Today’s In use industry panel and inverter components are not categorized as hazardous materials though they may in whole or parts be classified as e-waste and either disposed of in landfills or recycled. Seller can provide specification sheets should that be required.

d. Limitations on Liability.

- i. **No Consequential Damages.** Except with respect to indemnification of third-party claims pursuant to this Section 15, neither Party nor its directors, officers, shareholders, partners, members, agents and employees subcontractors or suppliers will be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature (including, without limitation, lost revenues, lost profits, lost business opportunity or any business interruption) arising out of their performance or non-performance hereunder even if advised of such. Notwithstanding the previous sentence, the Termination Payment set forth in Section 7 of Exhibit 1 and Section 11(b)(iii)(2) shall be deemed to be direct, and not indirect or consequential damages for purpose of this Section 15(d)(i).
- e. **EXCLUSIVE REMEDIES.** TO THE EXTENT THAT THIS AGREEMENT SETS FORTH SPECIFIC REMEDIES FOR ANY CLAIM OR LIABILITY, SUCH REMEDIES ARE THE AFFECTED PARTY’S SOLE AND EXCLUSIVE REMEDIES FOR SUCH CLAIM OR LIABILITY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.
- f. **Comparative Negligence.** Where negligence is determined to have been joint, contributory or concurrent, each Party shall bear the proportionate cost of any Liability.

16. Change in Law.

- a. **Impacts of Change in Law.** If Seller determines that a Change in Law has occurred or will occur that has or will have a material adverse effect on Seller’s rights, entitlement, obligations or costs under this Agreement, then Seller may so notify the Purchaser in writing of such Change in Law. Within thirty (30) days following receipt by the Purchaser of such notice, the Parties shall meet and attempt in good faith to negotiate such amendments to this Agreement as are reasonably necessary to preserve the economic value of this Agreement to both Parties. If the Parties are unable to agree upon such amendments within such thirty (30) day period, then Seller may terminate this Agreement and remove the System and restore the Premises in accordance with Section 9 without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.
- b. **Illegality or Impossibility.** If a Change in Law renders this Agreement, or Seller’s performance of this Agreement, either illegal or impossible, then Seller may terminate this Agreement immediately upon notice to Purchaser without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.
- c. **“Change in Law”** means (i) the enactment, adoption, promulgation, modification or repeal after the Effective Date of any applicable law or regulation, (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit after the Effective Date (notwithstanding the general requirements contained in any applicable Permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), or (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority.

17. Assignment and Financing.

a. Assignment.

- i. **Restrictions on Assignment.** Subject to the remainder of this Section 17(a), this Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party, which consent may not be

unreasonably withheld or delayed. Purchaser may not withhold its consent to an assignment proposed by Seller where the proposed assignee has the financial capability and experience necessary to operate and maintain solar photovoltaic systems such as the System.

ii. **Permitted Assignments.** Notwithstanding Section 17(a)(i):

1. Seller may, without the prior written consent of Purchaser, assign, mortgage, pledge or otherwise directly or indirectly assign its interests in this Agreement to (A) any Financing Party (as defined in Section 17(b)), (B) any entity through which Seller is obtaining financing from a Financing Party, or (C) any affiliate of Seller or any entity or person succeeding to all or substantially all of the assets of Seller; provided, that, Seller is not released from liability hereunder as a result of any assignment to an affiliate unless the assignee assumes Seller's obligations hereunder by binding written instrument; and
2. Purchaser may, by providing prior notice to Seller, assign this Agreement:
 - a. to an affiliate of Purchaser or a purchaser of the Premises; provided, that, Purchaser is not released from liability hereunder by reason of the assignment unless the assignee assumes Purchaser's obligations hereunder by binding written instrument on terms satisfactory to Seller, including as to the assignee's creditworthiness; and
 - b. to an assignee that (i) has an Investment Grade credit rating. "**Investment Grade**" means the assignee has a long-term unsecured debt rating from Moody's or S&P of at least Baa3 from Moody's and/or at least BBB- from S&P.

iii. **Successors and Permitted Assignees.** This Agreement is binding on and inures to the benefit of successors and permitted assignees. The restrictions on assignment contained herein do not prohibit or otherwise limit changes in control of Seller.

b. **Financing.** The Parties acknowledge that Seller may obtain debt or equity financing or other credit support from lenders, investors or other third parties (the "**Financing Part(y)ies**") in connection with the installation, construction, ownership, operation and maintenance of the System. In furtherance of Seller's financing arrangements and in addition to any other rights or entitlements of Seller under this Agreement, Purchaser shall do the following:

- i. Timely execute any consents to assignment (which may include notice, cure, attornment and step-in rights) or estoppels and negotiate any amendments to this Agreement that may be reasonably requested by Seller or the Financing Parties; provided, that such estoppels, consents to assignment or amendments do not alter the fundamental economic terms of this Agreement;
- ii. Within fifteen (15) days after Purchaser's receipt of any Seller request pursuant to this Section 17(b)(ii), Purchaser shall provide any credit support documentation pertaining to Purchaser's creditworthiness or other material documents related to this Agreement as may be reasonably requested by a Financing Party in connection with Seller's financing arrangements. If Purchaser fails to provide such documentation within the timeframe specified herein, then Seller shall have the right to terminate this Agreement pursuant to Section 11(a)(ii).

c. **Termination Requires Consent.** Seller and Purchaser agree that any right of Seller to terminate this Agreement is subject to the prior written consent of any Financing Party.

18. **Confidentiality.**

a. **Confidential Information.** To the maximum extent permitted by applicable law, if either Party provides confidential information ("**Confidential Information**") to the other or, if in the course of performing under this Agreement or negotiating this Agreement a Party learns Confidential Information of the other Party, the receiving or learning Party shall (i) protect the Confidential Information from disclosure to third parties with the same degree of care accorded its own confidential and proprietary information, and (ii) refrain from using such Confidential Information, except in the negotiation, performance, enforcement and, in the case of Seller, financing, of this Agreement. The terms of this Agreement (but not the fact of its execution or existence) are considered Confidential Information of each Party for purposes of this Section 18(a).

b. **Permitted Disclosures.** Notwithstanding Section 18(a):

- i. a Party may provide such Confidential Information to its affiliates and to its and its affiliates' respective officers, directors, members, managers, employees, agents, contractors, consultants and Financing Parties (collectively,

“Representatives”), and potential direct or indirect assignees of this Agreement if such potential assignees are first bound by a written agreement or legal obligation restricting use and disclosure of Confidential Information. Each Party is liable for breaches of this provision by any person to whom that Party discloses Confidential Information.

- ii. Confidential Information does not include any information that (a) becomes publicly available other than through breach of this Agreement, (b) is required to be disclosed to a Governmental Authority under applicable law or pursuant to a validly issued subpoena, (c) is independently developed by the receiving Party, or (d) becomes available to the receiving Party without restriction from a third party under no obligation of confidentiality. If disclosure of information is required by a Governmental Authority, the disclosing Party shall, to the extent permitted by applicable law, notify the other Party of such required disclosure promptly upon becoming aware of such required disclosure and shall reasonably cooperate with the other Party’s efforts to limit the disclosure to the extent permitted by applicable law, including, but not limited to, the California Public Records Act.
- c. **Miscellaneous.** All Confidential Information remains the property of the disclosing Party and will be returned to the disclosing Party or destroyed (at the receiving Party’s option) after the receiving Party’s need for it has expired or upon the request of the disclosing Party. Each Party acknowledges that the disclosing Party would be irreparably injured by a breach of this Section 18 by the receiving Party or its Representatives or other person to whom the receiving Party discloses Confidential Information of the disclosing Party and that the disclosing Party may be entitled to equitable relief, including injunctive relief and specific performance, for breaches of this Section 18. To the fullest extent permitted by applicable law, such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 18, but will be in addition to all other remedies available at law or in equity. The obligation of confidentiality will survive termination of this Agreement for a period of two (2) years.
- d. **Goodwill and Publicity.** Neither Party may (a) make any press release or public announcement of the specific terms of this Agreement or the use of solar or renewable energy involving this Agreement (except for filings or other statements or releases as may be required by applicable law), or (b) use any name, trade name, service mark or trademark of the other Party in any promotional or advertising material without the prior written consent of the other Party. The Parties shall coordinate and cooperate with each other when making public announcements regarding this Agreement, the System and its use, and each Party may promptly review, comment upon and approve any publicity materials, press releases or other public statements before they are made. Notwithstanding the above, Seller is entitled to place signage on the Premises reflecting its association with the System.

19. **General Provisions**

- a. **Definitions and Interpretation.** Unless otherwise defined or required by the context in which any term appears: (i) the singular includes the plural and vice versa, (ii) the words “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not to any particular section or subsection of this Agreement, (iii) references to any agreement, document or instrument mean such agreement, document or instrument as amended, restated, modified, supplemented or replaced from time to time, and (iv) the words “include,” “includes” and “including” mean include, includes and including “without limitation.” The captions or headings in this Agreement are strictly for convenience and will not be considered in interpreting this Agreement. As used in this Agreement, “dollar” and the “\$” sign refer to United States dollars.
- b. **Choice of Law; Dispute Resolution; Waiver of Jury Trial.**
 - i. The law of the state where the System is located governs all matters arising out of this Agreement without giving effect to conflict of laws principles. Each Party to this Agreement waives its rights to a trial by jury of any or all issues arising in any action or proceeding between the Parties hereto or their successors, under or connected with the Agreement. THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING, HAVE HAD THE OPPORTUNITY TO HAVE THIS AGREEMENT REVIEWED BY THEIR LEGAL COUNSEL, AND ACCEPT THAT THEY ARE VOLUNTARILY WAIVING THEIR RIGHT TO A JURY TRIAL.
 - ii. Unless otherwise expressly provided for in this Agreement, the dispute resolution procedures in this Section 19(b) shall govern all disputes under this Agreement.
 - (1) **Mediation**

- a. Claims, disputes, or other matters in controversy arising out of or related to this Agreement, except those expressly waived hereunder, shall be subject to mediation as a condition precedent to binding dispute resolution.
- b. The Parties shall endeavor to resolve their claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other Party, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the Parties or court order. If an arbitration is stayed pursuant to this section, the Parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.
- c. Either Party may, within thirty (30) days from the date that mediation has been concluded without resolution of the dispute or sixty (60) days after mediation has been demanded without resolution of the dispute, demand in writing that the other Party file for binding dispute resolution. If such a demand is made and the party receiving the demand fails to file for binding dispute resolution within sixty (60) days after receipt thereof, then both Parties waive their rights to binding dispute resolution proceedings with respect to the initial decision.
- d. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the State of Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

(2) **Arbitration**

- a. Arbitration shall be the method for binding dispute resolution in the Agreement, for any claim subject to, but not resolved by, mediation. Any arbitration shall be administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and Mediation Procedures in effect on the date of the Agreement. The arbitration shall be conducted in the State of Texas, unless another location is mutually agreed upon.
- b. The Parties shall use their reasonable efforts to agree upon a single arbitrator, who shall be a neutral, disinterested party with significant experience in the electric power industry, who has never been an officer, director, employee or attorney of either Party, or any of their affiliates and who has a formal financial, accounting or legal education. If the amount of the claim at issue is above \$50,000, or the Parties cannot agree on a single arbitrator within thirty (30) days, the arbitration panel shall be composed of three arbitrators and the parties shall have choice with respect to each arbitrator.
- c. If the parties proceed to arbitration, a demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim.
- d. The hearing shall be commenced on or before sixty (60) days after the selection of the arbitrator(s). The Parties and the arbitrator(s) shall proceed diligently and in good faith so that the arbitration award shall be entered on or before sixty (60) days after the arbitration hearing. The decision of the arbitrator, or a majority of the arbitrators, if applicable, shall be final, binding and non-appealable. Any judgment on the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction.
- e. The prevailing Party in any an arbitration arising out of this Agreement shall be entitled to reasonable attorneys' fees and costs.

- c. **Notices.** All notices under this Agreement shall be in writing and delivered by hand, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and will be deemed received upon personal delivery,

acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices must be sent to the person identified in this Agreement at the addresses set forth in this Agreement or such other address as either Party may specify in writing.

- d. **Survival.** Provisions of this Agreement that should reasonably be considered to survive termination of this Agreement shall survive. For the avoidance of doubt, surviving provisions shall include, without limitation, Section 12 (Representations and Warranties), Section 13 (Insurance), Section 15 (Indemnification and Limitations of Liability), Section 18 (Confidentiality), Section 19(b) (Choice of Law; Dispute Resolution; Waiver of Jury Trial), and Section 19(c) (Notices).
- e. **Further Assurances.** Each Party shall provide such information, execute and deliver any instruments and documents and to take such other actions as may be reasonably requested by the other Party to give full effect to this Agreement and to carry out the intent of this Agreement.
- f. **Waivers.** No provision or right or entitlement under this Agreement may be waived or varied except in writing signed by the Party to be bound. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver unless otherwise expressly provided.
- g. **Non-Dedication of Facilities.** Nothing in this Agreement may be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party may knowingly take any action that would subject the other Party, or other Party's facilities or equipment, to the jurisdiction of any Governmental Authority as a public utility or similar entity. Neither Party may assert in any proceeding before a court or regulatory body that the other Party is a public utility by virtue of such other Party's performance under this Agreement. If Seller is reasonably likely to become subject to regulation as a public utility, then the Parties shall use commercially reasonable efforts to restructure their relationship under this Agreement in a manner that preserves their relative economic interests while ensuring that Seller does not become subject to any such regulation. If the Parties are unable to agree upon such restructuring, Seller may terminate this Agreement without further liability under this Agreement except with respect to liabilities accrued prior to the date of termination and remove the System in accordance with Section 9 of this Agreement.
- h. **Service Contract.** The Parties intend this Agreement to be a "service contract" within the meaning of Section 7701(e)(3) of the Internal Revenue Code of 1986. Purchaser shall not take the position on any tax return or in any other filings suggesting that it is anything other than a purchase of electricity from the System.
- i. **No Partnership.** No provision of this Agreement may be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither may be considered the agent of the other.
- j. **Entire Agreement, Modification, Invalidity, Captions.** This Agreement constitutes the entire agreement of the Parties regarding its subject matter and supersedes all prior proposals, agreements, or other communications between the Parties, oral or written. This Agreement may be modified only by a writing signed by both Parties. If any provision of this Agreement is found unenforceable or invalid, such provision shall not be read to render this Agreement unenforceable or invalid as a whole. In such event, such provision shall be rectified or interpreted so as to best accomplish its objectives within the limits of applicable law. This Agreement may be executed in any number of separate counterparts and each counterpart shall be considered an original and together shall comprise the same Agreement. The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.
- k. Reserved.
- l. **No Third-Party Beneficiaries.** Except as otherwise expressly provided herein, this Agreement and all rights hereunder are intended for the sole benefit of the Parties hereto, and the Financing Parties to the extent provided herein or in any other agreement between a Financing Party and Seller or Purchaser, and do not imply or create any rights on the part of, or obligations to, any other Person.



Representation re: City of Willows Roof

WHEREAS, Trinary Energy ("TE") and City of Willows (the "City") (collectively, the "Parties") entered into a Solar Power Purchase Agreement (the "PPA") on January 28, 2025;

WHEREAS, in connection with the services provided under that PPA, the Parties recognize that the subject property located at 201 N. Lassen St. Willows, CA 95988 (City Hall) requires a roof replacement to permit the services under the PPA to move forward; and

WHEREAS, TE desires to make the below representation and warranty regarding the costs related to and arising out of a prospective roof replacement for the subject property.

THEREFORE, TE warrants and represents that it will cover all costs associated with the replacement and installation of a new roof at the PPA subject property via reimbursement to the City upon presentation of documented costs associated with said replacement and installation. Such reimbursement shall be made in full within thirty (30) calendar days following the presentation of documented costs to TE.

The City will seek to procure a contract for this project in accordance with local and state law, including, but not limited to, California Public Contract Code, Division 2, Part 3, Chapter 1, and shall award such contract to the lowest responsible bidder as determined by the City and as approved in writing by TE, such approval to not be withheld unless . TE maintains a good faith belief that said bid exceeds any commercially reasonable quote for a similar roof replacement and installation.

Dated: _____
Signed: _____
Name: **Jeremy Horton**
CEO

Dated: _____
Signed: _____
Name: **Marti Brown, City Manager**
City of Willows



Solar PV Power Purchase Agreement Proposal

City of Willows
201 N. Lassen St
Willows, California 95988

Submitted By:
Trinary Capital, LLC
6510 E Spring St Suite 437
Long Beach, CA 90815

Jeremy Horton
714.768.3903



Solar Power Purchase Agreement (PPA)

PPA Financial Summary

Project/Customer Name	City of Willows
Project Address	201 N. Lassen St Willows, California 95988
PPA Rate (\$/kWh) Year 1	\$0.18
Annual Escalation Rate	2.99%
PPA Term	25 Years
Upfront Cost	\$0
Estimated 25-Year Savings w/ Solar PPA*	\$8,093,742.00

Installed Solar PV System Parameters

System Size (kW dc)	520.02
Solar Modules	Tier 1
Installation Type	Roof Mount and Ground Mount
Annual System Production Year 1 (kWh)	783,880
Solar EPC	Barrier Solar

* The Estimated Solar Utility Bill Savings and the Annual System Production is based on information provided by Turnkey Solar. Trinary Capital uses this assumption in order to quote a PPA rate and provide estimated yearly PPA savings. Actual PPA Savings may differ if Solar Utility Bill Savings or System Production differs.

PPA General Overview

HOW IT WORKS:

- City of Willows (or its affiliate) enters into a Solar Power Purchase Agreement (PPA) with Trinary Capital (or its affiliate, Trinary Energy)
- Trinary Capital pays for and arranges to have the solar system installed by Barrier Solar on City of Willows's property, at no cost.
- Trinary Capital sells all of the solar electricity produced by the solar PV system to City of Willows at a cost that is lower than City of Willows's current utility cost.
- The City of Willows remains connected to utility grid and will always have electricity should solar not be available – for example, during the night.
- Overall City of Willows still uses same amount of electricity except City of Willows now buys low-cost electricity from Trinary Capital and supplements any additional electricity needs with electricity from the utility.
- Net result is significant overall savings as Trinary Capital provides electricity at a lower cost than what City of Willows is currently paying the utility.

PPA Highlights

- No Money Down - Requires zero cash out-of-pocket and results in immediate electricity and cash savings. A PPA provides positive cash flow almost immediately.
- Trinary Capital pays for the installation of the solar PV system and receives all available solar incentives and tax benefits while retaining ownership of the system.
- PPA rate "locked in" at a beginning rate of \$0.18 for Year 1, contingent that it can only change upward if the utility company requires electrical and/or transformer upgrades or if City of Willows requests different panels, inverters or other equipment be used.
- City of Willows has the option to request the use of different panels, inverters, or other equipment, subject to acknowledgment that the "locked in" PPA rate may require adjustment to accommodate the customer request.
- The PPA term is 25 years. City of Willows is eligible to purchase the PV system from Trinary Capital after year 6. Purchase request must be received in writing from City of Willows by Trinary Capital no later than 60 days before the end of desired Buyout Year.

PPA General Overview (continued)

- A PPA is often used by organizations without the ability to take advantage of the available tax benefits and solar incentives or entities without sufficient access to funds for capital improvements or with a preference to invest their capital back into their business or for other needs.
- **A PPA is an Off Balance Sheet Transaction¹**, meaning that it doesn't show up as a liability or commitment that might normally be required to account for on a Balance Sheet
- A Solar PPA includes the following:
 - Turn-key PV System Installation
 - 25-year, Worry-Free Operations and Maintenance Package
 - Online System Monitoring and Reporting
 - Locked in Electricity Costs

¹ Many Companies use various Operating Leases for Copiers, Automobiles, Equipment, etc and most companies are not required to report an Operating Lease on their Balance Sheet. Trinary Capital does not offer tax or accounting advice as part of this PPA and any specific questions relating to Operating Lease regulations should be discussed with your Accountant.

System Benefits

Environmental Benefits

REDUCED OIL CONSUMPTION

Through the installation of solar power, your property will require less fossil-fuel based energy in order to operate. In the aggregate, these savings are significant.

REDUCED GREENHOUSE GASES

By utilizing renewable energy, you will eliminate thousands of pounds of greenhouse gasses per year that would normally be released into the atmosphere through the burning of fossil fuels. This has a substantial effect on our air quality and will contribute to the fight against climate change.

SAVED FORESTS

The purchase of the proposed solar system would have the equivalent environmental impact of planting 564 acres of trees per year for the next 25 years.

Additional Features

LEED CERTIFICATION

Leadership in Energy and Environmental Design (LEED) is an internationally recognized certification program sponsored by the U.S. Green Building Council that measures how well a building performs across energy savings, water efficiency, CO2 emissions reductions, improved indoor environmental quality and stewardship. By obtaining LEED certification, properties are able to increase occupancy/rental rates as well as qualify for more attractive financing. Solar systems qualify for LEED points which contribute towards LEED Certification.

INCREASED PR & PUBLIC GOODWILL

The public is pushing Companies they do business with and organizations they are associated with to practice social & environmental responsibility, including the implementation of environmentally friendly practices such as solar. By installing a solar (PV) system, your entity will demonstrate its commitment to clean energy & social responsibility and appeal to a broader following.

System Benefits, continued

PROPERTY VALUE INCREASE

By applying a modest cap rate to utility savings produced by Solar, your property should realize significant increases in value, which will positively impact your ability to refinance or sell your property should you choose to do so in the future.

Maintenance, Warranty and Monitoring

ALL INCLUDED AT NO ADDITIONAL COST FOR 25-YEARS

OPERATIONS AND MAINTENANCE

Trinary Capital (or its affiliate), as the owner of the system, is responsible for maintaining the system for the entire term of the PPA. Additionally, City of Willows only pays for the electricity that is generated by the solar system, which gives Trinary Capital further incentive to ensure the system produces as much electricity as possible.

WARRANTIES

The solar panels, inverters, and racking system come with warranties from the manufacturers.

MONITORING

Trinary Capital provides online monitoring so you can track the solar system's production.

Billing

(a) For each billing cycle (generally every thirty (30) days during the period that the agreement is in effect), TE, or its management company, will prepare a written or electronic invoice detailing the kWh of electric energy produced by the solar facility during that billing month, and specifying the payment due from you to TE, or its management company, for that billing cycle. Each billing cycle, TE, or its management company will charge your account for one twelfth (1/12th) of the estimated number of kWh to be generated in that year multiplied by the kWh rate (\$0.18). You agree to pay those invoices in full, without deduction or setoff, within ten (30) days following receipt. Any undisputed portion of the invoice amount not paid within the ten (30) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) over the prime rate, as published in the Wall Street Journal (but not to exceed the maximum permitted by law). All payments are to be made in U.S. Dollars unless agreed upon in writing.

(b) Upon each anniversary of the in-service date, TE, or its management company, will compare the actual output to the estimated output. When actual output differs from estimated output by more than ten percent (10%) (in either a positive or negative direction), as reduced by the Degradation Factor, (other than for reasons of force majeure), TE, or its management company, will charge or credit your account for the difference at the kWh rate for the previous year as set forth in the Agreement.

(c) During any Renewal Term, the price per kWh will equal the greater of (i) 50% of the then-applicable Utility rate and (ii) the PPA rate of the first year of the Renewal Term according to the following formula

$$\text{Rate} = 0.0018 * (1 + 0.299)^{\text{Year}-1}$$

As an example, for the first Renewal Term:

$$\text{Rate} = 0.0018 * (1 + 0.299)^{26-1} = \$0.38$$

Upon renewal, an additional exhibit, containing the estimated number of kWh to be produced in the Renewal Term and the Monthly Payment Schedule will be provided for the duration of the Renewal Term.



Initials

Assumptions and Clarifications

Qualifications, Due Diligence and Financial Eligibility

The PPA rate is contingent on verification of City of Willows's qualifications, including due diligence and financial underwriting. Additionally, the PPA rate assumes that City of Willows meets minimum credit requirements, which will be validated prior to executing the PPA agreement.

System Design and Performance

This PPA proposal and quoted PPA rates are derived using solar PV project installation details provided by Barrier Solar as identified in the proposal. It is assumed that Barrier Solar has correctly determined project feasibility and properly designed the system. PPA rates are contingent on verification of installed solar PV parameters such as system size, configuration, equipment, and estimated system production.

Estimated Savings

The utility bill savings that City of Willows will realize by installing solar is based on data provided by Barrier Solar. Trinary Capital has not verified the solar utility bill savings and makes no representation as to its accuracy. Actual PPA savings may differ if utility bill usage differs and/or utility rates differ or fluctuate.

Utility Rate Increases

We assume that your electric utility costs will increase by an average of 7% per year.

System Production and Utilization

This proposal assumes City of Willows will use all electricity produced by the solar PV system to offset either all or a portion of City of Willows's electricity usage. Under a PPA, City of Willows pays for all electricity produced by the solar PV system, whether utilized by City of Willows or not.

Tax Incentives and Other Assumptions

This proposal has made reasonable assumptions regarding applicable solar tax incentives and eligibility as well as assumptions regarding system performance, degradation, inflation rates, etc. in calculating the quoted PPA rate. Any change in applicable solar tax incentives or other changes to the assumptions used by Trinary Capital may result in a change to the final PPA rate.

Upgrades

Trinary Capital assumes that no additional upgrades are needed at City of Willows's property in order to effectively install a solar PV System. If the Utility Company or a Governmental Agency requires any upgrades, they are not included in the proposed PPA rate and may result in a change to the final PPA rate.

City of Willows Acceptance

Statement of Intent to Move Forward

By signing below, City of Willows accepts this PPA proposal and agrees to move forward with the negotiating and signing of a definitive PPA agreement. Trinary Capital, LLC or its affiliate shall draft the definitive PPA Agreement for City of Willows to review and execute. City of Willows acknowledges it has reviewed this PPA proposal and understands its contents including the assumptions and clarifications stated within.

The City of Willows shall cooperate in providing requested financial and other information in order for Trinary Capital to perform its required due diligence.

City of Willows agrees not to solicit, pursue, or engage any other solar PV proposals unless City of Willows and Trinary Capital mutually agree to terminate their understanding and intention to execute a formal definitive agreement. Any offers of alternative financing of this project proposed by City of Willows must be presented to and approved by Trinary Capital and may be renegotiated or rejected by Trinary Capital for any reason.

City of Willows agrees to negotiate in good faith and timely execute the definitive PPA Agreement.



Initials

Deadline for Grandfathering

On September 21st, 2023 the CPUC held proceedings and voted on the rulemaking and rate setting regarding the sunset of NEM Aggregation (NEMA). Specifically, they deliberated concerning the "Order Instituting Rulemaking to Revisit Net Energy Metering Tariffs Pursuant to Decision 16-01-044, and to Address Other Issues Related to Net Energy Metering" regarding RULEMAKING 20-08-020, a.k.a. NEM 3.0. The CPUC has decided that all NEMA applications to be grandfathered (called "legacy period") and maintain a 9-year NEM 2.0 subtariff under the previous rules must be filed and submitted prior to December 20th, 2023. NOTE: If ownership of the facility changes during the 9-year legacy period, the new owners will not benefit from the legacy period.

With respect to improvements from the construction funded by Trinary Capital (or its affiliates and assigns); and with respect to the filing deadline requirements set forth by the California Public Utility Commission under the further rulemaking relating to NEM 3.0 as per NEMA metering rules, customer agrees to have signed and submitted underwriting documents required by Trinary Capital (or its affiliates and assigns) by December 1, 2023. This is done to ensure that there would be ample time to do all necessary drafting, filing, engineering, site visits, and disclosures required.

Applications with all required documentation to qualify for grandfathering under previous NEMA aggregation and tariff rules for a period of 9 years must be submitted by December 20th, 2023. A qualified interconnection application must meet the requirements insofar as, "the interconnection application date is defined as the submission date of an application that is free of major deficiencies and

includes a complete application, a signed contract, a single-line diagram, a complete California Contractors License Board Solar Energy System Disclosure Document, a signed California Solar Consumer Protection Guide, a prevailing wage disclosure form (if applicable), an Authorization to Act on the customer's behalf, and an oversizing attestation (if applicable)."

To qualify for Grandfathering, City of Willows agrees and understands that this will require, as per state requirements for grandfathering, a signed contract among other necessary submission materials. For this, City of Willows understands they must meet underwriting requirements with Trinary Capital (or its affiliates and assigns) in order to have a signed contract with Trinary for funding of their project.

City of Willows agrees to provide these documents to Trinary Capital (or its affiliates) prior to December 1, 2023.

Underwriting documents include a copy of:

1. Articles of Incorporation
2. 3 Previous Years and YTD Financial Statements
3. Government ID from signatory of entity or owner
4. Proof of high-speed internet
5. Proof of insurance
6. Property Deed
7. Property Title
8. Property tax bill
9. Secretary of State documents stating business is in Good Standing.

JKR

Initials

Authorized
by City of
Willows

Marti Brown

Print Name

Marti Brown

Signature

City Manager

Title

12/22/23

Date

Customer: City of Willows
Address 201 N. Lassen St
Willows, California 95988

System Parameters

System Size: 520.02 kW (dc)
Estimated Year 1 Production: 783,880 kWh
PPA Rate Year 1: \$0.18/kWh
Annual Escalation: 2.99%
PPA Term: 25 Years
EPC Contractor: Barrier Solar

Firehouse and Civic Center PPA - Responses to Council Inquiries

1. Clerical

- a. Confirm Exhibit 3 is identical in both the Fire Hall and Civic Center PPA.
 - i. The word “reasonable” was added to Exhibit 3, Section 5, Item F, iii. All other language is the same.
- b. Exhibit 3, Section 5, Item C references section 2(c), Section 11, this should be Section ii.
 - i. This has been corrected in the PPA.

2. Roof Replacement Cost Reimbursement Timeline and Side Letter (General)

- a. The contract includes a provision for the city to pay for roof replacement and be reimbursed later. Clarify the exact timeline for reimbursement to prevent cash flow issues for the city.
 - i. NET 30-day payment for reimbursement of roof was added to the side letter.
- b. Is the side letter sufficient to guarantee costs to the city are reimbursed?
 - i. The side letter was reviewed by Prentice Long and is legally sufficient.

3. Interconnection Costs and Responsibility (Exhibit 1, Section 4, Item b.)

- a. The contract states that interconnection costs will not exceed \$0.
 - i. Radial has \$280,000 budgeted for these costs and should not affect the PPA rate. Section 4, b. of PPA.
- b. Clarify if there is any scenario where additional interconnection costs could arise and who would bear them.
 - i. We see no scenario where there would be additional costs. In the event that there were additional utility costs, Radial would need to model those costs and meet with the City to discuss options.

4. System Size (Exhibit 2)

- a. What is the kWh size of each system and what percentage of power is the system built to replace?
 - i. The Civic Center is a 78 kWh system and the Fire Hall is a 61 kWh system. Both systems were designed to meet approximately 94% of historical power usage.

5. Degradation Factor Definition (Exhibit 3, Section 3, Item d.)

- a. The degradation factor is referenced but not explicitly defined in the contract.
 - i. It has been added to Exhibit 1, Section 6 of the PPA and is referenced in Exhibit 3, Section 3, Item d.

6. Production Guarantee Calculation (Exhibit 3, Section 3, Item d.)

- a. The 80% production guarantee is based on a three-year rolling average rather than single-year losses. Why is a rolling average is used instead of annual guarantees?
 - i. Rolling average is used in place of annual guarantees to accommodate for any event (weather or otherwise) that would have the system produce lower than expected in a short period of time, but naturally or through maintenance, recovers to normal levels.
- b. Clarify if the reimbursement for shortfalls is at the city's actual replacement power cost (PG&E rate) or the PPA rate.
 - i. PPA Rate.
- c. Currently, reimbursement appears to be based on the PPA rate, which could create a financial risk for the city.
 - i. The PG&E rate is not a term Radial is willing to accept. The PPA rate is what we are contractually obligated to and have no control or contract with the Utility rate. The guarantees provide assurances.
- d. If the system experiences downtime, confirm whether compensation applies immediately or only if annual production falls below 80%.
 - i. Only if production dips below the 80% threshold over the 3-year rolling period.
- e. Recourse options if the system underperforms for an extended period but does not reach the 80% threshold.
 - i. If the system drops below the 80% production threshold over the 3 year rolling average period, the mitigation factors kick-in, there are no other recourse options. Radial Power is incentivized to have the system operational through the PPA agreement and a tax equity partner that is monitoring us for production as well.

7. System Installation Timeline (Exhibit 3, Section 5, Item e.) and Performance Bond (Exhibit 1, Section 4, Item a.)

- a. Contract allows 360 days for installation, but Michael estimated completion in 6-9 months.
 - i. The solar will be approximately 6 months. The timeframe can't be shortened due to unknown roof replacement timelines.
- b. Confirm whether there are any penalties for project delays or failure to meet the estimated timeline.
 - i. There are no penalties, given the size of the system, this is unnecessary.
- c. Can a performance bond be required?
 - i. Due to the small size of the system, there will be no performance bond issued.

8. Monitoring System Access (Exhibit 3, Section 10, Item a.)

- a. Confirm whether city staff will have real-time access to system monitoring data via an app or dashboard.

- i. Yes, we will provide a kiosk access that will allow you visibility into the production of the site.
- b. Specify what type of software or application will be provided for monitoring purposes.
 - i. Also Energy or other equivalent inverter production access. Language was added to the PPA in Section 10, Item a.

9. Contract Termination Clarity (Exhibit 3, Section 11, Item b. & Section 12 Item b.)

- a. The termination process in the event of Radial's bankruptcy is unclear.
 - i. A back-up servicer steps in through Tax Equity and takes over our obligations under the contract and ownership go to the tax-equity partnership.
- b. Exhibit 3, Section 11, Item c. ii. Does this override protection of termination in Exhibit 3, Section 11, Item b. ii. / b. iii. Regarding termination payment.
 - i. Termination Payment is obligated only when it is a default event by Purchaser.

10. Insurance Coverage and Liability Limits (Exhibit 3, Section 13)

- a. Clarify whether the contract includes specific insurance provisions for city property, particularly fire station assets.
 - i. Exhibit 3, Section 13, a, i. of the PPA.
- b. Determine if additional insurance coverage can be requested and at what cost.
 - i. Given the small size and CapX of this system, additional insurance would be overly burdensome, City could purchase additional coverage at their own costs if they believed it is needed.

11. Indemnification (Exhibit 3, Section 15, Item c. iii)

- a. Should Seller indemnify city if their products are deemed hazardous materials?
 - i. Language was added in Section Exhibit 3, Section 15, Item c. iv.

12. Change in Law (Exhibit 3, Section 16, item a.)

- a. When is termination payment accrued?
 - i. Accrued liabilities will not be included in termination payments in the event that termination, due to a change of law, is required.

13. Assignment of Contract and Successor Obligations (Exhibit 3, Section 17)

- a. Clarify what happens if Trinary assigns the contract to another entity.
 - i. The contract remains and the new entity is held to the same contractual obligations. Section 17, Item a. iii. of the PPA.
- b. Understand protections for the city if the new entity fails to meet obligations.
 - i. The same contractual obligations and recourses apply. Section 17, Item a. iii. of the PPA.

14. Follow-up Information

a. Clarify the answer to question 12 [Exh 3, Section 16, item a.- Was the intent to say: "Termination payments are not included in accrued liabilities, due to a change in law is required."

- i. In the event of a change in law, we negotiate to see if we can preserve the economics up to 30 days, if no agreement then seller can remove system and have no further obligation other than the restoration conditions involved in decommissioning and true up, buyer would have no obligations other than paying for power consumed to the present point. No Buyout (termination payment) is required.

b. What is the reasoning for designing the system at 94% of historical usage.

- i. We target a build size to account for the bell curve on usage from season to season and peak use. -lower production in winter-higher production in summer.

If we overbuild the system, then the unused energy will still be due and paid for by the city per the contract. The relevant discounted time of use credit/s from the utility comes back based on demand over production, which may not be in the same monthly period. This would put the city in the position of having an even larger disparity between what the city pays out for on generated power and what the discounted credit that comes in from the utility would be with no control of when that credit is redeemed. We trust and verify engineering to find a balance.

Theoretically we can build larger (within size constraints and counterparty financial assurance) but the city would not realize the economic benefit of that approach. It would be entirely to our advantage and your increased expense/ reduced ROI.

c. The answer to question 11 [Exhibit. 3, Section 15, item c. iv] does not provide that they would be responsible for any Hazardous Waste associated with or in their equipment.

- i. Section 16, c. ii of the PPA speaks to this: "ii. Purchaser Indemnity. Purchaser shall indemnify, defend and hold harmless all of Seller's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by Seller or any of its contractors, agents or employees."



ENERGY STATEMENT

www.pge.com/MyEnergy

Attachment #6

Details of Electric Charges

07/13/2024 - 08/12/2024 (31 billing days)

Service For: 445 S BUTTE ST

07/13/2024 - 08/12/2024

Customer Charge	31 days @ \$0.82136	\$25.46
Energy Charges		
Peak	1,569.693000 kWh @ \$0.65345	1,025.72
Off Peak	4,295.307000 kWh @ \$0.39583	1,700.21
Energy Commission Tax		1.76

Total Electric Charges \$2,753.15

Average Daily Usage (kWh / day)

Last Year	Last Period	Current Period
192.74	204.23	189.19

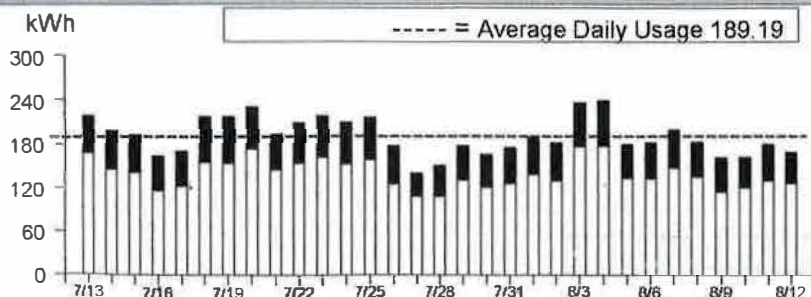
USCA-PGPG-0700-0000

www.pge.com/rin

To program your smart device, scan the QR code or enter the RIN code above and follow the on-screen instructions.

Total Usage 5,865.000000 kWh

Electric Usage This Period: 5,865.000000 kWh, 31 billing days



	Usage	Energy Charges
Peak¹	26.76%	\$1,025.72
Off Peak²	73.24%	\$1,700.21
Super Off Peak³	0.00%	\$0.00

¹Peak: Year-round, Daily, 4:00pm-9:00pm

²Off Peak: Summer, 6/1-9/30, Daily, 9:00pm-4:00pm

Winter, 10/1-2/28, Daily, 9:00pm-4:00pm

Winter, 3/1-5/31, Daily, 9:00pm-9:00am and 2:00pm-4:00pm

³Super Off Peak: Winter, 3/1-5/31, Daily, 9:00am-2:00pm



Date: February 25, 2025

To: Honorable Mayor and Councilmembers

From: Joe Bettencourt, Community Development Services Director
John Wanger, City Engineer
Marti Brown, City Manager

Subject: Emergency Declaration – Failure of Library Ceiling and Roof

Recommendation:

To ratify the attached resolution which finds that the recent partial collapse of the library ceiling and roof was an immediate threat to the public health and safety of city employees, contractors and the visiting public to the library and civic center; Thereby, requiring an immediate expenditure of public funds to stabilize the ceiling and roof. These emergency findings are required in order to qualify for statutory and common law exemptions from competitive bidding requirements.

Rationale for Recommendation:

On Tuesday, February 4, 2025, library staff experienced a partial ceiling and roof collapse shortly after arriving to work. Due to the threat of public health and safety, staff immediately contacted Clean Right Build Right (CRBR) out of Chico to install emergency bracing to prevent a total roof collapse, as well as a water pump on the roof to rapidly remove water from the Civic Center roof.

Background:

On the morning of February 4, 2025, city staff reported a partial collapse of the library ceiling and roof. Based on an assessment by the Building Inspector, it was determined that emergency services were required to shore up a failed beam in order to avoid a total roof collapse. It was also determined that until emergency work could be completed the staff should temporarily evacuate from the building and that the valve for the natural gas to the building should be turned off. There was a gas line mounted near the failed beam that was threatened. The required emergency repairs and stabilization was beyond the capabilities of the Public Works Division. Until these emergency repairs were complete, the library remained closed.

On the afternoon of February 4, CRBR arrived on site and were able to stabilize the failed beam. The suspected cause of the failure was due to excessive weight from accumulated water on the roof. Upon inspection, it was found that approximately 18-inches of water had accumulated in a low spot of the roof due to a major storm event that had dropped a significant amount of rainfall the prior night. Based on the size and depth of the pool of water on the roof, it was estimated that the accumulated water added an excess load of 20,000 pounds to the roof in the area of the ponding and immediately

above the damaged ceiling in the library. This additional weight on the roof is what caused the failure of the beam. CRBR also installed pumps on the roof in the low spot to remove the ponding rainwater.

In addition to the CRBR work, staff also contacted Russell, Gallaway Associates Inc. (RGA) in Chico to provide an emergency structural evaluation of the library roof. A structural engineer from RGA was able to complete the evaluation of the roof on Friday, February 7 and provided staff with a roof damage report late February 13.

RGA's report confirmed that a 5-1/4" x 17" glulam beam had failed. It also confirmed that failures were limited to just that major beam and the secondary joists that connected to the glulam beam were still functional. The report recommends that the failed glulam beam be fully replaced. This will require the shoring of all of the joist members spanning to the beam on each side of the failed beam so that a beam can be removed and a new beam installed from above. The report also recommended that additional shoring be installed to support the joists that directly tie into the failed beam.

Due to the emergency nature of the project, staff is moving forward with having RGA do the necessary design work to replace the failed beam and any needed local improvements to repair the roof. Staff is estimating that the design work will be \$7,500. Once the emergency design work is completed, staff will proceed with engaging a qualified contractor to complete the work. While the cost of repairs are unknown at this time, the City's insurance has already committed \$33,443 to the cost of repairs – both temporary and permanent.

Discussion & Analysis:

Due to the emergency nature of the work, both the interim measures by CBCR and RGA were necessary to ensure safety of the employees and visitors to the library and civic center. Additionally, due to the urgent need to repair the damage, staff will solicit information bids from a few contractors for the work; however, the city will not have time to go through a formal bidding process. Staff will provide updates at each council meeting in accordance with Public Contract Code Section 22050(c)(1).

Please note, the Resolution XX-2025 must pass by at least a four-fifths vote to satisfy the emergency exemption from competitive bidding in the Public Contract Code.

Consistency with Council Priorities and Goals:

As this project is an emergency, it does not fall specifically under any of the Council Priorities and Goals.

Fiscal Impact:

Due to the emergency nature of this project, the City's insurance carrier was contacted and an Adjuster has completed an initial assessment of the situation. The City will provide expense information to the Adjuster as those estimates and/or invoices arrive. It is anticipated that all costs will be covered by the city's insurance carrier.

Attachment:

- Attachment 1: Resolution XX-2025



**City of Willows
Resolution XX-2025**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS ADOPTING FINDINGS
OF AN EMERGENCY ASSOCIATED WITH THE PARTIAL FAILURE OF THE LIBRARY
CEILING AND ROOF AND AUTHORIZING CITY STAFF TO TAKE EMERGENCY ACTIONS
TO MAKE REQUIRED REPAIRS**

WHEREAS, on February 4, 2025, the library roof experienced partial collapse due to excessive rains amassing on the roof of the library from a major storm even that occurred the night before; and

WHEREAS, due to nature of the roof failure, City Public Works Crews did not have the expertise to install temporary repairs to prevent a total collapse of the roof structure; and

WHEREAS, City staff contacted Clean Right Build Right (CRBR) to assist the City with installing needed emergency repairs to ensure that the failed beams were adequately supported and to remove the excessive water that had accumulated on the roof; and

WHEREAS, to assist with an evaluation to determine if any additional emergency measure had to be taken to ensure the stability of the Library roof, City staff contacted Russell, Gallaway Associates, Inc. to perform an evaluation of the damage; and

WHEREAS, it was determined that additional temporary shoring is needed and that one of the main beams in the roof structure needs to be completely replaced; and

WHEREAS, the extent of the costs to make the necessary repairs is unknown at this time.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLOWS AS
FOLLOWS:**

- A. Pursuant to California Public Contract Code Section 22050, the public interest and necessity demanded the immediate commencement of the above-described work on Library roof and the expenditure of public money for such work to safeguard life, health and property;
- B. Pursuant to California Public Contract Code Section 22050, substantial evidence as set forth in the staff report prepared concerning this resolution, and as set forth in this resolution, establishes that the emergency conditions on Library roof would not permit delay resulting from competitive solicitation for bids for the work, and such work was necessary to respond to the emergency conditions;
- C. Competitive bidding of the emergency work ordered on the Library roof would have jeopardized the public health, safety and welfare, and risked further damage to public

property, and therefore competitive bidding of such work would not produce an advantage for the public;

- D. The emergency work ordered on the Library roof is statutorily exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 15269, subparagraphs (b) and (c);
- E. Award of contracts for the emergency work associated with emergency repairs of the Library roof is exempt from California Public Contract Code competitive bidding requirements pursuant to California Public Contract Code Section 22050 and the established common-law doctrine articulated in the case of *Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App. 3d 631.

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLOWS AUTHORIZES THE FOLLOWING ACTIONS:

- 1. The City Manager is hereby authorized and directed to pay CRBR for the performance of the emergency work described in the staff report associated with this resolution.
- 2. The City Manager is hereby authorized and directed to enter into a contract with RGA for the emergency repairs associated with the Library roof.
- 3. The City Staff are hereby authorized to receive informal bids from contractors and the City Manager is hereby authorized to enter into a contract for the necessary repairs of the Library roof.
- 4. City staff are directed, in accordance with California Public Contract Code Section 22050(c)(1), to place on future regular agendas of the City Council an item concerning the contracts authorized pursuant to this resolution so that the Council may determine whether there is a need to continue the emergency work described above or whether such work may be terminated.
- 5. City staff are directed to file a notice of exemption concerning the emergency work ordered on the Library roof with the Glenn County Clerk in accordance with California Code of Regulations Title 14, Section 15062.
- 6. This resolution shall become effective immediately.
- 7. Each portion of this resolution is severable. Should any portion of this resolution be adjudged to be invalid and unenforceable by a body of competent jurisdiction, then the remaining resolution portions shall be and continue in full force and effect, except as to those resolution portions that have been adjudged invalid. The City Council of the City of Willows hereby declares that it would have adopted this resolution and each section, subsection, clause, sentence, phrase and other portion thereof, irrespective of the fact that one or more section, subsection, clause sentence, phrase or other portion may be held invalid or unconstitutional.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council on this 25th day of February 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

Evan Hutson, Mayor

Karleen Price, City Clerk



Date: February 25, 2025

To: Honorable Mayor and Councilmembers

From: Marti Brown, City Manager
(on behalf of the Law Enforcement Services Committee)

Subject: Re-establishment of Willows Police Department

Recommendation:

To negotiate an additional two-year law enforcement services contract with the Glenn County Sheriff's Office until June 30, 2028; and revisit the process and funding of a new Willows Police Department after the City has received two quarters of Measure I, the 1.5% sales tax, in November 2025.

Rationale for Recommendation:

Measure I's actual performance and revenue generation is still unknown at this time. The city will not receive its first check from the State for the new 1.5% sales tax until July 2025. As a result, it is judicious to wait and see how the sales tax performs before starting to re-establish the police department. In addition, once the city starts the process, it will still require at least 12 to 18 months of law enforcement services from the Glenn County Sheriff's Office before the city will have a fully staffed police department.

Background:

In 2017, the City of Willows dissolved its Police Department and contracted with the Glenn County Sheriff's Office for a five-year contract. In 2023, the City of Willows renewed its contract with the Sheriff's Office for a three-year contract until June 30, 2026. Concurrently, the City Council contracted with the Municipal Resource Group (MRG) to conduct a feasibility study and cost estimate to re-establish the Willows Police Department. The study was completed in the late fall of 2024 and presented to the Council in January 2025 (Attachment 1). With the passage of Measure I, the City of Willows may now financially and realistically consider re-establishing the Willows Police Department.

Discussion & Analysis:

HdL, the City's sales tax consultant, projected that the City will receive between \$1.8 and \$2.3 million in new sales tax revenue from the 1.5% Transactions and Use Tax that was approved by the Willows' voters in November 2024. The city will not start collecting the new tax until April 1, 2025, and it will not receive its first check from the State until July 2025. The City receives sales tax payments from the State on a quarterly basis.

As a result, the Committee recommends waiting until the city receives at least two quarters of new sales tax revenue (so that it may more accurately project annual revenues) before determining its approach to re-establishing the Willows Police Department.

As the current law enforcement services agreement with the Glenn County Sheriff's Office expires on June 30, 2026, the Committee also recommends extending the contract for an additional two years until June 30, 2028, and revisiting the process to re-establish the Willows Police Department in November 2025 (after the Finance Department can realistically project annual city revenues moving forward).

An extension of the law enforcement services agreement will provide the city with additional time to more accurately determine its actual new sales tax revenue, how much will be available to rebuild the Willows Police Department and establish a transition process over the next 24 to 36 months.

Consistency with Council Priorities and Goals:

The recommendation is consistent with Priority #3: Public Safety, Goal #1 Conduct a detailed financial analysis to restore the Willows Police Department.

Fiscal Impact:

There is no fiscal impact by adopting the recommendation.

Attachment:

- Attachment 1: Law Enforcement Services Report and Cost Estimate



Law Enforcement Services Report City of Willows

By Brian Uhler, MRG
1/14/2025

Executive Summary

This report evaluates the feasibility of establishing an independent Willows Police Department (WPD), to begin services on July 1, 2026, as compared to continuing contracted law enforcement services with Glenn County Sheriff's Office (GCSO). As part of this analysis, key factors such as personnel costs, service levels, community control, and long-term benefits are considered. This report can be used to help inform the City Council's decision on whether to continue contracting law enforcement services with Glenn County or to create an independent municipal police department.

Background

Willows has contracted its law enforcement services with the GCSO since 2017. The relationship between the City of Willows and the GCSO is solid. The Sheriff has expressed no misgivings about the possibility of reestablishing the WPD. In fact, because finding sworn personnel for vacancies at the GCSO is challenging, the Sheriff has expressed support for the idea. Further, the existing examples of Orland and other Northern California police departments can serve as comparison agencies.

Due to increasing costs, concerns over crime, a thinly staffed GCSO impacting response times, and a desire for more local control, the City Council and City Council Law Enforcement Services ad hoc committee supported an evaluation to determine the feasibility of establishing a Willows Police Department (WPD). These actions led to the development of this report.

Methodology

Law enforcement deployment and staffing studies are commonplace. Most rely on a variety of established parameters which typically include¹:

1. Crime trends
2. Per capita comparisons
3. Existing/historical staffing levels or minimum staffing policy
4. Budget-driven decisions
5. Workload-based models (call for service volume)

Statewide, political realities affecting increases or decreases in the level of law enforcement funding, have been added in recent years. A more recent concern is understaffing for virtually all California agencies—now at the lowest statewide levels since 1991². Of course, this causes hiring pressures and increased personnel costs for virtually all jurisdictions.

To help arrive at recommended staffing levels, we have examined comparison city staffing levels, comparison city crime, evaluated existing service levels, and reviewed budgets from similarly sized northern California cities (see Chart 1).

Schedule modeling based on workload-based analysis can be quite time-consuming, costly, and complex. This process, lasting several months, typically includes a professional evaluator drilling down into workload details, such as how often certain events take place and how long it takes on-scene personnel to handle such events. This analysis is completed for every type of service call and administrative function (e.g. training or court). In addition, some agencies seek to align workload demands by the time

of day and day of week. Ultimately, these agencies seek to schedule enough personnel during peak times while maintaining some ideal level of unassigned preventive patrol time (called an “availability factor”).

For smaller agencies, other dynamics or realities negate the need for a detailed and costly analysis. For example, size, population, or call volume, may readily justify a single officer working at certain times; however, practical deference to officer safety may dictate two officers on the schedule during certain times or days. Another practical consideration for smaller jurisdictions is the fact that “big” events do not happen often or happen at sporadic times/days. Anticipating or staffing for these events is just not feasible. For these events, jurisdictions such as Willows normally rely on mutual aid agreements with others (GCSO or CHP). Lastly, in smaller agencies, the total number of sworn staff often limits the police leader’s ability to deploy staff proportionate to the workload (e.g. determining peak activity hours may justify rescheduling staff, but doing so would run afoul of minimum staffing requirements during other times or budget limitations don’t allow for added personnel).

For Willows, a combination of four of the previously described factors were reviewed to arrive at recommended WPD sworn staffing. The fifth evaluation method (workload-based model) is not practical, feasible, or necessary. Other methods negate its value and this method is normally used for an existing police agency to evaluate its workload.

Section 1: Comparison City Evaluation—A Basis for WPD Structure

1.1 City Budget Analysis

A review of northern California cities was completed. This review included all such cities with a population between 5,000 and 9,000. Notably, *Willows is the only city without its own police department*. Chart 1 depicts key data points which may help guide a future law enforcement services decision:

City	Population	Total Op. Budget ¹	L/E Exp. Budget	% for L/E	# Sworn	Cost Per Sworn ³	Sworn Staffing
Lakeport	5,026	7,002,591	2,903,230	41.46%	13	223,325	Chief, Capt, 3 Sgts, 8 Officers
Williams	5,538	11,882,999	2,854,770	24.02%	11	259,525	Chief, Lt., 2 Sgts, 7 Officers
Willows	6,293	6,467,796	2,000,000	30.92%			
Colusa	6,411	7,555,099	1,743,354	23.08%	9	193,706	Chief, Lt., 2 Sgts, 5 Officers
Crescent City	6,673	11,522,001	3,634,445	31.54%	15	242,296	Chief, 4 Sgts, 10 Officers
Gridley ²	7,421	9,687,204	3,905,367	40.31%	13	300,413	Chief, Lt., 2 Sgts, 9 Officers
Yreka ²	7,807	9,968,384	4,335,387	43.49%	14	309,671	Chief, 4 Sgts, 9 Officers
Corning	8,244	9,356,659	3,520,056	37.62%	13	270,774	Chief, 4 Sgts, 8 Officers
Orland	8,298	8,251,734	3,494,642	42.35%	13	268,819	Chief, 2 Sgts, 10 Officers
Averages	6,857	9,077,163	3,154,583	34.98%	12.63	258,566	

Chart 1—Budget and Staffing Level Comparison

NOTE 1: Police Vehicles are often reflected in Capital Budgets

NOTE 2: Some jurisdiction budgets are heavily influenced by cannabis/casino industry

NOTE 3: Sales tax measures are sometimes reflected as separate revenue/expenditure items

¹ 24/25 operating budget (proposed or current)—Includes Sales Tax Measure funding (if applicable)

² Indicates 23/24 budget (24/25 not available)

³ Total LE budget divided by the number of sworn positions

1.2 Crime Comparison

City	Violent Crime	Property Crime	Crime Index ¹
Lakeport	8.95	32.43	5
Williams	4.25	16.12	22
Willows	5.89	17.33	17
Colusa	2.83	13.35	29
Crescent City ²	14.04	72.71	0
Gridley	4.29	20.06	16
Yreka ³	15.33	50.21	1
Corning	6.08	33.92	5
Orland	2.56	13.87	29
Averages	7.14	30.00	13.78
Average W/O Crescent and Yreka	4.98	21.01	17.57

Chart 2—Crime Rate Comparison (source: Neighborhood Scout)

NOTE: CA Average: Violent/4.99 and Property/23.43

¹ "100" is safest--lower number equals less safe

² Crime rate heavily impacted by state prison and 3 casinos

³ Crime rate impacted by large homeless population, casinos, and cannabis

A close look at the nine comparison cities, reveals quite differing data on crime. The two safest cities are Colusa and Orland. Both Crescent City and Yreka appear to have an alarming crime rate; however, an interview with representatives from both police agencies revealed there are anomalies in both jurisdictions which explain their high crime rate. The presence of a state prison affects Crescent City's data, and a significant homeless population along with casinos/cannabis industry adversely affects Yreka crime data. By removing the outliers, we see how Willows' current crime level is very close to the adjusted crime average (reflected on the last line of Chart 2). However, being "average" as it pertains to crime is not desirable. Making reductions in crime to be more like Colusa or Orland would be a reasonable goal for Willows.

According to California Department of Justice (CA DOJ), Glenn County's violent crime has worsened since 2021, and both property and violent crime have increased since 2022. However, the 10-year trend appears fairly stable as reflected in Chart 3:

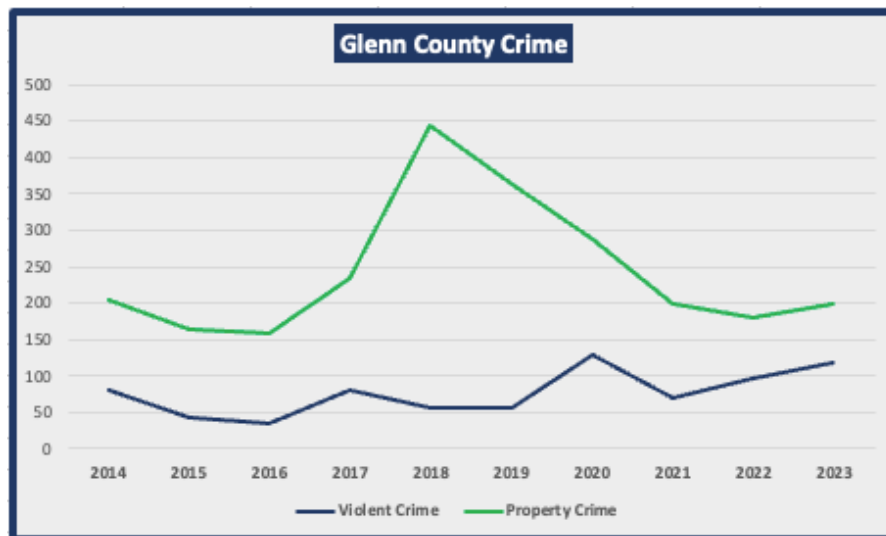


Chart 3—10-year crime trend (source: CA DOJ, Open Source)

1.3 Salary and Staffing

As previously mentioned, virtually all California police agencies struggle with maintaining a fully staffed police force. In recent years, agencies have sought to entice existing police officers by offering signing bonuses. Just to the north, Redding offers \$40K dollars for lateral hires and their top paid officers earn a monthly salary of \$9,989.

In order to establish a police agency and attract a sufficient pool of police applicants, the Council should seriously consider offering a pay level which will get applicant attention. The below chart outlines the top-step pay level for each of the region's comparison cities.

City	Chief Salary	Capt Salary	Lt. Salary	Sgt. Salary	Off. Salary
Lakeport	11,326	9,949	9,278	7,992	7,232
Williams	12,852			7,996	6,709
Colusa	11,740		9,000	7,186	6,090
Crescent City	10,702		9,234	7,941	6,309
Gridley	11,614		10,099	7,726	6,408
Yreka	11,733		10,203	7,848	6,149
Corning	11,044			8,485	7,507
Orland	10,050			7,640	6,465
Averages	11,383	9,949	9,563	7,852	6,609
80th %	11,737	9,949	10,120	7,994	7,023

Chart 4—Monthly Salary Comparisons by Position

Based on the comparison city data in Chart 1 and crime data in Chart 2, it appears that patterning a future WPD after the example of Colusa seems most appropriate. Colusa currently staffs its police department with nine sworn staff.

With a population difference of just 118 people, Colusa and Willows are closely matched. Further, the total budgets of Colusa and Willows, and law enforcement budgets are very closely aligned. In fact, Colusa currently spends about \$250k less than Willows for police services. Staffed with a total of nine sworn personnel and one Analyst, a total complement of 10 people could make up a future WPD.

Following this model, Chart 5, depicts recommended WPD personnel. The pay level, as listed, is shown at the 80th percentile for all comparable cities (as described in Chart 3). Further, to offer a viable and attractive pay structure, the pay range for future WPD staff may need to surpass the 100th percentile of comparison cities.

Position	Monthly	# of Positions	Annual Cost	2026 Cost ³
Chief	11,737	1	140,844	147,886
Sergeant	7,994	2	191,856	201,449
Officer	7,023	6	505,656	530,939
Analyst ¹	4,778	1	57,336	60,203
Sub Total	31,532		895,692	940,477
Benefits	19,124		543,237	570,399
Total Salary	50,656	10	1,438,929	1,510,876

Chart 5—Staffing/Salary Costs

NOTE 1: Salary calculation based on lateral hires, near top of range

¹Willows existing "Analyst" position salary

²Benefits@60.65% for CALPERS, Health, FICA/Medicare, Holiday Pay

³Represents a 5% increase over current salaries

1.4 Attracting Police Applicants

With an implementation date of July 1, 2026, attracting lateral police applicants is essential. There is insufficient time and no personnel to oversee an extensive training process for new police cadets.

Given this fact, under the City Council's leadership, it will be necessary to offer decisive salary and benefits to attract high-quality police applicants. Other options include items, such as take-home vehicles, generous vacation/holiday time, and one-time signing incentives. Within Section 2 of this report, we break out optional items and their costs for Council consideration.

From the employer/leadership perspective, offering options for one group of employees may cause other employees (specifically other first responders, such as Fire Department staff) to seek similar employer benefits. Anticipating this tension would be prudent, however adding these costs would require added analysis and are not considered in this report.

Another factor, which may cause hesitation on the part of applicants, is Willows' 2017 decision to disband its police department. In short, applicants will need to know there is both stable funding and a political commitment to the decision to reestablish a police department. Factors explaining this stability should be included in future position announcements and advertising.

Section 2: Financial Impacts

2.1 One-Time Costs to Establish WPD

The creation of a new police department will require significant upfront investment. With a "go live" date of July 1, 2026, one-time costs will occur in both FY 2024/25 and FY 2025/26. Current fiscal year impacts could be included in a mid-year budget adjustment (January 2025). Simultaneous to paying one-time costs, Willows would also continue to pay GCSO for law enforcement services (increasing to \$2.355M for FY 2025/26).

Based on the capacities of similar jurisdictions and law enforcement industry standards, major one-time costs include:

- **Police Workspace Renovation:** The workspace should include a public reception desk, Chief and Sergeant offices, a group briefing/report writing area, evidence processing/storage areas, secure weapon storage arrangements, and a changing/locker/shower-decontamination area.
- **Police Vehicles:** Purchase of a minimum of three police vehicles (Chief, Sergeant, and Officer). Funding is needed for the base cost and outfitting (electronics, cages, radios, markings, lights/siren).
- **Equipment and Gear:** This includes firearms, uniforms, radios, body-worn cameras, patrol rifles, and standard issue gear (handcuffs, tasers, flashlights, etc.).
- **Recruitment and Background Investigations:** Hiring processes for officers, sergeants, and a police chief, including job postings, interviews, psychological, medical and background checks.
- **Technology Infrastructure:** Police agencies require specific technology to include a Records Management System (RMS), secure connectivity for criminal justice information, specialized software to support police systems, and audio/video recording equipment.

The following charts, outline line-by-line budget estimates for one-time costs impacting both FY 2024/25 and FY 2025/26:

FY 2024/25 Budget Items	Cost
FY 24/25 Police Office Renovation (contract services for design, RFP, Bid review)	45,000
IT research/planning for WPD (contract services)	5,000
Exec Search Firm for Chief position	35,000
Technical Assessment of Radio infrastructure--plan development	5,000
Total FY 2024/2025 Costs	90,000

Chart 6—Items impacting FY 2024/25 should the City Council decides to establish WPD

FY 2025/26 Budget Items	Cost
7 Months salary for Chief (starts 12/1/25, @ \$12,324)	86,268
2.25 Months salary for Admin Asst (starts 4/24/26)	11,288
2.25 Months salary for 2 Sergeants (starts 4/24/26)	37,773
1 Month salary for 6 officers (starts working 5/29/26)	44,244
Benefits for all personnel (total \$179,573 x 60.65%)	108,911
FY 25/26 Police Office Renovation (after bid award--construction costs)	350,000
RMS System Purchase (installed and training/testing by 5/4/26)	57,000
3 Police Vehicles (Base cost)	192,547
2 Police Vehicle Upfitting (all electronics, radios, siren/lights, cage, seat, striping, etc.)	70,600
10 Police sidearms (@\$750 each--weapon, flashlight/sights, magazines, locking case, 1 spare)	7,500
10 Motorola handheld police radio (one "spare" also used by Admin Asst in the office)	25,000
Uniforms and leather gear (4 uniforms each - 9 Officers)	9,000
9 Soft body armor vests (level IIIA @ \$800 each)	7,200
Officer Carried Gear (9 Officers)	4,500
10 Badges (custom design, @\$250 each)	2,500
100 Uniform Patches (2 per uniform, 8 patches per person)	350
10 Handheld Radios (9 Officers plus one for office area--or spare)	45,000
3 Police Rifle (assigned to each vehicle)	22,500
3 Vehicle Gear (1st aid, LED flares, stop sticks, fire extinguisher, cones, PPE, Evi equip.	6,000
Range/Ammunition (qualifications/training/duty)--handgun and patrol rifle	3,000
11 Psychological testing (@\$500 each)	5,500
Background Investigations (@2,500 each--between 9/2025--2/2026)	35,000
Police pre-employment medical (@\$1,500 each)	13,500
Fuel (Chief--7 mos, Sgts/Officers, 2 mos (@50 miles/3.5 gals/day for admin functions)	3,465
Telephone hardware (plus incremental service additions)	720
CA and IACP Chief's Assn Membership (IACP application fee \$50, plus \$190/year-CPCA \$210)	450
FY 2025/2026 Subtotal	1,149,816

Chart 7—WPD start-up costs for FY 2025/26

FY 2025/26 Options	
9 Body worn camera system (worn hardware plus evidence.com storage)	11,691
2 In-car video systems (Axon, to compliment the BWC system)	6,000
9 Tasers issued to each sworn department member (\$1,800 each plus training/Axon Safety)	19,200
6 Take home car program (\$366,756 base vehicles plus 211,800 upfitting)	578,556
Sign On Bonus Program (year 1, 10K and 10K each subsequent year for 30K total)	60,000
Options Subtotal	675,447
FY 2025/26 Costs with all options added	1,825,263

Chart 8—Options for City Council consideration

Potential Cost Reduction Areas	
Alternative Used Vehicles--@ \$25K each	-117,547
Police Building--Do nothing, use existing space w/minor modifications @\$20K	-200,000
Potential Cost Cutting Total	-317,547
Minimum One Time Costs (all cost cuts and no options)	832,269

Chart 9—Cost reduction options (risk: possible warning signal to potential applicants)

2.2 One-time Cost Discussion

Analysis of the one-time costs for FY 2025/26 reflects a significant range of projected costs which depend on the course chosen by the City Council.

- \$1,825,263—High-Cost Model: This includes take-home cars, a signing bonus program, and a significant technology commitment (body-worn cameras, tasers, etc.).
- \$1,148,816—Mid-Cost Model: Includes significant infrastructure investment which reflects a long-range commitment to WPD.
- \$832,269—Low-Cost Model: Cuts costs by deferring a major building remodel and substitutes used vehicles as a starting point for operations.

As described earlier in this report, the mid and low-cost options could impact the City's ability to attract top-level applicants. The low-cost option, for a lack of applicants, may even impact the ability to start operations on time.

2.3 Police Facility Infrastructure

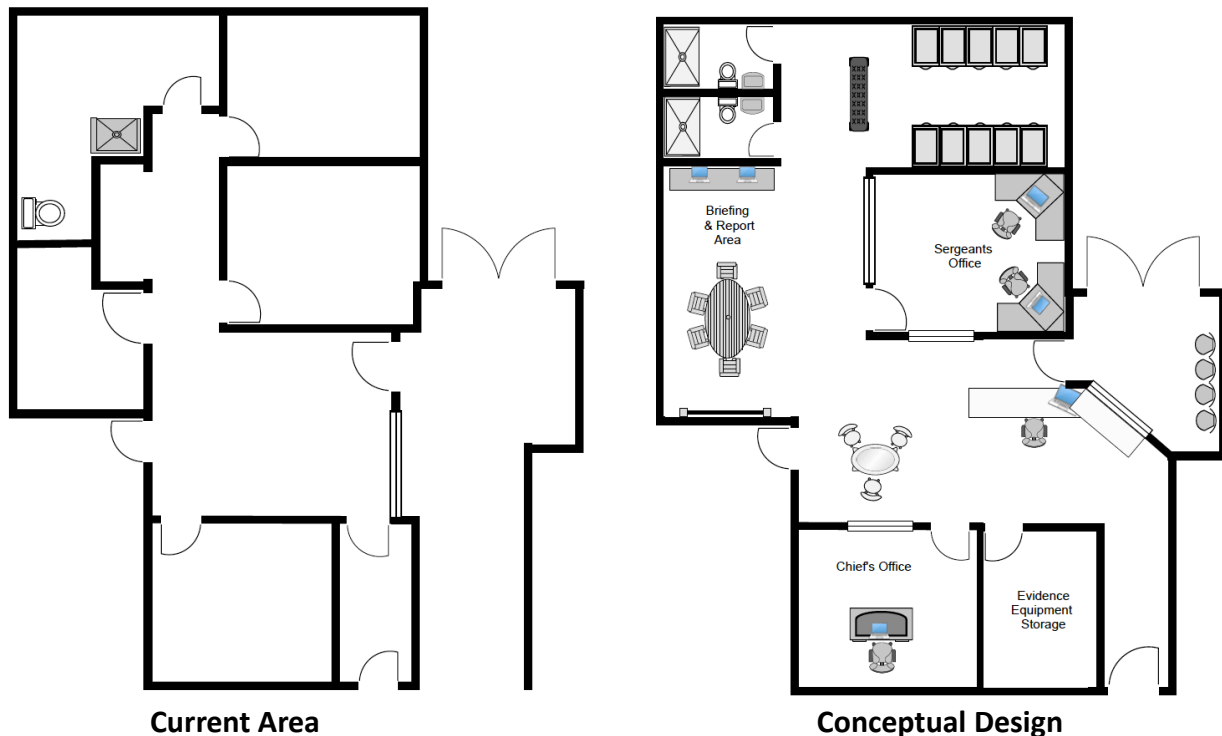
As listed below, several laws apply to the establishment of essential services/critical infrastructure facilities:

1. **Essential Services Buildings Seismic Safety Act (California Government Code, Section 16000-16023)**: Police stations are considered essential services buildings and must be designed and constructed to resist the forces generated by earthquakes to ensure that they remain operational after a seismic event.
2. **California Building Code (CBC)**: Governed by Title 24, Part 2, the CBC mandates standards for structural integrity, fire safety, and accessibility. For critical infrastructure like police stations, it imposes stricter requirements on:
 - **Seismic safety (Chapter 16)**: Ensures that the structure can withstand significant seismic events.
 - **Fire protection systems (Chapter 9)**: Requires installation of advanced fire suppression, alarm systems, and fire-resistant materials.

- **Accessibility (Chapter 11):** Ensures compliance with the Americans with Disabilities Act (ADA), providing accessible entrances, restrooms, and other key areas.
- 3. **Energy Efficiency Standards (Title 24, Part 6):** Police stations must meet energy efficiency requirements, including insulation, lighting, and HVAC systems that reduce energy consumption.
- 4. **California Green Building Standards Code (CALGreen):** Police stations, as critical infrastructure, must also comply with CALGreen standards, which promote sustainable design, energy efficiency, water conservation, and indoor air quality.
- 5. **Security Requirements (California Penal Code Section 4025):** Police stations must be designed to control access, protect detainees, and ensure the safety of law enforcement personnel and the public.
- 6. **Hazardous Materials (California Health and Safety Code, Section 25500-25547):** Facilities like police stations, which may store firearms, ammunition, and chemicals, are subject to regulations ensuring the safe storage and disposal of hazardous materials.
- 7. **California Fire Code (CFC):** Imposes fire safety regulations, including requirements for fire alarms, sprinkler systems, and emergency evacuation plans specific to essential service facilities.
- 8. **Emergency Operations and Continuity (California Government Code, Section 8607):** Requires police stations to have emergency preparedness and response plans to ensure continued operation during and after emergencies.

Compliance with these requirements requires a significant financial investment and, more importantly, adequate time to develop complex plans for such a facility. Realistically, even if funding was not a factor, it may take more than 5 years to acquire property, conduct the various impact studies, develop architectural plans, solicit community input, and gain the approvals before even breaking ground.

For these reasons, temporary police facilities will be needed to begin police operations by the target date of July 1, 2026. Since approximately 1,300 square feet of City Hall previously served as a police facility until 2017, we propose utilizing the same space for a temporary facility. To reflect its temporary nature, we also propose no changes to the exterior dimensions of City Hall.



Discussions with the City Engineer about this initial concept has led to the preliminary cost estimate as reflected in Section 2.1 of this report. The current estimate of \$395K reflects a cost of about \$300 dollars per square foot (according to RS Means Data, typical municipal remodeling in northern California is between \$150 and \$600 per square foot, depending on complexity). If the City Council wishes to move forward, a more detailed assessment will be needed to determine the concept plan's viability and more accurately determine the temporary project costs.

2.4 Annual Operating Costs

The annual operating costs for WPD include salaries, benefits, equipment maintenance, and administrative expenses. Based on comparable departments, annual operating costs include:

- **Personnel Salaries:** The WPD would start with six officers, two sergeants, one chief, and one administrative assistant. Salaries will be aligned with other northern California small jurisdictions at competitive rates to attract experienced officers.
- **Benefits:** Includes health insurance, CalPERS contributions, and other customary benefits.
- **Ongoing Equipment and Vehicle Costs:** Fuel, vehicle maintenance, and replacement of equipment.
- **Dispatch and Communications Services:** Payment to Glenn County for dispatch and Records Management System (RMS) costs.
- **Other Contract Services:** Legal, Information Technology (IT) support, policy management, police related software/hardware, etc.

Charts 10 and 11 outline the line-by-line budget estimates for all annual costs starting for FY 2026/27:

FY 2026/27 Salary/Benefits	Costs (\$)
Officer Salaries (6 Officers)	530,939
Sergeant Salaries (2 Sergeants)	201,449
Chief Salary	147,886
Admin Assistant Salary	60,203
Annual Salary Subtotal	940,477
CalPERS Retirement Contribution (16.08%)	151,229
Health Insurance (33.87%)	318,540
FICA/Medicare (7.95%)	74,768
Holiday Pay (2.75%)	25,863
Overtime Pay	70,000
Total Salary and Benefits	1,580,876

Chart 10—FY 2026/27 Salary/Benefits
(Reflects 5% increase over current comparison pay)

FY 2026/27 Materials/Services	Costs (\$)
Office expense	5,000
Postage	1,500
Telephone	2,160
Fuel (for 3 vehicles)	62,097
Clothing/Uniform replacements	4,500
PG & E	2,400
Travel/Training Costs	13,500
Dispatch Services Payment	140,000
Vehicle Maintenance	3,000
Misc. Equipment Maintenance	1,000
Dues/memberships	400
Legal contract services	48,000
Lexipol	8,967
Pro Phoenix RMS Services	3,575
Work Comp Insurance (\$8.70 per \$100 annual salary)	81,821
Risk Insurance (\$16.33 per \$100 annual salary)	153,580
Radio Service Agreement	2,000
Total Materials/Services	533,500
FY 2026/27 Total	2,114,377

Chart 11—FY 2026/27 Materials/Services
(estimates based on vendor estimates, other research/experience)

2.5 Long-Range Cost Projection

The below data and Chart 12 show the projected long-range costs for WPD and the GCSO. Assuming there is a 5% per year increase (starting in 2026), the cumulative cost difference shows the “break even” point where year-over-year savings surpasses the initial one-time costs. For example, if the initial one-time cost is \$1.82M (as described in Section 2.2), then the break-even point would be in 2032. Beyond 2032, Willows taxpayers would then spend fewer total dollars.

Year	2026	2027	2028	2029	2030
GCSO	2,355,000	2,472,750	2,596,388	2,726,207	2,862,517
WPD	2,114,377	2,220,096	2,331,101	2,447,656	2,570,038
Cumulative Difference	240,623	493,277	758,564	1,037,115	1,329,594

2031	2032	2033	2034	2035	2036	Total
3,005,643	3,155,925	3,313,721	3,479,408	3,653,378	3,836,047	33,456,984
2,698,540	2,833,467	2,975,141	3,123,898	3,280,093	3,444,097	30,038,504
1,636,697	1,959,155	2,297,735	2,653,245	3,026,530	3,418,480	3,418,480



Chart 12—Long range cost projection (10-year savings: \$3.418M)

Section 3: Service Level and Community Impact

3.1 Contracted Glenn County versus City Law Enforcement Services

Evaluation of comparison cities (Chart 1 and Chart 2), with particular attention to Colusa and Orland, highlights how Willows crime is higher. This over-arching fact *on its own* offers a compelling reason for serious consideration of establishing a WPD. Other reasons, such as rising costs, low staffing levels, and minimal local control adds credence to reverting back to a city police model.

3.2 Expected Service Levels GCSO versus Willows PD

The current contract for law enforcement services provided by the GCSO is outlined as follows:

In addition to Animal Care and Dispatch Services, the following public safety personnel will be dedicated to the City of Willows:

- One (1) full-time Lieutenant,
- One (1) full-time Sergeant,
- Nine (9) full-time Sheriff Deputies,
- One (1) full-time Detective, and
- Any and all administrative support services, personnel, equipment, supplies, and apparatus needed to provide full, 24-7 law enforcement protection and services.

Source: GCSO Contract, Exhibit A

Position	Hours	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Chief	7am-5pm	Off	On	On	On	On	Off	Off
Sgt 1	2pm-Mid	On	On	On	On	Off	Off	Off
Sgt 2	2pm-Mid	Off	Off	Off	On	On	On	On
Off 1	7am-7pm	On	On	On	Off	Off	Off	Off
Off 2	7am-7pm	Off	Off	Off	On	On	On	On
Off 3	7am-7pm	On	Off	Off	Off	Off	On	On
Off 4	7pm-7am	On	On	On	Off	Off	Off	Off
Off 5	7pm-7am	Off	Off	Off	On	On	On	On
Off 6	7pm-7am	On	Off	Off	Off	Off	On	On

Chart 13—Possible duty schedule for WPD (Officer #3 and Officer #6 also serve as relief for others who are training, injured, or on vacation)

This duty schedule provides for added coverage from Friday through Sunday which is often the busiest workdays. With eight dedicated field personnel (Sergeants and Officers), there are 14,016 service hours provided to the citizens of Willows. This represents 62.5% increase in service over the single assigned patrol model deployed by GCSO (8,760 versus 14,016 hours).

Advantages of establishing the WPD include:

- **Local Control and Accountability:** Establishing WPD would enable greater control over budgets, officer staffing, and law enforcement policies. This also opens the door for more community-oriented policing initiatives.
- **Improved Response Times:** A dedicated Willows PD could potentially improve response times and increase law enforcement presence, contributing to public safety.
- **Community Trust:** Building local relationships with residents is a key factor in the success of a municipal police department, as evidenced by jurisdictions like Menifee, which prioritized community engagement during its recent formation.

3.3 Goals for New WPD

If a WPD is established, the new Chief should be asked to develop a process to measure future WPD effectiveness. Possible goals should include:

- Lower crime—target of matching Colusa and Orland levels
- Improved community satisfaction with Law Enforcement Services
- More service hours provided to citizens
- Added prevention-oriented patrol activities
- Improved presence at public-facing city events
- Better response time to calls for service

Section 4: Comparative Case Studies

4.1 Menifee Police Department (Riverside County)

In 2020, Menifee launched its own police department after contracting for years with the Riverside County Sheriff's Department. The decision was backed by a feasibility study showing potential cost savings and enhanced response times tailored to Menifee's needs. However, the transition came with some challenges, such as initial startup costs that exceeded expectations. In the following years, Menifee experienced additional cost increases due to its rapid population growth and higher operational demands.

4.2 Lancaster Police Department (Los Angeles County)

Lancaster formed its independent police department in 2023 after determining that relying on the Los Angeles County Sheriff's Department was no longer the most effective or financially sustainable option. The city's goal was to establish more local control over policing and tailor law enforcement strategies to Lancaster's unique needs. Early results have shown that Lancaster's police department is able to offer more customized services and initiate programs that are directly focused on community needs.

4.3 Lathrop Police Department (San Joaquin County)

In 2022, Lathrop established its own police department after previously contracting with the San Joaquin County Sheriff's Office since its incorporation. This move was prompted by rising costs associated with the sheriff's services, driven in part by increasing pension obligations. Lathrop's City Council determined that creating a local police force would allow for cost savings, better resource allocation, and improved community-focused policing. To support the new department, Lathrop constructed a new police facility and developed a phased hiring plan to staff the department over a 14-month period. The new department has enabled Lathrop to have greater control over law enforcement strategies, prioritize local concerns, and enhance response times. Initial public engagement efforts, including community surveys, were conducted to inform department priorities.

Section 5: Implementation Timeline

To establish the Willows Police Department, we propose a 3-phase approach.

5.1 Phase 1 (December 2024 – May 2025)

Chart 14 outlines the six-month long Phase 1, which starts in December 2024 with the City Manager preparing a staff report and the City Council approving an initial plan to reestablish the Willows Police Department. The initial approval should also include funding approval for costs occurring in the current budget year. Phase 1 concludes in May with the Council passing the FY 2025/26 budget.



Chart 14

Phase 1 can be thought of as the establishing the foundation. Details include building designs, assessing radio infrastructure, obtaining detailed quotes for Legal and IT impacts, initiating the vehicle purchase

process, writing job descriptions for new positions, and assembling FY 2025/26 budget details. The financial impacts in FY 2025/26 will primarily consist of one-time costs (see Section 2).

5.2 Phase 2 (May 2025 — Nov 2025)

Chart 15 outlines Phase 2, which begins after the Council passes the budget for FY 2025/26 and concludes with the hiring of the new WPD Chief. With the FY 2025/26 budget approved, City staff will begin working on the many administrative functions represented in the budget. Many of these functions are related to the hiring process and developing the infrastructure for the police department.

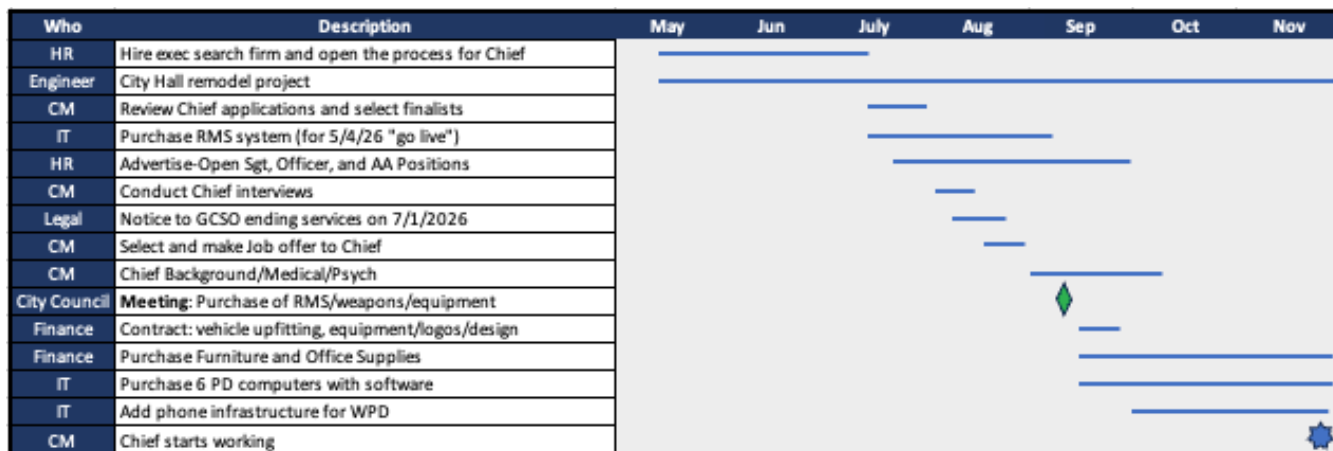


Chart 15

Phase 2 of the process can be viewed as establishing the framework for the new police department. There is a two-pronged focus: (1) HR efforts to identify future WPD people, and (2) develop the plans for equipment and WPD infrastructure. At the end of Phase 2, the Chief should be hired and the workspace should be nearly complete. The work in Phase 2 also reflects a heavy reliance on City staff to remain on-track.

5.3 Phase 3 (Dec 2025 — Jun 2026)

Chart 16 outlines the final implementation phase, which primarily consists of many detailed Police Chief activities. Starting with meeting the community and community leaders, the Chief will simultaneously begin ensuring the technical, police-oriented infrastructure, policy, and physical arrangements are established. Further, the Chief, along with Human Resources, will be instrumental in the hiring process for all personnel during this final phase.

This phase concludes with the City Council preparing the WPD for police duty by swearing in the Chief, who in-turn, will swear in all sworn personnel. Immediately after this Council meeting, the Chief could host a public open-house for the public to meet the police personnel and their families while also touring the new police facility.

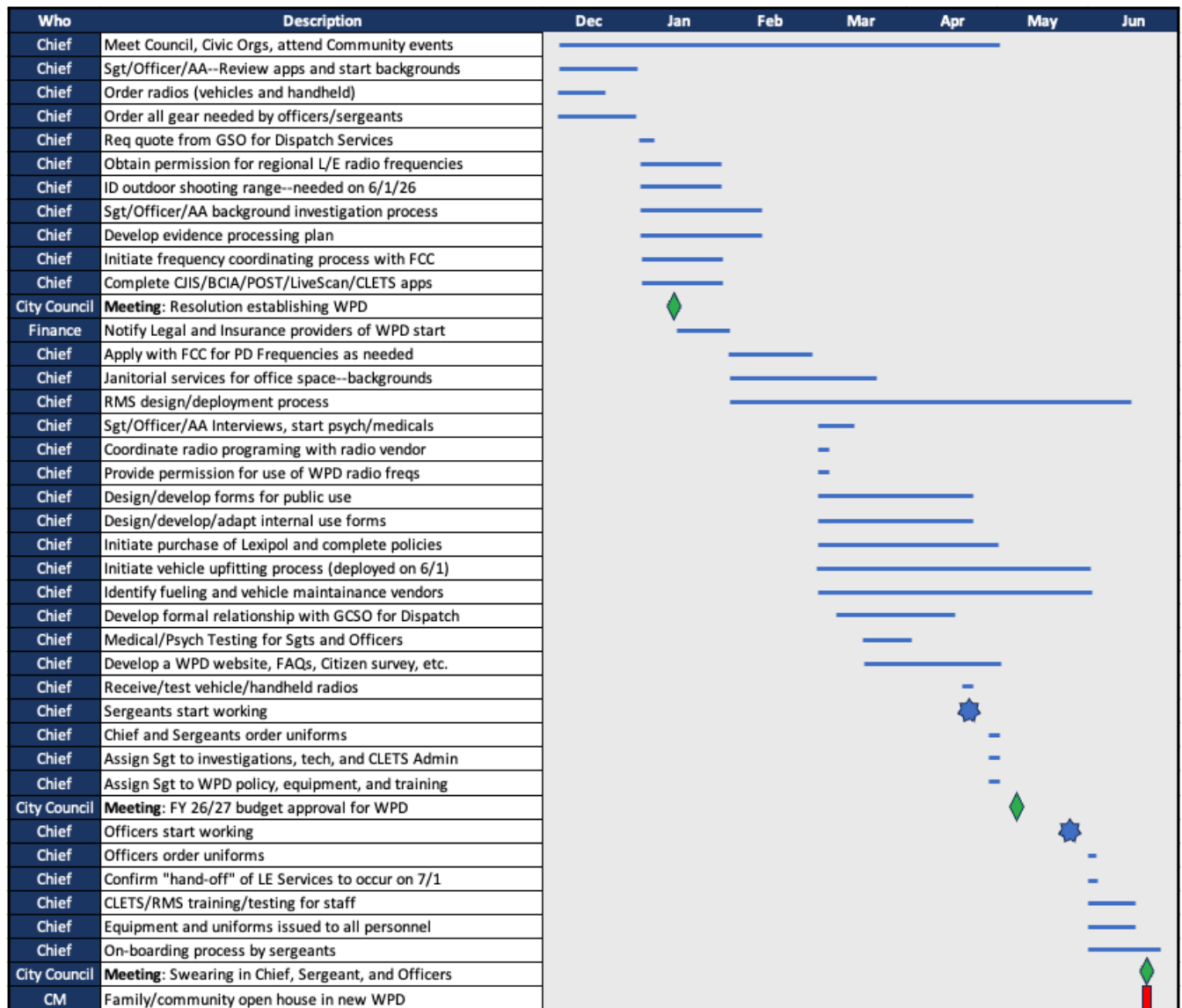


Chart 16



COMMENTS AND REPORTS



CLOSED SESSION